



Dave Wheeler  
Mayor

Joshua Sweeney  
Mayor Pro Tempore

Don Caskey  
Council Member

Janine Heft  
Council Member

Erica Pezold  
Council Member

## City of Laguna Hills City Council / Planning Agency

Regular Meeting Agenda  
Tuesday, December 10, 2024 - 7:00 PM  
(Closed Session at 6:00 p.m. when scheduled)

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

**In Person Public Comments:** Any person wishing to address the City Council/Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a pink "Request to Speak" form available on the table at the back of the Chamber and submit the form to the City Clerk. The Request to Speak form assists the Mayor in ensuring that all persons wishing to address the City Council are recognized and ensures accurate identification of meeting participants in the City Council/Planning Agency Minutes. Completion of the form is voluntary. It is City policy to limit public testimony to up to three minutes per person, an overall time limit of twelve minutes for any one subject, and a total time limit of thirty minutes for Public Comments. If you are commenting on an Agenda item, your comments will be heard at the time that item is scheduled on the Agenda. If you are addressing the City Council on an item not listed on the Agenda, the City Council is prohibited by law from discussing or taking any action on that item.

**Submission of Electronic Public Comments:** Those wishing to make electronic public comments may submit their comments by [email to the City Clerk](#) by 5:00 p.m. on Tuesday, December 10, 2024. 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. All comments received by 5:00 p.m. on the date of the meeting will be provided to the City Council and will be provided for public inspection at the meeting. During the applicable agenda item, the City Clerk will announce the name of the sender and subject matter of all electronic comments received by 5:00 p.m. on Tuesday, December 10, 2024. Email comments will NOT be read by the City Clerk during the meeting. Electronic public comments may only be submitted via email and comments via text and social media (Facebook, X (formerly Twitter), etc.) will not be accepted.

For questions or assistance, please contact the City Clerk's Office at (949) 707-2635 or via [email](#).

## **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.

**Invocation:** Chaplain Jim Davis of the Orange County Sheriff's Department

**Pledge of Allegiance:** Mayor Pro Tempore Sweeney

### **Roll Call of City Council Members**

### **City Council Reorganization**

#### **Certification of the General Municipal Election Held on November 5, 2024**

**Recommendation:** That the City Council:

- 1) Receive and file the Certificate of Results for the General Municipal Election held on Tuesday, November 5, 2024; and
- 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Reciting the Facts of the General Municipal Election held on Tuesday, November 5, 2024, Declaring the Results and Such Other Matters as Provided by Law."

#### **Recognition of Outgoing Council Member Janine Heft**

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, recognizing the service of Council Member Janine Heft" and that the City Council present a Resolution of Commendation and City Tile to Janine Heft.

#### **Remarks of Council Members Regarding Council Member Heft's Service to the City**

**Recommendation:** That the City Council provide remarks regarding Council Member Heft's service to the City.

#### **Remarks of Outgoing Council Member Janine Heft**

**Recommendation:** That the City Council receive remarks from outgoing Council Member Heft.

#### **Recognition of Outgoing Mayor and Resolution of Commendation, Dave Wheeler, Mayor**

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution



of the City Council of the City of Laguna Hills, California, commending Dave Wheeler as Mayor" and that the City Council present the Resolution and a plaque to Dave Wheeler recognizing his service to the City.

#### **Remarks of Outgoing Mayor**

**Recommendation:** That the City Council receive remarks from Outgoing Mayor Wheeler.

### **Recess and Reconvene**

### **City Council Reorganization (continued)**

#### **Oaths of Office for New Council Members**

**Recommendation:** That the City Council Members elected at the November 5, 2024, Municipal Election, receive their ceremonial oath of office.

#### **Roll Call of City Council Members**

**Recommendation:** That the City Clerk conduct a roll call of the City Council.

#### **Election of Mayor**

**Recommendation:** That the City Council nominate and elect a Mayor to serve until December 9, 2025.

#### **Remarks of Newly Elected Mayor**

**Recommendation:** That the City Council receive remarks from the newly elected Mayor.

#### **Election of Mayor Pro Tempore**

**Recommendation:** That the City Council nominate and elect a Mayor Pro Tempore to serve until December 9, 2025.

### **1. Presentations and Proclamations**

#### **1.1 Laguna Hills High School Student Liaison Report**

**Recommendation:** That the City Council receive a report from Laguna Hills High School Student Liaison Ann Pham.

#### **1.2 Certificate of Recognition for Laguna Hills High School Student Liaison Ann Pham**

**Recommendation:** That the Mayor present a Certificate of Recognition to Ann Pham recognizing her service as a Laguna Hills 2024 Fall Student Liaison.

## **2. Schedule of Future Events**

### **2.1 Schedule of Future Events**

**Recommendation:** That the City Clerk announce the upcoming meetings and events.

## **3. 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 twelve minutes for any one subject, and a total time limit of thirty minutes. Clarification questions from the City Council will not count against time limits. Speaker's responses are limited to one minute.

## **4. 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 City staff request specific items be removed from the Consent Calendar.

### **4.1 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.

### **4.2 Approval of Minutes for November 12, 2024, 4pm Special Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the November 12, 2024, 4pm Special Meeting.

### **4.3 Approval of Minutes for November 12, 2024, Regular Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the November 12, 2024, Regular Meeting.

### **4.4 Approval of Minutes for November 19, 2024, 7pm Special Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the November 19, 2024, 7pm Special Meeting.

### **4.5 Ratification of December 10, 2024 Warrant Register**

**Recommendation:** That the City Council ratify the accompanying Warrant Register for the period from November 1, 2024, to November 28, 2024, in the amount of

\$2,257,169.25.

#### **4.6 Treasurer's Investment Report for October 2024**

**Recommendation:** That the City Council receive and file the Treasurer's Investment Report for the month of October 2024.

#### **4.7 Financial Statements for Fiscal Year Ending June 30, 2024**

**Recommendation:** That the City Council receive and file the Annual Comprehensive Financial Report and other audit reports for fiscal year 2023/2024.

#### **4.8 2025 City Council Meeting Calendar**

**Recommendation:** That the City Council adopt the 2025 City Council Meeting Calendar.

#### **4.9 Affirmation of Local Appointments List for City Boards, Commission, and Committees**

**Recommendation:** That the City Council affirm the Local Appointments List and direct that it be posted on the City's website, at City Hall and in the Laguna Hills Branch Technology Library in accordance with Government Code Section 54972, the Maddy Act.

#### **4.10 Resolution Updating Designation of Assistant and Deputy City Attorneys Within the Office of City Attorney as Required by Laguna Hills Municipal Code Chapter 2-20**

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Updating Designation of Assistant and Deputy City Attorneys Within the Office of the City Attorney as Required by Laguna Hills Municipal Code Chapter 2-20."

#### **4.11 Resolution Amending and Restating City Council Policy No. 101 Regarding Procedures for the City Council Policy Manual**

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Amending and Restating City Council Policy No. 101 Regarding Procedures for the City Council Policy Manual."

#### **4.12 Resolution Amending and Restating City Council Policy No. 125 Regarding Procedures for the City Council Policy Manual**

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Amending and Restating City Council Policy No. 125 Regarding Procedures for the Delivery of City Council

Agendas."

#### **4.13 Declare Former Globe Property (APN: 616-022-04) as Exempt Surplus Land**

**Recommendation:** That the City Council declare the former Globe Property (APN: 616-022-04) as Exempt Surplus Land, and adopt a Resolution entitled, "A Resolution of the City Council of the City of Laguna Hills, California, Declaring Real Property (APN No. 616-022-04) as Exempt Surplus Land Pursuant to the Surplus Land Act, Government Code Section 54220 Et Seq. and Making CEQA Findings."

#### **4.14 Assignment and Assumption Agreement for NPDES Program Management and Inspection Consulting Services**

**Recommendation:** That the City Council: 1) Approve the proposed Assignment and Assumption Agreement relating to the 2023 Professional Services Agreement between the City of Laguna Hills and WSP USA Environment and Infrastructure, Inc. for NPDES Program Management and Inspection Consulting Services; and 2) Authorize the City Manager to execute the Assignment and Assumption Agreement.

#### **4.15 Proposed Civic Center Office Lease with The Financial Coaching Group, Inc., a California corporation, for 24031 El Toro Road, Suite 320, Laguna Hills, California**

**Recommendation:** That the City Council: 1) Approve the lease agreement with The Financial Coaching Group, a California corporation, for 24031 El Toro Road, Suite 320, Laguna Hills, California; 2) Authorize the City Manager to make minor modifications to and negotiate the final terms of the lease agreement, as necessary; and 3) Authorize the City Manager to execute the lease agreement.

#### **4.16 Safe Streets for All Grant for the Development of the Laguna Hills Safety Action Plan**

**Recommendation:** That the City Council: 1) Approve the Agreement between the United States Department of Transportation's Federal Highway Administration and the City of Laguna Hills to receive a Safe Streets and Roads for All (SS4A) Grant for the Laguna Hills Citywide Safety Action Plan; 2) Authorize the City Manager to execute the Agreement; and 3) Authorize the Finance Director to amend the budget by allocating an expenditure of \$250,000 in Professional Services (General Fund 100-355-700000), recognize grant revenue of \$200,000, and transfer \$50,000 from City Engineer Services (General Fund 100-355-700100) to fund the City's matching cost share.

#### **4.17 Side Street Stop Sign Installation on Luna Bonita Drive at La Serra**

**Recommendation:** That the City Council: 1) Find and determine that the proposed stop control intersection is not subject to the California Environmental Quality Act

pursuant to Section 15301(c) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3 (the operation and maintenance of existing highways and streets is categorically exempt); and 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, designating the intersection of Luna Bonita Drive and La Serra as a stop intersection and authorizing the installation of a one-way side street stop sign on Luna Bonita Drive at La Serra."

#### **4.18 Development Application Status Report**

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

### **Items Removed from the Consent Calendar**

#### **5. Planning Agency**

The Planning Agency is called to order only if there are items scheduled to be presented to the Planning Agency.

#### **6. City Council Public Hearings**

#### **7. Administrative Reports**

##### **7.1 City Manager**

##### **7.2 City Clerk**

##### **7.2.1 Introduction and First Reading of an Ordinance Relating to Electronic and Digital Signatures**

**Recommendation:** That the City Council introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: "An Ordinance of the City of Laguna Hills, California, Adding Chapter 1-14 (Electronic and Digital Signatures) to Title 1 (General Provisions) of the Laguna Hills Municipal Code Relating to the Authorized Use of Electronic and Digital Signatures."

#### **8. Matters Agendized and Presented by City Council Members**

#### **9. City Council Member Committee Reports**

##### **9.1 Committee Assignment Reports**

**Recommendation:** That the City Council receive reports from City Council Members on the City Council Committee Assignments listed in the staff report.

#### **10. City Council Member Comments**

## Adjournment

The next Regular Meeting of the City Council/Planning Agency will be January 14, 2025, at 6:00p.m., in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

### CERTIFICATION

I, JENNIFER LEE, 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 December 6, 2024, at 5:00p.m.

  
\_\_\_\_\_  
*Jennifer Lee, CMC, City Clerk*

It is the intention of the City of Laguna Hills to comply with the Americans with Disabilities Act in all respects. If as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City of Laguna Hills will attempt to accommodate you in every reasonable manner. Please 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. In addition, such writings or documents will be made available for public review on the City's website at: <https://www.lagunahillsca.gov/supplementalagenda> and at the respective public meeting.

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



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Certification of the General Municipal Election Held on November 5, 2024

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**Recommendation:** That the City Council:

- 1) Receive and file the Certificate of Results for the General Municipal Election held on Tuesday, November 5, 2024; and
- 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Reciting the Facts of the General Municipal Election held on Tuesday, November 5, 2024, Declaring the Results and Such Other Matters as Provided by Law."

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### Background:

On May 28, 2024, the City Council adopted Resolution No. 2024-05-28-2 calling for the City's General Municipal Election to be held on November 5, 2024, for the purpose of electing two members of the City Council for the full term of four years. Resolution No. 2024-05-28-3 was also adopted requesting the Orange County Board of Supervisors consolidate the Municipal Election with the November 5, 2024, Statewide General Election and provide election services through the Registrar of Voters' Office.

On Tuesday, November 5, 2024, the General Municipal Election was conducted and the Orange County Registrar of Voters canvassed the returns and certified the results of the election on December 3, 2024. State Elections Code Section 10262(b) requires that the City Council certify the election results no later than the next regularly scheduled City Council meeting following the Orange County Registrar of Voters' final canvass of the returns.

Additionally, State Election Code Section 10263 requires that upon completion of the canvass and before installing the new officers, the governing body shall adopt a Resolution reciting the facts of the election and the other matters that are enumerated.

The official canvass of the election, which is attached hereto as “Exhibit A” of the proposed Resolution, contains a report of votes cast for each candidate.

**Fiscal Impact:**

The invoice indicating the cost for the election will be received from the County of Orange in February. At the May 21, 2024, City Clerks election meeting, the County of Orange Registrar of Voters provided the following cost estimate model:

**Estimate Cost Factors:**

number of registered voters (+10%) x cost per voter for similar elections

**Cost per voter estimates:**

|                                          |                   |
|------------------------------------------|-------------------|
| Consolidated General (November) Election | \$1.10 - \$1.40   |
| Cost Recovery                            | \$0.06 - \$0.29   |
| Required Prepaid Return Postage (AB 216) | \$0.662 - \$0.715 |

According to the report of registration submitted to the Secretary of State, Laguna Hills has 20,230 registered voters. The same cost estimate model was provided for the 2022 General Municipal Election, which resulted in a cost of \$1.76 per voter for 20,026 voters for a total of \$35,257.80. The City’s FY2023/24-2024/25 Biennial Budget allocates \$42,500 to cover the cost of election services provided by the Orange County Registrar of Voters.

**Attachments:**

1. Proposed Resolution
2. Exhibit A - Official Canvas of the November 5, 2024 Election



RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD ON TUESDAY, NOVEMBER 5, 2024, DECLARING THE RESULTS AND SUCH OTHER MATTERS AS PROVIDED BY LAW

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, a General Municipal Election was held and conducted in the City of Laguna Hills, California, on Tuesday, November 5, 2024, as required by law; and

WHEREAS, notice of the election was given in time, form, and manner as provided by law; that voting precincts were properly established; that election officers were appointed, and that in all respects the election was held and conducted and the votes were cast, received, and canvassed and the returns made and declared in time, form, and manner as required by the provisions of the Elections Code of the State of California for the holding of elections in general law cities; and

WHEREAS, the County Elections Department canvassed the returns of the election and has certified the results to this City Council, the results are received, attached, and made a part hereof as "Exhibit A."

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

SECTION 1. That the whole number of Vote Center ballots cast was 3,702. That the whole number of vote-by-mail ballots cast in the City was 12,486, making a total of 16,188 ballots cast in the City.

SECTION 2. That the names of persons voted for at the election for City Council Member are as follows:

Jared Mathis  
Neel Patel  
Don Caskey

SECTION 3. That the number of votes given at each precinct and the number of votes given in the City to each of the persons above named for the respective offices for which the persons were candidates are as listed in "Exhibit A".

SECTION 4. The City Council does declare and determine that: **Jared Mathis** was elected as Member of the City Council for the full term of four years; and **Don Caskey** was elected as Member of the City Council for the full term of four years.

SECTION 5. The City Clerk shall enter on the records of the City Council of the City, a statement of the result of the election, showing: 1) the whole number of ballots cast in the City; 2) the names of the persons voted for; 3) for what office each person was voted for; 4) the number of votes given at each precinct to each person; and 5) the total number of votes given to each person.

SECTION 6. That the City Clerk shall immediately make and deliver to each of the persons so elected a Certificate of Election signed by the City Clerk and authenticated; that the City Clerk, or designee, shall also administer to each person elected the Oath of Office prescribed in the Constitution of the State of California and shall have them subscribe to it and file it in the office of the City Clerk. Each and all of the persons so elected shall then be inducted into the respective office to which they have been elected.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED this 10<sup>th</sup> day of December 2024.

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DAVE WHEELER, MAYOR

ATTEST:

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JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

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JENNIFER LEE, CITY CLERK



CITY OF LAGUNA HILLS Member, City Council

| Vote Center Totals                                            |              |              |             |              |            |            |
|---------------------------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
| District                                                      | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| Orange County                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Orange County                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| 40th Congressional District                                   | 16,805       | 2,933        | 17.5        | 1,617        | 853        | 1,233      |
| 47th Congressional District                                   | 3,415        | 769          | 22.5        | 350          | 239        | 286        |
| 37th Senate District                                          | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 38th Senate District                                          | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| 72nd Assembly District                                        | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| 73rd Assembly District                                        | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 5th Supervisorial District                                    | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Laguna Hills                                                  | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| State Board of Equalization (4th District)                    | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| 4th District Court of Appeal                                  | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| County Board of Education Trustee Area 5                      | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| South Orange County Community College District                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| South Orange County Community College District Trustee Area 5 | 17,246       | 3,023        | 17.5        | 1,668        | 870        | 1,272      |
| South Orange County Community College District Trustee Area 6 | 2,974        | 679          | 22.8        | 299          | 222        | 247        |
| Capistrano Unified School District                            | 13           | 0            | 0.0         | 0            | 0          | 0          |
| Capistrano Unified School District Trustee Area 6             | 13           | 0            | 0.0         | 0            | 0          | 0          |
| Saddleback Valley Unified School District                     | 20,207       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Saddleback Valley Unified School District Trustee Area 1      | 3,416        | 769          | 22.5        | 350          | 239        | 286        |
| Saddleback Valley Unified School District Trustee Area 2      | 16,791       | 2,933        | 17.5        | 1,617        | 853        | 1,233      |
| Municipal Water District of Orange County                     | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Municipal Water District of Orange County Division 5          | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Orange County Water District                                  | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Orange County Water District Division 5                       | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Moulton Niguel Water District                                 | 14,925       | 2,616        | 17.5        | 1,457        | 765        | 1,120      |
| El Toro Water District                                        | 5,295        | 1,086        | 20.5        | 510          | 327        | 399        |
| Historical 2010 - 45th Congressional District                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Historical 2010 - 36th Senate District                        | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Historical 2010 - 73rd Assembly District                      | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Historical 2010 - State Board of Equalization (4th District)  | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Historical 2010 - 5th Supervisorial District                  | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Historical 2010 - County Board of Education Trustee Area 5    | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 2                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 3                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 4                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 5                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 6                                                 | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 32                                                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 33                                                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 34                                                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 35                                                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Proposition 36                                                | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |

CITY OF LAGUNA HILLS Member, City Council

|                                              |              |              |             |              |            |            |
|----------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
| Vote Center Totals                           |              |              |             |              |            |            |
|                                              | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| District                                     |              |              |             |              |            |            |
| United States Senator Partial/Unexpired Term | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| United States Senator                        | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| President                                    | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Vote Center Totals                           | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |

CITY OF LAGUNA HILLS Member, City Council

| Vote by Mail<br>Totals                                              |              |              |             |              |            |            |
|---------------------------------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
|                                                                     | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| District                                                            |              |              |             |              |            |            |
| Orange County                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Orange County                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| 40th Congressional District                                         | 16,805       | 10,516       | 62.6        | 5034         | 4018       | 4853       |
| 47th Congressional District                                         | 3,415        | 1,970        | 57.7        | 745          | 877        | 730        |
| 37th Senate District                                                | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 38th Senate District                                                | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| 72nd Assembly District                                              | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| 73rd Assembly District                                              | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 5th Supervisorial District                                          | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Laguna Hills                                                        | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| State Board of Equalization<br>(4th District)                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| 4th District Court of Appeal                                        | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| County Board of Education<br>Trustee Area 5                         | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| South Orange County<br>Community College District                   | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| South Orange County<br>Community College District<br>Trustee Area 5 | 17,246       | 10,776       | 62.5        | 5150         | 4115       | 4976       |
| South Orange County<br>Community College District<br>Trustee Area 6 | 2,974        | 1,710        | 57.5        | 629          | 780        | 607        |
| Capistrano Unified School<br>District                               | 13           | 10           | 76.9        | 4            | 5          | 5          |
| Capistrano Unified School<br>District Trustee Area 6                | 13           | 10           | 76.9        | 4            | 5          | 5          |
| Saddleback Valley Unified<br>School District                        | 20,207       | 12,476       | 61.7        | 5775         | 4890       | 5578       |
| Saddleback Valley Unified<br>School District Trustee Area 1         | 3,416        | 1,970        | 57.7        | 745          | 877        | 730        |
| Saddleback Valley Unified<br>School District Trustee Area 2         | 16,791       | 10,506       | 62.6        | 5030         | 4013       | 4848       |
| Municipal Water District of<br>Orange County                        | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Municipal Water District of<br>Orange County Division 5             | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Orange County Water District                                        | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Orange County Water District<br>Division 5                          | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Moulton Niguel Water District                                       | 14,925       | 9,388        | 62.9        | 4577         | 3533       | 4405       |
| El Toro Water District                                              | 5,295        | 3,098        | 58.5        | 1202         | 1362       | 1178       |
| Historical 2010 - 45th<br>Congressional District                    | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Historical 2010 - 36th Senate<br>District                           | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Historical 2010 - 73rd<br>Assembly District                         | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Historical 2010 - State Board of<br>Equalization (4th District)     | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Historical 2010 - 5th<br>Supervisorial District                     | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Historical 2010 - County Board<br>of Education Trustee Area 5       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 2                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 3                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 4                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 5                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 6                                                       | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 32                                                      | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 33                                                      | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 34                                                      | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 35                                                      | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Proposition 36                                                      | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |

CITY OF LAGUNA HILLS Member, City Council

|                                              |              |              |             |              |            |            |
|----------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
| Vote by Mail Totals                          |              |              |             |              |            |            |
| District                                     | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| United States Senator Partial/Unexpired Term | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| United States Senator                        | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| President                                    | 20,220       | 12,486       | 61.8        | 5779         | 4895       | 5583       |
| Vote by Mail Totals                          | 20,220       | 12,486       | 61.8        | 5,779        | 4,895      | 5,583      |



CITY OF LAGUNA HILLS Member, City Council

| Grand Totals                                                  |              |              |             |              |            |            |
|---------------------------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
|                                                               | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| District                                                      |              |              |             |              |            |            |
| Orange County                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Orange County                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| 40th Congressional District                                   | 16,805       | 13,449       | 80.0        | 6651         | 4871       | 6086       |
| 47th Congressional District                                   | 3,415        | 2,739        | 80.2        | 1095         | 1116       | 1016       |
| 37th Senate District                                          | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 38th Senate District                                          | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| 72nd Assembly District                                        | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| 73rd Assembly District                                        | 0            | 0            | 0.0         | 0            | 0          | 0          |
| 5th Supervisorial District                                    | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Laguna Hills                                                  | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| State Board of Equalization (4th District)                    | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| 4th District Court of Appeal                                  | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| County Board of Education Trustee Area 5                      | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| South Orange County Community College District                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| South Orange County Community College District Trustee Area 5 | 17,246       | 13,799       | 80.0        | 6818         | 4985       | 6248       |
| South Orange County Community College District Trustee Area 6 | 2,974        | 2,389        | 80.3        | 928          | 1002       | 854        |
| Capistrano Unified School District                            | 13           | 10           | 76.9        | 4            | 5          | 5          |
| Capistrano Unified School District Trustee Area 6             | 13           | 10           | 76.9        | 4            | 5          | 5          |
| Saddleback Valley Unified School District                     | 20,207       | 16,178       | 80.1        | 7742         | 5982       | 7097       |
| Saddleback Valley Unified School District Trustee Area 1      | 3,416        | 2,739        | 80.2        | 1095         | 1116       | 1016       |
| Saddleback Valley Unified School District Trustee Area 2      | 16,791       | 13,439       | 80.0        | 6647         | 4866       | 6081       |
| Municipal Water District of Orange County                     | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Municipal Water District of Orange County Division 5          | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Orange County Water District                                  | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Orange County Water District Division 5                       | 0            | 0            | 0.0         | 0            | 0          | 0          |
| Moulton Niguel Water District                                 | 14,925       | 12,004       | 80.4        | 6034         | 4298       | 5525       |
| El Toro Water District                                        | 5,295        | 4,184        | 79.0        | 1712         | 1689       | 1577       |
| Historical 2010 - 45th Congressional District                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Historical 2010 - 36th Senate District                        | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Historical 2010 - 73rd Assembly District                      | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Historical 2010 - State Board of Equalization (4th District)  | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Historical 2010 - 5th Supervisorial District                  | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Historical 2010 - County Board of Education Trustee Area 5    | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 2                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 3                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 4                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 5                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 6                                                 | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 32                                                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 33                                                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 34                                                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 35                                                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Proposition 36                                                | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |

CITY OF LAGUNA HILLS Member, City Council

|                                              |              |              |             |              |            |            |
|----------------------------------------------|--------------|--------------|-------------|--------------|------------|------------|
| Grand Totals                                 |              |              |             |              |            |            |
|                                              | Registration | Ballots Cast | Turnout (%) | JARED MATHIS | NEEL PATEL | DON CASKEY |
| District                                     |              |              |             |              |            |            |
| United States Senator Partial/Unexpired Term | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| United States Senator                        | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| President                                    | 20,220       | 16,188       | 80.1        | 7746         | 5987       | 7102       |
| Vote Center Totals                           | 20,220       | 3,702        | 18.3        | 1,967        | 1,092      | 1,519      |
| Vote by Mail Totals                          | 20,220       | 12,486       | 61.8        | 5,779        | 4,895      | 5,583      |
| Grand Totals                                 | 20,220       | 16,188       | 80.1        | 7,746        | 5,987      | 7,102      |



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Recognition of Outgoing Council Member Janine Heft

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**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, recognizing the service of Council Member Janine Heft" and that the City Council present a Resolution of Commendation and City Tile to Janine Heft.

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### **Background:**

Council Member Janine Heft, was elected to the City Council on November 8, 2016, and took her Oath of Office on December 13, 2016. During her term, she served as Mayor from December 10, 2019, through December 8, 2020, and from December 13, 2022, through December 12, 2023. It is in order to recognize Council Member Heft for admirably performing her duties and responsibilities as a member of the Laguna Hills City Council and for her service to the City and its constituents.

### **Attachments:**

1. Proposed Resolution Commending Council Member Janine Heft

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF LAGUNA HILLS, CALIFORNIA, RECOGNIZING THE  
SERVICE OF COUNCIL MEMBER JANINE HEFT

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, Janine Heft was appointed to the City Council by Resolution No. 2016-12-13-1, pursuant to subdivision (a) of Section 10229 of the California Elections Code, took her original Oath of Office on December 13, 2016, was elected for a second term on November 3, 2020, served with distinction as Mayor for two terms, and has admirably performed her duties and responsibilities as a member of the Laguna Hills City Council by providing excellent and constructive contributions to the delivery of municipal services – both locally and regionally; and

WHEREAS, in addition to accepting the responsibilities and outstanding leadership throughout her term on the council, serving on the City's Events, Communication, and Beautification Committee and 3/5 Memorial Ad Hoc Committee, and faithfully fulfilling her duties and responsibilities, Janine Heft has ably represented the City on various regional boards including serving as Chair of the San Joaquin Hills Transportation Corridor Agency, 2023-2024 President of the Association of California Cities – Orange County's, and delegate to the League of California Cities General Assembly; and

WHEREAS, during her term, the City Council adopted the City's Biennial Budget for the 2023/2024 & 2024/2025 fiscal years, allocating funding for two additional Orange County Sheriff's Department deputies and one additional Community Services Officer; launched "The Round-Up" electronic newsletter; adopted five Ordinances enacting regulations regarding parking, short term rentals, the sign code and informal bidding procedures; approved multiple master sign programs, welcoming new businesses to the City; Janine Heft was very proud to honor the veterans at our Memorial Day Race event, celebrate our independence at our Fourth of July event and commemorating our roots at Heritage Day; and

WHEREAS, the performance of her duties and responsibilities as a council member have been characterized by excellent and constructive contributions to the lasting development of our City, and with detailed attention to financials and enhanced transparency, earning the respect and admiration of her colleagues.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, on behalf of all our citizens, does hereby express sincere appreciation and thanks to Council Member Heft, for her distinguished service to the City of Laguna Hills, highly commend her for the manner in which she has carried out her duties as Council Member, and extend our best wishes for continued success and happiness in all her future endeavors.

PASSED, APPROVED, AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_  
DAVE WHEELER, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at  
a Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following  
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Recognition of Outgoing Mayor and Resolution of Commendation, Dave Wheeler, Mayor

---

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, commending Dave Wheeler as Mayor" and that the City Council present the Resolution and a plaque to Dave Wheeler recognizing his service to the City.

---

### **Background:**

Mayor David Wheeler served his second term as Mayor of the City of Laguna Hills from December 12, 2023, through December 10, 2024. It is now in order to recognize Mayor Wheeler for his service to the City as Mayor.

### **Attachments:**

1. Proposed Resolution Commending Mayor David Wheeler

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF LAGUNA HILLS, CALIFORNIA, COMMENDING  
DAVID WHEELER AS MAYOR

WHEREAS, David Wheeler served with distinction as Mayor of the City of Laguna Hills from December 12, 2023, through December 10, 2024; and

WHEREAS, during his tenure as Mayor, the City Council, under Mayor Wheeler's leadership, achieved significant milestones, including the certification of the Housing Element by the Housing and Community Economic Development (HCED), the approval of Conditional Use Permits (CUPs) for several new businesses, such as Danckuts, Muirlands Animal & Aviation Hospital, Dutch Bros Coffee, Pet Food Express, Coeur Pilates, and Ralph's Fuel Station; and

WHEREAS, under Mayor Wheeler's guidance, and with the support of the City Council, the City also approved a new franchise agreement with the City's solid waste hauler, facilitated the installation of additional FLOCK cameras to enhance public safety, and initiated a contract with an IT firm to overhaul the City's network infrastructure; and

WHEREAS, Mayor Wheeler's leadership led to the implementation of a new sidewalk vending ordinance, the initiation of renovations to five City parks, and the successful closure of illegal marijuana businesses, ensuring the safety and compliance of local businesses and residents; and

WHEREAS, Mayor Wheeler's service has been characterized by unwavering dedication, constructive leadership, and a commitment to the long-term growth and development of Laguna Hills. His emphasis on financial stewardship, transparency, and efficient governance has earned him the respect and admiration of his colleagues, staff, and the broader community; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, on behalf of all our citizens, does hereby express its appreciation and thanks to Mayor Wheeler, for his service to the community as Laguna Hills Mayor for 2024.

PASSED, APPROVED, AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_  
JOSHUA SWEENEY, MAYOR PRO TEMPORE

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at  
a Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following  
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK





## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Certificate of Recognition for Laguna Hills High School Student Liaison Ann Pham

---

**Recommendation:** That the Mayor present a Certificate of Recognition to Ann Pham recognizing her service as a Laguna Hills 2024 Fall Student Liaison.

---

### **Background:**

The City of Laguna Hills and the Laguna Hills High School PTSA established a Student Liaison Program in 1993. Ann Pham has served as a Student Liaison for the 2024 fall semester. She has served with distinction, and it is in order to recognize her service.

### **Fiscal Impact:**

There is no fiscal impact associated with this item.

### **Attachments:**

1. Certificate of Recognition - Ann Pham



# CITY OF LAGUNA HILLS

## CERTIFICATE OF RECOGNITION

**ANN PHAM**  
**Laguna Hills High School**  
**Student Liaison**

**August 27, 2024 through December 10, 2024**

**WHEREAS,** *the City of Laguna Hills and Laguna Hills High School established a Student Liaison Program to create a direct link between the School and the City Council; and*

**WHEREAS,** *Ann Pham was appointed to serve as the Student Liaison to the City Council and took the Oath of Office on August 27, 2024; and*

**WHEREAS,** *Ann Pham has served as the Student Liaison with dedication and distinction, setting a fine example for those students who will serve in the future.*

**NOW, THEREFORE, I, \_\_\_\_\_, Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Ann Pham for their service to the City as Student Liaison to the City Council.**

**Dated this 10<sup>th</sup> day of December 2024.**

\_\_\_\_\_  
**, MAYOR**



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Schedule of Future Events

---

**Recommendation:** That the City Clerk announce the upcoming meetings and events

---

### Meetings:

#### **City Council/Planning Agency Regular Meetings**

Tuesday, January 14, 6:00 p.m., Laguna Hills Civic Center Council Chamber

Tuesday, January 28, 6:00 p.m., Laguna Hills Civic Center Council Chamber

#### **Traffic Commission Regular Meeting**

Wednesday, January 15, 6:00 p.m., Laguna Hills Civic Center Council Chamber

### Events:

**Laguna Hills Holiday Lights Tour** (pre-registration required, \$10 per person)

Wednesday, December 11, 6:00 p.m. - 8:30 p.m., meet at Laguna Hills Community Center

**Winter Wreath Workshop** (pre-registration required, \$100 per person)

Thursday, December 12, 6:00 p.m. - 8:00 p.m., meet at Laguna Hills Community Center

**Parents Night Out** (pre-registration required, \$5 per child)

Friday December 13, 6:00 p.m. - 8:30 p.m., Laguna Hills Community Center

**Breakfast with Santa** (pre-registration required, \$10 per person, under 2 yrs old free)

Saturday, December 14, 9:00 a.m. - 11:00 a.m., Laguna Hills Community Center

**Holiday Dance & Music Extravaganza** (pre-registration required)

Saturday, December 14, 7:00 p.m. - 9:00 p.m., Laguna Hills Community Center

**Excursion to San Diego Central Library** (pre-registration required, \$20 residents; \$25 non-residents)

Sunday, December 15, 11:00 a.m. - 7:00 p.m., meet at Laguna Hills Community Center

[Excursion to Downtown Palm Springs](#) (pre-registration required, \$25 residents; \$30 non-residents)

Thursday, December 19, 11:30 a.m. – 10:00 p.m., meet at Laguna Hills Community Center

[Laguna Hills Holiday Lights Tour](#) (pre-registration required, \$10 per person)

Friday, December 20, 6:00 p.m. - 8:30 p.m., meet at Laguna Hills Community Center

[“Home Alone” Movie & Trivia Night](#)

Saturday, December 21, 4:00 p.m. – 7:00 p.m., Laguna Hills Community Center

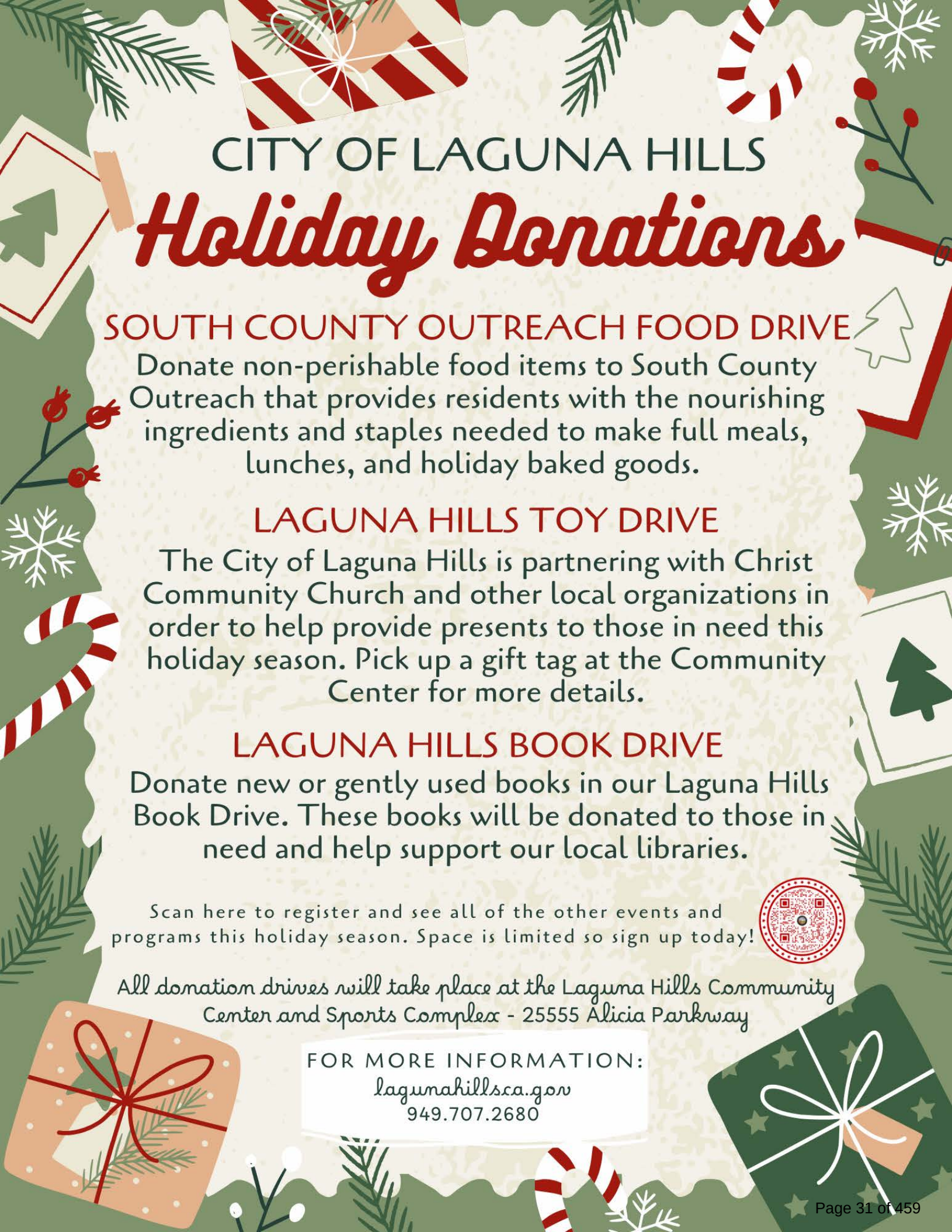
[County of Orange 2025-2029 Consolidated Plan-Resident Needs Survey](#)

Survey Deadline - Tuesday, December 31, 2024

**Attachments:**

1. Event Flyers





CITY OF LAGUNA HILLS

# *Holiday Donations*

## **SOUTH COUNTY OUTREACH FOOD DRIVE**

Donate non-perishable food items to South County Outreach that provides residents with the nourishing ingredients and staples needed to make full meals, lunches, and holiday baked goods.

## **LAGUNA HILLS TOY DRIVE**

The City of Laguna Hills is partnering with Christ Community Church and other local organizations in order to help provide presents to those in need this holiday season. Pick up a gift tag at the Community Center for more details.

## **LAGUNA HILLS BOOK DRIVE**

Donate new or gently used books in our Laguna Hills Book Drive. These books will be donated to those in need and help support our local libraries.

Scan here to register and see all of the other events and programs this holiday season. Space is limited so sign up today!



All donation drives will take place at the Laguna Hills Community Center and Sports Complex - 25555 Alicia Parkway

FOR MORE INFORMATION:

[lagunahillscs.ca.gov](http://lagunahillscs.ca.gov)  
949.707.2680





# CITY OF LAGUNA HILLS *Holiday Events*

## DECEMBER 6: TREE LIGHTING 6P-8P

Kick off the holiday season with an evening of festive lights, carolers, refreshments, crafts, snow, and a visit from Santa! We will have a snow play area in the parking lot so dress warm!

## DECEMBER 13: PARENT'S NIGHT OUT 6P-8:30P

Parents, get your holiday shopping done and let the Community Services staff watch the kids (ages 6-14)! Pre-registration is required and the event costs \$5 per child. Dinner will be served.

[REGISTER HERE](#)

## DECEMBER 14: BREAKFAST WITH SANTA 9A-11A

Join Santa for a pancake breakfast! The event will feature crafts, pictures with Santa, and a delicious breakfast. Pre-registration is required and the event costs \$10 per person, children under 2 years old are free.

[REGISTER HERE](#)

## DECEMBER 14: HOLIDAY DANCE & MUSIC EXTRAVAGANZA 7P\*-9P

Enjoy an evening of holiday dance and music performances from local artists.

\*Doors open at 6:30pm. Pre-registration is required. Scan QR code below for more information.

And so much more! Scan here to register and see all of the other events and programs including floral workshops, holiday movie night, and a special light tour! Space is limited so sign up today!



All events will take place at the Laguna Hills Community Center and Sports Complex - 2555 Alicia Parkway

FOR MORE INFORMATION:

[lagunahillsca.gov](http://lagunahillsca.gov)  
949.707.2680



# *Winter Wreath Workshop*

THURSDAY, DECEMBER 12

6 PM - 8 PM

\$100 PER PERSON

Laguna Hills Community Center  
2555 Alicia Pkwy, Laguna Hills  
[lagunahillsca.gov](http://lagunahillsca.gov)  
(949) 707-2680





FRIDAY, DECEMBER 13  
6:00 PM - 8:30 PM

# Parent's Night Out

PARENTS, GET YOUR HOLIDAY SHOPPING  
DONE AND LET THE COMMUNITY SERVICES  
STAFF WATCH THE KIDS (AGES 6-14)!

REGISTRATION ONLINE AT  
[WWW.LAGUNAHILLSCA.GOV](http://WWW.LAGUNAHILLSCA.GOV)





# BREAKFAST *With Santa*

**PANCAKE BREAKFAST | CRAFTS | PHOTO WITH SANTA**

**SATURDAY, DECEMBER 14 2024 | 9-11 AM**

\$10 per person. Registration:



Laguna Hills Community Center



[lagunahillsca.gov](http://lagunahillsca.gov)







# *Holiday Musical Dance Extravaganza*

Saturday December 14th

6:30 - 9:00 p.m.

*you are invited to experience a magical night filled with  
holiday music, dance, and food!*

*The extravaganza is a holiday program for all ages that  
celebrates the holidays with the finest performances of  
singers, dancers, and musical artists.*

Hosted By: Kris & Briana Suakjian

## FEATURING

OCSA BALLROOM  
DANCE CONSERVATORY

FRED ASTAIRE  
DANCE STUDIOS

PACIFIC BALLET CONSERVATORY

THE SPACE

SWAY BALLROOM

YSA PADUA

KATELYN LAWSON &  
GARRETT SHIPPEN

CHANEL SIMPSON &  
BRENDAN ISAIS

## LOCATION

Laguna Hills Community Center  
25555 Alicia Parkway, Laguna Hills

Tickets: \$12.00 Per Person

Dinner Provided By:

[www.LHdance.eventbrite.com](http://www.LHdance.eventbrite.com)

Villa Roma





# Excursion to San Diego Central Library



Hop on the van and join us as we head to Downtown San Diego for a self-guided tour of the San Diego Central Library covering the building's art or special collections. Designed by local architect Rob Wellington Quigley, the 9-story structure is topped with an iconic steel-and-mesh lattice dome. Explore some of the 150-individual works of art from the City of San Diego Civic Art Collection, the largest display in the history of the Commission for Arts and Culture. Enjoy a special look in the Hervey Family Rare Books Room that holds the Library's treasured Wangenheim Collection. Then, enjoy the conclusion of the Fall Concert Series: The Odeum Guitar Duo "*Masterworks for Two Guitars*". Bring water, snacks and sack lunch or enjoy lunch on your own in the popular and picturesque Seaport Village. Participants meet at the Laguna Hills Community Center where City staff will provide transportation. Call (949) 707-2680 for more information. **No refunds or transfers for this event.**

**\*Registration starts on November 12, 2024**

**Class# 1475**

Like us on 

**12/15 11:00AM-7:00PM Sunday**

at [www.facebook.com/lagunahillscs](https://www.facebook.com/lagunahillscs) **Fee: Resident \$20, Non-Resident \$25**

To register or for more information, please call (949) 707-2680 or visit

[www.lagunahillscs.gov](http://www.lagunahillscs.gov)

# Excursion to Downtown Palm Springs



Travel with us to explore this desert oasis situated in the western end of the Coachella Valley. While there we plan on site seeing, including architectural sites, walk the stars, visiting the Agua Caliente Cultural Museum, Palm Springs Art Museum, and Village Fest – an open-air street market. Bring water, snacks, and a sack lunch or purchase from food vendors. Participants meet at the Laguna Hills Community Center where City staff will provide transportation. Call (949) 707-2680 for more information. **No refunds or transfers for this event.**

**\*Registration begins November 12, 2024**

**Class# 1476**

**12/19 11:30AM-10:00PM Thursday**

**Fee: Resident \$25, Non-Resident \$30**

Like us on  at [www.facebook.com/lagunahillscs](https://www.facebook.com/lagunahillscs)

To register or for more information, please call (949) 707-2680 or visit

[www.lagunahillscsca.gov](http://www.lagunahillscsca.gov)



# “Home Alone” Movie & Trivia Night



Come down to the Community Center for a special feature and festivities in celebration of the Christmas classic “Home Alone,” which stars Macaulay Culkin, Joe Pesci, Daniel Stern, John Heard, and Catherine O’Hara. This 1990 hit movie is considered one of the top Christmas movies and highest-grossing Christmas film ever made. The age rating is PG and recommended for ages 10+. Thereafter, we will test your knowledge in a round of trivia. Popcorn will be provided on-site and feel free to bring a blanket or beach chair to enjoy the movie in the front of our Heritage room. However, chairs and tables will be available further away. You are encouraged to bring a dish, snacks, or drink as this event encourages a potluck-style banquet. Prizes will be for Best Potluck item, Arts & Craft, and Trivia. Registration is limited to room capacity.

**Class# 1525**

**12/21 4:00PM-7:00PM Saturday**

**Fee: Resident \$0, Non-Resident \$0**

To register or for more information, please call (949) 707-2680 or visit

[www.lagunahillsca.gov](http://www.lagunahillsca.gov)

# 2025-2029 CONSOLIDATED PLAN **RESIDENT NEEDS SURVEY**



County of Orange Housing & Community Development Seeks Input from Laguna Hills Residents for 2025-2029 Consolidated Plan

The County of Orange receives approximately \$4 million in federal funds from the U.S. Department of Housing and Urban Development (HUD) each year for housing and community development projects in certain County jurisdictions, which includes the City of Laguna Hills.

These annual grants can be used to provide decent housing, suitable living environments, and expanded economic opportunities, for low- and moderate-income persons in our city. In creating the 2025-2029 Consolidated Plan, the County needs your help to identify the priorities for improvements and public services in our community.

To have a voice in how the County invests this money in Laguna Hills, please complete the Resident Needs Survey by December 31, 2024.

Please select the survey link or QR code in your preferred language to complete the survey.

- English: <https://www.surveymonkey.com/r/K2MDFX5>
- Spanish: <https://www.surveymonkey.com/r/K2HYSFY>
- Chinese: <https://www.surveymonkey.com/r/5LPQQY9>
- Korean: <https://www.surveymonkey.com/r/5V8HSKT>
- Vietnamese: <https://www.surveymonkey.com/r/5V7PWJK>



ENGLISH



SPANISH



CHINESE



KOREAN



VIETNAMESE

**FOR MORE INFORMATION  
VISIT [OCHCD.ORG/COMMUNITY-DEVELOPMENT](https://ochcd.org/community-development)  
OR CALL 714-480-2996**

**City of Laguna Hills  
City Council  
Special Meeting  
Minutes  
Tuesday, November 12, 2024**

**Call to Order**

The meeting was called to order at 4:01 p.m. by Mayor Wheeler.

**Roll Call of City Council Members**

**Present:**

Mayor Dave Wheeler  
Mayor Pro Tempore Joshua Sweeney  
Council Member Don Caskey  
Council Member Erica Pezold

**Absent:**

Council Member Janine Heft

**Public Comments**

There were no public comments on the special meeting items.

**Announcement of Closed Session Item(s)**

**A. Public Employee Performance Evaluation**

Pursuant to Government Code Section 54957(b)(1)  
Public Employee Title: City Attorney - Annual Performance Review

**Adjourn to City Council Conference Room or City Council Chamber**

**Convene into Closed Session**

The City Council convened into closed session to consider the matter listed above.

**Reconvene to City Council Chamber**

The City Council reconvened the City Council Meeting at 5:15 p.m. with a quorum of 4 Council Members present in Chamber.

**Closed Session Report**

**A. Public Employee Performance Evaluation**

Pursuant to Government Code Section 54957(b)(1)  
Public Employee Title: City Attorney - Annual Performance Review



City Attorney Simonian stated that the City Council convened into closed session pursuant to the authorities listed on the agenda with no reportable action.

## City Council Workshop Items

### 1 Update on Comprehensive Review of City Council Policies and Administrative Orders

**Recommendation:** That the City Council review the modifications made to the City Council Policies and provide direction to staff.

Mayor Wheeler provided information on the item.

A motion to approve the discussed changes to City Council Policy No. 101 was moved by Mayor Wheeler, seconded by Council Member Pezold.

Result: Passed

Yes 4, No 0, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council Member Caskey, Council Member Pezold

Nays: None

Abstain: None

City Manager Hildenbrand responded to Council Member requests for additional information.

City Attorney Simonian responded to Council Member requests for additional information.

Deputy City Manager/Community Services Director responded to Council Member requests for additional information.

A motion to approve the discussed changes to City Council Policy No. 125 was moved by Mayor Wheeler, seconded by Council Member Pezold.

Result: Passed

Yes 4, No 0, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council Member Caskey, Council Member Pezold

Nays: None

Abstain: None

## Adjournment

There being no further business before the City Council at this session, Mayor Wheeler declared the meeting adjourned at 5:57 p.m.

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Jennifer Lee, City Clerk

ATTEST:

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, Mayor

Approved at meeting of December 10, 2024.

**City of Laguna Hills  
City Council / Planning Agency  
Regular Meeting  
Minutes  
Tuesday, November 12, 2024**

**Closed Session - Convening at 6:00 PM**

**Call to Order**

The meeting was called to order at 6:00 p.m. by Mayor Wheeler.

**Roll Call of City Council Members**

**Present:**

Mayor Dave Wheeler  
Mayor Pro Tempore Joshua Sweeney  
Council Member Don Caskey  
Council Member Erica Pezold

**Absent:**

Council Member Janine Heft

**Announcement of Closed Session Item(s)**

**A. Public Employee Performance Evaluation**

Pursuant to Government Code Section 54957(b)(1)  
Public Employee Title: City Manager - Annual Performance Review

**B. Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6  
Agency Negotiator: Dave Wheeler, Mayor  
Unrepresented Employee: Jarad Hildenbrand, City Manager

**Public Comments**

There were no public comments on the closed session items.

**Adjourn to City Council Conference Room or City Council Chambers**

**Convene into Closed Session**

The City Council convened into closed session to consider the matters listed above.

**Reconvene to City Council Chamber**

**Recess**

## **General Business Convening at 7:00 PM**

### **Call to Order**

The meeting was called to order at 7:06 p.m. by Mayor Wheeler.

**Invocation:** Elder Tom Munson of Christ Community Church

**Pledge of Allegiance:** Council Member Pezold

### **Roll Call of City Council Members**

**Present:**

Mayor Dave Wheeler  
Mayor Pro Tempore Joshua Sweeney  
Council Member Don Caskey  
Council Member Erica Pezold

**Absent:**

Council Member Janine Heft

### **Closed Session Report**

**A. Public Employee Performance Evaluation**

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

Public Employee Title: City Manager - Annual Performance Review

**B. Conference with Labor Negotiator**

Pursuant to Government Code Section 54957.6

Agency Negotiator: Dave Wheeler, Mayor

Unrepresented Employee: Jarad Hildenbrand, City Manager

City Attorney Simonian stated that the City Council convened into closed session pursuant to the authorities listed on the agenda with no reportable action.

## **1. Presentations and Proclamations**

### **1.1 Laguna Hills High School Student Liaison Report**

The City Council received a report from Laguna Hills High School Fall Student Liaison Alternate Forrest Frey.

Mayor Wheeler provided remarks on a Veterans Day event and recognized the veterans present at the meeting and thanked them for their service.

## **2. Schedule of Future Events**

### **2.1 Schedule of Future Events**

City Clerk Lee announced the upcoming meetings and events.

### 3. Public Comments

There were no public comments on non-agendized items.

### 4. Consent Calendar

Jackie Lloyd and Geoff and Khanh Hager, residents of Alicia Place neighborhood, submitted electronic public comments opposing Item No. 4.8, that were forwarded to the City Council prior to the meeting, posted on the City's website, and announced into the record by City Clerk Lee.

The following individual(s) provided public comments in favor of Item No. 4.8:

Nancy Norcross  
Robert Wheelhouse  
Natalie Lindsay

The following individual(s) provided public comments opposing Item No. 4.8:

Deanna Jacobson  
Bonnie Hanna

Public Works Director/City Engineer Ames responded to Council Member requests for additional information.

David Oslinker, a resident of Laguna Hills, submitted an electronic public comment in favor of Item No. 4.10, that was forwarded to the City Council prior to the meeting, posted on the City's website, and announced into the record by City Clerk Lee.

Morgan Gallagher of Cox, Castle & Nicholson LLP submitted an electronic public comment on behalf of KB Ridge Route, LLC, KB Mill Creek, DST, and KB Spectrum Summit Plaza, LLC, opposing Item No. 4.10, that was forwarded to the City Council prior to the meeting, posted on the City's website, and announced into the record by City Clerk Lee.

The following individual(s) provided public comments opposing Item No. 4.10:

Tibor Keleman  
Morgan Gallagher

A motion to approve the balance of the Consent Calendar with Council Member Pezold and Council Member Caskey removing Item No. 4.8 and Item No. 4.10 was moved by Council Member Pezold, seconded by Mayor Pro Tempore Sweeney.

Result: Passed

Yes 4, No 0, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council Member Caskey, Council Member Pezold



Nays: None  
Abstain: None

#### **4.1 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.

#### **4.2 Approval of Minutes for October 22, 2024, 4pm Special Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the October 22, 2024, 4pm Special Meeting

#### **4.3 Approval of Minutes for October 22, 2024, 6pm Special Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the October 22, 2024, 6pm Special Meeting

#### **4.4 Approval of Minutes for October 22, 2024, Regular Meeting**

**Recommendation:** That the City Council approve the City Council Minutes for the October 22, 2024, Regular Meeting.

#### **4.5 Ratification of November 12, 2024 Warrant Register**

**Recommendation:** That the City Council ratify the accompanying Warrant Register for the period from October 11, 2024, to October 31, 2024, in the amount of \$579,749.66.

#### **4.6 Second Reading and Adoption of Proposed Ordinance Changing the Start Time of City Council Regular Meetings From 7:00 p.m. to 6:00 p.m.**

**Recommendation:** That the City Council: 1) Adopt Ordinance No. 2024-3 changing the start time for City Council regular meetings, entitled: "An Ordinance of the City of Laguna Hills, California, Amending and Restating Section 2-04.010 (Time of Regular Meetings) of Chapter 2-04 (City Council) of Title 2 (Administration and Personnel) of the Laguna Hills Municipal Code Establishing the Dates and Time of City Council Regular Meetings"; and 2) Authorize the Mayor/Mayor Pro Tempore to execute the Ordinance.

#### **4.7 Orange County Transportation Authority Regional Traffic Signal Synchronization Projects: Avenida de la Carlota, La Paz Road, and Cabot Road**

**Recommendation:** That the City Council adopt Resolution No. 2024-11-12-1: "A Resolution of the City Council of the City of Laguna Hills, California, Approving the Submittal of Three Improvement Projects to the Orange County Transportation Authority for Funding Under the Comprehensive Transportation Funding Programs."

#### **4.9 OCTA Regional Traffic Signal Synchronization Project: Paseo De Valencia - Moulton Parkway Confluence Bypass Corridor**

**Recommendation:** That the City Council authorize the City Manager to sign the Cooperative Agreement for the Paseo de Valencia – Moulton Parkway Confluence Bypass Corridor Project.

#### **4.11 Cooperative Agreement with the City of Laguna Woods for Storm Drain Repairs on Ridge Route Drive**

**Recommendation:** That the City Council: 1) Authorize the City Manager and City Attorney to make minor modifications as may be necessary to finalize the Cooperative Agreement for the Ridge Route Drainage Repair Project; 2) Authorize the City Manager to execute the Cooperative Agreement for the Ridge Route Drainage Repair Project; and 3) Authorize the Finance Director to amend the budget by allocating \$110,930.00 from the Gas Tax HUTA fund into CIP No. 403.

#### **4.12 Development Application Status Report**

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

### **Items Removed from the Consent Calendar**

#### **4.8 Alicia Place Neighborhood Permit Parking Program**

**Recommendation:** That the City Council: 1) Find and determine that the proposed permit parking controls are not subject to the California Environmental Quality Act pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly; and 2) Adopt Resolution No. 2024-11-12-2: "A Resolution of the City Council of the City of Laguna Hills, California, Establishing a Residential Permit Parking Area and a No Parking Zone During Days and Hours of Street Sweeping on Certain Streets in the Alicia Place Neighborhood."

Council Member Pezold and Council Member Caskey removed Item No. 4.8 from the Consent Calendar to allow for discussion on the item.

Public Works Director/City Engineer Ames responded to Council Member requests for additional information.

A motion to approve staff's recommendation was moved by Council Member Pezold, seconded by Mayor Pro Tempore Sweeney.

Result: Passed

Yes 3, No 0, Abstained 1

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council  
Member Pezold

Nays: None

Abstain: Council Member Don Caskey

#### **4.10 Establishment of a No Parking Overnight Zone on Mill Creek Drive**

**Recommendation:** That the City Council: 1) Find and determine that the proposed parking regulation is not subject to the California Environmental Quality Act pursuant to Sections 15301 (the activity applies to the operation of existing streets, and will not expand the use of those existing streets) and 15061(b)(3) (the activity has no potential for causing a significant effect on the environment) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3; and 2) Adopt Resolution No. 2024-11-12-3: "A Resolution of the City Council of the City of Laguna Hills, California, establishing a No Overnight Parking Zone from 9:00 p.m. to 6:00 a.m. on the entirety of Mill Creek Drive."

Council Member Pezold and Council Member Caskey removed Item No. 4.10 from the Consent Calendar to allow for discussion on the item.

Public Works Director/City Engineer Ames responded to Council Member requests for additional information.

At Council Member Pezold's request, Tibor Kelerman provided further public comments opposing Item No. 4.10.

A motion to approve staff's recommendation was moved by Mayor Wheeler, seconded by Council Member Pezold. This motion was withdrawn.

City Attorney Simonian responded to Council Member requests for additional information.

A motion to approve staff's recommendation for a temporary six-month period and revisit the item on May 27, 2025, was moved by Council Member Caskey, seconded by Mayor Pro Tempore Sweeney.

Result: Passed

Yes 4, No 0, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council  
Member Caskey, Council Member Pezold

Nays: None

Abstain: None

## **5. Planning Agency**

There were no separate Planning Agency Business Items for this meeting.

## **6. City Council Public Hearings**

There were no City Council public hearings.

## **7. Administrative Reports**

### **7.1 City Manager**

The City Manager provided no administrative reports.

## **8. Matters Agendized and Presented by City Council Members**

### **8.1 Update on Comprehensive Review of City Council Policies and Administrative Orders**

**Recommendation:** That the City Council review the modifications made to the City Council Policies and provide direction to staff.

This item was not discussed, as it was completed during the special meeting held on November 12, 2024.

## **9. City Council Member Committee Reports**

### **9.1 Committee Assignment Reports**

The City Council received reports from City Council Members on the City Council Committee Assignments listed in the staff report.

## **10. City Council Member Comments**

### **Council Member Pezold**

Council Member Pezold provided a reminder that trading committee and leadership positions can be viewed as a quid pro quo.

### **Mayor Pro Tempore Sweeney**

Mayor Pro Tempore Sweeney encouraged everyone to sign up for the countywide mass notification system, Alert OC and reported on a wildland firefighter training he recently attended.

## **Consideration of Compensation for City Manager**

### **1 Consideration of Compensation for City Manager**

**Recommendation:** Following completion of the annual performance evaluation of the City Manager, the City Council will take such action as it so determines.

This item was not discussed, as the public employee performance evaluation is not yet complete. The evaluation has been continued to a meeting in January

### **Adjournment**

There being no further business before the City Council at this session, Mayor Wheeler declared the meeting adjourned at 8:33 p.m.

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Jennifer Lee, City Clerk

ATTEST:

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, Mayor

Approved at meeting of December 10, 2024.

**City of Laguna Hills  
City Council  
Special Meeting  
Minutes  
Tuesday, November 19, 2024**

**Call to Order**

The meeting was called to order at 7:01 p.m. by Mayor Wheeler.

**Roll Call of City Council Members**

**Present:**

Mayor Dave Wheeler  
Mayor Pro Tempore Joshua Sweeney  
Council Member Don Caskey  
Council Member Janine Heft  
Council Member Erica Pezold

**Absent:**

**Pledge of Allegiance:** Council Member Heft

**Public Comments**

There were no public comments prior to the staff report and presentation of the special meeting item.

**City Council Workshop Items**

**1 Consideration of Design Proposals for the 3rd Battalion, 5th Marines  
Darkhorse Memorial Bronze Sculpture**

**Recommendation:** The 3/5 Battalion Memorial Ad Hoc Committee recommends that the City Council:

- 1) Approve the “Five Figures on Patrol Design
- 2) Authorize the Mayor to execute the Amended and Restated Agreement with the Artist; and
- 3) Authorize the Finance Director to amend the budget by allocating \$307,000 of Public Art Funds towards the 3/5 Memorial Sculpture project.

City Manager Hildenbrand reviewed the information provided in the staff report.



Council Member Heft provided information on the item, provided a PowerPoint presentation on the twenty-five 3rd Battalion, 5th Marines Darkhorse fallen soldiers, and read into the record a letter from Cpl Travis Haggerty in support of the item.

Council Member Caskey provided information on the item.

Artist Brittany Ryan provided information on the item, provided a presentation of the maquettes of the proposed sculptures, read a letter of support of the item, and responded to Council Member requests for additional information.

The following individual(s) provided public comments in support of the item:

Karen Robbins, Board Member, Laguna Hills Team Darkhorse Support Committee  
Evan Gost, Board Member, Laguna Hills Team Darkhorse Support Committee  
Laura Dickson, Board Member, Laguna Hills Team Darkhorse Support Committee

A motion to approve the "Five Figures on Patrol Design" with flexibility on the final location placement was moved by Council Member Heft, seconded by Council Member Caskey.

A substitute motion to approve the "Single Arch Design" with flexibility on the final location placement was moved by Mayor Wheeler, seconded by Council Member Pezold.

Roll Call Vote Result: Failed

Yes 2, No 3, Abstained 0

Ayes: Mayor Wheeler, Council Member Pezold

Nays: Mayor Pro Tempore Sweeney, Council Member Caskey, Council Member Heft

Abstain: None

Mayor Wheeler called for a vote on the main motion.

A motion to approve the "Five Figures on Patrol Design" with flexibility on the final location placement was moved by Council Member Heft, seconded by Council Member Caskey.

Roll Call Vote Result: Passed

Yes 4, No 1, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council Member Caskey, Council Member Heft

Nays: Council Member Pezold

Abstain: None

A motion to approve and authorize the Mayor to execute the Amended and Restated Agreement with the Artist and Authorize the Finance Director to amend the budget by allocating \$307,000 of Public Art Funds towards the 3/5 Memorial Sculpture project was moved by Council Member Heft, seconded by Mayor Pro Tempore Sweeney.

Roll Call Vote Result: Passed

Yes 4, No 1, Abstained 0

Ayes: Mayor Wheeler, Mayor Pro Tempore Sweeney, Council  
Member Caskey, Council Member Heft

Nays: Council Member Pezold

Abstain: None

### **Adjournment**

There being no further business before the City Council at this session, Mayor Wheeler declared the meeting adjourned at 9:03 p.m.

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Jennifer Lee, City Clerk

ATTEST:

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, Mayor

Approved at meeting of December 10, 2024.



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Eric Hendrickson, Finance Director  
**Issue:** Ratification of December 10, 2024 Warrant Register

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**Recommendation:** That the City Council ratify the accompanying Warrant Register for the period from November 1, 2024, to November 28, 2024, in the amount of \$2,257,169.25.

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### **Background:**

The City issues accounts payable disbursements on a regular basis and presents it to the 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 November 1, 2024, to November 28, 2024, is being presented for ratification by the City Council. Payments have been reviewed and approved by the appropriate departmental staff. The Finance Director certifies to the accuracy of the attached register and to the availability of monies for payment thereof.

### **Fiscal Impact:**

Ratification of the accompanying Warrant Register includes disbursements totaling \$2,257,169.25.

### **Attachments:**

1. Warrant Register - December 10, 2024
2. Payables Detail Report - December 10, 2024



City of Laguna Hills, CA

## Warrant Register - December 10, 2024

By Check Number

Date Range: 11/01/2024 - 11/28/2024

| Check Number          | Vendor Number | Vendor Name                                 | Payment Date | Payment Amount |
|-----------------------|---------------|---------------------------------------------|--------------|----------------|
| Payment Type: Regular |               |                                             |              |                |
| 4370                  | M-1302        | MOULTON NIGUEL WATER DISTRICT               | 11/04/2024   | 29,258.38      |
| 4371                  | S-1904        | SOUTHERN CALIFORNIA EDISON                  | 11/04/2024   | 120.54         |
| 4372                  | S-2250        | SPARKLETTS                                  | 11/04/2024   | 792.37         |
| 4373                  | A-0388        | ABTECH TECHNOLOGIES, INC.                   | 11/08/2024   | 27,892.50      |
| 4374                  | Z-CS-0497     | ADRIAN BANOS                                | 11/08/2024   | 100.00         |
| 4375                  | A-0138        | ALL CITY MANAGEMENT, INC.                   | 11/08/2024   | 8,999.20       |
| 4376                  | A-0365        | AT AND T - CALNET 3                         | 11/08/2024   | 382.53         |
| 4377                  | B-0304        | BEE MAN, THE                                | 11/08/2024   | 530.00         |
| 4378                  | B-0222        | BILL'S SOUND AND SECURITY                   | 11/08/2024   | 130.00         |
| 4379                  | C-1177        | CANON FINANCIAL SERVICES, INC.              | 11/08/2024   | 1,901.87       |
| 4380                  | C-0324        | CITY OF MISSION VIEJO                       | 11/08/2024   | 7,354.51       |
| 4381                  | C-1181        | CIVICPLUS, LLC                              | 11/08/2024   | 889.27         |
| 4382                  | P-1640        | COSTCO MEMBERSHIP                           | 11/08/2024   | 130.00         |
| 4383                  | C-1008        | COUNTY OF ORANGE, NPDES                     | 11/08/2024   | 75,324.62      |
| 4384                  | C-0023        | COX COMMUNICATION                           | 11/08/2024   | 1,050.91       |
| 4385                  | C-1122        | CROSSTOWN ELECTRICAL AND DATA, INC.         | 11/08/2024   | 3,644.70       |
| 4386                  | D-0572        | DAILY JOURNAL CORPORATION                   | 11/08/2024   | 1,333.33       |
| 4387                  | D-0578        | DE NOVO PLANNING GROUP                      | 11/08/2024   | 2,350.00       |
| 4388                  | D-0561        | DOCU-TRUST                                  | 11/08/2024   | 115.00         |
| 4389                  | D-0575        | DOG WASTE DEPOT                             | 11/08/2024   | 619.45         |
| 4390                  | D-0523        | DUDEK                                       | 11/08/2024   | 59,710.09      |
| 4391                  | E-0606        | EIDE BAILLY LLP                             | 11/08/2024   | 21,000.00      |
| 4392                  | E-0504        | EL TORO WATER DISTRICT                      | 11/08/2024   | 21,369.48      |
| 4393                  | E-0600        | EWING IRRIGATION PRODUCTS, INC              | 11/08/2024   | 215.32         |
| 4394                  | F-0604        | FEDERAL EXPRESS CORPORATION                 | 11/08/2024   | 45.04          |
| 4395                  | N-1502        | HAROON NOORI                                | 11/08/2024   | 906.45         |
| 4396                  | H-0848        | HDL, COREN AND CONE                         | 11/08/2024   | 3,307.25       |
| 4397                  | G-0571        | HOLLAND GANNON                              | 11/08/2024   | 64.33          |
| 4398                  | H-0934        | HOME DEPOT                                  | 11/08/2024   | 22.56          |
| 4399                  | Z-CD-0251     | HOYT ROOFS INC                              | 11/08/2024   | 840.00         |
| 4400                  | H-0960        | HR GREEN PACIFIC, INC.                      | 11/08/2024   | 9,731.25       |
| 4401                  | I-0960        | IRV SEAVER MOTORCYCLES                      | 11/08/2024   | 2,965.09       |
| 4402                  | J-1057        | JAMEY CLARK, INC.                           | 11/08/2024   | 50,116.89      |
| 4403                  | J-1071        | JCTEES.COM CORPORATION                      | 11/08/2024   | 1,586.60       |
| 4404                  | M-1388        | MOBILE MINI, INC.                           | 11/08/2024   | 868.31         |
| 4405                  | M-1302        | MOULTON NIGUEL WATER DISTRICT               | 11/08/2024   | 215.75         |
| 4406                  | M-1606        | MTM YEE CORP                                | 11/08/2024   | 400.00         |
| 4407                  | O-1546        | OFFICE SOLUTIONS                            | 11/08/2024   | 530.39         |
| 4408                  | Z-CD-0492     | OPTIMA RPM, INC                             | 11/08/2024   | 7,143.00       |
| 4409                  | O-1614        | ORANGE COUNTY SCHOOL OF THE ARTS FOUNDATION | 11/08/2024   | 162.50         |
| 4410                  | P-1839        | PAPER DEPOT                                 | 11/08/2024   | 67.00          |
| 4411                  | Q-1716        | QUADIENT LEASING USA, INC.                  | 11/08/2024   | 530.22         |
| 4412                  | R-1985        | REGIONAL FIRST AID, INC                     | 11/08/2024   | 323.04         |
| 4413                  | R-1977        | RJ ELECTRIC                                 | 11/08/2024   | 3,893.27       |
| 4414                  | R-1806        | RJM DESIGN GROUP, INC.                      | 11/08/2024   | 12,504.93      |
| 4415                  | S-1902        | SAN DIEGO GAS AND ELECTRIC                  | 11/08/2024   | 11,775.45      |
| 4416                  | S-2332        | SANTA MARGARITA PLUMBING AND AIR            | 11/08/2024   | 245.00         |
| 4417                  | S-2194        | SECURE LIVE SCAN                            | 11/08/2024   | 105.00         |
| 4418                  | S-2296        | SHUTE, MIHALY WEINBERGER LLP                | 11/08/2024   | 39.40          |
| 4419                  | S-2330        | SOCALGAS                                    | 11/08/2024   | 78.81          |
| 4420                  | S-2323        | SOUTH COAST FAMILY MEDICAL CENTER, INC.     | 11/08/2024   | 170.00         |
| 4421                  | S-2250        | SPARKLETTS                                  | 11/08/2024   | 237.31         |

## Warrant Register - December 10, 2024

Date Range: 11/01/2024 - 11/28/2024

| Check Number | Vendor Number | Vendor Name                                   | Payment Date | Payment Amount |
|--------------|---------------|-----------------------------------------------|--------------|----------------|
| 4422         | S-2095        | STONE IMAGERY                                 | 11/08/2024   | 7,347.19       |
| 4423         | R-1888        | THE RITZ COMPANIES                            | 11/08/2024   | 11,713.00      |
| 4424         | T-2712        | TOTAL SOURCE OFFICEWORKS                      | 11/08/2024   | 43.09          |
| 4425         | T-2698        | TPX COMMUNICATIONS                            | 11/08/2024   | 735.31         |
| 4426         | U-2165        | UNDERGROUND SERVICE ALERT OF SO CALIFORNIA    | 11/08/2024   | 183.20         |
| 4427         | Z-CD-0493     | WARMINGTON PROPERTIES                         | 11/08/2024   | 13,642.00      |
| 4428         | W-2337        | WEST COAST ARBORISTS, INC.                    | 11/08/2024   | 58,417.10      |
| 4429         | A-0349        | A SOURCE OF PRIDE                             | 11/14/2024   | 33.91          |
| 4430         | Z-CD-0494     | ANM CONSTRUCTION INC                          | 11/14/2024   | 5,000.00       |
| 4431         | A-0365        | AT AND T - CALNET 3                           | 11/14/2024   | 30.81          |
| 4432         | B-0304        | BEE MAN, THE                                  | 11/14/2024   | 155.00         |
| 4433         | C-1144        | CHARLES ABBOTT ASSOCIATES, INC                | 11/14/2024   | 20,806.05      |
| 4434         | C-1181        | CIVICPLUS, LLC                                | 11/14/2024   | 11,807.00      |
| 4435         | C-1191        | COUNTY OF ORANGE                              | 11/14/2024   | 6,184.62       |
| 4436         | C-1122        | CROSSTOWN ELECTRICAL AND DATA, INC.           | 11/14/2024   | 14,331.60      |
| 4437         | D-0461        | DATA TICKET, INC.                             | 11/14/2024   | 633.82         |
| 4438         | D-0583        | DMS FACILITY SERVICES, LLC                    | 11/14/2024   | 2,710.00       |
| 4439         | Z-CD-0495     | ETERNAL WATER POOLS                           | 11/14/2024   | 500.00         |
| 4440         | G-0868        | GLASER WEIL FINK HOWARD AVCHEN & SHAPIRO LLP  | 11/14/2024   | 787.50         |
| 4441         | I-0942        | IRVINE RANCH WATER DISTRICT                   | 11/14/2024   | 249.26         |
| 4442         | J-1057        | JAMEY CLARK, INC.                             | 11/14/2024   | 14,768.94      |
| 4443         | M-1302        | MOULTON NIGUEL WATER DISTRICT                 | 11/14/2024   | 15,116.10      |
| 4444         | C-1003        | ORANGE COUNTY TREASURER-TAX COLLECTOR         | 11/14/2024   | 2,034.00       |
| 4445         | Z-CD-0018     | PREMIER POOL AND SPA                          | 11/14/2024   | 500.00         |
| 4446         | Z-CD-0496     | ROBERTO PEREZ                                 | 11/14/2024   | 660.00         |
| 4447         | S-1904        | SOUTHERN CALIFORNIA EDISON                    | 11/14/2024   | 12,355.70      |
| 4448         | S-1904        | SOUTHERN CALIFORNIA EDISON                    | 11/14/2024   | 5,501.78       |
| 4449         | O-1575        | SOUTHERN CALIFORNIA NEWS GROUP                | 11/14/2024   | 2,191.69       |
| 4450         | S-2209        | STUDIO TWO BLACK DIAMOND                      | 11/14/2024   | 96.98          |
| 4451         | T-2712        | TOTAL SOURCE OFFICEWORKS                      | 11/14/2024   | 889.72         |
| 4452         | W-2451        | W.G. ZIMMERMAN ENGINEERING, INC.              | 11/14/2024   | 20,821.00      |
| 4453         | W-2452        | WSP USA ENVIRONMENT AND INFRASTRUCTURE INC    | 11/14/2024   | 10,536.95      |
| 4454         | A-0138        | ALL CITY MANAGEMENT, INC.                     | 11/27/2024   | 8,099.28       |
| 4455         | A-0365        | AT AND T - CALNET 3                           | 11/27/2024   | 355.78         |
| 4456         | B-0304        | BEE MAN, THE                                  | 11/27/2024   | 310.00         |
| 4457         | B-0452        | BRITTANY MARIE RYAN                           | 11/27/2024   | 118,000.00     |
| 4458         | C-1144        | CHARLES ABBOTT ASSOCIATES, INC                | 11/27/2024   | 109,406.21     |
| 4459         | C-0324        | CITY OF MISSION VIEJO                         | 11/27/2024   | 87,359.78      |
| 4460         | C-1226        | CREATIVE VISION GROUP, LLC                    | 11/27/2024   | 1,200.00       |
| 4461         | D-0584        | DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC.  | 11/27/2024   | 50,960.83      |
| 4462         | D-0583        | DMS FACILITY SERVICES, LLC                    | 11/27/2024   | 103,990.00     |
| 4463         | E-0554        | ECONOMICS, INC.                               | 11/27/2024   | 28,724.92      |
| 4464         | E-0600        | EWING IRRIGATION PRODUCTS, INC                | 11/27/2024   | 63.28          |
| 4465         | G-0821        | G2 CONSTRUCTION INC.                          | 11/27/2024   | 12,500.00      |
| 4466         | H-0829        | HARTZOG AND CRABILL, INC.                     | 11/27/2024   | 6,467.35       |
| 4467         | J-1057        | JAMEY CLARK, INC.                             | 11/27/2024   | 13,891.98      |
| 4468         | J-1071        | JCTEES.COM CORPORATION                        | 11/27/2024   | 2,385.91       |
| 4469         | M-1304        | MARTIN LOCK AND SAFE CO.                      | 11/27/2024   | 361.51         |
| 4470         | A-0317        | MICHAEL ABRAHAM                               | 11/27/2024   | 3,712.05       |
| 4471         | M-1609        | MITSUBISHI ELECTRIC US, INC.                  | 11/27/2024   | 487.40         |
| 4472         | M-1388        | MOBILE MINI, INC.                             | 11/27/2024   | 341.83         |
| 4473         | O-1615        | ORANGE COUNTY HAULING                         | 11/27/2024   | 1,300.00       |
| 4474         | Z-CD-0487     | PACIFIC ROOFING SYSTEMS                       | 11/27/2024   | 2,376.41       |
| 4475         | R-1806        | RJM DESIGN GROUP, INC.                        | 11/27/2024   | 1,883.20       |
| 4476         | S-1902        | SAN DIEGO GAS AND ELECTRIC                    | 11/27/2024   | 35,239.86      |
| 4477         | S-2319        | SCA OF CA, LLC                                | 11/27/2024   | 17,381.78      |
| 4478         | S-2323        | SOUTH COAST FAMILY MEDICAL CENTER, INC.       | 11/27/2024   | 525.00         |
| 4479         | S-2250        | SPARKLETTES                                   | 11/27/2024   | 212.33         |
| 4480         | S-1980        | STATE DEPARTMENT OF JUSTICE ACCOUNTING OFFICE | 11/27/2024   | 64.00          |
| 4481         | S-2095        | STONE IMAGERY                                 | 11/27/2024   | 181.02         |
| 4482         | S-2209        | STUDIO TWO BLACK DIAMOND                      | 11/27/2024   | 24.24          |

Warrant Register - December 10, 2024

| Check Number | Vendor Number | Vendor Name                      |
|--------------|---------------|----------------------------------|
| 4483         | T-2712        | TOTAL SOURCE OFFICEWORKS         |
| 4484         | V-2224        | VERIZON WIRELESS                 |
| 4485         | W-2451        | W.G. ZIMMERMAN ENGINEERING, INC. |
| 4486         | W-2337        | WEST COAST ARBORISTS, INC.       |

Date Range: 11/01/2024 - 11/28/2024

| Payment Date          | Payment Amount      |
|-----------------------|---------------------|
| 11/27/2024            | 1,199.10            |
| 11/27/2024            | 940.39              |
| 11/27/2024            | 2,440.00            |
| 11/27/2024            | 29,629.10           |
| <b>Total Regular:</b> | <b>1,256,886.77</b> |



| Check Number             | Vendor Number | Vendor Name                                               | Payment Date | Payment Amount |
|--------------------------|---------------|-----------------------------------------------------------|--------------|----------------|
| Payment Type: Bank Draft |               |                                                           |              |                |
| DFT0002970               | C-1007        | OCSD LAW ENFORCEMENT CONTRACT, OC TREASURER-TAX COLLECTOR | 11/07/2024   | 946,274.80     |
| DFT0002971               | H-0966        | HIGH LEVEL SECURITY SOLUTIONS, INC.                       | 11/07/2024   | 7,224.00       |
| DFT0002979               | W-2450        | WEX BANK                                                  | 11/15/2024   | 388.34         |
| DFT0002980               | W-2450        | WEX BANK                                                  | 11/15/2024   | 289.27         |
| DFT0002981               | W-2450        | WEX BANK                                                  | 11/15/2024   | 283.50         |
| DFT0002982               | W-2450        | WEX BANK                                                  | 11/15/2024   | 585.58         |
| DFT0002989               | H-0966        | HIGH LEVEL SECURITY SOLUTIONS, INC.                       | 11/21/2024   | 7,224.00       |
| DFT0002991               | U-2170        | US BANK CORPORATE PAYMENT SYSTEMS                         | 11/20/2024   | 38,012.99      |
| Total Bank Draft:        |               |                                                           |              | 1,000,282.48   |

Bank Code 1 - General Summary

|                | Payable | Payment |          |              |
|----------------|---------|---------|----------|--------------|
| Payment Type   | Count   | Count   | Discount | Payment      |
| Regular Checks | 185     | 117     | 0.00     | 1,256,886.77 |
| Manual Checks  | 0       | 0       | 0.00     | 0.00         |
| Voided Checks  | 0       | 0       | 0.00     | 0.00         |
| Bank Drafts    | 24      | 8       | 0.00     | 1,000,282.48 |
| EFT's          | 0       | 0       | 0.00     | 0.00         |
|                | 209     | 125     | 0.00     | 2,257,169.25 |

All Bank Codes Check Summary

| Payment Type   | Payable<br>Count | Payment<br>Count | Discount | Payment      |
|----------------|------------------|------------------|----------|--------------|
| Regular Checks | 185              | 117              | 0.00     | 1,256,886.77 |
| Manual Checks  | 0                | 0                | 0.00     | 0.00         |
| Voided Checks  | 0                | 0                | 0.00     | 0.00         |
| Bank Drafts    | 24               | 8                | 0.00     | 1,000,282.48 |
| EFT's          | 0                | 0                | 0.00     | 0.00         |
|                | 209              | 125              | 0.00     | 2,257,169.25 |

Fund Summary

| Fund | Name                      | Period  | Amount       |
|------|---------------------------|---------|--------------|
| 998  | Pooled Cash & Investments | 11/2024 | 2,257,169.25 |
|      |                           |         | 2,257,169.25 |



City of Laguna Hills, CA

# Payables Detail Report

By Fund

Payment Dates 11/01/2024 - 11/28/2024

| Payment Date                    | Vendor Name                                     | Payable Number          | Description (Item)                       | Account Number | Amount     |
|---------------------------------|-------------------------------------------------|-------------------------|------------------------------------------|----------------|------------|
| <b>Fund: 100 - General Fund</b> |                                                 |                         |                                          |                |            |
| 11/04/2024                      | MOULTON NIGUEL WATER DISTRICT                   | 101724                  | Utilities - Water, 9/10/24 - 10/14/24    | 100-310-635100 | 837.83     |
| 11/04/2024                      | MOULTON NIGUEL WATER DISTRICT                   | 101724                  | Utilities - Water, 9/10/24 - 10/14/24    | 100-355-635000 | 28,420.55  |
| 11/04/2024                      | SOUTHERN CALIFORNIA EDISON                      | 102124 - Acct #70007600 | Utilities - Electric, 8/30/24 - 10/20/24 | 100-356-631400 | 120.54     |
| 11/04/2024                      | SPARKLETTS                                      | 4228482 090624          | Operating Supplies, 8/21/24 - 9/4/24     | 100-195-622000 | 273.28     |
| 11/04/2024                      | SPARKLETTS                                      | 4228482 100424          | Operating Supplies, 9/18/24 -            | 100-195-622000 | 248.30     |
| 11/04/2024                      | SPARKLETTS                                      | 4228482 110124          | Operating Supplies, 10/16/24 -           | 100-195-622000 | 270.79     |
|                                 |                                                 |                         | 10/30/24                                 |                |            |
| 11/07/2024                      | HIGH LEVEL SECURITY SOLUTIONS, INC.             | 5848                    | Private Security Patrol, 10/21/24 -      | 100-420-720850 | 7,224.00   |
|                                 |                                                 |                         | 11/3/24                                  |                |            |
| 11/07/2024                      | OCSD LAW ENFORCEMENT CONTRACT, OC TREASURER-TAX | SH 69835                | Law Enforcement Services, Nov '24        | 100-420-720800 | 946,274.80 |
| 11/08/2024                      | AT AND T - CALNET 3                             | 000022401523            | Traffic Signal, 9/6/24 - 10/5/24         | 100-356-630000 | 30.42      |
| 11/08/2024                      | AT AND T - CALNET 3                             | 000022407835            | Alarm, Com Ctr & City Hall Lines,        | 100-195-630000 | 203.63     |
|                                 |                                                 |                         | 9/7/24 - 10/6/24                         |                |            |
| 11/08/2024                      | AT AND T - CALNET 3                             | 000022407835            | Alarm, Com Ctr & City Hall Lines,        | 100-310-630100 | 148.48     |
|                                 |                                                 |                         | 9/7/24 - 10/6/24                         |                |            |
| 11/08/2024                      | DOCU-TRUST                                      | 0054441                 | Offsite Data Storage, Nov '24            | 100-155-700030 | 115.00     |
| 11/08/2024                      | COX COMMUNICATION                               | 101124                  | Cable, City Hall, 10/10/24 - 11/9/24     | 100-195-630000 | 395.75     |
| 11/08/2024                      | MOULTON NIGUEL WATER DISTRICT                   | 101724a                 | Utilities - Water, 9/24/24 - 10/9/24     | 100-355-635000 | 127.59     |
| 11/08/2024                      | SOCALGAS                                        | 101824                  | Utilities - Gas, Comm Ctr, 9/16/24 -     | 100-310-632500 | 78.81      |
|                                 |                                                 |                         | 10/16/24                                 |                |            |
| 11/08/2024                      | COSTCO MEMBERSHIP                               | 102424                  | Annual Membership, Com Svcs,             | 100-000-140000 | 54.17      |
|                                 |                                                 |                         | 7/1/25 - 11/30/25                        |                |            |
| 11/08/2024                      | COSTCO MEMBERSHIP                               | 102424                  | Annual Membership, Com Svcs,             | 100-310-610000 | 75.83      |
|                                 |                                                 |                         | 12/1/24 - 6/30/25                        |                |            |
| 11/08/2024                      | HOLLAND GANNON                                  | 102424                  | Movie Night Supplies, Costco             | 100-310-695500 | 64.33      |
| 11/08/2024                      | MOULTON NIGUEL WATER DISTRICT                   | 102424                  | Utilities - Water, 9/17/24 - 10/21/24    | 100-355-635000 | 88.16      |
| 11/08/2024                      | COX COMMUNICATION                               | 102824                  | WiFi, City Hall, 10/28/24 - 11/27/24     | 100-195-630000 | 655.16     |
| 11/08/2024                      | MTM YEE CORP                                    | 10401                   | Advertising-Program Services, Nov        | 100-310-624500 | 400.00     |
| 11/08/2024                      | HAROON NOORI                                    | 110424                  | Travel Reimburse, CALED Economic         | 100-225-611000 | 544.65     |
|                                 |                                                 |                         | Training, Oct '24                        |                |            |
| 11/08/2024                      | HAROON NOORI                                    | 110424                  | Travel Reimburse, CALED Economic         | 100-225-613000 | 361.80     |
|                                 |                                                 |                         | Training, Oct '24                        |                |            |
| 11/08/2024                      | ORANGE COUNTY SCHOOL OF THE ARTS FOUNDATION     | 110424                  | Deposit, Ballroom Blitz, Holiday         | 100-310-695510 | 162.50     |
|                                 |                                                 |                         | Dance, 12/14/24                          |                |            |
| 11/08/2024                      | SAN DIEGO GAS AND ELECTRIC                      | 110424                  | Utilities - Electric, 10/1/24 - 10/31/24 | 100-356-631400 | 11,775.45  |
| 11/08/2024                      | EL TORO WATER DISTRICT                          | 110724                  | Water Usage, Public Works, Sep '24       | 100-355-635000 | 21,369.48  |
| 11/08/2024                      | SPARKLETTS                                      | 12194330 100924         | Operating Supplies, Comm Ctr,            | 100-310-622005 | 237.31     |
|                                 |                                                 |                         | 9/18/24 - 10/7/24                        |                |            |
| 11/08/2024                      | BEE MAN, THE                                    | 132310                  | Bee Removal, Public Works, Oct '24       | 100-355-720701 | 195.00     |
| 11/08/2024                      | BEE MAN, THE                                    | 132407                  | Bee Removal, Public Works, Oct '24       | 100-355-720701 | 180.00     |
| 11/08/2024                      | BEE MAN, THE                                    | 132489                  | Bee Removal, Public Works, Oct '24       | 100-355-720701 | 155.00     |
| 11/08/2024                      | SECURE LIVE SCAN                                | 15829                   | Pre-Employment Fingerprinting, Oct       | 100-195-617000 | 105.00     |
|                                 |                                                 |                         | '24                                      |                |            |
| 11/08/2024                      | SANTA MARGARITA PLUMBING AND AIR                | 16609-40608             | Plumbing Repairs                         | 100-310-645500 | 245.00     |
| 11/08/2024                      | HR GREEN PACIFIC, INC.                          | 180952                  | Public Works Permit Inspections, Oct     | 100-355-700255 | 9,731.25   |
|                                 |                                                 |                         | '24                                      |                |            |
| 11/08/2024                      | TPX COMMUNICATIONS                              | 182400728-0             | Communications Expense, 10/23/24 -       | 100-195-630000 | 735.31     |
|                                 |                                                 |                         | 11/22/24                                 |                |            |
| 11/08/2024                      | DUDEK                                           | 202408835               | Housing Study & MND, USE-0147-           | 100-000-223000 | 59,710.09  |
|                                 |                                                 |                         | 2023, 8/24 - 9/27/24                     |                |            |
| 11/08/2024                      | IRV SEAVER MOTORCYCLES                          | 20242387                | Motorcycle Maintenance, Police Svcs,     | 100-420-646100 | 2,499.48   |
|                                 |                                                 |                         | Oct '24                                  |                |            |
| 11/08/2024                      | IRV SEAVER MOTORCYCLES                          | 20242389                | Motorcycle Maintenance, Police Svcs,     | 100-420-646100 | 148.50     |
|                                 |                                                 |                         | Oct '24                                  |                |            |

**Payables Detail Report**
**Payment Dates: 11/01/2024 - 11/28/2024**

| Payment Date | Vendor Name                             | Payable Number | Description (Item)                                 | Account Number | Amount    |
|--------------|-----------------------------------------|----------------|----------------------------------------------------|----------------|-----------|
| 11/08/2024   | IRV SEAVER MOTORCYCLES                  | 20242390       | Motorcycle Maintenance, Police Svcs, Oct '24       | 100-420-646100 | 317.11    |
| 11/08/2024   | REGIONAL FIRST AID, INC                 | 206086         | Operating Supplies, Sep '24                        | 100-195-622000 | 161.52    |
| 11/08/2024   | REGIONAL FIRST AID, INC                 | 206087         | Operating Supplies, Comm Ctr, Sep                  | 100-310-622005 | 161.52    |
| 11/08/2024   | CITY OF MISSION VIEJO                   | 21317          | Homelessness Outreach, Jul '24                     | 100-310-720302 | 2,383.88  |
| 11/08/2024   | CITY OF MISSION VIEJO                   | 21319          | Homelessness Outreach, Aug '24                     | 100-310-720302 | 4,970.63  |
| 11/08/2024   | WEST COAST ARBORISTS, INC.              | 220314         | Tree Trimming Services, 9/16/24 - 9/30/24          | 100-355-720702 | 58,417.10 |
| 11/08/2024   | THE RITZ COMPANIES                      | 224989         | Janitorial Services, Oct '24                       | 100-310-721505 | 11,713.00 |
| 11/08/2024   | EWING IRRIGATION PRODUCTS, INC          | 23730205       | Landscape Maintenance, Public Works, Oct '24       | 100-355-720700 | 215.32    |
| 11/08/2024   | SOUTH COAST FAMILY MEDICAL CENTER, INC. | 2429           | Recruitment, Sep '24                               | 100-195-617000 | 170.00    |
| 11/08/2024   | SHUTE, MIHALY WEINBERGER LLP            | 288303         | Professional Services, Legal, Sep '24              | 100-155-700011 | 39.40     |
| 11/08/2024   | STONE IMAGERY                           | 30036          | Directory Panel Engravings, CIP #505, Oct '24      | 100-000-790600 | 6,997.01  |
| 11/08/2024   | STONE IMAGERY                           | 30049          | Council Plaque, Oct '24                            | 100-155-623000 | 350.18    |
| 11/08/2024   | CIVICPLUS, LLC                          | 322486         | CS Dept Website Header Page, 7/1/25 - 1/16/26      | 100-000-140000 | 444.63    |
| 11/08/2024   | CIVICPLUS, LLC                          | 322486         | CS Dept Website Header Page, 1/17/25 - 6/30/25     | 100-195-720050 | 444.64    |
| 11/08/2024   | CANON FINANCIAL SERVICES, INC.          | 35881062       | Lease - Copier SN ZHT04285, 10/1/24 - 10/31/24     | 100-195-641200 | 253.84    |
| 11/08/2024   | CANON FINANCIAL SERVICES, INC.          | 35883756       | Copier Usage SN 2KS02091, 7/1/24 - 9/30/24         | 100-195-641200 | 898.80    |
| 11/08/2024   | CANON FINANCIAL SERVICES, INC.          | 35883756       | Copier Lease SN 2KS02091, 10/1/24 - 10/31/24       | 100-195-641200 | 317.82    |
| 11/08/2024   | CANON FINANCIAL SERVICES, INC.          | 35885506       | Copier Usage SN 2XK05658, 9/1/24 - 9/30/24         | 100-195-641200 | 127.55    |
| 11/08/2024   | CANON FINANCIAL SERVICES, INC.          | 35885506       | Copier Lease SN 2XK05658, 10/1/24 - 10/31/24       | 100-195-641200 | 303.86    |
| 11/08/2024   | TOTAL SOURCE OFFICEWORKS                | 37353          | Office Supplies, Oct '24                           | 100-195-620000 | 43.09     |
| 11/08/2024   | ABTECH TECHNOLOGIES, INC.               | 4040965-IN     | Contract Services, VM Ware Project, Oct '24        | 100-195-700090 | 11,092.50 |
| 11/08/2024   | CROSTOWN ELECTRICAL AND DATA, INC.      | 4296-24-010    | Traffic Signal Maintenance, Oct '24                | 100-356-720420 | 3,644.70  |
| 11/08/2024   | DE NOVO PLANNING GROUP                  | 4411           | Hazard Mitigation Plan, Aug '24                    | 100-355-700300 | 2,350.00  |
| 11/08/2024   | BILL'S SOUND AND SECURITY               | 44989          | Passcode Change, Oct '24                           | 100-310-630100 | 65.00     |
| 11/08/2024   | BILL'S SOUND AND SECURITY               | 45009          | Passcode Change, Oct '24                           | 100-310-630100 | 65.00     |
| 11/08/2024   | HOME DEPOT                              | 6093571        | Operating Supplies, Comm Ctr, Sep                  | 100-310-622005 | 22.56     |
| 11/08/2024   | RJ ELECTRIC                             | 63280          | Electric Repairs, San Remo, Oct '24                | 100-355-720701 | 1,828.27  |
| 11/08/2024   | RJ ELECTRIC                             | 63340          | Public Works Conference Room Conversion, CIP #505  | 100-000-790600 | 2,065.00  |
| 11/08/2024   | DOG WASTE DEPOT                         | 735394         | Operating Supplies, Oct '24                        | 100-355-622000 | 619.45    |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75305          | Park Repairs, Public Works, Jul '24                | 100-355-720701 | 16,600.00 |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75311          | Park Repairs, Public Works, Jul '24                | 100-355-720701 | 3,575.00  |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75586          | Park Repairs, Public Works, Oct '24                | 100-355-720701 | 723.35    |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75606          | Costeau Park Drinking Fountain Replacement         | 100-355-910000 | 8,650.00  |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75627          | Graffiti Removal, Public Works, Oct                | 100-355-720500 | 2,675.63  |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75628          | Park Repairs, Public Works, Oct '24                | 100-355-720701 | 191.00    |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75629          | Park Repairs, Public Works, Oct '24                | 100-355-720701 | 622.07    |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75640          | Santa Vittoria Drinking Fountain Replacement       | 100-355-910000 | 8,650.00  |
| 11/08/2024   | JAMEY CLARK, INC.                       | 75650          | Public Works Conference Room Conversion, CIP #505  | 100-000-790600 | 8,429.84  |
| 11/08/2024   | ADRIAN BANOS                            | 79282445       | Refund, Facility Deposit, R #76220840              | 100-000-222000 | 100.00    |
| 11/08/2024   | FEDERAL EXPRESS CORPORATION             | 8-655-02843    | Delivery Services, Oct '24                         | 100-355-622000 | 45.04     |
| 11/08/2024   | MOBILE MINI, INC.                       | 9022129839     | Storage Rental, Community Center, 10/10 - 11/6/24  | 100-310-641000 | 341.83    |
| 11/08/2024   | MOBILE MINI, INC.                       | 9022224805     | Storage Rental, Community Center, 10/23 - 11/19/24 | 100-310-641000 | 225.71    |

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**Payment Dates: 11/01/2024 - 11/28/2024**

| Payment Date | Vendor Name                                | Payable Number          | Description (Item)                                 | Account Number | Amount     |
|--------------|--------------------------------------------|-------------------------|----------------------------------------------------|----------------|------------|
| 11/08/2024   | MOBILE MINI, INC.                          | 9022267335              | Storage Rental, Community Center, 10/29 - 11/25/24 | 100-310-641000 | 82.97      |
| 11/08/2024   | MOBILE MINI, INC.                          | 9022280684              | Storage Rental, Community Center, 10/30 - 11/26/24 | 100-310-641000 | 217.80     |
| 11/08/2024   | ALL CITY MANAGEMENT, INC.                  | 96510                   | Crossing Guard Services, 10/13/24 - 10/26/24       | 100-420-720822 | 8,999.20   |
| 11/08/2024   | JCTEES.COM CORPORATION                     | 9890                    | Softball League T-Shirts, Oct '24                  | 100-310-622502 | 1,586.60   |
| 11/08/2024   | DAILY JOURNAL CORPORATION                  | B3859260                | Legal Advertising, Oct '24                         | 100-155-624001 | 235.68     |
| 11/08/2024   | DAILY JOURNAL CORPORATION                  | B3862544                | Legal Advertising, Oct '24                         | 100-155-624001 | 1,097.65   |
| 11/08/2024   | OPTIMA RPM, INC                            | BLDC-0018-2024          | BLDC-0018-2024, C&D Refund, REC-012797-2024        | 100-000-227001 | 7,143.00   |
| 11/08/2024   | WARMINGTON PROPERTIES                      | BLDC-0206-2022          | BLDC-0206-2022, C&D Refund, REC-008437-2022        | 100-000-227001 | 7,143.00   |
| 11/08/2024   | WARMINGTON PROPERTIES                      | BLDC-0236-2022          | BLDC-0236-2022, C&D Refund, REC-010094-2023        | 100-000-227001 | 6,499.00   |
| 11/08/2024   | HOYT ROOFS INC                             | BLDR-0322-2024          | BLDR-0322-2024, C&D Refund, REC-013566-2024        | 100-000-227001 | 840.00     |
| 11/08/2024   | EIDE BAILLY LLP                            | EI01764399              | Audit Fees through Oct '24                         | 100-155-700051 | 21,000.00  |
| 11/08/2024   | OFFICE SOLUTIONS                           | I-02265970              | Operating Supplies, Oct '24                        | 100-195-622000 | 461.45     |
| 11/08/2024   | OFFICE SOLUTIONS                           | I-02266280              | Operating Supplies, Nov '24                        | 100-195-622000 | 68.94      |
| 11/08/2024   | PAPER DEPOT                                | IN20690-8483            | Destruction Bin, Oct '24                           | 100-155-700030 | 67.00      |
| 11/08/2024   | COUNTY OF ORANGE, NPDES                    | PW250146                | NPDES Water Quality Ordinance, FY 24/25            | 100-355-696000 | 75,324.62  |
| 11/08/2024   | QUADIENT LEASING USA, INC.                 | Q1572641                | Lease - Mailing Equipment, 8/28/24 - 11/27/24      | 100-195-641000 | 530.22     |
| 11/08/2024   | HDL, COREN AND CONE                        | SIN044249               | Property Tax Audit, Oct - Dec '24                  | 100-155-700055 | 3,307.25   |
| 11/08/2024   | ABTECH TECHNOLOGIES, INC.                  | W205412-IN              | Computer Consulting Services, Oct                  | 100-195-700090 | 8,400.00   |
| 11/08/2024   | ABTECH TECHNOLOGIES, INC.                  | W205492-IN              | Computer Consulting Services, Nov                  | 100-195-700090 | 8,400.00   |
| 11/14/2024   | AT AND T - CALNET 3                        | 000022553756            | Traffic Signal, 10/6/24 - 11/5/24                  | 100-356-630000 | 30.81      |
| 11/14/2024   | SOUTHERN CALIFORNIA NEWS                   | 0011695359              | Legal Advertising, Oct '24                         | 100-155-624001 | 118.10     |
| 11/14/2024   | SOUTHERN CALIFORNIA NEWS                   | 0011695837              | Legal Advertising, USE-0183-2024, Oct '24          | 100-000-223000 | 375.93     |
| 11/14/2024   | SOUTHERN CALIFORNIA NEWS                   | 0011697258              | Legal Advertising, Oct '24                         | 100-155-624001 | 1,490.99   |
| 11/14/2024   | SOUTHERN CALIFORNIA NEWS                   | 0011699148              | Legal Advertising, Oct '24                         | 100-155-624001 | 206.67     |
| 11/14/2024   | STUDIO TWO BLACK DIAMOND                   | 101931                  | Printing Services, Business Cards, Nov '24         | 100-420-622000 | 96.98      |
| 11/14/2024   | MOULTON NIGUEL WATER DISTRICT              | 103124                  | Utilities - Water, 9/24/24 - 10/28/24              | 100-355-635000 | 15,116.10  |
| 11/14/2024   | SOUTHERN CALIFORNIA EDISON                 | 110124 - Acct #70023450 | Utilities - Electric, 8/30/24 - 10/31/24           | 100-355-631000 | (1,148.57) |
| 11/14/2024   | SOUTHERN CALIFORNIA EDISON                 | 110124 - Acct #70023450 | Utilities - Electric, 8/30/24 - 10/31/24           | 100-356-631400 | 13,504.27  |
| 11/14/2024   | IRVINE RANCH WATER DISTRICT                | 110424                  | Utilities - Water, 10/1/24 - 11/1/24               | 100-355-635000 | 249.26     |
| 11/14/2024   | SOUTHERN CALIFORNIA EDISON                 | 110624 - Acct #70016247 | Utilities - Electric, 8/30/24 - 10/31/24           | 100-355-631000 | 33.98      |
| 11/14/2024   | SOUTHERN CALIFORNIA EDISON                 | 110624 - Acct #70016247 | Utilities - Electric, 8/30/24 - 10/31/24           | 100-356-631400 | 1,252.73   |
| 11/14/2024   | SOUTHERN CALIFORNIA EDISON                 | 110624 - Acct #70016247 | Utilities - Electric, 10/1/24 - 10/31/24           | 100-356-631900 | 4,215.07   |
| 11/14/2024   | BEE MAN, THE                               | 132533                  | Bee Removal, Public Works, Oct '24                 | 100-355-720701 | 155.00     |
| 11/14/2024   | DATA TICKET, INC.                          | 171890                  | Process Fee, Parking Citations, Oct '24            | 100-420-720823 | 633.82     |
| 11/14/2024   | GLASER WEIL FINK HOWARD                    | 297283                  | Professional Services Legal, Oct '24               | 100-155-700011 | 787.50     |
| 11/14/2024   | AVCHEN & SHAPIRO LLP                       |                         |                                                    |                |            |
| 11/14/2024   | CIVICPLUS, LLC                             | 313995                  | CivicClerk Implementation (Final), 7/1/24-2/11/25  | 100-195-940000 | 11,807.00  |
| 11/14/2024   | TOTAL SOURCE OFFICEWORKS                   | 37435                   | Operating Supplies, Nov '24                        | 100-195-622000 | 107.72     |
| 11/14/2024   | TOTAL SOURCE OFFICEWORKS                   | 37500                   | Computer Supplies, Nov '24                         | 100-195-621000 | 412.67     |
| 11/14/2024   | TOTAL SOURCE OFFICEWORKS                   | 37501                   | Office Supplies, Nov '24                           | 100-195-620000 | 361.37     |
| 11/14/2024   | TOTAL SOURCE OFFICEWORKS                   | 37501                   | Operating Supplies, Nov '24                        | 100-195-622000 | 7.96       |
| 11/14/2024   | WSP USA ENVIRONMENT AND INFRASTRUCTURE INC | 40109444                | Professional Services, NPDES Support, Oct '24      | 100-355-700000 | 10,536.95  |
| 11/14/2024   | CROSSTOWN ELECTRICAL AND DATA, INC.        | 5272 - 5328             | Traffic Signal Maintenance, Oct '24                | 100-356-720420 | 14,331.60  |
| 11/14/2024   | CHARLES ABBOTT ASSOCIATES, INC             | 68037                   | Professional Services, Oct '24                     | 100-225-700000 | 20,806.05  |
| 11/14/2024   | JAMEY CLARK, INC.                          | 75641                   | Graffiti Removal, Public Works, Oct                | 100-355-720500 | 966.44     |
| 11/14/2024   | JAMEY CLARK, INC.                          | 75642                   | Graffiti Removal, Public Works, Oct                | 100-355-720500 | 429.75     |
| 11/14/2024   | JAMEY CLARK, INC.                          | 75665                   | Beckingham Park Rubber Repairs, Oct '24            | 100-355-720701 | 9,875.00   |

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| Payment Date | Vendor Name                           | Payable Number          | Description (Item)                                 | Account Number | Amount   |
|--------------|---------------------------------------|-------------------------|----------------------------------------------------|----------------|----------|
| 11/14/2024   | JAMEY CLARK, INC.                     | 75667                   | Graffiti Removal, Public Works, Oct                | 100-355-720500 | 585.00   |
| 11/14/2024   | JAMEY CLARK, INC.                     | 75676                   | Park Repairs, Public Works, Nov '24                | 100-355-720701 | 1,337.00 |
| 11/14/2024   | JAMEY CLARK, INC.                     | 75677                   | Park Repairs, Public Works, Nov '24                | 100-355-720701 | 238.75   |
| 11/14/2024   | JAMEY CLARK, INC.                     | 75678                   | Graffiti Removal, Public Works, Oct                | 100-355-720500 | 382.00   |
| 11/14/2024   | JAMEY CLARK, INC.                     | 75686                   | Park Repairs, Public Works, Nov '24                | 100-355-720701 | 955.00   |
| 11/14/2024   | A SOURCE OF PRIDE                     | 9110888                 | Operating Supplies, Nov '24                        | 100-195-622000 | 33.91    |
| 11/14/2024   | ANM CONSTRUCTION INC                  | BLDC-0046-2023          | BLDC-0046-2023, C&D Refund, REC-011461-2023        | 100-000-227001 | 5,000.00 |
| 11/14/2024   | ROBERTO PEREZ                         | BLDR-0316-2024          | BLDR-0316-2024, C&D Refund, REC-013524-2024        | 100-000-227001 | 660.00   |
| 11/14/2024   | ORANGE COUNTY TREASURER-TAX COLLECTOR | OCT 24                  | Parking Fee Surcharge, Oct '24                     | 100-420-720823 | 2,034.00 |
| 11/14/2024   | ETERNAL WATER POOLS                   | POOLR-0015-2024         | POOLR-0015-2024, Pool Bond Refund, REC-013020-2024 | 100-000-228001 | 500.00   |
| 11/14/2024   | PREMIER POOL AND SPA                  | POOLR-0018-2024         | POOLR-0018-2024, Pool Bond Refund, REC-013229-2024 | 100-000-228001 | 500.00   |
| 11/14/2024   | COUNTY OF ORANGE                      | STCS002546              | Communications Charges, 10/1/24 - 12/31/24         | 100-420-646000 | 6,184.62 |
| 11/14/2024   | DMS FACILITY SERVICES, LLC            | STL-000862              | Landscape Services, Oct '24                        | 100-355-720700 | 2,460.00 |
| 11/14/2024   | DMS FACILITY SERVICES, LLC            | STL-000863              | Landscape Services, Oct '24                        | 100-355-720700 | 250.00   |
| 11/15/2024   | WEX BANK                              | 100495187 POLSVCS       | Vehicle Fuel, Oct '24                              | 100-420-613100 | 585.58   |
| 11/15/2024   | WEX BANK                              | 100495376 COMSVCS       | Vehicle Fuel, Oct '24                              | 100-310-613100 | 289.27   |
| 11/15/2024   | WEX BANK                              | 100495796 PUBWKS        | Vehicle Fuel, Oct '24                              | 100-355-613100 | 368.34   |
| 11/15/2024   | WEX BANK                              | 100495796 PUBWKS        | Vehicle Maintenance, Oct '24                       | 100-355-646100 | 20.00    |
| 11/15/2024   | WEX BANK                              | 100495797 COMDEV        | Vehicle Fuel, Oct '24                              | 100-225-613100 | 283.50   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | CAPIO Membership, 7/1/25 - 10/29/25                | 100-000-140000 | 91.67    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Ralphs                                             | 100-310-622005 | 107.44   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dick's Sporting Goods                              | 100-310-622502 | 92.64    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Balvina's Mexican Kitchen                          | 100-310-624500 | 66.46    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Polly's Pies                                       | 100-310-624500 | 11.51    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | CAPIO Membership, 10/30/24 - 6/30/25               | 100-310-695502 | 183.33   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Costco                                             | 100-310-695502 | 109.73   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS     | CalCard (0629) 11.06.24 | Dunkin Donuts                                      | 100-310-695511 | 65.24    |

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| Payment Date | Vendor Name                       | Payable Number          | Description (Item)                           | Account Number | Amount   |
|--------------|-----------------------------------|-------------------------|----------------------------------------------|----------------|----------|
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (0629) 11.06.24 | Contemporary Services Corporation            | 100-310-695531 | 228.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (0629) 11.06.24 | Facebook                                     | 100-310-695531 | 61.82    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (0629) 11.06.24 | Laguna Hills Launderland                     | 100-310-695531 | 15.45    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (0629) 11.06.24 | Mobile Zoo of Southern California            | 100-310-695531 | 2,748.00 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2803) 11.06.24 | Ralphs                                       | 100-310-622005 | 122.65   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2803) 11.06.24 | Lifetime.com, Round Tables for Heritage Room | 100-310-910500 | 3,598.83 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2811) 11.06.24 | APA Membership, 7/1/25 - 12/31/25            | 100-000-140000 | 346.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2811) 11.06.24 | APA Membership, 1/1/25 - 6/30/25             | 100-225-610000 | 346.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2811) 11.06.24 | Chevron                                      | 100-225-613100 | 135.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2811) 11.06.24 | Intelius                                     | 100-225-626000 | 4.99     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2837) 11.06.24 | Exxon Circle K                               | 100-310-613100 | 72.90    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2837) 11.06.24 | Exxon Circle K                               | 100-310-646100 | 18.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2837) 11.06.24 | Home Depot                                   | 100-310-646500 | 14.84    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2837) 11.06.24 | Home Depot                                   | 100-310-646500 | 12.24    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (2837) 11.06.24 | Home Depot                                   | 100-310-646500 | 3.61     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Hobby Lobby                                  | 100-195-622000 | 119.42   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Home Depot                                   | 100-310-695511 | 182.67   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Home Depot                                   | 100-355-720401 | 11.29    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Capistrano Crane Service                     | 100-355-720700 | 1,600.00 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Amazon                                       | 100-355-720701 | 129.29   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Devil Mountain Wholesale                     | 100-355-720701 | 64.63    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Amazon                                       | 100-355-720701 | 11.84    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Treetop Products                             | 100-355-720701 | 2,700.94 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3165) 11.06.24 | Smartlink                                    | 100-355-720701 | 570.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3405) 11.06.24 | California Fish Grill                        | 100-155-622000 | 31.19    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3405) 11.06.24 | Greek Bistro Inc                             | 100-155-622000 | 56.59    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3405) 11.06.24 | King's Fish House                            | 100-155-622000 | 71.03    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3405) 11.06.24 | ChatGPT Subscription, 10/18/24 - 11/18/24    | 100-155-626000 | 20.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3772) 11.06.24 | Flags Express                                | 100-310-620500 | 503.75   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (3772) 11.06.24 | Baker Party Rentals                          | 100-310-695531 | 318.83   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (4849) 11.06.24 | Amazon.com                                   | 100-155-620000 | 7.64     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (4849) 11.06.24 | Amazon.com                                   | 100-155-620000 | 34.22    |



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| Payment Date | Vendor Name                       | Payable Number          | Description (Item)                         | Account Number | Amount   |
|--------------|-----------------------------------|-------------------------|--------------------------------------------|----------------|----------|
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5166) 11.06.24 | Greek Bistro                               | 100-155-611001 | 119.46   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5166) 11.06.24 | Green Thumb International                  | 100-310-695511 | 2,026.73 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5166) 11.06.24 | Eventbrite, CEAOB 11/4/24                  | 100-355-611000 | 118.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5166) 11.06.24 | Ansafone Communications                    | 100-355-630000 | 295.83   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | CPRS Membership Renewal, 7/1/25 - 9/30/25  | 100-000-140000 | 36.25    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | CPRS Membership Renewal, 10/1/24 - 6/30/25 | 100-310-610000 | 108.75   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Exxon Circle K                             | 100-310-613100 | 93.61    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Exxon Circle K                             | 100-310-613100 | 110.93   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Flags Express                              | 100-310-620500 | 317.81   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Michael's                                  | 100-310-622500 | 3.22     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Michael's                                  | 100-310-622500 | 26.26    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Exxon Circle K                             | 100-310-646100 | 18.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Ralphs                                     | 100-310-695500 | 56.79    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Ralphs                                     | 100-310-695500 | 53.97    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Keycaptures Photos                         | 100-310-695502 | 350.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Costco                                     | 100-310-695502 | 107.21   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Walmart                                    | 100-310-695502 | 61.72    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (5958) 11.06.24 | Party City                                 | 100-310-695502 | 17.15    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (6171) 11.06.24 | MB Floral Design, Veterans Day Wreath      | 100-155-695000 | 349.11   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (6171) 11.06.24 | Panini Kabob Grill                         | 100-195-622000 | 261.33   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Canyon Foothill Feed                       | 100-195-622000 | 360.69   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-195-622000 | 1,076.85 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-355-720401 | 16.98    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Amazon                                     | 100-355-720401 | 10.76    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-355-720401 | (22.75)  |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-355-720401 | 56.47    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-355-720401 | 40.70    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Resource Building Materials                | 100-355-720401 | 30.68    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Home Depot                                 | 100-355-720401 | 321.50   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7241) 11.06.24 | Sepulveda Building Materials               | 100-355-720401 | 129.24   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | CSMFO Membership, Jul '25 - Dec '25        | 100-000-140000 | 75.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | GFOA Membership, Jul '25 - Nov '25         | 100-000-140000 | 104.17   |

**Payables Detail Report**
**Payment Dates: 11/01/2024 - 11/28/2024**

| Payment Date | Vendor Name                       | Payable Number          | Description (Item)                      | Account Number | Amount   |
|--------------|-----------------------------------|-------------------------|-----------------------------------------|----------------|----------|
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | GFOA Membership, Dec '24 - Jun '25      | 100-155-610000 | 145.83   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | CSMFO Membership, Jan '25 - Jun '25     | 100-155-610000 | 75.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | Government Finance Officers Association | 100-155-611000 | 135.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | Terra Mia Pizzeria Inc                  | 100-155-611001 | 342.65   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | Party City                              | 100-155-611001 | 86.81    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | Smart and Final                         | 100-155-611001 | 100.87   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | Nothing Bundt Cakes                     | 100-155-611001 | 139.72   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (7941) 11.06.24 | CSMFO                                   | 100-155-612000 | 45.00    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Vizual Symphony, Nov '24                | 100-195-720050 | 1,040.00 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | CDW Govt                                | 100-195-940000 | 1,722.57 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Smart & Final                           | 100-310-695500 | 34.99    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Amazon Prime Video                      | 100-310-695500 | 3.79     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Amazon                                  | 100-310-695502 | 27.99    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Amazon                                  | 100-310-695502 | 44.14    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Big Bear Lake Oktoberfest               | 100-310-695505 | 144.00   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | United Valet Parking                    | 100-310-695505 | 2.40     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8097) 11.06.24 | Sonny's Enterprises Inc                 | 100-310-910500 | 3,017.33 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Walmart                                 | 100-420-622000 | 64.76    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Amazon                                  | 100-420-622000 | 161.57   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | J & M Trophies                          | 100-420-622000 | 104.57   |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Amazon Prime                            | 100-420-626000 | 16.15    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 6.92     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 4.08     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 3.46     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 3.46     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 3.16     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | The Toll Roads of OC                    | 100-420-646100 | 4.08     |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Mendocino Farms                         | 100-420-695000 | 61.58    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Las Golondrinas                         | 100-420-695000 | 88.36    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8151) 11.06.24 | Chick-fil-A                             | 100-420-695000 | 15.44    |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8740) 11.06.24 | New Horizons Learning                   | 100-195-611002 | 3,304.00 |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS | CalCard (8740) 11.06.24 | Verizon Wireless                        | 100-195-620000 | 21.54    |

**Payables Detail Report**
**Payment Dates: 11/01/2024 - 11/28/2024**

| Payment Date | Vendor Name                             | Payable Number          | Description (Item)                                 | Account Number | Amount      |
|--------------|-----------------------------------------|-------------------------|----------------------------------------------------|----------------|-------------|
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (8740) 11.06.24 | Cox Business, T-1 Line, 10/5/24 - 11/4/24          | 100-195-630000 | 845.70      |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (8740) 11.06.24 | Cox Business, T-1 Line, 10/17/24 - 11/16/24        | 100-195-630000 | 584.68      |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (8740) 11.06.24 | Cox Business, WiFi, City Hall, 10/19/24 - 11/18/24 | 100-195-630000 | 182.62      |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (8740) 11.06.24 | Cox Business, Traffic Signal, 10/7/24 - 11/6/24    | 100-195-630000 | 84.00       |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (9031) 11.06.24 | Intelius                                           | 100-225-626000 | 24.86       |
| 11/20/2024   | US BANK CORPORATE PAYMENT SYSTEMS       | CalCard (9031) 11.06.24 | Intelius                                           | 100-225-626000 | 4.99        |
| 11/21/2024   | HIGH LEVEL SECURITY SOLUTIONS, INC.     | 5852                    | Private Security Patrol, 11/4/24 - 11/17/24        | 100-420-720850 | 7,224.00    |
| 11/27/2024   | AT AND T - CALNET 3                     | 000022555719            | Alarm, Com Ctr & City Hall Lines, 10/7/24-11/6/24  | 100-195-630000 | 205.30      |
| 11/27/2024   | AT AND T - CALNET 3                     | 000022555719            | Alarm, Com Ctr & City Hall Lines, 10/7/24-11/6/24  | 100-310-630100 | 150.48      |
| 11/27/2024   | ORANGE COUNTY HAULING                   | 0002858                 | Taco Stand Removal, 10/30/24                       | 100-225-700000 | 650.00      |
| 11/27/2024   | ORANGE COUNTY HAULING                   | 0002890                 | Tamale Stand Removal, 11/6/24                      | 100-225-700000 | 650.00      |
| 11/27/2024   | STUDIO TWO BLACK DIAMOND                | 101956                  | Printing Services, Business Cards, Nov '24         | 100-420-622000 | 24.24       |
| 11/27/2024   | SAN DIEGO GAS AND ELECTRIC              | 111324                  | Utlities - Electric, 9/7/24 - 10/8/24              | 100-310-631100 | 13,321.31   |
| 11/27/2024   | SAN DIEGO GAS AND ELECTRIC              | 111324                  | Utlities - Electric, 9/7/24 - 10/8/24              | 100-355-631000 | 8,041.52    |
| 11/27/2024   | SAN DIEGO GAS AND ELECTRIC              | 111324                  | Utlities - Electric, 9/7/24 - 10/8/24              | 100-356-631400 | 13,138.80   |
| 11/27/2024   | SAN DIEGO GAS AND ELECTRIC              | 111324                  | Utlities - Electric, 10/1/24 - 10/31/24            | 100-356-631900 | 738.23      |
| 11/27/2024   | SPARKLETT'S                             | 12194330 110624         | Operating Supplies, Comm Ctr, 10/16/24 - 11/4/24   | 100-310-622005 | 212.33      |
| 11/27/2024   | BEE MAN, THE                            | 132553                  | Bee Removal, Public Works, Nov '24                 | 100-355-720701 | 155.00      |
| 11/27/2024   | BEE MAN, THE                            | 132628                  | Bee Removal, Public Works, Nov '24                 | 100-355-720701 | 155.00      |
| 11/27/2024   | CITY OF MISSION VIEJO                   | 21322                   | Animal Care Services, Oct-Dec '24                  | 100-420-720401 | 79,764.00   |
| 11/27/2024   | CITY OF MISSION VIEJO                   | 21325                   | Homelessness Outreach, Sep '24                     | 100-310-720302 | 4,970.63    |
| 11/27/2024   | CITY OF MISSION VIEJO                   | 21326                   | Homelessness Outreach, Oct '24                     | 100-310-720302 | 4,970.63    |
| 11/27/2024   | CITY OF MISSION VIEJO                   | 21336                   | Animal Care Services True Up Adjustment, 23/24     | 100-420-720401 | (2,345.48)  |
| 11/27/2024   | WEST COAST ARBORISTS, INC.              | 221545                  | Tree Trimming Services, 10/16/24 - 10/31/24        | 100-355-720702 | 29,629.10   |
| 11/27/2024   | EWING IRRIGATION PRODUCTS, INC          | 23561226                | Landscape Maintenance, Public Works, Sep '24       | 100-355-720700 | 63.28       |
| 11/27/2024   | HARTZOG AND CRABILL, INC.               | 24-0718(HCI#3502)       | Traffic Signal Mgmt Services, Oct '24              | 100-356-700101 | 6,467.35    |
| 11/27/2024   | G2 CONSTRUCTION INC.                    | 240812-LH-Ret           | Retention Release CIP #412-L, Phase XII            | 100-000-201001 | 12,500.00   |
| 11/27/2024   | W.G. ZIMMERMAN ENGINEERING,             | 24-08-565               | On-Call Engineer Services, Aug '24                 | 100-355-700100 | 2,440.00    |
| 11/27/2024   | MICHAEL ABRAHAM                         | 24103                   | CRIS Service Contract, FY 24/25                    | 100-195-720050 | 3,712.05    |
| 11/27/2024   | CREATIVE VISION GROUP, LLC              | 24-1101                 | Advertising - Brochure, Winter 2025                | 100-310-624500 | 1,200.00    |
| 11/27/2024   | SOUTH COAST FAMILY MEDICAL CENTER, INC. | 2474                    | Recruitment, Nov '24                               | 100-195-617000 | 525.00      |
| 11/27/2024   | STONE IMAGERY                           | 30053                   | City Council Nameplates, Nov '24                   | 100-155-620000 | 181.02      |
| 11/27/2024   | TOTAL SOURCE OFFICEWORKS                | 37502                   | Computer Supplies, Nov '24                         | 100-195-621000 | 467.16      |
| 11/27/2024   | TOTAL SOURCE OFFICEWORKS                | 37502                   | Office Supplies, Nov '24                           | 100-310-620500 | 128.61      |
| 11/27/2024   | TOTAL SOURCE OFFICEWORKS                | 37528                   | Computer Supplies, Nov '24                         | 100-195-621000 | 517.16      |
| 11/27/2024   | TOTAL SOURCE OFFICEWORKS                | 37553                   | Office Supplies, Nov '24                           | 100-195-620000 | 42.01       |
| 11/27/2024   | TOTAL SOURCE OFFICEWORKS                | 37553                   | Office Supplies, Nov '24                           | 100-225-622000 | 44.16       |
| 11/27/2024   | MITSUBISHI ELECTRIC US, INC.            | 507106                  | Elevator Maintenance, Nov '24                      | 100-310-645500 | 487.40      |
| 11/27/2024   | CHARLES ABBOTT ASSOCIATES, INC          | 68048 - A (Community Ce | Community Center Parking Lots, CIP #513, Oct '24   | 100-000-790600 | (84,532.35) |
| 11/27/2024   | CHARLES ABBOTT ASSOCIATES, INC          | 68048 -B (Median Decora | ECBC, Scarecrow Placements                         | 100-355-720401 | 1,246.80    |
| 11/27/2024   | JAMEY CLARK, INC.                       | 75704                   | Park Repairs, Public Works, Nov '24                | 100-355-720701 | 429.75      |
| 11/27/2024   | JAMEY CLARK, INC.                       | 75710                   | Graffiti Removal, Public Works, Nov '24            | 100-355-720500 | 334.25      |
| 11/27/2024   | JAMEY CLARK, INC.                       | 75711                   | City Hall Repairs, Public Works, Nov '24           | 100-355-720401 | 1,039.25    |
| 11/27/2024   | JAMEY CLARK, INC.                       | 75712                   | Park Repairs, Public Works, Nov '24                | 100-355-720701 | 7,735.00    |
| 11/27/2024   | JAMEY CLARK, INC.                       | 75716                   | Graffiti Removal, Public Works, Nov '24            | 100-355-720500 | 286.50      |

## Payables Detail Report

Payment Dates: 11/01/2024 - 11/28/2024

| Payment Date                                                     | Vendor Name                                      | Payable Number | Description (Item)                                   | Account Number | Amount              |
|------------------------------------------------------------------|--------------------------------------------------|----------------|------------------------------------------------------|----------------|---------------------|
| 11/27/2024                                                       | JAMEY CLARK, INC.                                | 75717          | Park Repairs, Public Works, Nov '24                  | 100-355-720701 | 900.92              |
| 11/27/2024                                                       | JAMEY CLARK, INC.                                | 75718          | Graffiti Removal, Public Works, Nov                  | 100-355-720500 | 977.06              |
| 11/27/2024                                                       | JAMEY CLARK, INC.                                | 75719          | Graffiti Removal, Public Works, Nov                  | 100-355-720500 | 143.25              |
| 11/27/2024                                                       | JAMEY CLARK, INC.                                | 75724          | Graffiti Removal, Public Works, Nov                  | 100-355-720500 | 697.50              |
| 11/27/2024                                                       | JAMEY CLARK, INC.                                | 75731          | Graffiti Removal, Public Works, Nov                  | 100-355-720500 | 1,348.50            |
| 11/27/2024                                                       | STATE DEPARTMENT OF JUSTICE<br>ACCOUNTING OFFICE | 774427         | Pre-Employment Fingerprinting, Oct<br>'24            | 100-195-617000 | 64.00               |
| 11/27/2024                                                       | MOBILE MINI, INC.                                | 9022358099     | Storage Rental, Community Center,<br>11/7 - 12/4/24  | 100-310-641000 | 341.83              |
| 11/27/2024                                                       | ALL CITY MANAGEMENT, INC.                        | 96937          | Crossing Guard Services, 10/27/24 -<br>11/9/24       | 100-420-720822 | 8,099.28            |
| 11/27/2024                                                       | JCTEES.COM CORPORATION                           | 9879           | Uniforms, Community Services, Oct<br>'24             | 100-310-622100 | 1,860.52            |
| 11/27/2024                                                       | JCTEES.COM CORPORATION                           | 9965           | Basketball Championship T-Shirts,<br>Nov '24         | 100-310-622502 | 525.39              |
| 11/27/2024                                                       | VERIZON WIRELESS                                 | 9977211734     | Communication Expense, 9/26/24 -<br>10/25/24         | 100-195-630000 | 940.39              |
| 11/27/2024                                                       | PACIFIC ROOFING SYSTEMS                          | BLDC-0065-2024 | BLDC-0065-2024, Permit Cancel, REC-<br>013846-2024   | 100-000-221011 | 4.00                |
| 11/27/2024                                                       | PACIFIC ROOFING SYSTEMS                          | BLDC-0065-2024 | BLDC-0065-2024, Permit Cancel, REC-<br>013846-2024   | 100-000-221012 | 4.00                |
| 11/27/2024                                                       | PACIFIC ROOFING SYSTEMS                          | BLDC-0065-2024 | BLDC-0065-2024, Permit Cancel, REC-<br>013846-2024   | 100-000-227001 | 2,104.50            |
| 11/27/2024                                                       | PACIFIC ROOFING SYSTEMS                          | BLDC-0065-2024 | BLDC-0065-2024, Permit Cancel, REC-<br>013846-2024   | 100-000-442000 | 263.91              |
| 11/27/2024                                                       | MARTIN LOCK AND SAFE CO.                         | Q94177         | Padlocks, Nov '24                                    | 100-355-720701 | 361.51              |
| 11/27/2024                                                       | DMS FACILITY SERVICES, LLC                       | RC-T001432     | Landscape Services, Oct '24                          | 100-355-720700 | 103,990.00          |
| <b>Fund 100 - General Fund Total:</b>                            |                                                  |                |                                                      |                | <b>1,811,343.85</b> |
| <b>Fund: 212 - Measure M2 Fund</b>                               |                                                  |                |                                                      |                |                     |
| 11/08/2024                                                       | UNDERGROUND SERVICE ALERT OF<br>SO CALIFORNIA    | 1020240385     | Street Maintenance, Oct '24                          | 212-355-720400 | 145.05              |
| 11/08/2024                                                       | UNDERGROUND SERVICE ALERT OF<br>SO CALIFORNIA    | 24-251363      | Street Maintenance, Oct '24                          | 212-355-720400 | 38.15               |
| 11/27/2024                                                       | SCA OF CA, LLC                                   | 136229SP       | Street Sweeping Services, Oct '24                    | 212-355-720410 | 17,381.78           |
| 11/27/2024                                                       | CHARLES ABBOTT ASSOCIATES, INC                   | 68048          | Road Maintenance, Oct '24                            | 212-355-720400 | 23,627.06           |
| <b>Fund 212 - Measure M2 Fund Total:</b>                         |                                                  |                |                                                      |                | <b>41,192.04</b>    |
| <b>Fund: 301 - CARITS Road Fee Program Fund</b>                  |                                                  |                |                                                      |                |                     |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                      | 24-10-613      | Engineer Services, CIP #168, Oct '24                 | 301-000-790600 | 17,702.50           |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                      | 24-10-614      | Engineer Services, CIP #168, Oct '24                 | 301-000-790600 | 3,118.50            |
| <b>Fund 301 - CARITS Road Fee Program Fund Total:</b>            |                                                  |                |                                                      |                | <b>20,821.00</b>    |
| <b>Fund: 306 - CR&amp;R Recycling Fee Fund</b>                   |                                                  |                |                                                      |                |                     |
| 11/27/2024                                                       | ECONOMICS, INC.                                  | 2024.4         | Professional Services, Recycling<br>Program, Oct '24 | 306-355-700000 | 28,724.92           |
| <b>Fund 306 - CR&amp;R Recycling Fee Fund Total:</b>             |                                                  |                |                                                      |                | <b>28,724.92</b>    |
| <b>Fund: 311 - Quimby Act Park In-Lieu Fee (VALH) Fund</b>       |                                                  |                |                                                      |                |                     |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                           | 36706          | Cabot Park Rehabilitation, CIP #241,<br>Sep '24      | 311-000-790600 | 7,141.21            |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                           | 36707          | Veoh Ranch & San Remo Rehab, CIP<br>#241, Sep '24    | 311-000-790600 | 5,363.72            |
| 11/27/2024                                                       | RJM DESIGN GROUP, INC.                           | 36787          | Cabot Park Rehabilitation, CIP #241,<br>Oct '24      | 311-000-790600 | 1,883.20            |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE<br>ARCHITECTS, INC.  | 422873         | El Conejo & Mackenzie Parks, CIP<br>#241, Aug '24    | 311-000-790600 | 49,788.33           |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE<br>ARCHITECTS, INC.  | 422932         | El Conejo & Mackenzie Parks, CIP<br>#241, Oct '24    | 311-000-790600 | 1,172.50            |
| <b>Fund 311 - Quimby Act Park In-Lieu Fee (VALH) Fund Total:</b> |                                                  |                |                                                      |                | <b>65,348.96</b>    |
| <b>Fund: 401 - Public Art Fund</b>                               |                                                  |                |                                                      |                |                     |
| 11/27/2024                                                       | BRITTANY MARIE RYAN                              | 112524         | Dark Horse Memorial, Sculpting                       | 401-310-900000 | 118,000.00          |
| <b>Fund 401 - Public Art Fund Total:</b>                         |                                                  |                |                                                      |                | <b>118,000.00</b>   |

**Payables Detail Report**
**Payment Dates: 11/01/2024 - 11/28/2024**

| Payment Date                                                     | Vendor Name                                  | Payable Number          | Description (Item)                                | Account Number | Amount              |
|------------------------------------------------------------------|----------------------------------------------|-------------------------|---------------------------------------------------|----------------|---------------------|
| <b>Fund: 456 - Storm Drain / Slope Repair Reserve Fund</b>       |                                              |                         |                                                   |                |                     |
| 11/20/2024                                                       | US BANK CORPORATE PAYMENT SYSTEMS            | CalCard (3405) 11.06.24 | Abitech, Lighting for LH on the Hill              | 456-000-790600 | 2,673.78            |
| <b>Fund 456 - Storm Drain / Slope Repair Reserve Fund Total:</b> |                                              |                         |                                                   |                | <b>2,673.78</b>     |
| <b>Fund: 600 - Capital Improvement Projects Fund</b>             |                                              |                         |                                                   |                |                     |
| 11/08/2024                                                       | STONE IMAGERY                                | 30036                   | Directory Panel Engravings, CIP #505, Oct '24     | 600-000-490100 | (6,997.01)          |
| 11/08/2024                                                       | STONE IMAGERY                                | 30036                   | Directory Panel Engravings, CIP #505, Oct '24     | 600-255-950505 | 6,997.01            |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                       | 36706                   | Cabot Park Rehabilitation, CIP #241, Sep '24      | 600-000-490311 | (7,141.21)          |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                       | 36706                   | Cabot Park Rehabilitation, CIP #241, Sep '24      | 600-252-950241 | 7,141.21            |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                       | 36707                   | Veeh Ranch & San Remo Rehab, CIP #241, Sep '24    | 600-000-490311 | (5,363.72)          |
| 11/08/2024                                                       | RJM DESIGN GROUP, INC.                       | 36707                   | Veeh Ranch & San Remo Rehab, CIP #241, Sep '24    | 600-252-950241 | 5,363.72            |
| 11/08/2024                                                       | RJ ELECTRIC                                  | 63340                   | Public Works Conference Room Conversion, CIP #505 | 600-000-490100 | (2,065.00)          |
| 11/08/2024                                                       | RJ ELECTRIC                                  | 63340                   | Public Works Conference Room Conversion, CIP #505 | 600-255-950505 | 2,065.00            |
| 11/08/2024                                                       | JAMEY CLARK, INC.                            | 75650                   | Public Works Conference Room Conversion, CIP #505 | 600-000-490100 | (8,429.84)          |
| 11/08/2024                                                       | JAMEY CLARK, INC.                            | 75650                   | Public Works Conference Room Conversion, CIP #505 | 600-255-950505 | 8,429.84            |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                  | 24-10-613               | Engineer Services, CIP #168, Oct '24              | 600-000-490301 | (17,702.50)         |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                  | 24-10-613               | Engineer Services, CIP #168, Oct '24              | 600-251-950168 | 17,702.50           |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                  | 24-10-614               | Engineer Services, CIP #168, Oct '24              | 600-000-490301 | (3,118.50)          |
| 11/14/2024                                                       | W.G. ZIMMERMAN ENGINEERING,                  | 24-10-614               | Engineer Services, CIP #168, Oct '24              | 600-251-950168 | 3,118.50            |
| 11/20/2024                                                       | US BANK CORPORATE PAYMENT SYSTEMS            | CalCard (3405) 11.06.24 | Abitech, Lighting for LH on the Hill              | 600-000-490456 | (2,673.78)          |
| 11/20/2024                                                       | US BANK CORPORATE PAYMENT SYSTEMS            | CalCard (3405) 11.06.24 | Abitech, Lighting for LH on the Hill              | 600-254-950403 | 2,673.78            |
| 11/27/2024                                                       | RJM DESIGN GROUP, INC.                       | 36787                   | Cabot Park Rehabilitation, CIP #241, Oct '24      | 600-000-490311 | (1,883.20)          |
| 11/27/2024                                                       | RJM DESIGN GROUP, INC.                       | 36787                   | Cabot Park Rehabilitation, CIP #241, Oct '24      | 600-252-950241 | 1,883.20            |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC. | 422873                  | El Conejo & Mackenzie Parks, CIP #241, Aug '24    | 600-000-490311 | (49,788.33)         |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC. | 422873                  | El Conejo & Mackenzie Parks, CIP #241, Aug '24    | 600-252-950241 | 49,788.33           |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC. | 422932                  | El Conejo & Mackenzie Parks, CIP #241, Oct '24    | 600-000-490311 | (1,172.50)          |
| 11/27/2024                                                       | DAVID VOLZ DESIGN LANDSCAPE ARCHITECTS, INC. | 422932                  | El Conejo & Mackenzie Parks, CIP #241, Oct '24    | 600-252-950241 | 1,172.50            |
| 11/27/2024                                                       | CHARLES ABBOTT ASSOCIATES, INC               | 68048 - A (Community Ce | Community Center Parking Lots, CIP #513, Oct '24  | 600-000-490100 | 84,532.35           |
| 11/27/2024                                                       | CHARLES ABBOTT ASSOCIATES, INC               | 68048 - A (Community Ce | Community Center Parking Lots, CIP #513, Oct '24  | 600-255-950513 | 84,532.35           |
| <b>Fund 600 - Capital Improvement Projects Fund Total:</b>       |                                              |                         |                                                   |                | <b>169,064.70</b>   |
| <b>Grand Total:</b>                                              |                                              |                         |                                                   |                | <b>2,257,169.25</b> |

## Report Summary

## Fund Summary

| Fund                                          | Payment Amount      |
|-----------------------------------------------|---------------------|
| 100 - General Fund                            | 1,811,343.85        |
| 212 - Measure M2 Fund                         | 41,192.04           |
| 301 - CARITS Road Fee Program Fund            | 20,821.00           |
| 306 - CR&R Recycling Fee Fund                 | 28,724.92           |
| 311 - Quimby Act Park In-Lieu Fee (VALH) Fund | 65,348.96           |
| 401 - Public Art Fund                         | 118,000.00          |
| 456 - Storm Drain / Slope Repair Reserve Fund | 2,673.78            |
| 600 - Capital Improvement Projects Fund       | 169,064.70          |
| <b>Grand Total:</b>                           | <b>2,257,169.25</b> |

## Account Summary

| Account Number | Account Name                       | Payment Amount |
|----------------|------------------------------------|----------------|
| 100-000-140000 | Prepaid Items                      | 1,151.89       |
| 100-000-201001 | Accounts Payable - Retention       | 12,500.00      |
| 100-000-221011 | Building Standards Fee             | 4.00           |
| 100-000-221012 | SB1186 ADA CAsp Fees               | 4.00           |
| 100-000-222000 | Refundable Deposits                | 100.00         |
| 100-000-223000 | Plan Application Deposit           | 60,086.02      |
| 100-000-227001 | Security Deposit - Waste           | 29,389.50      |
| 100-000-228001 | Swimming Pool Construction         | 1,000.00       |
| 100-000-442000 | Building Related Permits           | 263.91         |
| 100-000-790600 | Transfers Out to Capital           | (67,040.50)    |
| 100-155-610000 | Memberships & Dues                 | 220.83         |
| 100-155-611000 | Training & Education               | 135.00         |
| 100-155-611001 | Staff Development & Team           | 789.51         |
| 100-155-612000 | Travel, Conferences & Meetings     | 45.00          |
| 100-155-620000 | Office Supplies                    | 222.88         |
| 100-155-622000 | Operating Supplies                 | 158.81         |
| 100-155-623000 | Printing                           | 350.18         |
| 100-155-624001 | Advertising - Legal                | 3,149.09       |
| 100-155-626000 | Subscriptions & Books              | 20.00          |
| 100-155-695000 | Community Assistance & Public      | 349.11         |
| 100-155-700011 | Legal Services - Litigation        | 826.90         |
| 100-155-700030 | Professional Services - City Clerk | 182.00         |
| 100-155-700051 | Professional Services - Annual     | 21,000.00      |
| 100-155-700055 | Professional Services - Prop Tax   | 3,307.25       |
| 100-195-611002 | Training & Education -             | 3,304.00       |
| 100-195-617000 | Recruitment                        | 864.00         |
| 100-195-620000 | Office Supplies                    | 468.01         |
| 100-195-621000 | Computer Supplies                  | 1,396.99       |
| 100-195-622000 | Operating Supplies                 | 3,452.16       |
| 100-195-630000 | Telephone & Communications         | 4,832.54       |
| 100-195-641000 | Equipment Rentals & Leases         | 530.22         |
| 100-195-641200 | Copier Leases                      | 1,901.87       |
| 100-195-700090 | Computer Consulting Services       | 27,892.50      |
| 100-195-720050 | Contract Services - Software       | 5,196.69       |
| 100-195-940000 | Computer Hardware & Software       | 13,529.57      |
| 100-225-610000 | Memberships & Dues                 | 346.00         |
| 100-225-611000 | Training & Education               | 544.65         |
| 100-225-613000 | Mileage Reimbursement              | 361.80         |
| 100-225-613100 | Vehicle Fuel                       | 418.50         |
| 100-225-622000 | Operating Supplies                 | 44.16          |
| 100-225-626000 | Subscriptions & Books              | 34.84          |
| 100-225-700000 | Professional Services - Building & | 22,106.05      |
| 100-310-610000 | Memberships & Dues                 | 184.58         |
| 100-310-613100 | Vehicle Fuel                       | 566.71         |
| 100-310-620500 | Office Supplies - Community        | 950.17         |

## Account Summary

| Account Number | Account Name                       | Payment Amount |
|----------------|------------------------------------|----------------|
| 100-310-622005 | Operating Supplies - Community     | 863.81         |
| 100-310-622100 | Operating Supplies - Uniforms      | 1,860.52       |
| 100-310-622500 | Supplies - Program Services        | 29.48          |
| 100-310-622502 | Supplies - Adult Leagues           | 3,223.67       |
| 100-310-624500 | Advertising - Program Services     | 1,677.97       |
| 100-310-630100 | Telephone & Communications -       | 428.96         |
| 100-310-631100 | Utilities - Electric (Community    | 13,321.31      |
| 100-310-632500 | Utilities - Gas (Community         | 78.81          |
| 100-310-635100 | Utilities - Water (Community       | 837.83         |
| 100-310-641000 | Equipment Rentals & Leases         | 1,210.14       |
| 100-310-645500 | Facility Maintenance & Repairs     | 732.40         |
| 100-310-646100 | Vehicle Maintenance & Repairs      | 36.00          |
| 100-310-646500 | Equipment Maintenance &            | 30.69          |
| 100-310-695500 | Special Events - Program Services  | 213.87         |
| 100-310-695502 | Special Needs Program              | 901.27         |
| 100-310-695505 | Cultural Excursions                | 146.40         |
| 100-310-695510 | Holiday Event Series               | 162.50         |
| 100-310-695511 | Rooted Volunteer Campaign          | 2,274.64       |
| 100-310-695531 | Heritage Day                       | 3,372.10       |
| 100-310-720302 | Contract Services - Homelessness   | 17,295.77      |
| 100-310-721505 | Contract Services - Janitorial &   | 11,713.00      |
| 100-310-910500 | Furniture & Equipment              | 6,616.16       |
| 100-355-611000 | Training & Education               | 118.00         |
| 100-355-613100 | Vehicle Fuel                       | 368.34         |
| 100-355-622000 | Operating Supplies                 | 664.49         |
| 100-355-630000 | Telephone & Communications         | 295.83         |
| 100-355-631000 | Utilities - Electric               | 6,926.93       |
| 100-355-635000 | Utilities - Water                  | 65,371.14      |
| 100-355-646100 | Vehicle Maintenance & Repairs      | 20.00          |
| 100-355-696000 | NPDES Permits & Fees               | 75,324.62      |
| 100-355-700000 | Professional Services              | 10,536.95      |
| 100-355-700100 | City Engineer Services             | 2,440.00       |
| 100-355-700255 | Improvement Inspections            | 9,731.25       |
| 100-355-700300 | Hazard Mitigation Plan             | 2,350.00       |
| 100-355-720401 | Other Public Works Maintenance     | 2,880.92       |
| 100-355-720500 | Graffiti Removal                   | 8,825.88       |
| 100-355-720700 | Landscape Maintenance              | 108,578.60     |
| 100-355-720701 | Parks Contract Repair              | 49,844.32      |
| 100-355-720702 | Tree Maintenance                   | 88,046.20      |
| 100-355-910000 | Furniture & Equipment              | 17,300.00      |
| 100-356-630000 | MOE - Telephone &                  | 61.23          |
| 100-356-631400 | MOE - Electric (Streetlights &     | 39,791.79      |
| 100-356-631900 | MOE - Electric (On-Bill Financing) | 4,953.30       |
| 100-356-700101 | MOE - Traffic Engineer Services    | 6,467.35       |
| 100-356-720420 | MOE - Traffic Signal Maintenance   | 17,976.30      |
| 100-420-613100 | Vehicle Fuel                       | 585.58         |
| 100-420-622000 | Operating Supplies                 | 452.12         |
| 100-420-626000 | Subscriptions & Books              | 16.15          |
| 100-420-646000 | Equipment/Machinery                | 6,184.62       |
| 100-420-646100 | Vehicle Maintenance & Repairs      | 2,990.25       |
| 100-420-695000 | Community Assistance & Public      | 165.38         |
| 100-420-720401 | Animal Care & Shelter Services     | 77,418.52      |
| 100-420-720800 | General Law Enforcement            | 946,274.80     |
| 100-420-720822 | Crossing Guard Services            | 17,098.48      |
| 100-420-720823 | Parking Citation Processing        | 2,667.82       |
| 100-420-720850 | Private Security Patrol            | 14,448.00      |
| 212-355-720400 | Street Maintenance                 | 23,810.26      |
| 212-355-720410 | Street Sweeping                    | 17,381.78      |



Account Summary

| Account Number | Account Name                     | Payment Amount |
|----------------|----------------------------------|----------------|
| 301-000-790600 | Transfers Out to Capital         | 20,821.00      |
| 306-355-700000 | Professional Services            | 28,724.92      |
| 311-000-790600 | Transfers Out to Capital         | 65,348.96      |
| 401-310-900000 | Public Artwork                   | 118,000.00     |
| 456-000-790600 | Transfers Out to Capital         | 2,673.78       |
| 600-000-490100 | Transfers In from General Fund   | 67,040.50      |
| 600-000-490301 | Transfers In from CARITS Road    | (20,821.00)    |
| 600-000-490311 | Transfers In from Quimby Act     | (65,348.96)    |
| 600-000-490456 | Transfers In from Storm Drains / | (2,673.78)     |
| 600-251-950168 | Traffic Signal Improvements      | 20,821.00      |
| 600-252-950241 | General Park Renovations         | 65,348.96      |
| 600-254-950403 | Storm Drains / Slope Repairs     | 2,673.78       |
| 600-255-950505 | Civic Center Improvements        | 17,491.85      |
| 600-255-950513 | Community Center Renovation      | 84,532.35      |
| Grand Total:   |                                  | 2,257,169.25   |

Project Account Summary

| Project Account Key | Payment Amount |
|---------------------|----------------|
| **None**            | 2,257,169.25   |
| Grand Total:        | 2,257,169.25   |



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Eric Hendrickson, Finance Director  
**Issue:** Treasurer's Investment Report for October 2024

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**Recommendation:** That the City Council receive and file the Treasurer's Investment Report for the month of October 2024.

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### **Background:**

The Treasurer's Investment Report for the month of October 2024 is submitted herewith. The City's total portfolio as of October 31, 2024, was \$29,738,438. The pooled cash portfolio managed by the City Treasurer consisted of cash on hand, demand deposits, State Local Agency Investment Fund (LAIF) and Investment Trust of California (CalTRUST) investments and totaled \$28,515,323. Restricted cash and investments totaled \$1,223,115, and is mainly composed of reserve funds for the 2010 bond issuance.

Interest income for the month of October was \$119,847. FY2024/2025 year-to-date pooled cash interest earnings of \$528,924 are 56% of the annual budget of \$942,050.

The average yield on the City's total portfolio for the month of October was 4.85%, compared to the prior month of 4.96%. The reduced yield in October corresponds with the actions taken by the Federal Reserve to lower interest rates in efforts to combat inflation. The City has budgeted conservatively in its expectation of interest earnings, and has built rate reductions into the revenue forecast.

### **Fiscal Impact:**

There is no fiscal impact to receive and file this report.

**Attachments:**

1. Treasurer's Report October 2024

**City of Laguna Hills  
Treasurer's Investment Report  
October 2024**

|                                                           | Current Month<br>Market Value | Current Month<br>Book Value | Prior Month<br>Book Value | Current<br>Month %<br>of<br>Portfolio | Maximum<br>Policy Limit | Yield to<br>Maturity for<br>Month<br>(Annualized) |
|-----------------------------------------------------------|-------------------------------|-----------------------------|---------------------------|---------------------------------------|-------------------------|---------------------------------------------------|
| <b>Pooled Cash &amp; Investments</b>                      |                               |                             |                           |                                       |                         |                                                   |
| BMO Checking & Money Market Accounts                      | \$ 7,830,115                  | \$ 7,830,115                | \$ 8,666,395              | 27%                                   | 50%                     | 4.70%                                             |
| Petty Cash (City Hall)                                    | 500                           | 500                         | 500                       | 0%                                    | n/a                     | 0.00%                                             |
| Petty Cash (Community Services)                           | 250                           | 250                         | 750                       | 0%                                    | n/a                     | 0.00%                                             |
| Fiscal Agent Cash - Employee FSA                          | 12,460                        | 12,460                      | 12,699                    | 0%                                    | n/a                     | 0.00%                                             |
| State Local Agency Investment Fund (LAIF)                 | 95,909                        | 95,712                      | 94,590                    | 0%                                    | 100%                    | 4.52%                                             |
| Investment Trust of California (CalTRUST)                 | 20,576,286                    | 20,576,286                  | 20,489,611                | 72%                                   | 100%                    | 4.95%                                             |
|                                                           | <u>28,515,520</u>             | <u>28,515,323</u>           | <u>29,264,545</u>         | <u>100%</u>                           |                         | <u>4.88%</u>                                      |
| <b>Restricted &amp; Designated Cash &amp; Investments</b> |                               |                             |                           |                                       |                         |                                                   |
| BNY Mellon (2010 Bond - Lease Payment Fund)               | 761,702                       | 761,702                     | 758,807                   | n/a                                   | n/a                     | 4.45%                                             |
| BNY Mellon (2010 Bond - Reserve Fund)                     | 397,828                       | 397,828                     | 396,210                   | n/a                                   | n/a                     | 4.45%                                             |
| Fiscal Agent Cash - Essex Civic Center Mgmt               | 63,584                        | 63,584                      | 182,623                   | n/a                                   | n/a                     | 0.00%                                             |
|                                                           | <u>1,223,115</u>              | <u>1,223,115</u>            | <u>1,337,640</u>          |                                       |                         | <u>4.22%</u>                                      |
| <b>Totals</b>                                             | <u>\$ 29,738,635</u>          | <u>\$ 29,738,438</u>        | <u>\$ 30,602,185</u>      |                                       |                         | <u>4.85%</u>                                      |

**Pooled Cash & Investment - Interest Earnings**

|                               |            |
|-------------------------------|------------|
| For the month of October 2024 | \$ 119,847 |
| FY 2024-25 to Date            | 528,924    |
| FY 2024-25 Budget             | 942,050    |

**Certification:**

I hereby certify that the above investment report includes all cash and investments of the City and is in conformance with all State laws and the City's investment policy approved by the City Council on November 14, 2023. At the time of the report, there is sufficient liquidity and anticipated revenues available to meet the City's budgeted expenditure requirements for the next six months.



Eric Hendrickson  
Finance Director/Deputy City Treasurer



# Pooled Cash Report

City of Laguna Hills, CA

For the Period Ending 10/31/2024

| ACCOUNT #                      | ACCOUNT NAME                                      | BEGINNING<br>BALANCE | CURRENT<br>ACTIVITY | CURRENT<br>BALANCE   |
|--------------------------------|---------------------------------------------------|----------------------|---------------------|----------------------|
| <b>CLAIM ON CASH</b>           |                                                   |                      |                     |                      |
| <a href="#">100-000-101100</a> | Claim on Cash - General Fund                      | 19,866,169.92        | (898,217.76)        | 18,967,952.16        |
| <a href="#">210-000-101210</a> | Claim on Cash - Gas Tax (HUTA)                    | 1,555,466.13         | 77,903.61           | 1,633,369.74         |
| <a href="#">211-000-101211</a> | Claim on Cash - Gas Tax (RMRA)                    | 1,576,032.13         | 71,724.39           | 1,647,756.52         |
| <a href="#">212-000-101212</a> | Claim on Cash - Measure M2                        | 12,176.82            | (72,401.85)         | (60,225.03)          |
| <a href="#">214-000-101214</a> | Claim on Cash - AB 2766                           | 174,651.15           | -                   | 174,651.15           |
| <a href="#">221-000-101221</a> | Claim on Cash - Senior Mobility Program           | 269,059.96           | (1,872.00)          | 267,187.96           |
| <a href="#">301-000-101301</a> | Claim on Cash - CARITS Road Fee Program           | 1,395,725.55         | (2,183.70)          | 1,393,541.85         |
| <a href="#">305-000-101305</a> | Claim on Cash - Beverage Recycling                | 5,883.75             | -                   | 5,883.75             |
| <a href="#">306-000-101306</a> | Claim on Cash - CR&R Recycling Fee                | 241,141.05           | (56,872.05)         | 184,269.00           |
| <a href="#">307-000-101307</a> | Claim on Cash - C&D Forfeited Deposits            | 329,979.60           | (1,680.00)          | 328,299.60           |
| <a href="#">309-000-101305</a> | Claim on Cash - SB1383 Grant                      | 89,084.34            | -                   | 89,084.34            |
| <a href="#">311-000-101310</a> | Claim on Cash - Quimby Act Park In-Lieu Fee (VAL) | 2,068,865.56         | (64,231.28)         | 2,004,634.28         |
| <a href="#">312-000-101312</a> | Claim on Cash - CASp Fee                          | 34,376.29            | -                   | 34,376.29            |
| <a href="#">322-000-101322</a> | Claim on Cash - Water Conservation                | 376,038.94           | -                   | 376,038.94           |
| <a href="#">401-000-101401</a> | Claim on Cash - Public Art                        | 195,224.24           | -                   | 195,224.24           |
| <a href="#">411-000-101401</a> | Claim on Cash - Public Art (VALH)                 | 367,084.81           | -                   | 367,084.81           |
| <a href="#">421-000-101421</a> | Claim on Cash - SLESF                             | 3,201.36             | 106,876.81          | 110,078.17           |
| <a href="#">451-000-101451</a> | Claim on Cash - Liability Self-Insurance          | 161,300.18           | -                   | 161,300.18           |
| <a href="#">452-000-101452</a> | Claim on Cash - Parks Equipment Maintenance       | 309,213.00           | -                   | 309,213.00           |
| <a href="#">454-000-101454</a> | Claim on Cash - Sports Complex Equipment Maint    | 87,144.46            | -                   | 87,144.46            |
| <a href="#">455-000-101455</a> | Claim on Cash - Community Center Equipment Ma     | 99,004.75            | -                   | 99,004.75            |
| <a href="#">456-000-101456</a> | Claim on Cash - Storm Drain / Slope Repair Reserv | 31,770.82            | -                   | 31,770.82            |
| <b>TOTAL CLAIM ON CASH</b>     |                                                   | <u>29,248,594.81</u> | <u>(840,953.83)</u> | <u>28,407,640.98</u> |

Reconciling items (outstanding checks and deposits in transit): 107,682.02

Pooled Cash & Investments Book Value: 28,515,323.00

## GENERAL FUND RESERVES (as of most recent year end 6/30/2024 - currently being audited)

|                   |                   |
|-------------------|-------------------|
| Fund Balance Type |                   |
| Nonspendable      | 299,941           |
| Assigned          | 691,633           |
| Unassigned        | <u>23,776,890</u> |
| <b>Total</b>      | <b>24,768,464</b> |



ACCOUNT NUMBER: [REDACTED]

STATEMENT PERIOD  
10/01/24 TO 10/31/24

PAGE: 1 OF 7

CITY OF LAGUNA HILLS  
GENERAL  
24035 EL TORO RD  
LAGUNA HILLS CA 92653-3103

ITEMS ENCLOSED 0

INVESCO/AIM TREASURY CORP CL

ACCOUNT NUMBER [REDACTED]

SUMMARY STATEMENT, CHECKING PLUS MONEY MARKET FUNDS

|                       |               |
|-----------------------|---------------|
| BEGINNING BALANCE     | 8,666,395.29  |
| DEPOSITS              | 3,755,270.45  |
| WITHDRAWALS           | 4,623,601.55- |
| MUTUAL FUND DIVIDENDS | 32,051.17     |

ENDING BALANCE 7,830,115.36

SEE THE ENCLOSED CHECKING AND FUND STATEMENTS FOR DETAIL INFORMATION CONCERNING THIS ACCOUNT.  
FOR BILLING INFORMATION, SEE ACCOUNT ANALYSIS STATEMENT.

CHECKING ACCOUNT SUMMARY

|                           |               |
|---------------------------|---------------|
| YOUR PREVIOUS BALANCE WAS | 105.00        |
| 85 CUSTOMER DEPOSITS      | 1,405,912.07  |
| 161 OTHER WITHDRAWALS     | 2,274,243.17- |
| 8 SHARE PURCHASES         | 740,489.14-   |
| 14 SHARE REDEMPTIONS      | 1,608,869.24  |
| YOUR ENDING BALANCE WAS   | 154.00        |

TRANSACTIONS LISTED BY DATE POSTED

| DATE POSTED | TRANSACTION DESCRIPTION                     | WITHDRAWALS<br>OTHER DEBITS | DEPOSITS<br>OTHER CREDITS |
|-------------|---------------------------------------------|-----------------------------|---------------------------|
| OCT 01      | CCD AMS INC MERCH DEP 17730303701           |                             | 11.00                     |
| OCT 01      | CCD AMS INC MERCH DEP 17730303701           |                             | 30.00                     |
| OCT 01      | CCD AMS INC MERCH DEP 17730300707           |                             | 292.50                    |
| OCT 01      | CCD City of Laguna H Settlement 22034001526 |                             | 368.37                    |
| OCT 01      | CHECK DEPOSIT PACKAGE                       |                             | 500.00                    |
| OCT 01      | ZERO BALANCE TXFR FROM DDA ACCT [REDACTED]  |                             | 2,666.02                  |
| OCT 01      | CCD AMS INC MERCH DEP 17730300707           |                             | 12,524.33                 |
| OCT 01      | ZERO BALANCE TXFR TO DDA ACCT [REDACTED]    | 22,257.39                   |                           |
| OCT 01      | INV CR TRANSFER                             |                             | 14,882.80                 |
| OCT 02      | ZERO BALANCE TXFR FROM DDA ACCT [REDACTED]  |                             | 25.00                     |



CalTRUST  
PO Box 2709  
Granite Bay, CA 95746  
www.caltrust.org  
Email: admin@caltrust.org  
Fax: 402-963-9094  
Phone: 833-CALTRUST (225-8787)

## Investment Account Summary

10/01/2024 through 10/31/2024

### SUMMARY OF INVESTMENTS

| Fund                                    | Account Number | Total Shares Owned | Net Asset Value per Share on Oct 31 (\$) | Value on Oct 31 (\$) | Average Cost Amount (\$) | Cumulative Change in Value (\$) |
|-----------------------------------------|----------------|--------------------|------------------------------------------|----------------------|--------------------------|---------------------------------|
| CITY OF LAGUNA HILLS                    |                |                    |                                          |                      |                          |                                 |
| CalTRUST Liquidity Fund                 |                | 20,576,285.660     | 1.00                                     | 20,576,285.66        | 20,576,285.66            | 0.00                            |
| Portfolios Total value as of 10/31/2024 |                |                    |                                          | 20,576,285.66        |                          |                                 |

### DETAIL OF TRANSACTION ACTIVITY

| Activity Description            | Activity Date | Amount (\$)          | Amount in Shares | Balance in Shares | Price per Share (\$) | Balance (\$)  | Average Cost Amt (\$) | Realized Gain/(Loss) (\$) |
|---------------------------------|---------------|----------------------|------------------|-------------------|----------------------|---------------|-----------------------|---------------------------|
| CalTRUST Liquidity Fund         |               | CITY OF LAGUNA HILLS |                  |                   | Account Number:      |               |                       |                           |
| Beginning Balance               | 10/01/2024    |                      |                  | 20,489,611.200    | 1.00                 | 20,489,611.20 |                       |                           |
| Accrual Income Div Reinvestment | 10/31/2024    | 86,674.46            | 86,674.460       | 20,576,285.660    | 1.00                 | 20,576,285.66 | 0.00                  | 0.00                      |
| Change in Value                 |               |                      |                  |                   |                      | 0.00          |                       |                           |
| Closing Balance as of           | Oct 31        |                      |                  | 20,576,285.660    | 1.00                 | 20,576,285.66 |                       |                           |

Please note that this information should not be construed as tax advice and it is recommended that you consult with a tax professional regarding your account.



California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

November 04, 2024

[LAIF Home](#)  
[PMIA Average Monthly](#)  
[Yields](#)

---

CITY OF LAGUNA HILLS

CITY MANAGER  
24035 EL TORO ROAD  
LAGUNA HILLS, CA 92653

Tran Type Definitions

Account Number: XXXXXXXXXX

October 2024 Statement

| Effective Date | Transaction Date | Tran Type | Confirm Number | Web Confirm Number | Authorized Caller | Amount   |
|----------------|------------------|-----------|----------------|--------------------|-------------------|----------|
| 10/15/2024     | 10/14/2024       | QRD       | 1762260        | N/A                | SYSTEM            | 1,121.74 |

Account Summary

|                   |          |                    |           |
|-------------------|----------|--------------------|-----------|
| Total Deposit:    | 1,121.74 | Beginning Balance: | 94,589.85 |
| Total Withdrawal: | 0.00     | Ending Balance:    | 95,711.59 |



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

## Account Statement

Statement Period 10/01/2024 Through 10/31/2024

Account [REDACTED] Base Currency = USD  
LAGUNA HILLS 2010 LEASE PYMT FD

CLIENT SERVICE MANAGER: LENA CHAN

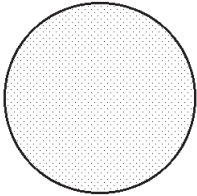
BNYM COPORATE TRUST, N.A  
333 S. HOPE ST. STE 2525  
LOS ANGELES, CA 90071  
213-630-6253  
LENA.CHAN@BNYMELLON.COM

Go Paperless.  
Securely access your accounts online to view your statements. Ask your BNY Mellon contact how we can help you access your account balances and activity in real time, receive your reports, enter your own transactions or submit an audit confirmation online. Also be sure to ask how NEXEN(SM) Gateway, our new cloud-based ecosystem, can help you.

Visit us at [www.bnymellon.com](http://www.bnymellon.com)

## Account Overview

| Percent of all Investments                                                               | Asset Classification     | Market Value |
|------------------------------------------------------------------------------------------|--------------------------|--------------|
| 100%  | CASH AND SHORT TERM      | 761,702.38   |
| 100%                                                                                     | TOTAL OF ALL INVESTMENTS | 761,702.38   |



## Summary of Assets Held by Asset Classification

| Asset Classification | Market Value | Cost       | Accrued Income | Estimated Annual Income | Market Yield |
|----------------------|--------------|------------|----------------|-------------------------|--------------|
| CASH AND SHORT TERM  | 761,702.38   | 761,702.38 | 0.00           | 33,891.64               | 4.45 %       |
| ACCOUNT TOTALS       | 761,702.38   | 761,702.38 | 0.00           | 33,891.64               | 4.45 %       |

## Summary of Cash Transactions by Transaction Category

| Transaction Category     | Current Period |           |                       | Year-to-Date |              |
|--------------------------|----------------|-----------|-----------------------|--------------|--------------|
|                          | Income         | Principal | Realized Gains/Losses | Income       | Principal    |
| OPENING BALANCE          | 0.00           | 0.00      |                       | 0.00         | 0.00         |
| DIVIDENDS                | 2,895.14       | 0.00      | 0.00                  | 32,662.64    | 0.00         |
| SALES AND REDEMPTIONS    | 0.00           | 0.00      | 0.00                  | 0.00         | 378,259.38   |
| OTHER CASH ADDITIONS     | 0.00           | 2,895.14  | 0.00                  | 0.00         | 65,358.85    |
| OTHER CASH DISBURSEMENTS | 2,895.14 -     | 0.00      | 0.00                  | 32,662.64 -  | 378,259.38 - |



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Account Statement

Statement Period 10/01/2024 Through 10/31/2024

Account [REDACTED] Base Currency = USD  
LAGUNA HILLS 2010 RESERVE FD

CLIENT SERVICE MANAGER: LENA CHAN

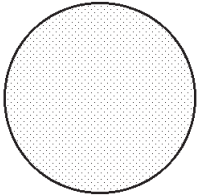
BNYM COPORATE TRUST, N.A  
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213-630-6253  
LENA.CHAN@BNYMELLON.COM

Go Paperless.  
Securely access your accounts online to view your statements. Ask your BNY Mellon contact how we can help you access your account balances and activity in real time, receive your reports, enter your own transactions or submit an audit confirmation online. Also be sure to ask how NEXEN(SM) Gateway, our new cloud-based ecosystem, can help you.

Visit us at [www.bnymellon.com](http://www.bnymellon.com)

Account Overview

| Percent of all Investments |  | Asset Classification     | Market Value |
|----------------------------|--|--------------------------|--------------|
| 100%                       |  | CASH AND SHORT TERM      | 397,828.11   |
| 100%                       |  | TOTAL OF ALL INVESTMENTS | 397,828.11   |



Summary of Assets Held by Asset Classification

| Asset Classification | Market Value | Cost       | Accrued Income | Estimated Annual Income | Market Yield |
|----------------------|--------------|------------|----------------|-------------------------|--------------|
| CASH AND SHORT TERM  | 397,828.11   | 397,828.11 | 0.00           | 17,701.20               | 4.45 %       |
| ACCOUNT TOTALS       | 397,828.11   | 397,828.11 | 0.00           | 17,701.20               | 4.45 %       |

Summary of Cash Transactions by Transaction Category

| Transaction Category     | Current Period |           |                       | Year-to-Date |             |
|--------------------------|----------------|-----------|-----------------------|--------------|-------------|
|                          | Income         | Principal | Realized Gains/Losses | Income       | Principal   |
| OPENING BALANCE          | 0.00           | 0.00      |                       | 0.00         | 0.00        |
| DIVIDENDS                | 1,618.04       | 0.00      | 0.00                  | 17,218.72    | 0.00        |
| SALES AND REDEMPTIONS    | 0.00           | 0.00      | 0.00                  | 0.00         | 32,696.21   |
| OTHER CASH ADDITIONS     | 0.00           | 1,618.04  | 0.00                  | 0.00         | 17,218.72   |
| OTHER CASH DISBURSEMENTS | 1,618.04 -     | 0.00      | 0.00                  | 17,218.72 -  | 32,696.21 - |



# Invesco Treasury Portfolio

## Short-Term Investments Trust

Data as of October 31, 2024  
Corporate Class

### Fund Information

|                                        |                 |
|----------------------------------------|-----------------|
| Inception                              | August 01, 2005 |
| CUSIP                                  | 825252570       |
| NASDAQ                                 | TYCXX           |
| Total Net Assets                       | \$29.89 billion |
| Reflects all classes of the portfolio. |                 |
| Weighted Average Maturity (WAM)        | 32 days         |
| Weighted Average Life (WAL)            | 109 days        |

### SEC Portfolio Liquidity Requirements (%)

|       |       |
|-------|-------|
| 1-day | 52.46 |
| 7-day | 94.95 |

### Ratings<sup>2</sup>

|                   |        |
|-------------------|--------|
| Standard & Poor's | AAAm   |
| Moody's           | Aaa-mf |
| Fitch Ratings     | AAAmf  |

### NAIC Requirements

National Association of Insurance Commissioners (NAIC)  
Meets NAIC requirement of a 0% capital reserve for a purchase by insurance companies.

### Management Team

Laurie Brignac, Joe Madrid, Brandon Maitre,  
Justin Mandeville, Marques Mercier, Wesley Rager,  
Jennifer Brown, Ripal Tilara, and Bryn Zinser

All data provided by Invesco unless otherwise stated.

1 iMoneyNet, Inc. is an independent mutual fund performance monitor. The U.S. Treasury & Repo Institutional Category is an unmanaged group of money market funds with similar investment objectives and pricing structures as the Corporate Class of the Invesco Treasury Portfolio. iMoneyNet performance figures represent the category average. An investment cannot be made into the category.

2 A credit rating is an assessment provided by Nationally Recognized Statistical Ratings Organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Fund ratings are subject to change and are based on several factors, including an analysis of a portfolio's overall credit quality, market price exposure and management. Fund ratings are provided to indicate the creditworthiness of the underlying holdings in the portfolio and offer a forward-looking opinion about fixed income funds' capacity to maintain stable principal (net asset value). The ratings will generally range from AAA (highest) to D (lowest). For more information on rating methodologies, please visit the following NRSRO websites: [www.standardandpoors.com](http://www.standardandpoors.com) and select "Understanding Ratings" under Rating Resources on the homepage; [www.moody.com](http://www.moody.com) and select "Rating Methodologies" under Research and Ratings on the homepage; [www.fitchratings.com](http://www.fitchratings.com) and select "Ratings Definitions" on the homepage. @FSIA\_CashDisclosureLeft:

3 Portfolio composition is subject to change. An investment category listed with "other" in the name indicates that the underlying holdings did not fall into the SEC's more narrowly defined investment categories.

**You could lose money by investing in the Fund. Although the Fund seeks to preserve your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.**

### Investment Objective

Provide current income consistent with preservation of capital and liquidity.

### Permissible Investments

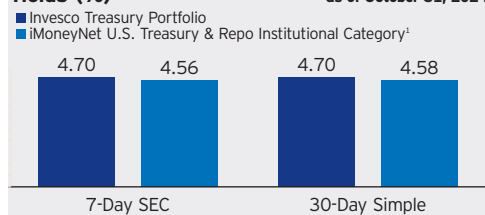
The fund pursues its objective by investing primarily in short-term, high-credit-quality money market instruments. These instruments are direct obligations of the US Treasury and repurchase agreements backed by Treasury obligations.

### Fund Highlights

- The portfolio management team follows a conservative investment process with respect to minimal credit risk, interest rate risk and liquidity.
- The fund is designed for short- to medium-term cash investments, operating cash, cash sweeps and the liquidity components of investment portfolios.
- The fund aims to preserve capital, maintain liquidity and produce a competitive yield.

### Yields (%)

as of October 31, 2024

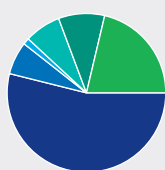


The performance data quoted represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted above. The investment return and principal value of your investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. You may obtain performance data current to the most recent month-end by visiting [invesco.com](http://invesco.com). The SEC yield listed reflects fee waivers and/or expense reimbursements in effect for the period. Had the Adviser not waived fees and/or reimbursed expenses, your 7-day SEC yield would have been 4.66%. Average annual total returns reflect reinvested distributions, net of expenses for the periods. The 7-day SEC yield more closely reflects the current earnings of the fund than the total returns shown.

### Portfolio Composition (%) <sup>3</sup>

| SEC Investment Category            | (%)  |
|------------------------------------|------|
| U.S. Treasury Repurchase Agreement | 55.8 |
| U.S. Treasury Debt                 | 44.2 |

### Maturity Schedule (%)



Maturity schedule is based on weighted average maturity and is subject to change.

### Average Annual Total Returns (%)

as of October 31, 2024

| Period    | (%)  |
|-----------|------|
| Inception | 1.50 |
| 10 Years  | 1.58 |
| 5 Years   | 2.28 |
| 3 Years   | 3.63 |
| 1 Year    | 5.26 |

### Simple Monthly Yields

as of October 31, 2024

| Period        | (%)  |
|---------------|------|
| October 2024  | 4.70 |
| September     | 4.95 |
| August        | 5.13 |
| July          | 5.17 |
| June          | 5.18 |
| May           | 5.19 |
| April         | 5.18 |
| March         | 5.18 |
| February      | 5.18 |
| January       | 5.20 |
| December      | 5.23 |
| November 2023 | 5.25 |

30-day simple and simple monthly yield are the sum of the distribution rates for the number of days in the yield period annualized by 365 and divided by net asset value (NAV).

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

**NOT A DEPOSIT | NOT FDIC-INSURED | NOT GUARANTEED BY THE BANK |  
MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

**This report must be accompanied or preceded by a currently effective fund prospectus, which contains more complete information, including fees and expenses. Read it carefully before investing.**



Account number: [REDACTED]  
Account name: CITY OF LAGUNA HILLS

## Yield and NAV

Fund Name  
CalTRUST Liquidity Fund

Start Date - End Date  
10/31/2024 – 10/31/2024



Export (1)

| Period Date | NAV    |  | Income       | Shares            | Net Assets         | Daily Yield | 7 day AVG Yield |
|-------------|--------|--|--------------|-------------------|--------------------|-------------|-----------------|
|             |        |  |              |                   |                    |             |                 |
| 10/31/24    | \$1.00 |  | \$289,688.84 | 2,139,572,914.630 | \$2,139,603,796.64 | 4.94%       | 4.95%           |



## PMIA/LAIF Performance Report as of 11/06/24



### Quarterly Performance Quarter Ended 09/30/24

|                                            |                     |
|--------------------------------------------|---------------------|
| LAIF Apportionment Rate <sup>(2)</sup> :   | 4.71                |
| LAIF Earnings Ratio <sup>(2)</sup> :       | 0.00012912073474208 |
| LAIF Administrative Cost <sup>(1)*</sup> : | 0.26                |
| LAIF Fair Value Factor <sup>(1)</sup> :    | 1.002061084         |
| PMIA Daily <sup>(1)</sup> :                | 4.58                |
| PMIA Quarter to Date <sup>(1)</sup> :      | 4.56                |
| PMIA Average Life <sup>(1)</sup> :         | 231                 |

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

|           |       |
|-----------|-------|
| October   | 4.518 |
| September | 4.575 |
| August    | 4.579 |
| July      | 4.516 |
| June      | 4.480 |
| May       | 4.332 |

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 9/30/24 \$161.6 billion

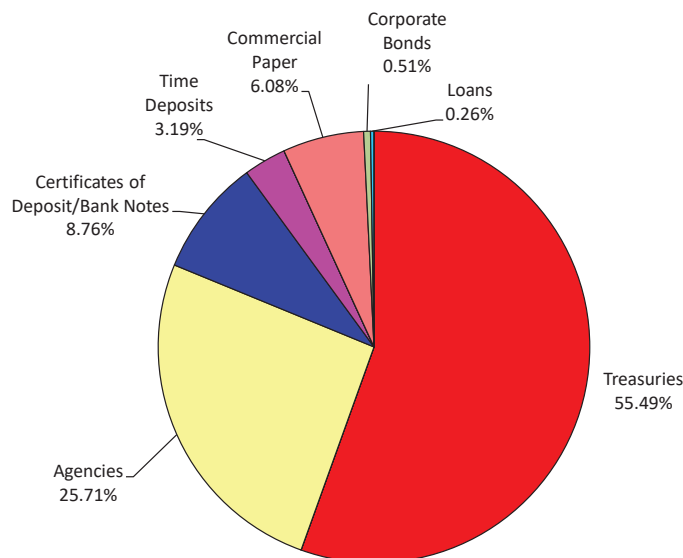


Chart does not include \$1,343,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Eric Hendrickson, Finance Director  
**Issue:** Financial Statements for Fiscal Year Ending June 30, 2024

---

**Recommendation:** That the City Council receive and file the Annual Comprehensive Financial Report and other audit reports for fiscal year 2023/2024.

---

### **Background:**

The certified public accounting firm Eide Bailly was engaged by the City to perform the audit of the City's financial statements and render an opinion on whether the City's fiscal year 2023/2024 financial statements are presented fairly in all material respects. Attached to this report are the final audit reports issued by the auditors.

In the opinion of the auditors, the attached financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with generally accepted accounting principles.

The financial section, which is the focal point of the Annual Comprehensive Financial Report (ACFR), consists of the independent auditors' report, management's discussion and analysis, and the financial statements. Along with the ACFR, are the other audit reports, including the Gann Appropriations Limit AUP and Governance Letter.

Staff is pleased to report there are no audit findings for this fiscal year. The City's General Fund ended the year on a positive note, with revenues exceeding expenditures by \$3,102,818. This increase brought the General Fund balance total to \$24,768,465 as



of June 30, 2024. These results are attributable to better than expected property tax revenue and interest earnings, City staff monitoring expenditures, community benefit fees collected from the Village at Laguna Hills project, and vacancy credits due back to the City from the Law Enforcement Contract.

**Fiscal Impact:**

There is no fiscal impact to receive and file these audit reports.

**Attachments:**

1. City of Laguna Hills 2024 Final ACFR
2. City of Laguna Hills 2024 Final Governance Letter
3. City of Laguna Hills 2024 Final GAGAS Report
4. City of Laguna Hills 2024 Final GANN Report

City of Laguna Hills, California  
Annual Comprehensive Financial Report  
Year Ended June 30, 2024

City Manager  
Jarad Hildenbrand

Finance Director  
Eric Hendrickson



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## Introductory Section





December 2, 2024

**Honorable Mayor, Council Members, and Residents of the City of Laguna Hills:**

**T**he Annual Comprehensive Financial Report (ACFR) of the City of Laguna Hills for the fiscal year ended June 30, 2024, is submitted herewith. This report is published in accordance with local ordinance and State law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Laguna Hills. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. It is management's opinion that the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of material misrepresentation. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City, as well as the City as a whole.

The City's financial statements have been audited by Eide Bailly LLP, a public accounting firm fully licensed and qualified to perform audits of local government. The independent auditors concluded that there was a reasonable basis for rendering unmodified opinions on the City's financial statements and that the financial statements present fairly, in all material respects, the financial condition of the City at the end of this fiscal year.

A narrative introduction, overview and analysis of the basic financial statements for the City for the fiscal year ended June 30, 2024, is discussed in the Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A is designed to complement this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE CITY OF LAGUNA HILLS**

The City of Laguna Hills is located in South Orange County approximately 60 miles south of Los Angeles and 70 miles north of San Diego. Incorporated in 1991 under the laws of the State of California, it enjoys all the rights and privileges pertaining to "General Law" cities. The City is home to approximately 30,315 residents and over 1,400 businesses.

The City operates under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a four-member Council. The Mayor is annually selected by the City Council from among its membership, and serves a one-year term. The governing Council is responsible, among other things, for passing the City's ordinances and operating resolutions, adopting the biennial budget, appointing commissions and committees, retaining the City Attorney and hiring the City Manager. The City Manager is the chief executive officer of the City and administers the daily operations and programs of the City through department heads, other staff members and contracted services.

The City contracts for selected municipal services utilizing agreements with other governmental entities, private firms and individuals. Police services are provided by the Orange County Sheriff's Department and fire services are provided through the Orange County Fire Authority, of which the City is a member.

Although the majority of the area in the City has a distinctive residential character, the City has a strong commercial base, specifically in the northern section of the City. This commercial area, or "Urban Village," is anchored by the regional Village at Laguna Hills, the Oakbrook Village Shopping Center, and the Saddleback Memorial Medical Center. In addition, the area north of the Village at Laguna Hills holds a complement of commercial, retail and office mixed-uses.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **ECONOMIC CONDITIONS & OUTLOOK**

The City has remained resilient and adaptable to the ever-changing situations over the past years.

Orange County saw its unemployment rate rise from 3.2 percent in June 2022 to 3.7 percent in June 2023. It has slightly increased as of June 2024 to 4.0 percent.

Overall, on a national and local scale, inflation and the associated impacts are still hampering the economy. An economic recession is still a possibility, given the challenges with inflationary prices, a tight labor market, declining interest rates, and a stock market at an all-time high point. As a result, the Southern California region's economic situation remains uncertain.

To maintain its strong financial position into the future, the City must continue to promote overall fiscal health and sustainability by adhering to its conservative financial policies, focusing on organizational efficiency and performance, and fiscally prudent decision-making. This financially conservative stance has played a critical role in allowing the City to respond quickly to difficulties that were prevalent in the economy as a result of the coronavirus pandemic that began in 2020, as well as to the previous economic downturn during the years of the Great Recession.

**LONG TERM  
FINANCIAL PLANNING**

The City utilizes a customized 8-Year Resource Allocation plan that is specifically designed to project the City's operating and reserve policy ratios over an eight-year forecast horizon. The City's policy is to strive to maintain an operating ratio of 1.1 to 1.0, and an Unassigned General Fund Balance Ratio of 35% as compared to General Fund operating expenditures. Both of these benchmarks were achieved as of June 30, 2024. The operating ratio for FY 2023-24 came in at 1.15 and the Unassigned Fund Balance ratio was 98%.

**ACCOUNTING SYSTEM  
AND BUDGETARY  
CONTROLS**

In developing the City's accounting system, consideration was given to the adequacy of internal accounting controls, which are designed to provide reasonable, but not absolute, assurance in connection with: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Furthermore, the City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager is authorized to transfer budgeted amounts within and between funds as deemed necessary in order to meet the City's needs. Revisions that exceed the appropriated budget must be approved by the City Council.

**CASH MANAGEMENT**

The City invests its temporary idle cash in investments authorized under the City's prevailing Investment Resolution and Policies, which are reviewed and approved annually. These policies are significantly more restrictive than State law, limiting investments to a maturity of one year or less. The City's investments at the close of the most recent fiscal year ended June 30, 2024, consisted of money market mutual funds, and

investment pools with the State Treasurer’s Local Agency Investment Fund (LAIF) and Investment Trust of California (CALTrust).

#### **CAPITAL ASSETS**

Generally, only assets which cost \$20,000 or more and which have a useful life of five years or more are considered capital assets. This designation is extensively discussed in the City’s Internal Control Policies and Procedures for Capital Assets and Minor Equipment, which were developed for the City’s compliance with the requirements with GASB 34.

### **MAJOR INITIATIVES**

The following section provides a sampling of some of the various initiatives and highlights occurring throughout the 2023-2024 fiscal year:

#### **THE VILLAGE AT LAGUNA HILLS (FORMERLY FIVE LAGUNAS)**

In March of 2016, the City approved a plan for the renovation of the Laguna Hills Mall which included approximately 860,000 square feet of new and renovated commercial retail space, movie theaters, restaurants, and 988 residential units. The approved plan was known as Five Lagunas. In 2018, the property owner of Five Lagunas, Merlone-Geier Partners (MGP), informed City staff that they could not move forward with the approved 2016 plan. On November 4, 2019, MGP submitted a new application to redevelop the site. The new project, named “The Village at Laguna Hills”, was presented to the City Council by MGP at the November 12, 2019, City Council meeting.

On March 8, 2022, the City Council and Planning Agency approved “The Village at Laguna Hills” project. This project consists of demolition of the remaining mall property and buildings, along with development and construction of new retail buildings, residential buildings, a hotel, parking structures, and other infrastructure. As of June 30, 2024, the majority of the former mall buildings have been demolished. Plans for installing utility functions and infrastructure are the next significant phase. It is estimated to take many years before this major project is complete.

#### **SB 1383 ORGANIC WASTE REDUCTION IMPLEMENTATION WORK EFFORT**

The California Department of Resources Recycling and Recovery (“CalRecycle”) finalized regulations for the implementation of Senate Bill (“SB”) 1383 in November 2020. SB 1383 requires local governments to reduce organic waste being sent to landfills. City staff have been consistently working to implement the requirements of SB 1383 and CalRecycle. Some of these efforts include the following.

- The City negotiated a new contract in 2024 with the City’s Franchise Waste Hauler, CR&R.
- The City implemented revised trash and recycling service fees.
- The City established an enforcement ordinance and policies to meet the requirements of SB 1383.
- The City has conducted community outreach and education on the requirements of SB 1383.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Laguna Hills for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. This was the thirty second consecutive year the City has received this prestigious award. The certificate is a national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), whose contents conform to program standards, and must satisfy both generally accepted accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the General Government Department. The contributions are invaluable and clearly reflect the high standards the City has set for itself.

In closing, without the effective leadership, guidance, and support provided by the Mayor and the City Council, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Respectfully submitted,



Jarad Hildenbrand  
City Manager



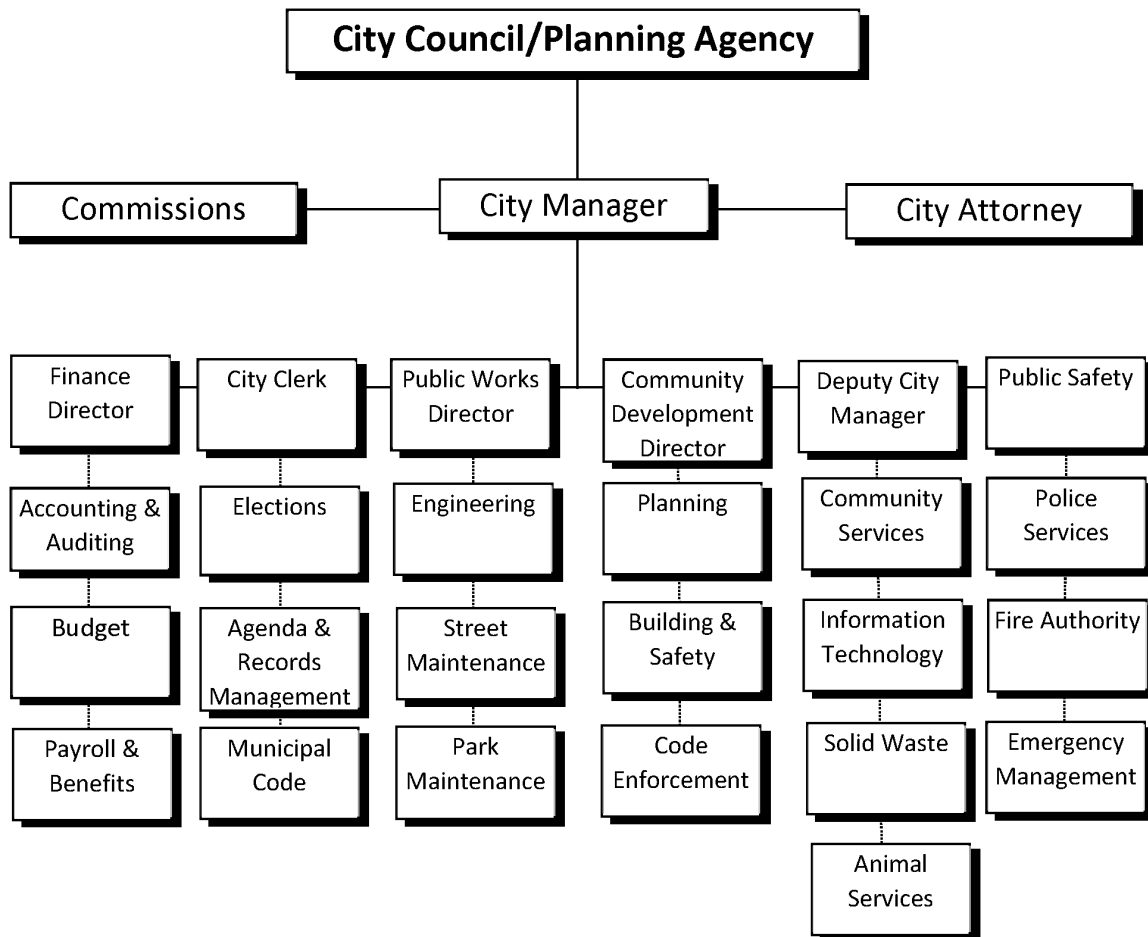
Eric Hendrickson  
Finance Director

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# City of Laguna Hills

## Organizational Chart



# City Officials

## *Mayor and City Council*



Dave Wheeler  
Mayor



Joshua Sweeney  
Mayor Pro Tem



Erica Pezold  
Council Member



Don Caskey  
Council Member



Janine Heft  
Council Member

## City Executive Staff

Jarad L. Hildenbrand  
City Manager

David Reynolds  
Deputy City Manager

Capt. William Burk  
Chief of Police Services

Eric Hendrickson  
Finance Director

Joseph Ames  
Public Works Director

Jennifer Lee  
City Clerk

Larry Longenecker  
Community Development Director

Gregory E. Simonian  
City Attorney





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Laguna Hills  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## Financial Section

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## Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Laguna Hills  
Laguna Hills, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laguna Hills, California (City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of contributions - defined benefit pension plans, and the schedule of revenues, expenditures and changes in fund balance - budget and actual - general fund identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor funds financial statements, and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor funds financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Erik Bailly LLP".

Laguna Hills, California  
December 2, 2024

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## Management's Discussion and Analysis



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Laguna Hills offers the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended **June 30, 2024**. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter on page i and the basic financial statements in the appropriate section.

### Financial Highlights

#### Government-Wide

- The net position of the City of Laguna Hills at the close of the most recent fiscal year was \$110,537,408. Of this amount, \$20,851,187 is not restricted to a specific use or purpose.
- The net change in the City's net position resulting from the most recent fiscal year's operation was an increase of \$2,428,892, or 2.3%. The net position of governmental activities was \$105,741,315 as of June 30, 2024, for an increase of \$2,838,394, while Business-type activities decreased the City's net position by \$409,502, for a total net position of \$4,796,093.
- Total revenues from all sources were \$33,057,246. Of this amount, \$9,238,030, or 28.0%, was from program revenues and \$23,819,216, or 72.0%, was from general revenues.
- The total cost of all City programs and projects was \$30,628,354. Approximately 35.8%, or \$10,978,289, of this amount is attributable to public safety; 31.1%, or \$9,520,313, is attributable to public works; and, 14.7%, or \$4,507,981, to general government.
- The net pension liability reported as of June 30, 2024, for the City's proportionate share of the net pension liability of all pension plans, was \$6,189,773. Deferred inflows of resources related to pension plans was \$446,750; and deferred outflows of resources related to pension plans was \$2,847,948.

#### Fund Based

- As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$34,590,489.
- Total nonspendable fund balances, amounts that are either not in spendable form or are legally or contractually required to be maintained, were \$300,904.
- Total spendable fund balances were \$34,289,585. Of this amount, approximately 2.0% (\$691,632 in total assigned) is constrained by the City's intent to be used for a specific purpose and 28.6% (\$9,821,061 in total restricted) is constrained in their use by external restrictions, such as by creditors, debt covenants, grantors, contributors, or by laws and regulations. This leaves a residual of \$23,776,892 in unassigned fund balance for the City's General Fund.

- Total governmental fund balances increased by \$4,722,177.
- At the end of the most recent fiscal year, the total fund balance for the General Fund was \$24,768,465, an increase of \$3,102,818 over prior year.
- General Fund reported revenues exceeding expenditures by \$3,757,542 before transfers.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Laguna Hills' basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statement themselves.

(1) **Government-wide financial statements.** These statements are designed to provide readers with a broad overview of the City of Laguna Hills' financial position, in a manner similar to a private-sector business, using the economic resources measurement focus and the full accrual basis of accounting. The following reports comprise the government-wide financial statements:

- a) **Statement of Net Position.** This report presents information on all the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The difference between the assets and deferred outflows, on one hand, and liabilities and deferred inflows of resources, on the other hand, constitutes the *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening, though it is important to consider other non-financial factors in accurately assessing the overall health of the City, such as the property tax base or condition of the roads, etc.
- b) **Statement of Activities.** The information presented in this report shows how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes, program revenues, and intergovernmental revenues (referred to as *governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as *business-type activities*).

The **governmental activities** of the City of Laguna Hills include general government, public works, community development, community services and public safety. Property taxes, sales and use taxes, transient occupancy taxes, and franchise fees finance most of these activities.

The **business-type activity** of the City of Laguna Hills pertains to the leasing of certain areas in the Laguna Hills Civic Center, which also houses City Hall.

The government-wide financial statements can be found on pages 16 to 18 of this report.

- (2) **Fund financial statements.** These statements show how City services were financed in the short term as well as what remains for future spending. These statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds, but not the City as a whole. Funds are required to be established, either by State or Federal laws, in order to meet legal responsibilities associated with the usage of certain taxes, grants, and other money. There are three types of funds, of which, the City has two types:
- a) **Governmental funds.** The City maintains 19 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each non-major governmental fund is provided in the form of *combining statements* elsewhere in this report.
  - b) **Proprietary funds.** When the City charges for the services it provides, other than those services associated with the City's general governmental operations, these services are generally reported in proprietary funds. The proprietary fund is used to report the same function presented as the *business-type activity* in the government-wide financial statements. The City uses the proprietary fund to account for its Civic Center leasing activity.

The fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information provides a short-term view of the City's general government operations and shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. These funds are reported using the modified accrual method of accounting, which measures cash and all other financial assets that can be readily converted to cash. The relationship between governmental activities and the governmental funds are reported in the reconciliation of government-wide and fund financial statements and in Note 1 in the Notes to the Basic Financial Statements.

The fund financial statements can be found on pages 19 to 25 of this report.

- (3) **Notes to the basic financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 26 to 58 of this report.
- (4) **Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budgetary comparisons for the General Fund, a schedule of proportionate share of the net pension liability, and a schedule of employer plan contributions. Additionally, the combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

## Government –Wide Financial Analysis

The City's combined net position at the close of the most recent fiscal year ended June 30, 2024, was \$110,537,408, as shown on Table 1 below. The City is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Table 1**  
**Condensed Statement of Net Position**  
*(in thousands)*

| Totals                           | Governmental Activities |            | Business-Type Activities |          |            |            |
|----------------------------------|-------------------------|------------|--------------------------|----------|------------|------------|
|                                  | 2023                    | 2024       | 2023                     | 2024     | 2023       | 2024       |
| Current and other assets         | \$ 32,821               | \$ 37,953  | \$ 1,445                 | \$ 1,677 | \$ 34,266  | \$ 39,630  |
| Capital assets                   | 77,651                  | 75,668     | 4,988                    | 4,603    | 82,639     | 80,271     |
| Total assets                     | 110,472                 | 113,621    | 6,433                    | 6,280    | 116,905    | 119,901    |
| Total deferred outflows          | 3,064                   | 2,865      | -                        | -        | 3,064      | 2,865      |
| Long-term liabilities            | 6,395                   | 6,500      | -                        | -        | 6,395      | 6,500      |
| Other liabilities                | 2,967                   | 3,233      | 76                       | 75       | 3,043      | 3,308      |
| Total liabilities                | 9,362                   | 9,733      | 76                       | 75       | 9,438      | 9,808      |
| Total deferred inflows           | 1,271                   | 1,012      | 1,152                    | 1,409    | 2,423      | 2,421      |
| Net position:                    |                         |            |                          |          |            |            |
| Net investment in capital assets | 76,839                  | 75,263     | 4,988                    | 4,603    | 81,827     | 79,866     |
| Restricted                       | 8,203                   | 9,821      | -                        | -        | 8,203      | 9,821      |
| Unrestricted                     | 17,861                  | 20,657     | 217                      | 193      | 18,078     | 20,850     |
| Total net position               | \$ 102,903              | \$ 105,741 | \$ 5,205                 | \$ 4,796 | \$ 108,108 | \$ 110,537 |

By far the largest portion of the City's net position (\$79,865,160, or 72.2% of total net position) reflects its net investment in capital assets, which is made up of: (1) capital assets (land, building, machinery, and equipment) less accumulated depreciation, any related debt used to acquire those assets that are still outstanding, and the unamortized bond premium, (2) outstanding deferred loss on refunding, and (3) the cash with fiscal agent held in reserve to secure the timely payment of principal and interest on the capital asset related debt. The City uses these capital assets to provide services to citizens. Consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt and corresponding items, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. There is \$421,932 in debt outstanding (including the unamortized debt premium) related to the acquisition and construction of these capital assets.

Another portion of the City's net position, \$9,821,061 (8.9% of the total net position), represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position is unrestricted net position of \$20,851,187 (18.9% of the total net position), which may be used to meet the City's ongoing obligations to its citizens and creditors.

The City's combined total assets at the close of the fiscal year was \$119,900,605. Of this amount, \$113,621,144, or 94.8%, represents assets from governmental activities and \$6,279,461, or 5.2%, represents assets from business-type activities. By far the largest component of the City's combined total assets is in the form of capital assets at \$80,270,296, or 66.9%. The remaining \$39,630,309 of combined total assets is largely in the form of cash and investment of \$33,264,111 and restricted cash and investments of \$1,148,722.

At the end of the fiscal year, the City's combined total liabilities was \$9,807,556, which was largely in the form of long-term liabilities of the City's government activities at \$7,033,225, or 71.7%. Long-term liabilities were mainly comprised of the City's net pension liability of \$6,189,773, or 88.0%, and \$421,932, or 6.0%, in debt pertaining to Certificates of Participation for the 2010 Refinancing Project.

Deferred inflows and outflows reported in the Statement of Net Position represent an acquisition (revenue) or consumption (expense) of net assets that applies to a future period and hence will not be recognized as an inflow or outflow of resources until that time. The reported deferred inflows of \$2,420,385 and deferred outflows of \$2,847,948 pertain to the City's pension liability and leases. More information on the City's pension plan can be found in Note 8, beginning on page 47 of this report.

The details of the changes in the City's Net Position are shown in **Table 2** on the following page.

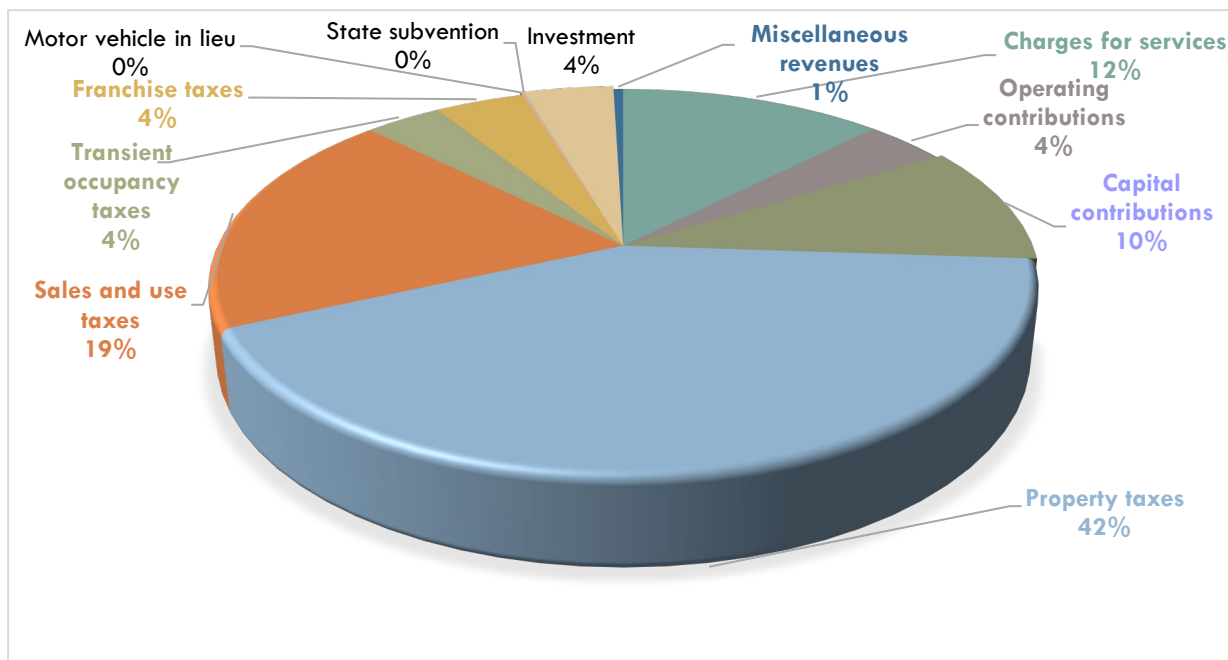
**Table 2**  
**Statement of Changes in Net Position**  
*(in thousands)*

| Totals                                  | Governmental Activities |                   | Business-type Activities |                 |                   |                   |
|-----------------------------------------|-------------------------|-------------------|--------------------------|-----------------|-------------------|-------------------|
|                                         | 2023                    | 2024              | 2023                     | 2024            | 2023              | 2024              |
| Revenues:                               |                         |                   |                          |                 |                   |                   |
| Program Revenues:                       |                         |                   |                          |                 |                   |                   |
| Charges for services                    | \$ 6,410                | \$ 3,990          | \$ 755                   | \$ 834          | \$ 7,165          | \$ 4,824          |
| Operating contributions                 | 4,602                   | 1,236             | -                        | -               | 4,602             | 1,236             |
| Capital contributions                   | 2,507                   | 3,177             | -                        | -               | 2,507             | 3,177             |
| General Revenues:                       |                         |                   |                          |                 |                   |                   |
| Property taxes                          | 13,069                  | 13,582            | -                        | -               | 13,069            | 13,582            |
| Sales and use taxes                     | 6,930                   | 6,193             | -                        | -               | 6,930             | 6,193             |
| Franchise taxes                         | 1,327                   | 1,345             | -                        | -               | 1,327             | 1,345             |
| Transient occupancy taxes               | 1,123                   | 1,161             | -                        | -               | 1,123             | 1,161             |
| Motor vehicle in lieu taxes             | 32                      | 39                | -                        | -               | 32                | 39                |
| State subvention                        | 81                      | 29                | -                        | -               | 81                | 29                |
| Interest earnings                       | 637                     | 1,324             | -                        | -               | 637               | 1,324             |
| Miscellaneous revenues                  | 111                     | 146               | -                        | -               | 111               | 146               |
| Total revenues                          | <u>36,829</u>           | <u>32,222</u>     | <u>755</u>               | <u>834</u>      | <u>37,584</u>     | <u>33,056</u>     |
| Expenses:                               |                         |                   |                          |                 |                   |                   |
| General government                      | 4,578                   | 4,508             | -                        | -               | 4,578             | 4,508             |
| Public works                            | 7,674                   | 9,520             | -                        | -               | 7,674             | 9,520             |
| Community development                   | 1,406                   | 1,577             | -                        | -               | 1,406             | 1,577             |
| Community services                      | 2,573                   | 2,699             | -                        | -               | 2,573             | 2,699             |
| Public safety                           | 10,106                  | 10,978            | -                        | -               | 10,106            | 10,978            |
| Property leasing                        | -                       | -                 | 1,418                    | 1,372           | 1,418             | 1,372             |
| Interest                                | (13)                    | (27)              | -                        | -               | (13)              | (27)              |
| Total expenses                          | <u>26,324</u>           | <u>29,255</u>     | <u>1,418</u>             | <u>1,372</u>    | <u>27,742</u>     | <u>30,627</u>     |
| Change in net position before transfers | 10,505                  | 2,967             | (663)                    | (538)           | 9,842             | 2,429             |
| Transfers                               | <u>(100)</u>            | <u>(129)</u>      | <u>100</u>               | <u>129</u>      | <u>-</u>          | <u>-</u>          |
| Change in net position                  | 10,405                  | 2,838             | (563)                    | (409)           | 9,842             | 2,429             |
| Net position, beginning                 | <u>92,498</u>           | <u>102,903</u>    | <u>5,768</u>             | <u>5,205</u>    | <u>98,266</u>     | <u>108,108</u>    |
| Net position, ending                    | <u>\$ 102,903</u>       | <u>\$ 105,741</u> | <u>\$ 5,205</u>          | <u>\$ 4,796</u> | <u>\$ 108,108</u> | <u>\$ 110,537</u> |

During the fiscal year, the total revenue from all sources was \$33,057,246 and the cost of all activities was \$30,628,354, resulting in an overall increase in net position of \$2,428,892. The City's governmental activities increased total net position by \$2,838,394 and its business-type activities decreased total net position by \$409,502.

The revenue sources from governmental activities presented in the preceding table are illustrated in a pie chart shown below as **Figure 1**, which illustrates the percentage relationship of these revenues to each other, as well as their impact on the City's total resources.

**Figure 1**  
**Revenue by Sources – Governmental Activities**  
**FY 2023-24**



As shown in the above pie chart, roughly 69.3%, or \$22,320,268 of the City's total governmental revenues are from taxes, comprised of property, sales and use, motor vehicle in lieu, franchise and transient occupancy taxes. Program revenues totaled \$8,403,945, or 26.1%, of the total revenue resources, which is comprised of charges for services, operating contributions and capital contributions. Program revenues decreased from prior year by 37.8% due primarily to one-time revenues that occurred in the prior year for American Rescue Plan funds (\$3.7 million), Community Benefit fees (\$1.6 million), and developer park in-lieu fees collected (\$2.0 million). However, there was an increase of \$669,391 in Capital Contributions and Grants in the current fiscal year relating to Public Works projects. General revenues increased from the prior year primarily due to increases in property taxes and sales and use tax that were realized in Fiscal Year 2023-24. In addition, investment earnings improved by 107.9% over the prior year – increasing from \$636,875 to \$1,324,276. This increase is mainly due to higher interest rates resulting in higher earnings in the current fiscal year.



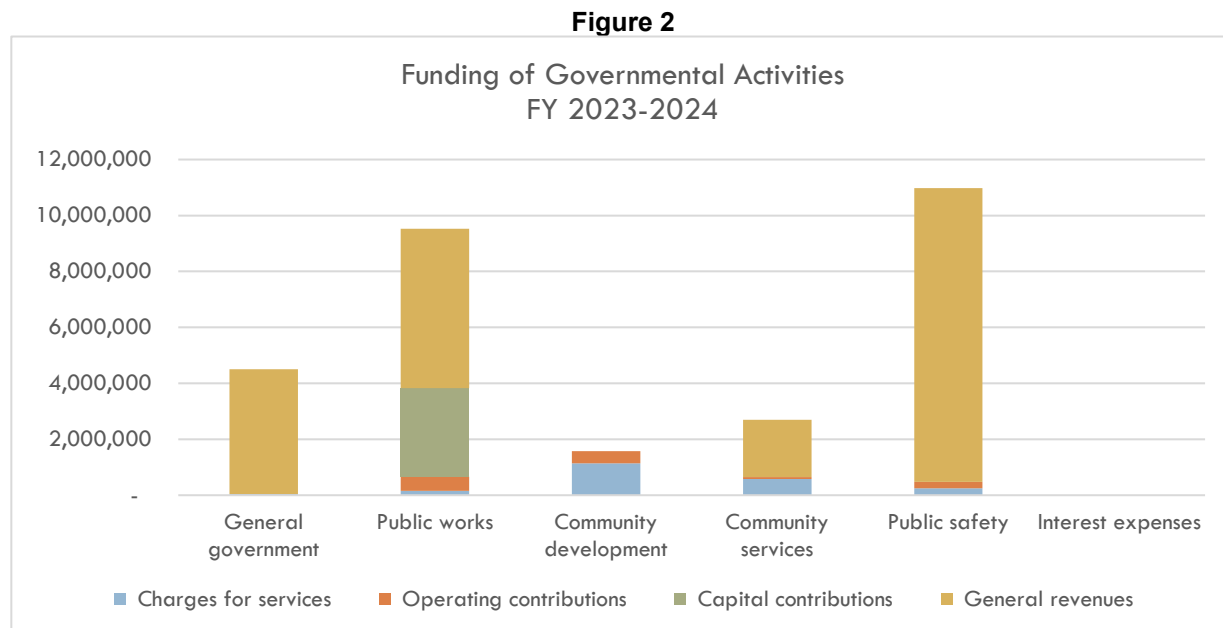
The City's expenses in connection with its governmental activities are categorized by function, namely: general government, public services, community development, community services and public safety. The program revenues associated with these governmental activities are classified into three categories, which are charges for services, operating contributions, and capital contributions. The relationship of the City's program revenues to the related governmental functions are illustrated in a graph shown as **Figure 2** below.

Expenses associated with governmental activities experienced an overall increase of 11.1%, or \$2,931,431 over the prior fiscal year, primarily due to increases in the Orange County Sheriff contract costs and an increased level of work completed by Public Works for capital improvement projects. The overall increase is largely attributable to increases in Public Works activity of \$1,846,105 and Public Safety activity of \$872,234.

The City's business-type activities for the leasing of the Civic Center decreased total net position by \$409,502. The decrease from business-type activities is largely attributable to depreciation. Of the \$1,372,783 of total operating expenses related to property leasing activities, depreciation represents 43.1%, or \$591,796, of that total.

#### Program Revenues and Expenses:

Program revenues for the most recent fiscal year were \$8,403,945. Expenses related to governmental activities were \$29,255,571. The program revenues are generally not adequate to finance the governmental programs, so it is typical for governmental expenses to be subsidized by general revenues. The City's expenses for public works and public safety are comparatively higher than the other expense categories, as shown in Figure 2 below.



## **Business-type Activities**

The City's business-type activity involves the leasing of rentable areas in the Civic Center building. This 3-story building complex was renovated to accommodate the City offices and to add leasable spaces. Since June 28, 2004, the City government has operated from this facility. Altogether, there are 51,945 square feet of leasable office space in the Civic Center building. The City occupies 21,033 square feet and leases out 30,912 square feet. The occupancy rate was approximately 90% on June 30, 2024.

During the most recent fiscal year, the operating revenues of the Laguna Hills Civic Center were \$834,085 and the operating expenses were \$1,372,783, resulting in a net operating loss of \$538,698, which is largely attributable to depreciation charge of \$591,796. After interest income of \$71 and a transfer in of \$129,125 from the governmental activities, the change in net position at fiscal year-end was \$(409,502). The contra rent revenue associated with the occupied spaces for City Hall was \$549,965 for the current fiscal year.

## **Analysis of Major Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. As noted earlier, the City of Laguna Hills uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds:**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus of the *governmental funds* is to provide information on near-term inflows and outflows, as well as the balances of spendable resources at the end of the fiscal year. Such information is useful in assessing the City of Laguna Hills' near term financing requirements. In particular, fund balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$34,590,489, an increase of \$4,722,177 from the prior year's balance. Of the ending fund balance, \$300,904 is nonspendable fund balance, which represents the portion of fund balance that is either not in spendable form or are legally or contractually required to be maintained. Of the remaining \$34,289,585 in spendable fund balance, \$9,821,061 is restricted fund balance, \$691,632 is assigned fund balance and \$23,776,892 is unassigned fund balance. Restricted fund balance includes amounts that have externally imposed restrictions on their usage by creditors, such as debt covenants, grantors, and contributors, or by laws and regulations. Assigned fund balance includes amounts which are constrained by the City's intent to be used for a specific purpose. These

include designations for claims liability and amounts assigned for equipment maintenance of the Civic Center, Community Center, Sports Complex, slopes, storm drains, and parks.

The City identifies “major” governmental funds within the fund financial statements. Funds are reviewed annually to determine if any should be classified as a major fund. Specifically, funds that have 10% or more of total assets, liabilities, or fund balance of total governmental funds. The City may also classify as a major fund any fund or combination of funds that is considered essentially important to users.

The General Fund is the City’s primary operating governmental fund. The fund balance of the City’s general fund increased by \$3,102,818 from the prior fiscal year’s balance. Revenues were fairly consistent from the prior fiscal year, with the exception of an increase in investment income of \$676,918 in the current year.

The City’s Capital Projects Fund accounts for financial resources related to the acquisition and construction of the City’s capital projects. Revenues and transfers in from other funds reflect the financial resources used to fund the capital project expenditures during the current fiscal year; therefore, this fund typically reflects no fund balance at the end of the fiscal year. Total expenditures and transfers in for the current fiscal year were \$1,492,424. Expenditures increased from the prior year by roughly 63.7%, or \$580,672, as some capital projects commenced or existing projects increased the amount of spending in the current fiscal year.

#### **Proprietary fund:**

The proprietary fund provides the same type of information found in the government-wide financial statements. The City’s proprietary fund consists of owning a piece of commercial real estate and leasing it to various entities. The total square footage of the Civic Center building is 51,945, of which the City is a tenant using approximately 21,033 square feet.

The statement of revenues, expenses, and changes in fund net position reflect a net operating loss of \$538,698, before the interest income of \$71 and transfers in of \$129,125. The net effect is a decrease in the ending net position of \$409,502, which is largely attributable to depreciation. Before accounting for \$591,796 in depreciation expense, the net operating activity would result in a net operating income of \$53,098 from the City’s other leasing related activities. Moreover, the enterprise fund does not charge the City rent and common area maintenance (CAM). The estimated annual rent for the space occupied by City Hall would be approximately \$549,965, not including CAM.

### **General Fund Budgetary Highlights**

At fiscal year-end, total General Fund revenues came in at \$28,047,361, which was roughly 3.9%, or \$1,095,323, above the amended budget for the year. This increase was primarily the result of higher interest rates during the current fiscal year, which significantly increased the City’s earnings on its cash and investments balances more than initially budgeted. Higher than anticipated property taxes, transient occupancy taxes, and franchise fees also materialized.

Revenues from taxes, the City’s largest General Fund revenue source, came in under budget by \$223,912, or 1.0%, primarily due to sales and use tax coming in lower than anticipated. However, property taxes, franchise tax and transient occupancy taxes all came in over budget to substantially offset the effect of the sales tax. The City’s second largest General Fund revenue source were charges for services, which came in slightly higher than budgeted by \$65,476 based

on current year actual activity. Additionally, investment income, the City's third largest General Fund revenue source, came in higher than budgeted by \$782,672, due to increased interest rates during the fiscal year earning higher amounts on the City's cash and investments.

General Fund expenditures totaled \$24,289,819 at fiscal year-end, below budget by \$2,761,361, or 10.2%. The largest budgetary savings by department was from Public Safety, which came under budget by \$1,139,799. This was mainly due to a credit received on the final Sheriff's invoice, in which overtime and vacancy credits are trued up for the fiscal year. General Government had the second largest savings by department of \$811,120 under budget, primarily due to lower actual costs for legal services than budgeted. In addition, there were salary savings from vacant positions at various points in the fiscal year.

The net change in fund balance at fiscal year-end in the General Fund was \$3,102,818, which exceeded budget by \$4,989,257. The main reason for this increase, as noted above, is better than expected results in most taxes revenues and investment income, as well as lower than anticipated expenditures during the fiscal year.

## Capital Assets and Debt Administration

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$80,270,296, net of accumulated depreciation. This investment includes land, land improvements, easements, right-of-ways, building, building improvements, equipment, machinery, construction in progress, and infrastructure. In accordance with the requirement of GASB 34, the value of the City's infrastructure assets are included in this report, which include streets, sidewalks, curbs, gutters, playground equipment, and similar assets that are considered public property. Equipment and machinery includes vehicles, furniture, computer hardware and software.

A schedule showing the changes in the City's capital assets are shown in **Table 3** below.

**Table 3**  
**City of Laguna Hills Capital Assets (Net of accumulated depreciation)**  
*(in thousands)*

|                                                          | <b>Governmental<br/>Activities</b> |                  | <b>Business-type<br/>Activities</b> |                 | <b>Totals</b>    |                  |
|----------------------------------------------------------|------------------------------------|------------------|-------------------------------------|-----------------|------------------|------------------|
|                                                          | <b>2023</b>                        | <b>2024</b>      | <b>2023</b>                         | <b>2024</b>     | <b>2023</b>      | <b>2024</b>      |
| Land                                                     | \$ 17,955                          | \$ 17,955        | \$ 2,855                            | \$ 2,855        | \$ 20,810        | \$ 20,810        |
| Land improvements                                        | 1,280                              | 1,117            | -                                   | -               | 1,280            | 1,117            |
| Rights of ways/Easements                                 | 2,854                              | 2,854            | -                                   | -               | 2,854            | 2,854            |
| Building & improvements                                  | 1,113                              | 1,043            | 2,133                               | 1,748           | 3,246            | 2,791            |
| Equipment and machinery                                  | 395                                | 400              | -                                   | -               | 395              | 400              |
| Construction in progress                                 | 15                                 | 15               | -                                   | -               | 15               | 15               |
| Infrastructure                                           | 54,039                             | 52,284           | -                                   | -               | 54,039           | 52,284           |
| Total capital assets, net of<br>accumulated depreciation | <u>\$ 77,651</u>                   | <u>\$ 75,668</u> | <u>\$ 4,988</u>                     | <u>\$ 4,603</u> | <u>\$ 82,639</u> | <u>\$ 80,271</u> |

Additional information on the City's capital assets can be found in Note 5 on page 41 of this report.

### **Long-term Debt**

On January 26, 2010, to take advantage of favorable interest rates, the City issued \$17,190,000 of Certificates of Participation (COPs). Proceeds from the sale were placed in an irrevocable trust used to service the future debt requirements of the 2001 and 2003 Certificates of Participation, which were issued to finance a portion of the costs to develop certain property, including the Civic Center Renovation Project and Community Center. As a result, the balance of the 2001 and 2003 COPs are considered to be defeased and the liability for those bonds has been removed. At fiscal year-end June 30, 2024, the remaining principal balance was \$375,000. The 2010 COPs maintain a "AA+" rating from Standard & Poor's. Additional information on the City's long-term debt can be found in Note 6 on pages 42 to 44 of this report.

## **Budget and Economic Factors**

The City's most recent adopted biennial budget for fiscal years 2023/24 - 2024/25 demonstrates the City's intent to effectively manage costs while simultaneously positioning the City for future growth. For Fiscal Year 2024/25, General Fund operating expenditures are projected at \$26,770,055, while General Fund revenues are estimated at \$26,430,528.

The major goals and issues that dominated the budget process for this 2024 – 2025 biennial period are discussed in the transmittal letter, along with measures adopted to address prevailing issues facing the City.

A copy of the 2024-2025 Biennial Budget is available on the City's website: [www.ci.laguna-hills.ca.us](http://www.ci.laguna-hills.ca.us).

## **Requests for Information**

This financial report is designed to provide a general overview of the City of Laguna Hills' finances to all interested parties. Any questions regarding this report or requests for additional information should be addressed to the City's Finance Department, at 24035 El Toro Road, Laguna Hills, California, 92653.

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## Basic Financial Statements

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City of Laguna Hills, California

Statement of Net Position

June 30, 2024

|                                                 | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|-------------------------------------------------|----------------------------|-----------------------------|-----------------------|
| <b>Assets:</b>                                  |                            |                             |                       |
| Cash and investments                            | \$ 33,124,498              | \$ 139,613                  | \$ 33,264,111         |
| Taxes receivable                                | 1,589,236                  | -                           | 1,589,236             |
| Accounts receivable                             | 264,849                    | 47,301                      | 312,150               |
| Interest receivable                             | 5,703                      | -                           | 5,703                 |
| Lease receivable                                | 603,680                    | 1,490,016                   | 2,093,696             |
| Prepaid items                                   | 300,904                    | -                           | 300,904               |
| Due from other governments                      | 915,787                    | -                           | 915,787               |
| Restricted cash and investments                 | 1,148,722                  | -                           | 1,148,722             |
| Capital assets, not depreciated                 | 20,824,536                 | 2,855,425                   | 23,679,961            |
| Capital assets, net of accumulated depreciation | 54,843,229                 | 1,747,106                   | 56,590,335            |
| <b>Total assets</b>                             | <b>113,621,144</b>         | <b>6,279,461</b>            | <b>119,900,605</b>    |
| <b>Deferred Outflows of Resources:</b>          |                            |                             |                       |
| Deferred loss on refunding                      | 16,796                     | -                           | 16,796                |
| Deferred amounts from pension plans             | 2,847,948                  | -                           | 2,847,948             |
| <b>Total deferred outflows of resources</b>     | <b>2,864,744</b>           | <b>-</b>                    | <b>2,864,744</b>      |
| <b>Liabilities:</b>                             |                            |                             |                       |
| Accounts payable                                | 1,542,189                  | -                           | 1,542,189             |
| Accrued liabilities                             | 271,076                    | 12,178                      | 283,254               |
| Interest payable                                | 6,641                      | -                           | 6,641                 |
| Deposits payable                                | 853,306                    | 50,930                      | 904,236               |
| Unearned revenue                                | 26,447                     | 11,564                      | 38,011                |
| <b>Noncurrent Liabilities:</b>                  |                            |                             |                       |
| Due within one year                             | 533,408                    | -                           | 533,408               |
| Due in more than one year                       |                            |                             |                       |
| Other long-term liabilities                     | 310,044                    | -                           | 310,044               |
| Net pension liability                           | 6,189,773                  | -                           | 6,189,773             |
| <b>Total liabilities</b>                        | <b>9,732,884</b>           | <b>74,672</b>               | <b>9,807,556</b>      |
| <b>Deferred Inflows of Resources:</b>           |                            |                             |                       |
| Deferred amounts from pension plans             | 446,750                    | -                           | 446,750               |
| Deferred amount from leases                     | 564,939                    | 1,408,696                   | 1,973,635             |
| <b>Total deferred inflows of resources</b>      | <b>1,011,689</b>           | <b>1,408,696</b>            | <b>2,420,385</b>      |
| <b>Net Position:</b>                            |                            |                             |                       |
| Net investment in capital assets                | 75,262,629                 | 4,602,531                   | 79,865,160            |
| Restricted for:                                 |                            |                             |                       |
| Capital projects                                | 2,680,606                  | -                           | 2,680,606             |
| Public works                                    | 5,651,483                  | -                           | 5,651,483             |
| Community services                              | 261,116                    | -                           | 261,116               |
| Police services                                 | 40,571                     | -                           | 40,571                |
| Community development                           | 33,915                     | -                           | 33,915                |
| Debt service                                    | 1,153,370                  | -                           | 1,153,370             |
| Unrestricted                                    | 20,657,625                 | 193,562                     | 20,851,187            |
| <b>Total net position</b>                       | <b>\$ 105,741,315</b>      | <b>\$ 4,796,093</b>         | <b>\$ 110,537,408</b> |



City of Laguna Hills, California

Statement of Activities

Year Ended June 30, 2024

| Functions/Programs             | Expenses      | Program Revenues        |                                          |                                        | Total<br>Program<br>Revenues |
|--------------------------------|---------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------|
|                                |               | Charges for<br>Services | Operating<br>Contributions<br>and Grants | Capital<br>Contributions<br>and Grants |                              |
| Governmental Activities:       |               |                         |                                          |                                        |                              |
| General government             | \$ 4,507,981  | \$ 42,000               | \$ -                                     | \$ -                                   | \$ 42,000                    |
| Public works                   | 9,520,313     | 152,814                 | 504,504                                  | 3,176,977                              | 3,834,295                    |
| Community development          | 1,576,567     | 2,969,604               | 435,548                                  | -                                      | 3,405,152                    |
| Community services             | 2,698,973     | 582,073                 | 62,878                                   | -                                      | 644,951                      |
| Public safety                  | 10,978,289    | 244,299                 | 233,248                                  | -                                      | 477,547                      |
| Interest expenses              | (26,552)      | -                       | -                                        | -                                      | -                            |
| Total governmental activities  | 29,255,571    | 3,990,790               | 1,236,178                                | 3,176,977                              | 8,403,945                    |
| Business-Type Activity:        |               |                         |                                          |                                        |                              |
| Property leasing               | 1,372,783     | 834,085                 | -                                        | -                                      | 834,085                      |
| Total business-type activities | 1,372,783     | 834,085                 | -                                        | -                                      | 834,085                      |
| Total primary government       | \$ 30,628,354 | \$ 4,824,875            | \$ 1,236,178                             | \$ 3,176,977                           | \$ 9,238,030                 |

General Revenues:

Taxes:

    Property taxes

    Franchise tax

    Transient occupancy tax

Intergovernmental, unrestricted:

    Sales and use tax

    Motor vehicle in lieu

    State subvention

Investment earnings

Miscellaneous revenue

        Total general revenues

Transfers in (out)

        Total general revenues and transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

City of Laguna Hills, California  
Statement of Activities  
Year Ended June 30, 2024

Net (Expense) Revenue and Changes in Net Position

| <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (4,465,981)                     | \$ -                                | \$ (4,465,981)        |
| (5,686,018)                        | -                                   | (5,686,018)           |
| 1,828,585                          | -                                   | 1,828,585             |
| (2,054,022)                        | -                                   | (2,054,022)           |
| (10,500,742)                       | -                                   | (10,500,742)          |
| 26,552                             | -                                   | 26,552                |
| <u>(20,851,626)</u>                | <u>-</u>                            | <u>(20,851,626)</u>   |
| <u>-</u>                           | <u>(538,698)</u>                    | <u>(538,698)</u>      |
| <u>-</u>                           | <u>(538,698)</u>                    | <u>(538,698)</u>      |
| <u>(20,851,626)</u>                | <u>(538,698)</u>                    | <u>(21,390,324)</u>   |
| 13,581,709                         | -                                   | 13,581,709            |
| 1,344,949                          | -                                   | 1,344,949             |
| 1,161,391                          | -                                   | 1,161,391             |
| 6,193,444                          | -                                   | 6,193,444             |
| 38,775                             | -                                   | 38,775                |
| 28,546                             | -                                   | 28,546                |
| 1,324,276                          | 71                                  | 1,324,347             |
| 146,055                            | -                                   | 146,055               |
| 23,819,145                         | 71                                  | 23,819,216            |
| <u>(129,125)</u>                   | <u>129,125</u>                      | <u>-</u>              |
| <u>23,690,020</u>                  | <u>129,196</u>                      | <u>23,819,216</u>     |
| 2,838,394                          | (409,502)                           | 2,428,892             |
| <u>102,902,921</u>                 | <u>5,205,595</u>                    | <u>108,108,516</u>    |
| <u>\$ 105,741,315</u>              | <u>\$ 4,796,093</u>                 | <u>\$ 110,537,408</u> |

City of Laguna Hills, California

Balance Sheet - Governmental Funds

June 30, 2024

|                                                                               | General              | Capital<br>Projects | Other<br>Governmental<br>Funds | Totals               |
|-------------------------------------------------------------------------------|----------------------|---------------------|--------------------------------|----------------------|
| <b>Assets:</b>                                                                |                      |                     |                                |                      |
| Cash and investments                                                          | \$ 24,883,065        | \$ -                | \$ 8,241,433                   | \$ 33,124,498        |
| Receivables:                                                                  |                      |                     |                                |                      |
| Taxes                                                                         | 1,589,236            | -                   | -                              | 1,589,236            |
| Accounts                                                                      | 23,402               | -                   | 241,447                        | 264,849              |
| Interest                                                                      | 1,055                | -                   | 4,648                          | 5,703                |
| Leases                                                                        | 603,680              | -                   | -                              | 603,680              |
| Prepaid items                                                                 | 299,941              | -                   | 963                            | 300,904              |
| Due from other funds                                                          | 67,915               | -                   | -                              | 67,915               |
| Due from other governments                                                    | 261,766              | -                   | 654,021                        | 915,787              |
| <b>Restricted Assets:</b>                                                     |                      |                     |                                |                      |
| Cash and investments                                                          | -                    | -                   | 1,148,722                      | 1,148,722            |
| <b>Total assets</b>                                                           | <b>\$ 27,730,060</b> | <b>\$ -</b>         | <b>\$ 10,291,234</b>           | <b>\$ 38,021,294</b> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balances</b>      |                      |                     |                                |                      |
| <b>Liabilities:</b>                                                           |                      |                     |                                |                      |
| Accounts payable                                                              | \$ 1,332,241         | \$ -                | \$ 209,948                     | \$ 1,542,189         |
| Accrued liabilities                                                           | 184,662              | -                   | 86,414                         | 271,076              |
| Deposits                                                                      | 853,306              | -                   | -                              | 853,306              |
| Due to other funds                                                            | -                    | -                   | 67,915                         | 67,915               |
| Unearned revenue                                                              | 26,447               | -                   | -                              | 26,447               |
| <b>Total liabilities</b>                                                      | <b>2,396,656</b>     | <b>-</b>            | <b>364,277</b>                 | <b>2,760,933</b>     |
| <b>Deferred Inflows of Resources:</b>                                         |                      |                     |                                |                      |
| Unavailable revenues                                                          | -                    | -                   | 104,933                        | 104,933              |
| Lease related                                                                 | 564,939              | -                   | -                              | 564,939              |
| <b>Total deferred inflows of resources</b>                                    | <b>564,939</b>       | <b>-</b>            | <b>104,933</b>                 | <b>669,872</b>       |
| <b>Fund Balances:</b>                                                         |                      |                     |                                |                      |
| Nonspendable                                                                  | 299,941              | -                   | 963                            | 300,904              |
| Restricted                                                                    | -                    | -                   | 9,821,061                      | 9,821,061            |
| Assigned                                                                      | 691,632              | -                   | -                              | 691,632              |
| Unassigned                                                                    | 23,776,892           | -                   | -                              | 23,776,892           |
| <b>Total fund balances</b>                                                    | <b>24,768,465</b>    | <b>-</b>            | <b>9,822,024</b>               | <b>34,590,489</b>    |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 27,730,060</b> | <b>\$ -</b>         | <b>\$ 10,291,234</b>           | <b>\$ 38,021,294</b> |

City of Laguna Hills, California  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
Governmental Funds  
June 30, 2024

---

Fund balances of governmental funds \$ 34,590,489

Amounts reported for governmental activities in the statement  
of net position are different because:

Capital assets net of depreciation have not been included as  
financial resources in governmental fund activity

|                          |              |
|--------------------------|--------------|
| Capital assets           | 166,795,175  |
| Accumulated depreciation | (91,127,410) |

Long-term liabilities are not available to pay for current-period  
expenditures and, therefore, are not reported in the governmental  
funds. Long-term liabilities consist of the following:

|                               |           |
|-------------------------------|-----------|
| Certificates of participation | (375,000) |
| Bond premium                  | (46,932)  |
| Direct borrowings             | (160,144) |
| Compensated absences          | (261,376) |
| Claims and judgments payable  | -         |

|                                                                                                                               |        |
|-------------------------------------------------------------------------------------------------------------------------------|--------|
| Deferred outflows of resources (loss on refunding of bonds) that have<br>not been included in the governmental fund activity. | 16,796 |
|-------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                              |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Accrued interest payable for the current portion of interest due on the<br>Certificates of Participation has not been reported in the<br>governmental funds. | (6,641) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

Pension related liabilities applicable to the City's governmental activities are  
not due and payable in the current period and, accordingly, are not  
reported as fund liabilities. Deferred outflows of resources and  
deferred inflows of resources related to pensions are only reported in  
the Statement of Net Position as the changes in these amounts affects  
only the government-wide statements for governmental activities:

|                                |             |
|--------------------------------|-------------|
| Deferred outflows of resources | 2,847,948   |
| Deferred inflows of resources  | (446,750)   |
| Net pension liability          | (6,189,773) |

|                                                                                                                                                                     |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Revenues reported as unavailable revenue in the governmental funds do not provide<br>current financial resources but are recognized in the statement of activities. | 104,933 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                         |                |
|-----------------------------------------|----------------|
| Net Position of Governmental Activities | \$ 105,741,315 |
|-----------------------------------------|----------------|

City of Laguna Hills, California  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2024

|                                                              | General       | Capital<br>Projects | Other<br>Governmental<br>Funds | Totals        |
|--------------------------------------------------------------|---------------|---------------------|--------------------------------|---------------|
| Revenues:                                                    |               |                     |                                |               |
| Taxes                                                        | \$ 22,281,493 | \$ -                | \$ -                           | \$ 22,281,493 |
| Licenses and permits                                         | 1,057,587     | -                   | 303,972                        | 1,361,559     |
| Intergovernmental                                            | 603,264       | -                   | 2,930,345                      | 3,533,609     |
| Charges for services                                         | 2,399,609     | -                   | -                              | 2,399,609     |
| Fines and forfeitures                                        | 244,299       | -                   | -                              | 244,299       |
| Investment income                                            | 1,192,672     | -                   | 445,031                        | 1,637,703     |
| Other revenues                                               | 268,437       | -                   | 391,448                        | 659,885       |
| Total revenues                                               | 28,047,361    | -                   | 4,070,796                      | 32,118,157    |
| Expenditures:                                                |               |                     |                                |               |
| General government                                           | 3,973,134     | -                   | -                              | 3,973,134     |
| Public works                                                 | 4,980,284     | -                   | 1,000,099                      | 5,980,383     |
| Community development                                        | 1,574,068     | -                   | 2,499                          | 1,576,567     |
| Community services                                           | 2,447,330     | -                   | 20,263                         | 2,467,593     |
| Public safety                                                | 10,968,679    | -                   | -                              | 10,968,679    |
| Capital outlay                                               | 254,585       | 1,492,424           | 74,992                         | 1,822,001     |
| Debt service:                                                |               |                     |                                |               |
| Interest and fiscal charges                                  | -             | -                   | 31,759                         | 31,759        |
| Principal retirement                                         | 91,739        | -                   | 355,000                        | 446,739       |
| Total expenditures                                           | 24,289,819    | 1,492,424           | 1,484,612                      | 27,266,855    |
| Excess (Deficiency) of Revenues<br>over (Under) Expenditures | 3,757,542     | (1,492,424)         | 2,586,184                      | 4,851,302     |
| Other Financing Sources (Uses):                              |               |                     |                                |               |
| Transfers in                                                 | 151,000       | 1,492,424           | 6,193                          | 1,649,617     |
| Transfers out                                                | (805,724)     | -                   | (973,018)                      | (1,778,742)   |
| Total other financing sources (uses)                         | (654,724)     | 1,492,424           | (966,825)                      | (129,125)     |
| Net Changes in Fund Balances                                 | 3,102,818     | -                   | 1,619,359                      | 4,722,177     |
| Fund Balances, Beginning of Year                             | 21,665,647    | -                   | 8,202,665                      | 29,868,312    |
| Fund Balances, End of Year                                   | \$ 24,768,465 | \$ -                | \$ 9,822,024                   | \$ 34,590,489 |

City of Laguna Hills, California  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2024

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net change in fund balances - total governmental funds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$ 4,722,177        |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.                                                                                                                                                                                                                                                                                                                                                                                    |                     |
| This activity is reconciled as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
| Capital outlay, net of disposals                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (6,291)             |
| Depreciation and amortization expense, net of disposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (1,976,533)         |
| Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Premiums associated with the issuance of long-term debt are reported as revenues in the governmental funds, but in the Statement of Net Position, the premiums are deferred and amortized throughout the period during which the related debt is outstanding. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities. |                     |
| Principal payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 355,000             |
| Amortization of bond premium                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 80,464              |
| Direct borrowing principal payments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 92,284              |
| Deferred losses on refunding of long-term debt in the Statement of Net Position are deferred and amortized throughout the period during which the related debt is outstanding.                                                                                                                                                                                                                                                                                                                                                                                                            | (28,799)            |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.                                                                                                                                                                                                                                                                                                                                                                                                   |                     |
| Change in compensated absences                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | (9,206)             |
| Change in claims and judgments payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 111,802             |
| Change in accrued interest for Certificates of Participation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 6,101               |
| Net difference between pension expense recorded on the government wide statement of activities and contributions paid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (613,538)           |
| Revenues in the Statement of Activities that do not meet the "availability" criteria for revenue recognition are reported as deferred inflows of resources, unavailable revenues, in the governmental funds. This is the net change in deferred inflows of resources, unavailable revenues, from the prior year.                                                                                                                                                                                                                                                                          | 104,933             |
| Change in net position of governmental activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>\$ 2,838,394</u> |

City of Laguna Hills, California  
Statement of Net Position – Proprietary Fund  
June 30, 2024

|                                                 | <u>Enterprise -<br/>Property Leasing</u> |
|-------------------------------------------------|------------------------------------------|
| Assets:                                         |                                          |
| Current Assets:                                 |                                          |
| Cash and investments                            | \$ 139,613                               |
| Receivables:                                    |                                          |
| Accounts                                        | 47,301                                   |
| Leases                                          | <u>297,383</u>                           |
| Total current assets                            | <u>484,297</u>                           |
| Noncurrent Assets:                              |                                          |
| Receivables:                                    |                                          |
| Leases                                          | 1,192,633                                |
| Capital assets not depreciated                  | 2,855,425                                |
| Capital assets, net of accumulated depreciation | <u>1,747,106</u>                         |
| Total noncurrent assets                         | <u>5,795,164</u>                         |
| Total assets                                    | <u>6,279,461</u>                         |
| Liabilities:                                    |                                          |
| Current Liabilities:                            |                                          |
| Accrued liabilities                             | 12,178                                   |
| Deposits payable                                | 50,930                                   |
| Unearned revenue                                | <u>11,564</u>                            |
| Total current liabilities                       | <u>74,672</u>                            |
| Deferred Inflows of Resources:                  |                                          |
| Leases                                          | <u>1,408,696</u>                         |
| Net Position:                                   |                                          |
| Net investment in capital assets                | 4,602,531                                |
| Unrestricted                                    | <u>193,562</u>                           |
| Total net position                              | <u>\$ 4,796,093</u>                      |

City of Laguna Hills, California  
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund  
Year Ended June 30, 2024

---

|                                      |                                  |
|--------------------------------------|----------------------------------|
|                                      | Enterprise -<br>Property Leasing |
| Operating Revenues:                  |                                  |
| Rental fees                          | \$ 767,220                       |
| Common area maintenance revenues     | 66,481                           |
| Other current service fees           | 384                              |
|                                      | <hr/>                            |
| Total operating revenues             | 834,085                          |
|                                      | <hr/>                            |
| Operating Expenses:                  |                                  |
| Direct operating expenses            | 721,696                          |
| Administrative and professional fees | 59,291                           |
| Depreciation expense                 | 591,796                          |
|                                      | <hr/>                            |
| Total operating expenses             | 1,372,783                        |
|                                      | <hr/>                            |
| Operating income (loss)              | (538,698)                        |
|                                      | <hr/>                            |
| Nonoperating Revenues:               |                                  |
| Interest income                      | 71                               |
|                                      | <hr/>                            |
| Other Financing Sources (Uses):      |                                  |
| Transfers in                         | 129,125                          |
|                                      | <hr/>                            |
| Change in Net Position               | (409,502)                        |
| Net Position at Beginning of Year    | 5,205,595                        |
|                                      | <hr/>                            |
| Net Position at End of Year          | \$ 4,796,093                     |
|                                      | <hr/> <hr/>                      |



City of Laguna Hills, California  
Statement of Cash Flows – Proprietary Fund  
Year Ended June 30, 2024

|                                                                                          |                                         |
|------------------------------------------------------------------------------------------|-----------------------------------------|
|                                                                                          | Enterprise -<br><u>Property Leasing</u> |
| Operating Activities:                                                                    |                                         |
| Receipts from tenants                                                                    | \$ 347,613                              |
| Payments to suppliers for goods and services                                             | <u>(787,371)</u>                        |
| Net Cash Used for Operating Activities                                                   | <u>(439,758)</u>                        |
| Capital and Related Financing Activities:                                                |                                         |
| Acquisition of capital assets                                                            | (205,904)                               |
| Cash received on lease receivables                                                       | 528,137                                 |
| Cash received for interest on lease receivables                                          | <u>51,820</u>                           |
| Net Cash Provided by Capital and Related Financing Activities                            | <u>374,053</u>                          |
| Investing Activities:                                                                    |                                         |
| Interest Received                                                                        | <u>71</u>                               |
| Net Cash Provided by Investing Activities                                                | <u>71</u>                               |
| Net Decrease in Cash and Cash Equivalents                                                | (65,634)                                |
| Cash and Cash Equivalents at Beginning of Year                                           | <u>205,247</u>                          |
| Cash and Cash Equivalents at End of Year                                                 | <u><u>\$ 139,613</u></u>                |
| Reconciliation of cash and cash equivalents:                                             |                                         |
| Operating loss                                                                           | <u><u>\$ (538,698)</u></u>              |
| Adjustments to reconcile operating loss to net cash<br>Provided by Operating Activities: |                                         |
| Depreciation expense                                                                     | \$ 591,796                              |
| Recognition of lease income                                                              | (471,132)                               |
| Changes in assets and liabilities:                                                       |                                         |
| (Increase) decrease in accounts receivable                                               | (20,459)                                |
| Increase (decrease) in accrued liabilities                                               | (10,363)                                |
| Increase (decrease) in deposits payable                                                  | 3,979                                   |
| Increase (decrease) in unearned revenue                                                  | <u>5,119</u>                            |
| Total adjustments                                                                        | <u>98,940</u>                           |
| Net Cash Provided by (used for) Operating Activities                                     | <u><u>\$ (439,758)</u></u>              |
| Schedule of Non-Cash Investing, Capital and Financing Activities                         |                                         |
| Lease receivable and deferred inflows recognized on new lessor lease transaction         | \$ 676,292                              |
| Lease revenue recognized                                                                 | \$ (108,825)                            |

## **Note 1 - Reporting Entity and Summary of Significant Accounting Policies**

### **a) Summary of Significant Accounting Policies**

The basic financial statements of the City have been prepared in accordance with generally accepted accounting principles as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **The Financial Reporting Entity**

The City of Laguna Hills (the City) was incorporated on December 20, 1991 under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety, highways and streets, parks, solid waste, public improvements, planning and zoning, building and safety, community services, and general administrative services.

This report includes all fund types of the City (the primary government) and the Laguna Hills Public Improvement Corporation (the Corporation). The Corporation meets the definition of a component unit and is presented on a blended basis, as if it is a part of the primary government. Although it is a legally separate entity, the governing board of the Corporation is comprised of the same membership as the City Council. The City may impose its will on the Corporation, including the ability to appoint, hire, reassign, or dismiss management. There is also a financial benefit/burden relationship between the City and the Corporation.

The Corporation was established by the City Council on September 2, 1998. The Board of Directors of the Corporation is composed of the five members in connection with the acquisition, construction and improvement of public capital improvements. The activity of the Corporation is reported in the Debt Service Fund. Separate financial statements are not prepared for this blended component unit.

### **b) Basis of Accounting and Measurement Focus**

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### **Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Also, interfund services provided and used have not been eliminated.

Government-wide financial statements are presented using the *economic resources measurement focus* and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the City are reported in three categories: charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

#### Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide statements, except for net residual amounts due between governmental and business-type activities. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

### Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds.

### Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available*. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. For this purpose, the City considers its general revenue to be available if they are collected within 60 days of the end of the fiscal year. The City uses a 180-day availability period for special revenue grants.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange* transactions are recognized as revenues when all applicable eligibility requirements have been met.

Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in lieu fees, transient occupancy taxes, grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect fund balance, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When expenditures are incurred, the City's applies the most restrictive funds first; and then the City would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

#### Proprietary Fund

The City's enterprise fund is a proprietary fund. In the fund financial statements, the proprietary fund is presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund is presented using the *economic resources measurement focus*. This means that all assets and liabilities (whether current or non-current) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position. The City has no internal service funds.

Proprietary fund operating revenues, such as rental fees, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment income, results from non-exchange transactions or ancillary activities. Proprietary fund operating expenses result from providing the services in connection with the proprietary fund's principal ongoing operations.

Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

**c) Major Funds**

The City reports the following major governmental funds:

**General Fund**

The General Fund is the general operating fund of the City. It is used to account for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

**Capital Projects Fund**

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition and construction of the City's capital projects. The City has designated the Capital Projects Fund as a major fund.

The City reports the following major proprietary fund:

**Property Leasing**

The Property Leasing Enterprise Fund is used to account for activity pertaining to the leasing of certain areas in the Laguna Hills Civic Center, which has been the City Hall site and seat of government since June 28, 2004.

Additionally, the City reports the following fund types:

**Special Revenue Funds**

The Special Revenue Funds are used to account for certain revenue sources set aside for specific purposes, to avoid including restricted revenues within the general fund and to provide separate information on the sources and applications of these restricted sources.

**Debt Service Fund**

The Debt Service Fund is used to pay the City's debt service on its Certificate of Participation (COP) issue.

**d) New Government Accounting Standards Board (GASB) Pronouncements**

The following accounting pronouncements were effective in fiscal year 2024:

**GASB Statement No. 99, *Omnibus 2022*** - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. City has implemented these Statements without material impact to the financial statements.

**GASB Statement No. 100, *Accounting Changes and Error Corrections*** - The provisions of this standard define and clarify accounting changes and error corrections and prescribe the presentation and disclosure requirements for each type of accounting change and error correction effective for fiscal years beginning after June 15, 2023. The City has implemented these Statements without material impact to the financial statements.

Effective in Future Fiscal Years:

The GASB has issued the following pronouncements that have effective dates which may impact future financial statement presentation. The City has not determined the effect of the following Statements:

**GASB Statement No. 101**, *Compensated Absences*

**GASB Statement No. 102**, *Certain Risk Disclosures*

**GASB Statement No. 103**, *Financial Reporting Model Improvements*

**GASB Statement No. 104**, *Disclosure of Certain Capital Assets*

**e) Cash and Investments**

Investments are reported in the accompanying basic financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value represented by the external pool.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

The City pools cash and investments of all funds, except for amounts held by fiscal agents. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**f) Statement of Cash Flows**

The enterprise proprietary fund participates in the City-wide cash and investments pool, which provides immediate access to invested funds. Accordingly, all cash and investments are considered to be cash and cash equivalents for purposes of the Statement of Cash Flows.

**g) Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-Wide and Fund Financial Statements utilizing the consumption method.

**h) Property Taxes**

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available (within 60 days of the fiscal year end). The County of Orange collects property taxes for the City. Tax liens attach annually as of 12:01 am on the first day of January proceeding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on January 1 each year, and are delinquent, if unpaid, on August 31.

**i) Capital Assets**

Capital assets are capital outlay for assets of a permanent nature, valued at \$20,000 or more and the usage of which is expected to be more than five years. Right to use lease assets in excess of \$20,000 are capitalized. Right to use subscription assets in excess of \$20,000 are capitalized. Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at acquisition value at the date of the contribution. Capital assets include public domain (infrastructure) general assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the enterprise fund. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statements of net position. The range of lives used for depreciation purposes for each capital asset class, are as follows:

| <u>Asset</u>              | <u>Years</u> |
|---------------------------|--------------|
| Building and improvements | 20 years     |
| Machinery and equipment   | 5 - 10 years |
| Infrastructure            | 5 - 60 years |
| Land improvements         | 20 years     |

**j) Lease Receivable**

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.



**k) Deferred Inflows and Outflows of Resources**

In addition to assets, the government-wide statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt, which is 15 years.
- Deferred outflows related to pensions equal to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to pensions for differences between expected and actual experiences, changes in assumptions, and changes in proportion and differences between employer contributions and the proportionate share of contributions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

In addition to liabilities, the government-wide statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows related to pensions for differences between expected and actual experiences and differences between employer contributions and the proportionate share of contributions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred inflows related to leases where the City is the lessor and is reported in the governmental fund balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

**l) Compensated Absences**

Vacation time is provided to all full-time and extended part-time employees. Upon separation or retirement from City service, all employees shall be compensated at their prevailing pay rate for their accrued vacation. No employee shall be allowed to carry over more than 320 hours of vacation time from one fiscal year to the next. At the start of the fiscal year, if an employee has more than 320 hours accrued, the City will automatically cash out any hours in excess of 320.

The City provides a Retirement Health Savings (RHS) Plan, a defined contribution plan, through MissionSquare Retirement to its full-time employees that have reached ten (10) years of service with the City. This employer-sponsored retiree health benefit allows employees to accumulate assets to pay for medical expenses on a tax-free basis either upon separation of service from the City or age 50 dependent upon when contributions to the plan were made. In compliance with the Patient Protection and Affordable Care Act, contributions to the plan made after December 31, 2013, are available to plan participants for medical expenses only upon separation of employment. In the event of a participant's death, the participant's surviving spouse and/or eligible dependent(s) are immediately eligible to maintain the account and utilize it to fund eligible medical expenses. If a participant's balance is not fully depleted upon the death of the eligible spouse, the account balance may continue to be utilized to pay medical expenses of eligible dependents. An eligible dependent is (a) the participant's lawful spouse, (b) the participant's child under the age of 27, as defined by IRC Section 152(f)(1) and Internal Revenue Service Notice 2010-38, or (c) any other individual who is a person described in IRC Section 152(a), as classified by Internal Revenue Service Notice 2004-79. The assets of the individual plans are not subject to claims of the City's creditors. The start-up contribution for employees will be based on their accumulated sick leave hours in excess of 160 hours at their prevailing pay rate, upon the completion of ten (10) years of service to the City. Thereafter, annual contributions will be made to each employee's account for their unused sick leave hours in excess of 160 hours on June 30th of each fiscal year at the employees' prevailing pay rate. Upon separation from employment, the City will make a final contribution on behalf of the employee equivalent to all the unused sick leave balance of the employee at the employee's prevailing pay rate at the time of separation. The City also contributes \$5,000 on behalf of each participant, upon completion of ten years of service and annually thereafter on the participant's employment anniversary date as long as the individual is an employee with the City. The \$5,000 City contributions cease after termination or retirement of the employee. In the fiscal year ended June 30, 2024, the City contributed \$25,000 to the RHS Plan.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**m) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**n) Use of Estimates**

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB, requires management to make assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2 - Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Cash and investments at June 30, 2024, are reported in the accompanying financial statements as follows:

## Statement of Net Position:

|                                 |                             |
|---------------------------------|-----------------------------|
| Cash and investments            | \$ 33,264,111               |
| Restricted cash and investments | <u>1,148,722</u>            |
| Total cash and investments      | <u><u>\$ 34,412,833</u></u> |

Cash and investments at June 30, 2024, consisted of the following:

|                                       |                      |                             |
|---------------------------------------|----------------------|-----------------------------|
| Cash on hand                          |                      | \$ 1,750                    |
| Pooled deposits:                      |                      |                             |
| Demand deposits                       | <u>\$ 12,952,947</u> |                             |
| Total pooled deposits                 |                      | 12,952,947                  |
| Pooled investments:                   |                      |                             |
| Local Agency Investment Fund          | 93,190               |                             |
| CalTRUST Money Market Mutual Fund     | <u>20,216,224</u>    |                             |
| Total pooled investments and deposits |                      | 20,309,414                  |
| Restricted cash and investments:      |                      |                             |
| BNY Mellon                            | <u>1,148,722</u>     |                             |
| Total restricted cash and investments |                      | <u>1,148,722</u>            |
| Total cash and investments            |                      | <u><u>\$ 34,412,833</u></u> |

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures, including investment policy considerations. Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on quarterly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

### Authorized Investments

Under the provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments.

| <u>Diversification By Investments</u>                           | <u>Percent of Portfolio</u> |
|-----------------------------------------------------------------|-----------------------------|
| U.S. Treasury Obligations (bills, notes and bonds)              | 50%                         |
| Certificates of Deposit (CDs) Commercial Banks                  | 50%                         |
| Certificates of Deposit (CDs) Savings and Loan                  | 25%                         |
| State Treasurer's Local Agency Investment Fund                  | 100%                        |
| CalTRUST                                                        | 100%                        |
| Overnight investment accounts managed by<br>City's primary bank | 50%                         |
| Commercial Paper                                                | 10%                         |
| Banker's Acceptances                                            | 15%                         |
| Money Market Mutual Funds                                       | 15%                         |
|                                                                 | Maximum                     |
| <u>Diversification By Institution/Issuer</u>                    | <u>Percent of Portfolio</u> |
| Certificates of Deposit (CDs) Commercial Banks                  | 25%                         |
| Certificates of Deposit (CDs) Savings and Loan                  | \$250,000<br>maximum        |

The maximum maturity for all investments listed above is 1 year with the exception of commercial paper and Prime Banker's Acceptances for which the maximum maturity is 180 days and 270 days, respectively.

### Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code.

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. The City limits the investment maturities for operating funds to be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures as well as considering sizable blocks of anticipated revenue. The City has elected the specific identification method to present the investment maturities as follows.

| Investment Type                             | 6 Months<br>or less  | Fair Value           |
|---------------------------------------------|----------------------|----------------------|
| Local Agency Investment Fund                | \$ 93,190            | \$ 93,190            |
| CalTRUST Money Market Mutual Fund           | 20,216,224           | 20,216,224           |
| Investment with Fiscal Agent:<br>BNY Mellon | 1,148,722            | 1,148,722            |
| Total                                       | <u>\$ 21,458,136</u> | <u>\$ 21,458,136</u> |

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's minimum legal rating for Money Market Mutual Funds is AAA. There is no minimum legal rating applicable for investments in the Local Agency Investment Fund and the City has no minimum legal rating for investments in CalTRUST. As of June 30, 2024, the City's investment in the Local Agency Investment Fund has not been rated by a nationally recognized statistical rating organization.

### Concentration of Credit Risk

Concentration credit risk is the heightened risk of potential loss when investments are concentrated in one issuer. As of June 30, 2024, other than the State Treasurer's Local Agency Investment Fund and the CalTRUST Money Market Mutual Fund, the City had no investments concentrated in one issuer which exceeded 5% of total investments.

### Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a fair value of 110% of a city's deposits. California law also allows financial institutions to secure a city's deposits by pledging first trust deed mortgage notes having a fair value of 150% of a city's total deposits. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

As of June 30, 2024, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement acquires the investment, and holds the investment on behalf of the reporting government.

#### **Investment in State Treasurer's Local Agency Investment Fund**

The City is a voluntary participant in the State Treasurer's Local Agency Investment Fund that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by State Treasurer's Local Agency Investment Fund for the entire State Treasurer's Local Agency Investment Fund portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by State Treasurer's Local Agency Investment Fund, which are recorded on an amortized cost basis. The Local Agency Investment Fund is not registered with the Securities Exchange Commission and not rated.

#### **Investment in CalTRUST Investment Pool:**

CalTRUST is a Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to voluntarily pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. CalTRUST maintains and administers four pooled accounts within the program: Government Fund, Money Market, Short-Term, and Medium-Term. The Government Fund and Money Market accounts permit daily transactions, with same-day liquidity (provided redemption requests are received by 1:00 p.m. Pacific time), with no limit on the amount of funds that may be invested. The Short-Term account permits an unlimited number of transactions per month (with prior day notice), with no limit on the amount of funds that may be invested. The Medium-Term account permits investments, withdrawals and transfers once per month, with five days advance notice. All CalTRUST accounts comply with the limits and restrictions placed on local agency investments by the California Government Code. CalTRUST imposes a \$250,000 minimum investment; however, there is no maximum limit.

The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's percentage interest of the fair value provided by CalTRUST for the CalTRUST accounts (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

#### **Fair Value Measurements**

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

Amounts invested in the Local Agency Investment Fund and CalTRUST Money Market Mutual Funds are not subject to fair value measurements. Deposits and withdrawals are made on the basis of \$1 and not at fair value.

#### **Note 3 - Due From/To Other Funds**

Interfund receivables and payables at June 30, 2024, were as follows.

| Funds                      | Due From<br>Other Funds | Due To<br>Other Funds |
|----------------------------|-------------------------|-----------------------|
| Major Governmental:        |                         |                       |
| General                    | \$ 67,915               | \$ -                  |
| Non-major Governmental:    |                         |                       |
| Measure M2 Special Revenue | -                       | 67,915                |
| Total                      | <u>\$ 67,915</u>        | <u>\$ 67,915</u>      |

Outstanding balances at the end of the fiscal year between funds are reported as "due to/from other funds". These balances are the result primarily from short-term negative cash balances.

**Note 4 - Transfers In and Out**

Transfers in and out for the fiscal year ended June 30, 2024, are as follows:

| Paying Fund                        | Transfers<br>Out    | Receiving Fund                          | Transfers<br>In     |
|------------------------------------|---------------------|-----------------------------------------|---------------------|
| Major Governmental:                |                     | Major Governmental:                     |                     |
| General                            | \$ 805,724          | General                                 | \$ 151,000          |
|                                    |                     | Capital Projects                        | 1,492,424           |
| Total major governmental           | <u>805,724</u>      | Total major governmental                | <u>1,643,424</u>    |
| Non-major Governmental:            |                     | Non-major Governmental:                 |                     |
| Gas Tax Special Revenue            | 486,275             | Debt Service                            | 2,141               |
| Measure M2 Special Revenue         | 200,000             | Senior Mobility Program Special Revenue | 4,052               |
| SB1 RMRA Special Revenue           | 85,343              |                                         |                     |
| CARITS Special Revenue Fund        | 1,456               | Total non-major governmental            | <u>6,193</u>        |
| Park In-Lieu Special Revenue       | 48,944              |                                         |                     |
| State COPS / SLESF Special Revenue | <u>151,000</u>      |                                         |                     |
| Total non-major governmental       | <u>973,018</u>      | Proprietary:                            |                     |
|                                    |                     | Enterprise - Property Leasing           | <u>129,125</u>      |
|                                    |                     | Total proprietary                       | <u>129,125</u>      |
| Total                              | <u>\$ 1,778,742</u> | Total                                   | <u>\$ 1,778,742</u> |

The General Fund transferred \$670,406 to the Capital Projects Fund for the funding of capital improvement project (CIP) expenses. Funding of eligible CIP costs transferred to the Capital Projects Fund also included \$486,275 from the Gas Tax Special Revenue Fund, \$85,343 from the SB1 RMRA Special Revenue Fund, \$200,000 from the Measure M2 Special Revenue Fund, \$1,456 from the CARITS Special Revenue Fund, and \$48,944 from the Park In-Lieu Special Revenue Fund.

Transfers from the State COPS/SLESF Special Revenue Fund in the amount of \$151,000 to the General Fund were to cover partial law enforcement contract costs.

Transfers from the General Fund were to: 1) provide the required 20% match for the Senior Mobility Program primarily funded by OCTA in the amount of \$4,052; 2) provide funding of \$2,141 for bond payment expenses in the Debt Service Fund; and 3) provide funding for the property leasing operations in the Enterprise Fund in the amount of \$129,125.



**Note 5 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

|                                             | Balance at<br>July 1, 2023 | Additions             | Deletions       | Ending<br>June 30, 2024 |
|---------------------------------------------|----------------------------|-----------------------|-----------------|-------------------------|
| <b>Governmental activities:</b>             |                            |                       |                 |                         |
| Land                                        | \$ 17,955,354              | \$ -                  | \$ -            | \$ 17,955,354           |
| Rights of way / easements                   | 2,854,182                  | -                     | -               | 2,854,182               |
| Construction in progress                    | 15,000                     | -                     | -               | 15,000                  |
| <b>Total cost of non-depreciable assets</b> | <b>20,824,536</b>          | <b>-</b>              | <b>-</b>        | <b>20,824,536</b>       |
| Buildings and improvements                  | 14,577,368                 | -                     | -               | 14,577,368              |
| Machinery and equipment                     | 2,738,753                  | 79,627                | (85,918)        | 2,732,462               |
| Land improvements                           | 26,347,918                 | -                     | -               | 26,347,918              |
| Infrastructure                              | 102,312,891                | -                     | -               | 102,312,891             |
| <b>Total cost of depreciable assets</b>     | <b>145,976,930</b>         | <b>79,627</b>         | <b>(85,918)</b> | <b>145,970,639</b>      |
| <b>Less accumulated depreciation for:</b>   |                            |                       |                 |                         |
| Buildings and improvements                  | (13,464,858)               | (69,950)              | -               | (13,534,808)            |
| Machinery and equipment                     | (2,343,686)                | (75,135)              | 85,918          | (2,332,903)             |
| Land improvements                           | (25,067,905)               | (162,709)             | -               | (25,230,614)            |
| Infrastructure                              | (48,274,428)               | (1,754,657)           | -               | (50,029,085)            |
| <b>Total accumulated depreciation</b>       | <b>(89,150,877)</b>        | <b>(2,062,451)</b>    | <b>85,918</b>   | <b>(91,127,410)</b>     |
| <b>Net depreciable assets</b>               | <b>56,826,053</b>          | <b>(1,982,824)</b>    | <b>-</b>        | <b>54,843,229</b>       |
| <b>Total capital assets, net</b>            | <b>\$ 77,650,589</b>       | <b>\$ (1,982,824)</b> | <b>\$ -</b>     | <b>\$ 75,667,765</b>    |
| <b>Business-type activity:</b>              |                            |                       |                 |                         |
| Land                                        | \$ 2,855,425               | \$ -                  | \$ -            | \$ 2,855,425            |
| <b>Total cost of non-depreciable assets</b> | <b>2,855,425</b>           | <b>-</b>              | <b>-</b>        | <b>2,855,425</b>        |
| Buildings and improvements                  | 15,252,575                 | 205,904               | -               | 15,458,479              |
| <b>Total cost of depreciable assets</b>     | <b>15,252,575</b>          | <b>205,904</b>        | <b>-</b>        | <b>15,458,479</b>       |
| <b>Less accumulated depreciation for:</b>   |                            |                       |                 |                         |
| Buildings and improvements                  | (13,119,577)               | (591,796)             | -               | (13,711,373)            |
| <b>Total accumulated depreciation</b>       | <b>(13,119,577)</b>        | <b>(591,796)</b>      | <b>-</b>        | <b>(13,711,373)</b>     |
| <b>Net depreciable assets</b>               | <b>2,132,998</b>           | <b>(385,892)</b>      | <b>-</b>        | <b>1,747,106</b>        |
| <b>Total capital assets, net</b>            | <b>\$ 4,988,423</b>        | <b>\$ (385,892)</b>   | <b>\$ -</b>     | <b>\$ 4,602,531</b>     |

Depreciation expense was charged in the following functions in the Statement of Activities:

|                          |                     |
|--------------------------|---------------------|
| Governmental Activities: |                     |
| General government       | \$ 23,905           |
| Public works             | 1,797,556           |
| Community services       | 231,380             |
| Public safety            | 9,610               |
|                          | <u>2,062,451</u>    |
| Business-type Activity:  |                     |
| Property leasing         | 591,796             |
|                          | <u>591,796</u>      |
| Total                    | <u>\$ 2,654,247</u> |

## Note 6 - Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

### Governmental Activities:

|                                        | Balance at<br>July 1, 2023 | Additions         | Reductions            | Balance at<br>June 30, 2024 | Amounts Due<br>in One Year |
|----------------------------------------|----------------------------|-------------------|-----------------------|-----------------------------|----------------------------|
| Certificates of Participation:         |                            |                   |                       |                             |                            |
| 2010 COP                               | \$ 730,000                 | \$ -              | \$ (355,000)          | \$ 375,000                  | \$ 375,000                 |
| Unamortized premium                    | 127,396                    | -                 | (80,464)              | 46,932                      | 46,932                     |
| Total Certificates of<br>Participation | <u>857,396</u>             | <u>-</u>          | <u>(435,464)</u>      | <u>421,932</u>              | <u>421,932</u>             |
| Direct Borrowings:                     |                            |                   |                       |                             |                            |
| Edison                                 | 182,894                    | -                 | (51,370)              | 131,524                     | 50,342                     |
| SDGE                                   | 69,534                     | -                 | (40,914)              | 28,620                      | 8,859                      |
| Other Liabilities:                     |                            |                   |                       |                             |                            |
| Compensated absences                   | 252,170                    | 459,431           | (450,225)             | 261,376                     | 52,275                     |
| Claims and judgments (Note 7)          | 111,802                    | -                 | (111,802)             | -                           | -                          |
| Total other liabilities                | <u>616,400</u>             | <u>459,431</u>    | <u>(654,311)</u>      | <u>421,520</u>              | <u>111,476</u>             |
| Total                                  | <u>\$ 1,473,796</u>        | <u>\$ 459,431</u> | <u>\$ (1,089,775)</u> | <u>\$ 843,452</u>           | <u>\$ 533,408</u>          |

Typically, the City liquidates its certificates of participation, direct borrowings, compensated absences, and claims and judgments with General Fund resources.

### 2010 Certificates of Participation

On January 26, 2010, the City (through the City's blended component unit the Corporation) issued \$17,190,000 of Certificates of Participation (COPs). Proceeds from the sale were placed in an irrevocable trust that was used to service the future debt requirements of the 2001 and 2003 Certificates of Participation. There are no amounts outstanding on the defeased COPs.

The 2010 COPs are direct obligations and pledge the full faith and credit of the City of Laguna Hills. The certificates were executed and delivered under the provisions of the Trust Agreement by and among The Bank of New York Mellon Trust Company, N.A, as trustee. The City is required under the Agreement to make rental payments each 15th day of the month immediately preceding each February 1st and August 1st from any source of available funds in an amount sufficient to pay the annual principal and interest due with respect to the Certificates.

The Serial bonds mature in annual installments ranging from \$345,000 to \$1,670,000, commencing February 1, 2011 and ending February 1, 2025. Interest accrues at rates between 4.00% and 5.00% and is payable semiannually. The annual requirements to amortize the certificates of participation as of June 30, 2024, are as follows:

| <u>Year Ending June 30:</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|-----------------------------|-------------------|------------------|-------------------|
| 2025                        | \$ 375,000        | \$ 15,938        | \$ 390,938        |
| Total                       | <u>\$ 375,000</u> | <u>\$ 15,938</u> | <u>\$ 390,938</u> |

The COPs are subject to federal arbitrage regulations. The City calculated no arbitrage rebate due.

The COPs require a reserve in an amount that is the least of (1) 125% of the average annual lease payments, (2) 10% of the original proceeds, or (3) maximum annual lease payments. This reserve is fully funded as of June 30, 2024 with a balance of \$1,148,722.

### Direct Borrowings:

#### Southern California Edison On-Bill Financing Program

In fiscal year 2016-2017, the City approved the installation of energy-efficient LED streets lights in areas of the City. The project was partially funded through Southern California Edison's On-Bill Financing Program. Through this program, the City received zero percent financing for approved energy reduction projects for \$471,344. Since each individual item is below the City's capitalization policy, there are no amounts recorded as capital assets for these purchases. The costs are repaid from energy savings over a period of up to ten years. The unpaid balance as of June 30, 2024 was \$131,524.

The annual debt service requirements are as follows:

| <u>Year Ending June 30:</u> | <u>Principal</u>  |
|-----------------------------|-------------------|
| 2025                        | \$ 50,342         |
| 2026                        | 49,811            |
| 2027                        | 30,404            |
| 2028                        | <u>967</u>        |
| Total                       | <u>\$ 131,524</u> |

#### **San Diego Gas & Electric On-Bill Financing Program**

In fiscal year 2017-2018, the City approved the installation of energy-efficient LED streets lights in areas of the City. The project was partially funded through San Diego Gas & Electric's On-Bill Financing Program. Through this program, the City received zero percent financing for approved energy reduction projects for \$287. Since each individual item is below the City's capitalization policy, there are no amounts recorded as capital assets for these purchases. The costs are repaid from energy savings over a period of up to ten years. The unpaid balance as of June 30, 2024 was \$28,620. The annual debt service requirements are as follows:

| <u>Year Ending June 30:</u> | <u>Principal</u> |
|-----------------------------|------------------|
| 2025                        | \$ 8,859         |
| 2026                        | 8,859            |
| 2027                        | 7,871            |
| 2028                        | <u>3,031</u>     |
| Total                       | <u>\$ 28,620</u> |

#### **Compensated Absences**

The City's policies relating to compensated absences are described in Note 1. The long-term portion of this liability, amounting to \$209,101 at June 30, 2024 will be paid from the General Fund.

### **Note 7 - Liability, Workers' Compensation, and Purchased Insurance**

#### **a) Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**b) Primary Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

**Primary Liability Program**

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

**Primary Workers' Compensation Program**

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**c) Purchased Insurance**

**Pollution Legal Liability Insurance**

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

**Property Insurance**

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$62,294,301. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**Earthquake and Flood Insurance**

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$62,294,301. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

**d) Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

The following is a list of the allocation of risk coverage for the City as of June 30, 2024, taking in to account the City's self-insurance portion, if any.

**Claims Liability**

In the financial statements prepared using the economic resources measurement focus, authoritative standards require that the liability for claims and the corresponding expense should be recognized in the period in which the underlying event occurs. In previous years, the City's liability resulted from outstanding unallocated loss adjustment expenses (ULAE) representing the amount that will be paid out in claims as well as the expenses associated with processing of those claims. The City's third-party administrator provided the data on estimated claim liabilities (paid and reserves). As of July 1, 2023, the City changed its insurance to the Authority noted above, and no longer has a self-insurance portion. The City paid out the remaining claims from the prior year as of June 30, 2024. As of June 30, 2024, the estimated outstanding ULAE was \$0.

The following is a summary of the changes in the claims liability for the last two fiscal years:

| <u>Fiscal Year Ending June 30,</u> | <u>FY 2023/24</u> | <u>FY 2022/23</u> |
|------------------------------------|-------------------|-------------------|
| Claims payable, beginning          | \$ 111,802        | \$ 304,323        |
| Claims and changes in estimate     | (63,358)          | 11,701            |
| Claims payments                    | <u>(48,444)</u>   | <u>(204,222)</u>  |
| Claims payable, ending             | <u>\$ -</u>       | <u>\$ 111,802</u> |

In the current fiscal year, the City paid the remaining claims in the amount of \$48,444.

## **Note 8 - Pension Plans**

### **a) General Information about the Pension Plans**

#### **Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

#### **Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 and 52 with statutorily reduced benefits for Tier I and PEPR, respectively. All members are eligible for non-industrial disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at the measurement period ending June 30, 2023, are summarized as follows:

|                                                      | Miscellaneous Plan                    |                                         |
|------------------------------------------------------|---------------------------------------|-----------------------------------------|
|                                                      | Tier 1<br>Prior to<br>January 1, 2013 | PEPRA<br>On or After<br>January 1, 2013 |
| Hire date                                            |                                       |                                         |
| Benefit formula                                      | 2% @ 60                               | 2% @ 62                                 |
| Benefit vesting schedule                             | 5 years service                       | 5 years service                         |
| Benefit payments                                     | monthly for life                      | monthly for life                        |
| Retirement age                                       | 50 - 63                               | 52 - 67                                 |
| Monthly benefits, as a % of<br>eligible compensation | 1.092% to 2.418%                      | 1.0% - 2.5%                             |
| Required employee contribution rates                 | 7.0%                                  | 8.25%                                   |
| Required employer contribution rates:                |                                       |                                         |
| Normal cost rate                                     | 11.43%                                | 8.00%                                   |
| Payments of unfunded liability                       | \$ 365,511                            | \$ -                                    |

### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the period ended June 30, 2024, City contributions was \$713,171.

Typically, the City liquidates its net pension liability with General Fund resources.

### b) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liabilities for its proportionate share of the net pension liability of all Plans as follows:

|               | <u>Proportionate<br/>Share of Net<br/>Pension Liability</u> |
|---------------|-------------------------------------------------------------|
| Miscellaneous | <u>\$ 6,189,773</u>                                         |



The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for all Plans as of the measurement dates ended June 30, 2022 and 2023 was as follows:

|                              | <u>Miscellaneous</u> |
|------------------------------|----------------------|
| Proportion - June 30, 2022   | 0.04848%             |
| Proportion - June 30, 2023   | <u>0.04962%</u>      |
| Change - Increase (Decrease) | 0.00114%             |

For the year ended June 30, 2024, the City recognized pension expense of \$1,326,709. At June 30, 2024, (measurement period ending June 30, 2023), the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                          | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|----------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Pension contributions subsequent to measurement date                                                     | \$ 713,171                                    | \$ -                                         |
| Differences between expected and actual experience                                                       | 316,207                                       | 49,051                                       |
| Change in assumptions                                                                                    | 373,704                                       | -                                            |
| Differences between the employer's contributions and the employer's proportionate share of contributions | -                                             | 397,699                                      |
| Change in employer's proportion                                                                          | 442,686                                       | -                                            |
| Net differences between projected and actual earnings on plan investments                                | <u>1,002,180</u>                              | <u>-</u>                                     |
| Total                                                                                                    | <u>\$ 2,847,948</u>                           | <u>\$ 446,750</u>                            |

Deferred outflows of resources related to contributions subsequent to the measurement date of \$713,171 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>       |
|-----------------------------|---------------------|
| 2025                        | \$ 546,417          |
| 2026                        | 367,276             |
| 2027                        | 745,577             |
| 2028                        | 28,757              |
|                             | <u>\$ 1,688,027</u> |

#### Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The total pension liability was based on the following assumptions:

|                                  | <u>Miscellaneous</u>         |
|----------------------------------|------------------------------|
| Valuation Date                   | June 30, 2022                |
| Measurement Date                 | June 30, 2023                |
| Actuarial Cost Method            | Entry-Age Normal Cost Method |
| Actuarial Assumptions:           |                              |
| Discount Rate                    | 6.90%                        |
| Inflation                        | 2.30%                        |
| Salary Increases                 | (1)                          |
| Mortality Rate Table             | (2)                          |
| Post Retirement Benefit Increase | (3)                          |

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

(3) The less of contract COLA or 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.

### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

| Asset Class (a)                  | Assumed<br>Asset<br>Allocation | Real Return<br>Years<br>1 - 10 (a) (b) |
|----------------------------------|--------------------------------|----------------------------------------|
| Global Equity - Cap-Weighted     | 30.00%                         | 4.54%                                  |
| Global Equity - Non-Cap-Weighted | 12.00%                         | 3.84%                                  |
| Private Equity                   | 13.00%                         | 7.28%                                  |
| Treasury                         | 5.00%                          | 0.27%                                  |
| Mortgage-Backed Securities       | 5.00%                          | 0.50%                                  |
| Investment Grade Corporates      | 10.00%                         | 1.56%                                  |
| High Yield                       | 5.00%                          | 2.27%                                  |
| Emerging Market Debt             | 5.00%                          | 2.48%                                  |
| Private Debt                     | 5.00%                          | 3.57%                                  |
| Real Assets                      | 15.00%                         | 3.21%                                  |
| Leverage                         | -5.00%                         | -0.59%                                 |
|                                  | 100.0%                         |                                        |

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

### Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                       | Miscellaneous |
|-----------------------|---------------|
| 1% Decrease           | 5.90%         |
| Net Pension Liability | \$ 9,846,694  |
| Current Discount Rate | 6.90%         |
| Net Pension Liability | \$ 6,189,773  |
| 1% Increase           | 7.90%         |
| Net Pension Liability | \$ 3,179,814  |

**Pension Plans Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**c) Payable to the Pension Plans**

At June 30, 2024, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2024.

**Note 9 - Deferred Compensation**

The City offers its employees two kinds of defined contribution deferred compensation plans. City contribution rates may change if plan contracts are amended.

One plan is created in accordance with Internal Revenue Code Section 457. This plan, available to all employees, permits them to defer annually up to a maximum of \$22,500 for calendar year 2023 and \$23,000 for calendar year 2024. This maximum deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Amounts accumulated under the plan have been invested in several investment options administered by independent third-party administrators at the direction of the employee. The assets of the plan are held in trust for the exclusive benefit of the plan participants and their beneficiaries, and the assets cannot be diverted to any other purpose. The Trustee’s beneficial ownership of plan assets held in the MissionSquare Retirement is held for the further exclusive benefit of the plan participants and their beneficiaries. The plan permits loans, administered by the City, in accordance with approved loan guidelines. The City contributes 3.75% of the employee’s compensation for part-time seasonal employees. There are no City contributions required for full-time and non-seasonal part-time employees. The City’s total contributions for the fiscal year ended June 30, 2024 was \$3,669.

The other Plan is a defined contribution plan created in accordance with Internal Revenue Code Section 401A. This Plan is available to all management staff regardless of years of service, and non-management employees who have reached a minimum of ten years of service with the City. The City is the sole contributor to this Plan and sets the contribution amount to each class of eligible employees. The contribution limit is in accordance with the prevailing IRS regulation, which is 3% for eligible non-management employees and 6.5% for eligible management employees. The City's total contributions for the fiscal year ended June 30, 2024 was \$91,019. The assets of this Plan, held for the exclusive benefits of the Plan's participants and their beneficiaries, are administered by MissionSquare Retirement. Amounts accumulated under this Plan are self-directed by each participant.

#### **Note 10 - Classification of Net Position and Governmental Fund Balances**

Net Position is measured on the full accrual basis of accounting as compared to the concept of Fund Balance, which is measured on the modified accrual basis of accounting.

##### **Net Position Classifications**

Net Position is divided into three captions as described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less outstanding balance of any debt issued to finance these capital assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. Restricted net position is subject to constraints either by (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulation of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* describes the portion of which is not restricted as to use.

##### **Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

### **Governmental Fund Balances Classifications**

Fund Balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance.

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

*Restricted* fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations.

*Committed* fund balances are those constrained to specific purposes determined by a formal action (resolution) of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally. The City does not have any committed fund balances at June 30, 2024.

*Assigned* fund balances include amounts that are constrained by the City's intent to be used for specific purposes. The City Manager has the authority to assign the portion of the fund balance in the General Fund that are constrained by the City's intent to be used for reserves as established in the City's Financial Policy No. 105 Section G.

*Unassigned* fund balances include the residual balance for the City's General Fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

When expenditures are incurred, the City's applies the most restrictive funds first; and then the City would use the appropriate funds in the following order: committed, assigned, and lastly unassigned amounts.

City of Laguna Hills, California

Notes to Basic Financial Statements

June 30, 2024

Fund balances are presented in the following categories: nonspendable, restricted, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2024 is as follows:

|                                                    | General<br>Fund | Capital Projects<br>Fund | Other<br>Governmental<br>Funds | Total         |
|----------------------------------------------------|-----------------|--------------------------|--------------------------------|---------------|
| Nonspendable:                                      |                 |                          |                                |               |
| Prepaid items                                      | \$ 299,941      | \$ -                     | \$ 963                         | \$ 300,904    |
| Total                                              | 299,941         | -                        | 963                            | 300,904       |
| Restricted:                                        |                 |                          |                                |               |
| Capital projects                                   | -               | -                        | 2,680,606                      | 2,680,606     |
| Public works                                       | -               | -                        | 5,651,483                      | 5,651,483     |
| Community services                                 | -               | -                        | 261,116                        | 261,116       |
| Police services                                    | -               | -                        | 40,571                         | 40,571        |
| Community development                              | -               | -                        | 33,915                         | 33,915        |
| Debt service                                       | -               | -                        | 1,153,370                      | 1,153,370     |
| Total                                              | -               | -                        | 9,821,061                      | 9,821,061     |
| Assigned:                                          |                 |                          |                                |               |
| Claims liability                                   | 161,300         | -                        | -                              | 161,300       |
| Community Center and<br>Sports Complex maintenance | 189,349         | -                        | -                              | 189,349       |
| Parks maintenance                                  | 309,213         | -                        | -                              | 309,213       |
| Slopes/Storm Drain maintenance                     | 31,770          | -                        | -                              | 31,770        |
| Total                                              | 691,632         | -                        | -                              | 691,632       |
| Unassigned                                         | 23,776,892      | -                        | -                              | 23,776,892    |
| Total fund balances                                | \$ 24,768,465   | \$ -                     | \$ 9,822,024                   | \$ 34,590,489 |

## **Note 11 - Joint Venture**

### **Orange County Fire Authority**

In January 1995, the City of Laguna Hills entered into a Joint Powers Agreement with the Cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Garden Grove, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda and the County of Orange to create the Orange County Fire Authority (the Authority). Since the creation of the Authority, the Cities of Aliso Viejo, Laguna Woods, Rancho Santa Margarita, Santa Ana, and Westminster have joined the Authority as members eligible for protection services. The purpose of the Authority is to provide for mutual fire protection, prevention and suppression services and related and incidental services including, but not limited to, emergency medical and transport services, as well as providing facilities and personnel for such services. The effective date of formation was March 1, 1995. The Authority's governing board consists of one representative from each City and two from the County. The operations of the Authority are funded with structural fire fees collected by the County through the property tax roll for the unincorporated area and on behalf of all member Cities except for the Cities of Stanton, Tustin, San Clemente, Buena Park, Garden Grove, Santa Ana, Seal Beach and Westminster.

The County pays all structural fire fees it collects to the Authority. The Cities of Stanton, Tustin, San Clemente, Buena Park, Garden Grove, Santa Ana, Seal Beach and Westminster are considered "cash contract cities" and accordingly make cash contributions based on the Authority's annual budget. No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2024. Upon dissolution of the Authority, all surplus money and property of the Authority will be conveyed or distributed to each member in proportion to all funds provided to the Authority by that member or by the County on behalf of that member during its membership.

Complete financial statements may be obtained from the Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

## **Note 12 - Related Party Transactions**

The City's enterprise fund consists of owning a piece of commercial real estate and leasing it to various entities. The total square footage of the building is 51,945. The City is a tenant using approximately 21,033 square feet of the building. The enterprise fund does not charge the City rent. The estimated annual rent for the space occupied by the City would be approximately \$549,965.

## **Note 13 - Commitments and Contingencies**

The City is occasionally a defendant in lawsuits which have arisen in the normal course of business. Damages are alleged in some of these actions and their outcome cannot be predicted with certainty. However, in the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of the City.



The City participates in several federal and state grant programs. The programs are subject to examination by the granters and the amount, if any, of expenses which may be disallowed by the granting agency cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

#### Note 14 - Leases

##### Governmental Activities/General Fund:

The City has accrued a receivable for five land leases. The remaining receivable for these leases was \$603,680 for the year ended June 30, 2024. Deferred inflows related to these leases were \$564,939 as of June 30, 2024. Interest revenue recognized on these leases was \$19,229 for the year ended June 30, 2024. Principal receipts of \$102,824 were recognized during the fiscal year. The interest rate on the leases is between 2.25% and 3.25%. Final receipt is expected in fiscal year 2038.

The future receipts on these leases are as follows:

| Years Ending June 30, | Principal         | Interest          | Total             |
|-----------------------|-------------------|-------------------|-------------------|
| 2025                  | \$ 106,028        | \$ 16,775         | \$ 122,803        |
| 2026                  | 81,923            | 14,239            | 96,162            |
| 2027                  | 84,728            | 12,231            | 96,959            |
| 2028                  | 44,319            | 10,151            | 54,470            |
| 2029                  | 28,711            | 9,069             | 37,780            |
| 2030 - 2034           | 124,250           | 34,402            | 158,652           |
| 2035 - 2038           | 133,721           | 11,210            | 144,931           |
|                       | <u>\$ 603,680</u> | <u>\$ 108,077</u> | <u>\$ 711,757</u> |

##### Business-Type Activities - Property Leasing:

The City has accrued a receivable for 12 building leases. The remaining receivable for these leases was \$1,490,016 for the year ended June 30, 2024. Deferred inflows related to these leases were \$1,408,696 as of June 30, 2024. Interest revenue recognized on these leases was \$51,820 for the year ended June 30, 2024. Principal receipts of \$399,010 were recognized during the fiscal year. The interest rate on the leases is between 1.25% and 4.71%. Final receipt is expected in fiscal year 2038.

The lease agreement call for payments that are partially variable and therefore were not included in lease receivable or deferred inflow of resources for leases. These variable payments are a result of the underlying lease measured not on a fixed rate, but rather variable due to the underlying payments derived from 1.18% through 5.83 percent of lessee's share of operating expense. A total of \$261,453 was recognized as revenue from these variable payments for the year ended June 30, 2024.

The future receipts on these leases are as follows:

| Years Ending June 30, | Principal           | Interest          | Total               |
|-----------------------|---------------------|-------------------|---------------------|
| 2025                  | \$ 297,383          | \$ 46,715         | \$ 344,098          |
| 2026                  | 236,813             | 38,031            | 274,844             |
| 2027                  | 171,108             | 30,767            | 201,875             |
| 2028                  | 99,434              | 25,931            | 125,365             |
| 2029                  | 87,840              | 22,608            | 110,448             |
| 2030 - 2034           | 417,289             | 69,321            | 486,610             |
| 2035 - 2038           | 180,149             | 11,141            | 191,290             |
|                       | <u>\$ 1,490,016</u> | <u>\$ 244,514</u> | <u>\$ 1,734,530</u> |

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## Required Supplementary Information

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City of Laguna Hills, California  
Schedule of Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years  
June 30, 2024

| Fiscal year ended                                                                          | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Measurement period                                                                         | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Plan's proportion of the net pension liability                                             | 0.04962%      | 0.04848%      | 0.03594%      | 0.04120%      | 0.03899%      | 0.03658%      | 0.03641%      | 0.03413%      | 0.02851%      | 0.03634%      |
| Plan's proportionate share of the net pension liability                                    | \$ 6,189,773  | \$ 5,599,726  | \$ 1,943,651  | \$ 4,483,185  | \$ 3,995,763  | \$ 3,524,547  | \$ 3,610,550  | \$ 2,953,536  | \$ 1,956,617  | \$ 2,261,011  |
| Plan's covered payroll                                                                     | \$ 3,142,833  | \$ 2,820,234  | \$ 2,968,115  | \$ 3,079,318  | \$ 2,978,329  | \$ 3,199,277  | \$ 3,197,331  | \$ 3,076,464  | \$ 3,093,576  | \$ 2,893,989  |
| Plan's proportionate share of the net pension liability as a percentage of covered payroll | 196.95%       | 198.56%       | 65.48%        | 145.59%       | 134.16%       | 110.17%       | 112.92%       | 96.00%        | 63.25%        | 78.13%        |
| Plan's fiduciary net position as a percentage of the Plan's total pension liability        | 76.21%        | 88.29%        | 88.29%        | 75.10%        | 75.26%        | 75.26%        | 73.31%        | 74.06%        | 78.40%        | 79.82%        |

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measure date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%.

City of Laguna Hills, California  
Schedule of Contributions  
Last Ten Fiscal Years  
June 30, 2024

| Fiscal year ended                                                    | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Contractually required contribution (actuarially determined)         | \$ 713,171    | \$ 674,800    | \$ 587,229    | \$ 546,745    | \$ 488,471    | \$ 422,127    | \$ 378,900    | \$ 346,439    | \$ 308,768    | \$ 278,231    |
| Contributions in relation to the actuarially determined contribution | (713,171)     | (674,800)     | (587,229)     | (546,745)     | (488,471)     | (422,127)     | (378,900)     | (346,439)     | (308,768)     | (278,231)     |
| Contribution deficiency (excess)                                     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Covered payroll                                                      | \$ 3,539,497  | \$ 3,142,833  | \$ 2,820,234  | \$ 2,968,115  | \$ 3,079,318  | \$ 2,978,329  | \$ 3,199,277  | \$ 3,197,331  | \$ 3,076,464  | \$ 3,093,576  |
| Contribution as a percentage of covered payroll                      | 20.15%        | 21.47%        | 20.82%        | 18.42%        | 15.86%        | 14.17%        | 11.84%        | 10.84%        | 10.04%        | 8.99%         |

Notes to Schedule:

|                                                               |            |            |            |            |            |            |            |            |            |                                    |
|---------------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------------------------------|
| Valuation Date                                                | 6/30/2022  | 6/30/2020  | 6/30/2019  | 6/30/2018  | 6/30/2017  | 6/30/2016  | 6/30/2015  | 6/30/2014  | 6/30/2013  | 6/30/2012                          |
| Methods and Assumptions Used to Determine Contribution Rates: |            |            |            |            |            |            |            |            |            |                                    |
| Actuarial cost method                                         | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age  | Entry age                          |
| Amortization method                                           | (1)        | (1)        | (1)        | (1)        | (1)        | (1)        | (1)        | (1)        | (1)        | (1)                                |
| Asset valuation method                                        | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | 15 Year Smoothed Fair Value Method |
| Inflation                                                     | 2.30%      | 2.50%      | 2.50%      | 2.50%      | 2.625%     | 2.75%      | 2.75%      | 2.75%      | 2.75%      | 2.75%                              |
| Salary increases                                              | (2)        | (2)        | (2)        | (2)        | (2)        | (2)        | (2)        | (2)        | (2)        | (2)                                |
| Investment rate of return                                     | 7.00 (3)   | 7.00 (3)   | 7.15 (3)   | 7.15 (3)   | 7.25 (3)   | 7.375% (3) | 7.50% (3)  | 7.50% (3)  | 7.50% (3)  | 7.50% (3)                          |
| Retirement age                                                | (4)        | (4)        | (4)        | (4)        | (4)        | (4)        | (4)        | (4)        | (4)        | (4)                                |
| Mortality                                                     | (5)        | (5)        | (5)        | (5)        | (5)        | (5)        | (5)        | (5)        | (5)        | (5)                                |

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 years (2%@60), 52 years (2%@62)\*\*

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –  
General Fund  
Year Ended June 30, 2024

|                                                              | Budget Amounts |               | Actual        | Variance with                           |
|--------------------------------------------------------------|----------------|---------------|---------------|-----------------------------------------|
|                                                              | Original       | Final         | Amounts       | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                |               |               |                                         |
| Taxes                                                        | \$ 22,505,405  | \$ 22,505,405 | \$ 22,281,493 | \$ (223,912)                            |
| Licenses and permits                                         | 1,227,500      | 1,227,500     | 1,057,587     | (169,913)                               |
| Intergovernmental                                            | 85,000         | 85,000        | 603,264       | 518,264                                 |
| Charges for services                                         | 2,334,133      | 2,334,133     | 2,399,609     | 65,476                                  |
| Fines and forfeitures                                        | 190,000        | 190,000       | 244,299       | 54,299                                  |
| Investment income                                            | 410,000        | 410,000       | 1,192,672     | 782,672                                 |
| Other revenues                                               | 200,000        | 200,000       | 268,437       | 68,437                                  |
| Total revenues                                               | 26,952,038     | 26,952,038    | 28,047,361    | 1,095,323                               |
| Expenditures:                                                |                |               |               |                                         |
| Current:                                                     |                |               |               |                                         |
| General government                                           | 4,656,299      | 4,784,254     | 3,973,134     | 811,120                                 |
| Public works                                                 | 5,428,217      | 5,314,460     | 4,980,284     | 334,176                                 |
| Community development                                        | 1,594,330      | 1,982,206     | 1,574,068     | 408,138                                 |
| Community services                                           | 2,349,082      | 2,349,082     | 2,447,330     | (98,248)                                |
| Public safety                                                | 12,108,478     | 12,108,478    | 10,968,679    | 1,139,799                               |
| Capital outlay                                               | 352,700        | 422,700       | 254,585       | 168,115                                 |
| Debt service:                                                |                |               |               |                                         |
| Principal retirement                                         | 90,000         | 90,000        | 91,739        | (1,739)                                 |
| Total expenditures                                           | 26,579,106     | 27,051,180    | 24,289,819    | 2,761,361                               |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 372,932        | (99,142)      | 3,757,542     | 3,856,684                               |
| Other Financing Sources (Uses):                              |                |               |               |                                         |
| Transfers in                                                 | 4,612,771      | 151,000       | 151,000       | -                                       |
| Transfers out                                                | (4,828,542)    | (1,938,297)   | (805,724)     | 1,132,573                               |
| Total other financing<br>sources (uses)                      | (215,771)      | (1,787,297)   | (654,724)     | 1,132,573                               |
| Net Change in Fund Balance                                   | 157,161        | (1,886,439)   | 3,102,818     | 4,989,257                               |
| Fund Balance at Beginning of the Year                        | 21,665,647     | 21,665,647    | 21,665,647    | -                                       |
| Fund Balance at End of the Year                              | \$ 21,822,808  | \$ 19,779,208 | \$ 24,768,465 | \$ 4,989,257                            |



**Note 1 - Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device. The City Council approves the two-year budget submitted by the City Manager prior to the beginning of the new two-year budget cycle. The Council conducts public hearings prior to its adoption. All remaining appropriations in the Operating Budget will be carried over from the first year to the second year of the two-year budget period. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to transfer budgeted amounts between funds and divisions as deemed necessary to meet the City's needs within the overall legal limit established by the City Council. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control is total expenditures by fund. Formal budgetary integration is employed as a management control device during the fiscal year for the governmental fund types.

Biennial budgets are adopted for all governmental funds except for certain special revenue funds and capital projects funds, which adopt project length budgets.

The following funds had expenditures in excess of appropriations for the year ended June 30, 2024:

|                                                  | <u>Appropriations</u> | <u>Expenditures</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------------------|-----------------------|---------------------|---------------------------------------------|
| Non-major Governmental<br>Special Revenue Funds: |                       |                     |                                             |
| CR&R Recycling Fee                               | \$ 185,300            | \$ 270,949          | \$ (85,649)                                 |

## Supplementary Information

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Special Revenue Funds:

**Gas Tax Fund** - Used to account for revenues and expenditures for general street improvement maintenance related to the City's share of state gasoline taxes collected under Street and Highway Code, Sections 2103, 2105, 2106, 2107 and 2107.5.

**Measure M2 Fund** - Used to account for Measure M2 revenues from the Orange County Transportation Authority (OCTA) to be used for street improvement and transportation system maintenance.

**SB1 RMRA Fund** - Used to account for revenues received from the State SB1 taxes. Expenditures are restricted to basic road maintenance, rehabilitation, and critical safety projects.

**AB 2766 Fund** - Used to account for revenues and expenditures for air quality improvement. AB 2766 was enacted to authorize air pollution control districts to impose fees on motor vehicles.

**Senior Mobility Program Fund** - Used to account for revenues and expenditures related to help design and operate a transit program that best fits the needs of older adults under the OCTA Senior Mobility Program.

**CARITS Fund** - Used to account for revenues and expenditures related to the cooperative agreement with the County of Orange for Coastal Area Road Improvement and Traffic Signals (CARITS) fee program.

**Public Art Fund** - Used to account for revenues and expenditures related to the City's Public Art program designed to enhance the cultural and aesthetic environment and to encourage creativity, education and appreciation of the arts.

**Beverage Recycling Fund** - Used to account for revenues and expenditures related to grant funding received from the California State Department of Conservation for the purpose of implementing and supporting beverage container recycling programs within the City.

**CR&R Recycling Fee Fund** - Used to account for contractual revenues received from the City's franchised hauler, CR&R, for the purposes of recycling consulting services and general recycling activity expenditures.

**C & D Forfeited Deposits Fund** - Used to account for Construction and Demolition Waste Recycling Program security deposits, which have been forfeited by the applicant, used for administration costs of the program, or on programs to divert the waste from construction, demolition and alteration projects from landfill disposal, or other recycling programs.

**SB 1383 Grant Fund** – Used to account for a one-time grant program meant to provide aid in the implementation of regulations adopted by CalRecycle pursuant to Chapter 395, Statutes of 2016 and SB170 Budget Act of 2021.

**Park In-Lieu Fund** - Used to account for revenues received and expenditures made related to park fees. The Quimby Act authorizes the City to require residential subdivisions to dedicate land for parks or pay fees in-lieu of dedication.

**CASp Fund** - (Certified Access Specialist Program) Used to account for revenues and expenditures related to Senate Bill 1186 funds that are to be used for disability access and compliance with construction-related accessibility requirements.

**Water Conservation Fund** - Used to account for revenues and expenditures related to water use efficiency and conservation programs.

**Public Art VALH MGP Fund** - Used to account for revenues received and expenditures made related to the City's public art program designed to enhance the cultural and aesthetic environment and to encourage creativity, education and appreciation of the arts.

**State COPS/SLESF Fund** - Used to account for revenues received and expenditures made for front line law enforcement services related to the allocations received through the State Supplemental Law Enforcement Services Fund COPS/(SLESF) program.

Debt Service Fund:

**Debt Service Fund** - Used to pay the City's debt service on its COP issue.

City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special Revenue Funds |                   |                     |
|------------------------------------------------------------------------|-----------------------|-------------------|---------------------|
|                                                                        | Gas Tax               | Measure M2        | SB1<br>RMRA         |
| Assets:                                                                |                       |                   |                     |
| Cash and investments                                                   | \$ 1,379,821          | \$ -              | \$ 1,429,191        |
| Receivables:                                                           |                       |                   |                     |
| Accounts                                                               | -                     | -                 | -                   |
| Interest                                                               | -                     | -                 | -                   |
| Prepaid items                                                          | -                     | -                 | -                   |
| Due from other governments                                             | 74,637                | 325,141           | 141,179             |
| Restricted cash and investments                                        | -                     | -                 | -                   |
| Total assets                                                           | <u>\$ 1,454,458</u>   | <u>\$ 325,141</u> | <u>\$ 1,570,370</u> |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                       |                   |                     |
| Liabilities:                                                           |                       |                   |                     |
| Accounts payable                                                       | \$ -                  | \$ 18,559         | \$ 85,343           |
| Accrued liabilities                                                    | 86,414                | -                 | -                   |
| Due to other funds                                                     | -                     | 67,915            | -                   |
| Total liabilities                                                      | <u>86,414</u>         | <u>86,474</u>     | <u>85,343</u>       |
| Deferred Inflows of Resources:                                         |                       |                   |                     |
| Unavailable revenues                                                   | -                     | -                 | -                   |
| Total deferred inflows of resources                                    | <u>-</u>              | <u>-</u>          | <u>-</u>            |
| Fund Balances:                                                         |                       |                   |                     |
| Nonspendable                                                           | -                     | -                 | -                   |
| Restricted                                                             | <u>1,368,044</u>      | <u>238,667</u>    | <u>1,485,027</u>    |
| Total fund balances                                                    | <u>1,368,044</u>      | <u>238,667</u>    | <u>1,485,027</u>    |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 1,454,458</u>   | <u>\$ 325,141</u> | <u>\$ 1,570,370</u> |

(Continued)

City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special Revenue Funds |                               |                     |
|------------------------------------------------------------------------|-----------------------|-------------------------------|---------------------|
|                                                                        |                       | Senior<br>Mobility<br>Program | CARITS              |
|                                                                        | AB 2766               |                               |                     |
| Assets:                                                                |                       |                               |                     |
| Cash and investments                                                   | \$ 176,926            | \$ 254,264                    | \$ 1,377,010        |
| Receivables:                                                           |                       |                               |                     |
| Accounts                                                               | -                     | -                             | -                   |
| Interest                                                               | -                     | -                             | -                   |
| Prepaid items                                                          | -                     | -                             | -                   |
| Due from other governments                                             | 10,270                | 8,131                         | -                   |
| Restricted cash and investments                                        | -                     | -                             | -                   |
| Total assets                                                           | <u>\$ 187,196</u>     | <u>\$ 262,395</u>             | <u>\$ 1,377,010</u> |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                       |                               |                     |
| Liabilities:                                                           |                       |                               |                     |
| Accounts payable                                                       | \$ 14,928             | \$ 1,279                      | \$ -                |
| Accrued liabilities                                                    | -                     | -                             | -                   |
| Due to other funds                                                     | -                     | -                             | -                   |
| Total liabilities                                                      | <u>14,928</u>         | <u>1,279</u>                  | <u>-</u>            |
| Deferred Inflows of Resources:                                         |                       |                               |                     |
| Unavailable revenues                                                   | <u>10,270</u>         | <u>-</u>                      | <u>-</u>            |
| Total deferred inflows of resources                                    | <u>10,270</u>         | <u>-</u>                      | <u>-</u>            |
| Fund Balances:                                                         |                       |                               |                     |
| Nonspendable                                                           | -                     | -                             | -                   |
| Restricted                                                             | <u>161,998</u>        | <u>261,116</u>                | <u>1,377,010</u>    |
| Total fund balances                                                    | <u>161,998</u>        | <u>261,116</u>                | <u>1,377,010</u>    |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 187,196</u>     | <u>\$ 262,395</u>             | <u>\$ 1,377,010</u> |
|                                                                        |                       |                               | (Continued)         |

City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special Revenue Funds |                       |                          |
|------------------------------------------------------------------------|-----------------------|-----------------------|--------------------------|
|                                                                        | Public<br>Art         | Beverage<br>Recycling | CR&R<br>Recycling<br>Fee |
| Assets:                                                                |                       |                       |                          |
| Cash and investments                                                   | \$ 207,539            | \$ 5,805              | \$ 37,542                |
| Receivables:                                                           |                       |                       |                          |
| Accounts                                                               | -                     | -                     | 241,447                  |
| Interest                                                               | -                     | -                     | -                        |
| Prepaid items                                                          | -                     | -                     | -                        |
| Due from other governments                                             | -                     | -                     | -                        |
| Restricted cash and investments                                        | -                     | -                     | -                        |
| Total assets                                                           | <u>\$ 207,539</u>     | <u>\$ 5,805</u>       | <u>\$ 278,989</u>        |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                       |                       |                          |
| Liabilities:                                                           |                       |                       |                          |
| Accounts payable                                                       | \$ -                  | \$ -                  | \$ 41,648                |
| Accrued liabilities                                                    | -                     | -                     | -                        |
| Due to other funds                                                     | -                     | -                     | -                        |
| Total liabilities                                                      | <u>-</u>              | <u>-</u>              | <u>41,648</u>            |
| Deferred Inflows of Resources:                                         |                       |                       |                          |
| Unavailable revenues                                                   | <u>-</u>              | <u>-</u>              | <u>-</u>                 |
| Total deferred inflows of resources                                    | <u>-</u>              | <u>-</u>              | <u>-</u>                 |
| Fund Balances:                                                         |                       |                       |                          |
| Nonspendable                                                           | -                     | -                     | -                        |
| Restricted                                                             | <u>207,539</u>        | <u>5,805</u>          | <u>237,341</u>           |
| Total fund balances                                                    | <u>207,539</u>        | <u>5,805</u>          | <u>237,341</u>           |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 207,539</u>     | <u>\$ 5,805</u>       | <u>\$ 278,989</u>        |

(Continued)



City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special Revenue Funds          |                  |                     |
|------------------------------------------------------------------------|--------------------------------|------------------|---------------------|
|                                                                        | C & D<br>Forfeited<br>Deposits | SB 1383<br>Grant | Park In-Lieu        |
| Assets:                                                                |                                |                  |                     |
| Cash and investments                                                   | \$ 319,409                     | \$ 87,890        | \$ 2,159,848        |
| Receivables:                                                           |                                |                  |                     |
| Accounts                                                               | -                              | -                | -                   |
| Interest                                                               | -                              | -                | -                   |
| Prepaid items                                                          | -                              | -                | -                   |
| Due from other governments                                             | -                              | -                | -                   |
| Restricted cash and investments                                        | -                              | -                | -                   |
| Total assets                                                           | <u>\$ 319,409</u>              | <u>\$ 87,890</u> | <u>\$ 2,159,848</u> |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                                |                  |                     |
| Liabilities:                                                           |                                |                  |                     |
| Accounts payable                                                       | \$ 704                         | \$ -             | \$ 48,944           |
| Accrued liabilities                                                    | -                              | -                | -                   |
| Due to other funds                                                     | -                              | -                | -                   |
| Total liabilities                                                      | <u>704</u>                     | <u>-</u>         | <u>48,944</u>       |
| Deferred Inflows of Resources:                                         |                                |                  |                     |
| Unavailable revenues                                                   | -                              | -                | -                   |
| Total deferred inflows of resources                                    | <u>-</u>                       | <u>-</u>         | <u>-</u>            |
| Fund Balances:                                                         |                                |                  |                     |
| Nonspendable                                                           | -                              | -                | -                   |
| Restricted                                                             | <u>318,705</u>                 | <u>87,890</u>    | <u>2,110,904</u>    |
| Total fund balances                                                    | <u>318,705</u>                 | <u>87,890</u>    | <u>2,110,904</u>    |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 319,409</u>              | <u>\$ 87,890</u> | <u>\$ 2,159,848</u> |

(Continued)

City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special Revenue Funds |                       |                        |
|------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|
|                                                                        | CASp                  | Water<br>Conservation | Public Art<br>VALH MGP |
| Assets:                                                                |                       |                       |                        |
| Cash and investments                                                   | \$ 32,458             | \$ 370,996            | \$ 362,163             |
| Receivables:                                                           |                       |                       |                        |
| Accounts                                                               | -                     | -                     | -                      |
| Interest                                                               | -                     | -                     | -                      |
| Prepaid items                                                          | -                     | -                     | -                      |
| Due from other governments                                             | -                     | -                     | -                      |
| Restricted cash and investments                                        | -                     | -                     | -                      |
| Total assets                                                           | <u>\$ 32,458</u>      | <u>\$ 370,996</u>     | <u>\$ 362,163</u>      |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                       |                       |                        |
| Liabilities:                                                           |                       |                       |                        |
| Accounts payable                                                       | \$ (1,457)            | \$ -                  | \$ -                   |
| Accrued liabilities                                                    | -                     | -                     | -                      |
| Due to other funds                                                     | -                     | -                     | -                      |
| Total liabilities                                                      | <u>(1,457)</u>        | <u>-</u>              | <u>-</u>               |
| Deferred Inflows of Resources:                                         |                       |                       |                        |
| Unavailable revenues                                                   | -                     | -                     | -                      |
| Total deferred inflows of resources                                    | <u>-</u>              | <u>-</u>              | <u>-</u>               |
| Fund Balances:                                                         |                       |                       |                        |
| Nonspendable                                                           | -                     | -                     | -                      |
| Restricted                                                             | <u>33,915</u>         | <u>370,996</u>        | <u>362,163</u>         |
| Total fund balances                                                    | <u>33,915</u>         | <u>370,996</u>        | <u>362,163</u>         |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 32,458</u>      | <u>\$ 370,996</u>     | <u>\$ 362,163</u>      |

(Continued)

City of Laguna Hills, California  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2024

|                                                                        | Special<br>Revenue Fund |                     | Total<br>Non-Major<br>Governmental<br>Funds |
|------------------------------------------------------------------------|-------------------------|---------------------|---------------------------------------------|
|                                                                        | State COPS/<br>SLESF    | Debt Service        |                                             |
| Assets:                                                                |                         |                     |                                             |
| Cash and investments                                                   | \$ 40,571               | \$ -                | \$ 8,241,433                                |
| Receivables:                                                           |                         |                     |                                             |
| Accounts                                                               | -                       | -                   | 241,447                                     |
| Interest                                                               | -                       | 4,648               | 4,648                                       |
| Prepaid items                                                          | -                       | 963                 | 963                                         |
| Due from other governments                                             | 94,663                  | -                   | 654,021                                     |
| Restricted cash and investments                                        | -                       | 1,148,722           | 1,148,722                                   |
|                                                                        | <u>          </u>       | <u>          </u>   | <u>          </u>                           |
| Total assets                                                           | <u>\$ 135,234</u>       | <u>\$ 1,154,333</u> | <u>\$ 10,291,234</u>                        |
| Liabilities, Deferred Inflows of Resources,<br>and Fund Balances       |                         |                     |                                             |
| Liabilities:                                                           |                         |                     |                                             |
| Accounts payable                                                       | \$ -                    | \$ -                | \$ 209,948                                  |
| Accrued liabilities                                                    | -                       | -                   | 86,414                                      |
| Due to other funds                                                     | -                       | -                   | 67,915                                      |
|                                                                        | <u>          </u>       | <u>          </u>   | <u>          </u>                           |
| Total liabilities                                                      | <u>-</u>                | <u>-</u>            | <u>364,277</u>                              |
| Deferred Inflows of Resources:                                         |                         |                     |                                             |
| Unavailable revenues                                                   | <u>94,663</u>           | <u>-</u>            | <u>104,933</u>                              |
| Total deferred inflows of resources                                    | <u>94,663</u>           | <u>-</u>            | <u>104,933</u>                              |
| Fund Balances:                                                         |                         |                     |                                             |
| Nonspendable                                                           | -                       | 963                 | 963                                         |
| Restricted                                                             | <u>40,571</u>           | <u>1,153,370</u>    | <u>9,821,061</u>                            |
| Total fund balances                                                    | <u>40,571</u>           | <u>1,154,333</u>    | <u>9,822,024</u>                            |
| Total liabilities, deferred inflows<br>of resources, and fund balances | <u>\$ 135,234</u>       | <u>\$ 1,154,333</u> | <u>\$ 10,291,234</u>                        |

City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special Revenue Funds |            |              |
|--------------------------------------------------------------|-----------------------|------------|--------------|
|                                                              | Gas Tax               | Measure M2 | SB1<br>RMRA  |
| Revenues:                                                    |                       |            |              |
| Licenses and permits                                         | \$ -                  | \$ -       | \$ -         |
| Intergovernmental                                            | 865,844               | 985,455    | 810,078      |
| Investment income                                            | 66,482                | -          | 52,737       |
| Other revenues                                               | -                     | -          | -            |
| Total revenues                                               | 932,326               | 985,455    | 862,815      |
| Expenditures:                                                |                       |            |              |
| Current:                                                     |                       |            |              |
| Public works                                                 | -                     | 708,079    | -            |
| Community development                                        | -                     | -          | -            |
| Community services                                           | -                     | -          | -            |
| Capital outlay                                               | -                     | -          | -            |
| Debt service:                                                |                       |            |              |
| Principal retirement                                         | -                     | -          | -            |
| Interest and fiscal charges                                  | -                     | -          | -            |
| Total expenditures                                           | -                     | 708,079    | -            |
| Excess (deficiency) of revenues<br>over (under) expenditures | 932,326               | 277,376    | 862,815      |
| Other Financing Sources (Uses):                              |                       |            |              |
| Transfers in                                                 | -                     | -          | -            |
| Transfers out                                                | (486,275)             | (200,000)  | (85,343)     |
| Total other financing sources (uses)                         | (486,275)             | (200,000)  | (85,343)     |
| Net Change in Fund Balances                                  | 446,051               | 77,376     | 777,472      |
| Fund Balances, Beginning of Year                             | 921,993               | 161,291    | 707,555      |
| Fund Balances, End of Year                                   | \$ 1,368,044          | \$ 238,667 | \$ 1,485,027 |

(Continued)

City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special Revenue Funds |                               |                     |
|--------------------------------------------------------------|-----------------------|-------------------------------|---------------------|
|                                                              | AB 2766               | Senior<br>Mobility<br>Program | CARITS              |
| Revenues:                                                    |                       |                               |                     |
| Licenses and permits                                         | \$ -                  | \$ -                          | \$ -                |
| Intergovernmental                                            | 30,790                | 51,038                        | -                   |
| Investment income                                            | 7,922                 | 11,840                        | 67,749              |
| Other revenues                                               | -                     | -                             | -                   |
| Total revenues                                               | <u>38,712</u>         | <u>62,878</u>                 | <u>67,749</u>       |
| Expenditures:                                                |                       |                               |                     |
| Current:                                                     |                       |                               |                     |
| Public works                                                 | -                     | -                             | -                   |
| Community development                                        | -                     | -                             | -                   |
| Community services                                           | -                     | 20,263                        | -                   |
| Capital outlay                                               | 71,609                | -                             | -                   |
| Debt service:                                                |                       |                               |                     |
| Principal retirement                                         | -                     | -                             | -                   |
| Interest and fiscal charges                                  | -                     | -                             | -                   |
| Total expenditures                                           | <u>71,609</u>         | <u>20,263</u>                 | <u>-</u>            |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(32,897)</u>       | <u>42,615</u>                 | <u>67,749</u>       |
| Other Financing Sources (Uses):                              |                       |                               |                     |
| Transfers in                                                 | -                     | 4,052                         | -                   |
| Transfers out                                                | -                     | -                             | (1,456)             |
| Total other financing sources (uses)                         | <u>-</u>              | <u>4,052</u>                  | <u>(1,456)</u>      |
| Net Change in Fund Balances                                  | (32,897)              | 46,667                        | 66,293              |
| Fund Balances, Beginning of Year                             | <u>194,895</u>        | <u>214,449</u>                | <u>1,310,717</u>    |
| Fund Balances, End of Year                                   | <u>\$ 161,998</u>     | <u>\$ 261,116</u>             | <u>\$ 1,377,010</u> |

(Continued)

City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special Revenue Funds |                       |                          |
|--------------------------------------------------------------|-----------------------|-----------------------|--------------------------|
|                                                              | Public<br>Art         | Beverage<br>Recycling | CR&R<br>Recycling<br>Fee |
| Revenues:                                                    |                       |                       |                          |
| Licenses and permits                                         | \$ -                  | \$ -                  | \$ -                     |
| Intergovernmental                                            | -                     | -                     | -                        |
| Investment income                                            | 10,205                | 410                   | 9,109                    |
| Other revenues                                               | -                     | -                     | 391,448                  |
| Total revenues                                               | 10,205                | 410                   | 400,557                  |
| Expenditures:                                                |                       |                       |                          |
| Current:                                                     |                       |                       |                          |
| Public works                                                 | -                     | -                     | 270,949                  |
| Community development                                        | -                     | -                     | -                        |
| Community services                                           | -                     | -                     | -                        |
| Capital outlay                                               | -                     | 3,383                 | -                        |
| Debt service:                                                |                       |                       |                          |
| Principal retirement                                         | -                     | -                     | -                        |
| Interest and fiscal charges                                  | -                     | -                     | -                        |
| Total expenditures                                           | -                     | 3,383                 | 270,949                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 10,205                | (2,973)               | 129,608                  |
| Other Financing Sources (Uses):                              |                       |                       |                          |
| Transfers in                                                 | -                     | -                     | -                        |
| Transfers out                                                | -                     | -                     | -                        |
| Total other financing sources (uses)                         | -                     | -                     | -                        |
| Net Change in Fund Balances                                  | 10,205                | (2,973)               | 129,608                  |
| Fund Balances, Beginning of Year                             | 197,334               | 8,778                 | 107,733                  |
| Fund Balances, End of Year                                   | \$ 207,539            | \$ 5,805              | \$ 237,341               |

(Continued)

City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special Revenue Funds          |                  |              |
|--------------------------------------------------------------|--------------------------------|------------------|--------------|
|                                                              | C & D<br>Forfeited<br>Deposits | SB 1383<br>Grant | Park In-Lieu |
| Revenues:                                                    |                                |                  |              |
| Licenses and permits                                         | \$ 300,601                     | \$ -             | \$ -         |
| Intergovernmental                                            | -                              | 87,140           | -            |
| Investment income                                            | 4,552                          | 750              | 106,208      |
| Other revenues                                               | -                              | -                | -            |
| Total revenues                                               | 305,153                        | 87,890           | 106,208      |
| Expenditures:                                                |                                |                  |              |
| Current:                                                     |                                |                  |              |
| Public works                                                 | 20,043                         | 1,028            | -            |
| Community development                                        | -                              | -                | -            |
| Community services                                           | -                              | -                | -            |
| Capital outlay                                               | -                              | -                | -            |
| Debt service:                                                |                                |                  |              |
| Principal retirement                                         | -                              | -                | -            |
| Interest and fiscal charges                                  | -                              | -                | -            |
| Total expenditures                                           | 20,043                         | 1,028            | -            |
| Excess (deficiency) of revenues<br>over (under) expenditures | 285,110                        | 86,862           | 106,208      |
| Other Financing Sources (Uses):                              |                                |                  |              |
| Transfers in                                                 | -                              | -                | -            |
| Transfers out                                                | -                              | -                | (48,944)     |
| Total other financing sources (uses)                         | -                              | -                | (48,944)     |
| Net Change in Fund Balances                                  | 285,110                        | 86,862           | 57,264       |
| Fund Balances, Beginning of Year                             | 33,595                         | 1,028            | 2,053,640    |
| Fund Balances, End of Year                                   | \$ 318,705                     | \$ 87,890        | \$ 2,110,904 |

(Continued)

City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special Revenue Funds |                       |                        |
|--------------------------------------------------------------|-----------------------|-----------------------|------------------------|
|                                                              | CASp                  | Water<br>Conservation | Public Art<br>VALH MGP |
| Revenues:                                                    |                       |                       |                        |
| Licenses and permits                                         | \$ 3,371              | \$ -                  | \$ -                   |
| Intergovernmental                                            | -                     | -                     | -                      |
| Investment income                                            | 1,585                 | 18,243                | 17,809                 |
| Other revenues                                               | -                     | -                     | -                      |
| Total revenues                                               | 4,956                 | 18,243                | 17,809                 |
| Expenditures:                                                |                       |                       |                        |
| Current:                                                     |                       |                       |                        |
| Public works                                                 | -                     | -                     | -                      |
| Community development                                        | 2,499                 | -                     | -                      |
| Community services                                           | -                     | -                     | -                      |
| Capital outlay                                               | -                     | -                     | -                      |
| Debt service:                                                |                       |                       |                        |
| Principal retirement                                         | -                     | -                     | -                      |
| Interest and fiscal charges                                  | -                     | -                     | -                      |
| Total expenditures                                           | 2,499                 | -                     | -                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | 2,457                 | 18,243                | 17,809                 |
| Other Financing Sources (Uses):                              |                       |                       |                        |
| Transfers in                                                 | -                     | -                     | -                      |
| Transfers out                                                | -                     | -                     | -                      |
| Total other financing sources (uses)                         | -                     | -                     | -                      |
| Net Change in Fund Balances                                  | 2,457                 | 18,243                | 17,809                 |
| Fund Balances, Beginning of Year                             | 31,458                | 352,753               | 344,354                |
| Fund Balances, End of Year                                   | \$ 33,915             | \$ 370,996            | \$ 362,163             |

(Continued)



City of Laguna Hills, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
Year Ended June 30, 2024

|                                                              | Special<br>Revenue Funds |                     | Total<br>Non-Major<br>Governmental<br>Funds |
|--------------------------------------------------------------|--------------------------|---------------------|---------------------------------------------|
|                                                              | State COPS/<br>SLESF     | Debt Service        |                                             |
| Revenues:                                                    |                          |                     |                                             |
| Licenses and permits                                         | \$ -                     | \$ -                | \$ 303,972                                  |
| Intergovernmental                                            | 100,000                  | -                   | 2,930,345                                   |
| Investment income                                            | 3,312                    | 66,118              | 445,031                                     |
| Other revenues                                               | -                        | -                   | 391,448                                     |
|                                                              | <u>103,312</u>           | <u>66,118</u>       | <u>4,070,796</u>                            |
| Total revenues                                               |                          |                     |                                             |
|                                                              | <u>103,312</u>           | <u>66,118</u>       | <u>4,070,796</u>                            |
| Expenditures:                                                |                          |                     |                                             |
| Current:                                                     |                          |                     |                                             |
| Public works                                                 | -                        | -                   | 1,000,099                                   |
| Community development                                        | -                        | -                   | 2,499                                       |
| Community services                                           | -                        | -                   | 20,263                                      |
| Capital outlay                                               | -                        | -                   | 74,992                                      |
| Debt service:                                                |                          |                     |                                             |
| Principal retirement                                         | -                        | 355,000             | 355,000                                     |
| Interest and fiscal charges                                  | -                        | 31,759              | 31,759                                      |
|                                                              | <u>-</u>                 | <u>386,759</u>      | <u>1,484,612</u>                            |
| Total expenditures                                           |                          |                     |                                             |
|                                                              | <u>-</u>                 | <u>386,759</u>      | <u>1,484,612</u>                            |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>103,312</u>           | <u>(320,641)</u>    | <u>2,586,184</u>                            |
| Other Financing Sources (Uses):                              |                          |                     |                                             |
| Transfers in                                                 | -                        | 2,141               | 6,193                                       |
| Transfers out                                                | (151,000)                | -                   | (973,018)                                   |
|                                                              | <u>(151,000)</u>         | <u>2,141</u>        | <u>(966,825)</u>                            |
| Total other financing sources (uses)                         |                          |                     |                                             |
|                                                              | <u>(151,000)</u>         | <u>2,141</u>        | <u>(966,825)</u>                            |
| Net Change in Fund Balances                                  | (47,688)                 | (318,500)           | 1,619,359                                   |
| Fund Balances, Beginning of Year                             | <u>88,259</u>            | <u>1,472,833</u>    | <u>8,202,665</u>                            |
| Fund Balances, End of Year                                   | <u>\$ 40,571</u>         | <u>\$ 1,154,333</u> | <u>\$ 9,822,024</u>                         |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Capital Projects Fund – Major Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts |              | Actual       | Variance with                           |
|--------------------------------------------------------------|----------------|--------------|--------------|-----------------------------------------|
|                                                              | Original       | Final        | Amounts      | Final Budget<br>Positive/<br>(Negative) |
| Expenditures:                                                |                |              |              |                                         |
| Capital outlay                                               | \$ 4,786,771   | \$ 8,717,812 | \$ 1,492,424 | \$ 7,225,388                            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (4,786,771)    | (8,717,812)  | (1,492,424)  | 7,225,388                               |
| Other Financing Sources (Uses):                              |                |              |              |                                         |
| Transfers in                                                 | 4,786,771      | 8,717,812    | 1,492,424    | (7,225,388)                             |
| Net Change in Fund Balance                                   | -              | -            | -            | -                                       |
| Fund Balance at Beginning of the Year                        | -              | -            | -            | -                                       |
| Fund Balance at End of the Year                              | \$ -           | \$ -         | \$ -         | \$ -                                    |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Gas Tax Special Revenue Fund  
Year Ended June 30, 2024

|                                                              | Budget Amounts |             | Actual       | Variance with                           |
|--------------------------------------------------------------|----------------|-------------|--------------|-----------------------------------------|
|                                                              | Original       | Final       | Amounts      | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                |             |              |                                         |
| Intergovernmental                                            | \$ 836,000     | \$ 836,000  | \$ 865,844   | \$ 29,844                               |
| Investment income                                            | 10,000         | 10,000      | 66,482       | 56,482                                  |
| Total revenues                                               | 846,000        | 846,000     | 932,326      | 86,326                                  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 846,000        | 846,000     | 932,326      | 86,326                                  |
| Other Financing Sources (Uses):                              |                |             |              |                                         |
| Transfers out                                                | (1,650,000)    | (1,799,657) | (486,275)    | 1,313,382                               |
| Net Change in Fund Balance                                   | (804,000)      | (953,657)   | 446,051      | 1,399,708                               |
| Fund Balance at Beginning of the Year                        | 921,993        | 921,993     | 921,993      | -                                       |
| Fund Balance at End of the Year                              | \$ 117,993     | \$ (31,664) | \$ 1,368,044 | \$ 1,399,708                            |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Measure M2 Special Revenue Fund  
Year Ended June 30, 2024

|                                                              | Budget Amounts |              | Actual     | Variance with                           |
|--------------------------------------------------------------|----------------|--------------|------------|-----------------------------------------|
|                                                              | Original       | Final        | Amounts    | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                |              |            |                                         |
| Intergovernmental                                            | \$ 940,000     | \$ 1,140,000 | \$ 985,455 | \$ (154,545)                            |
| Investment income                                            | 3,000          | 3,000        | -          | (3,000)                                 |
| Total revenues                                               | 943,000        | 1,143,000    | 985,455    | (157,545)                               |
| Expenditures:                                                |                |              |            |                                         |
| Current:                                                     |                |              |            |                                         |
| Public works                                                 | 740,000        | 740,000      | 708,079    | 31,921                                  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 203,000        | 403,000      | 277,376    | (125,624)                               |
| Other Financing Sources (Uses):                              |                |              |            |                                         |
| Transfers out                                                | (200,000)      | (400,000)    | (200,000)  | 200,000                                 |
| Net Change in Fund Balance                                   | 3,000          | 3,000        | 77,376     | 74,376                                  |
| Fund Balances, Beginning of Year                             | 161,291        | 161,291      | 161,291    | -                                       |
| Fund Balance at End of the Year                              | \$ 164,291     | \$ 164,291   | \$ 238,667 | \$ 74,376                               |

City of Laguna Hills, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

SB1 RMRA Special Revenue Fund

Year Ended June 30, 2024

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|                                                              | Budget Amounts    |                  | Actual              | Variance with                           |
|--------------------------------------------------------------|-------------------|------------------|---------------------|-----------------------------------------|
|                                                              | Original          | Final            | Amounts             | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                   |                  |                     |                                         |
| Intergovernmental                                            | \$ 740,000        | \$ 740,000       | \$ 810,078          | \$ 70,078                               |
| Investment income                                            | 5,000             | 5,000            | 52,737              | 47,737                                  |
| Total revenues                                               | 745,000           | 745,000          | 862,815             | 117,815                                 |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 745,000           | 745,000          | 862,815             | 117,815                                 |
| Other Financing Sources (Uses):                              |                   |                  |                     |                                         |
| Transfers out                                                | (1,300,000)       | (1,385,343)      | (85,343)            | 1,300,000                               |
| Net Change in Fund Balance                                   | (555,000)         | (640,343)        | 777,472             | 1,417,815                               |
| Fund Balance at Beginning of the Year                        | 707,555           | 707,555          | 707,555             | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 152,555</u> | <u>\$ 67,212</u> | <u>\$ 1,485,027</u> | <u>\$ 1,417,815</u>                     |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
AB 2766 Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts    |                   | Actual            | Variance with                           |
|---------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------|
|                                       | Original          | Final             | Amounts           | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                   |                   |                   |                                         |
| Intergovernmental                     | \$ 40,000         | \$ 40,000         | \$ 30,790         | \$ (9,210)                              |
| Investment income                     | 1,000             | 1,000             | 7,922             | 6,922                                   |
| Total revenues                        | 41,000            | 41,000            | 38,712            | (2,288)                                 |
| Expenditures:                         |                   |                   |                   |                                         |
| Capital outlay                        | -                 | 72,181            | 71,609            | 572                                     |
| Net Change in Fund Balance            | 41,000            | (31,181)          | (32,897)          | (1,716)                                 |
| Fund Balance at Beginning of the Year | 194,895           | 194,895           | 194,895           | -                                       |
| Fund Balance at End of the Year       | <u>\$ 235,895</u> | <u>\$ 163,714</u> | <u>\$ 161,998</u> | <u>\$ (1,716)</u>                       |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Senior Mobility Program Special Revenue Fund  
Year Ended June 30, 2024

|                                                              | Budget Amounts |            | Actual     | Variance with                           |
|--------------------------------------------------------------|----------------|------------|------------|-----------------------------------------|
|                                                              | Original       | Final      | Amounts    | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                |            |            |                                         |
| Intergovernmental                                            | \$ 53,590      | \$ 53,590  | \$ 51,038  | \$ (2,552)                              |
| Investment income                                            | 1,000          | 1,000      | 11,840     | 10,840                                  |
| Total revenues                                               | 54,590         | 54,590     | 62,878     | 8,288                                   |
| Expenditures:                                                |                |            |            |                                         |
| Current:                                                     |                |            |            |                                         |
| Community services                                           | 49,900         | 49,900     | 20,263     | 29,637                                  |
| Capital outlay                                               | 1,500          | 1,500      | -          | 1,500                                   |
| Total expenditures                                           | 51,400         | 51,400     | 20,263     | 31,137                                  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 3,190          | 3,190      | 42,615     | 39,425                                  |
| Other Financing Sources (Uses):                              |                |            |            |                                         |
| Transfers in                                                 | 10,000         | 10,000     | 4,052      | (5,948)                                 |
| Net Change in Fund Balance                                   | 13,190         | 13,190     | 46,667     | 33,477                                  |
| Fund Balance at Beginning of the Year                        | 214,449        | 214,449    | 214,449    | -                                       |
| Fund Balance at End of the Year                              | \$ 227,639     | \$ 227,639 | \$ 261,116 | \$ 33,477                               |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
CARITS Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts   |                  | Actual              | Variance with                           |
|---------------------------------------|------------------|------------------|---------------------|-----------------------------------------|
|                                       | Original         | Final            | Amounts             | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                  |                  |                     |                                         |
| Investment income                     | \$ 5,000         | \$ 5,000         | \$ 67,749           | \$ 62,749                               |
| Other Financing Sources (Uses):       |                  |                  |                     |                                         |
| Transfers out                         | (1,280,000)      | (1,280,000)      | (1,456)             | 1,278,544                               |
| Net Change in Fund Balance            | (1,275,000)      | (1,275,000)      | 66,293              | 1,341,293                               |
| Fund Balance at Beginning of the Year | 1,310,717        | 1,310,717        | 1,310,717           | -                                       |
| Fund Balance at End of the Year       | <u>\$ 35,717</u> | <u>\$ 35,717</u> | <u>\$ 1,377,010</u> | <u>\$ 1,341,293</u>                     |



City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Public Art Special Revenue Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts    |                   | Actual            | Variance with                           |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------|
|                                                              | Original          | Final             | Amounts           | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                   |                   |                   |                                         |
| Investment income                                            | \$ 1,700          | \$ 1,700          | \$ 10,205         | \$ 8,505                                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,700             | 1,700             | 10,205            | 143,505                                 |
| Net Change in Fund Balance                                   | 1,700             | 1,700             | 10,205            | 143,505                                 |
| Fund Balance at Beginning of the Year                        | 197,334           | 197,334           | 197,334           | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 199,034</u> | <u>\$ 199,034</u> | <u>\$ 207,539</u> | <u>\$ 143,505</u>                       |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Beverage Recycling Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts    |                   | Actual          | Variance with                           |
|---------------------------------------|-------------------|-------------------|-----------------|-----------------------------------------|
|                                       | Original          | Final             | Amounts         | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                   |                   |                 |                                         |
| Intergovernmental                     | \$ 9,000          | \$ 9,000          | \$ -            | \$ (9,000)                              |
| Investment income                     | 100               | 100               | 410             | 310                                     |
| Total revenues                        | 9,100             | 9,100             | 410             | (8,690)                                 |
| Expenditures:                         |                   |                   |                 |                                         |
| Current:                              |                   |                   |                 |                                         |
| Public works                          | 4,000             | 4,000             | -               | 4,000                                   |
| Capital outlay                        | 21,324            | 21,324            | 3,383           | 17,941                                  |
| Total expenditures                    | 25,324            | 25,324            | 3,383           | 21,941                                  |
| Net Change in Fund Balance            | (16,224)          | (16,224)          | (2,973)         | 13,251                                  |
| Fund Balance at Beginning of the Year | 8,778             | 8,778             | 8,778           | -                                       |
| Fund Balance at End of the Year       | <u>\$ (7,446)</u> | <u>\$ (7,446)</u> | <u>\$ 5,805</u> | <u>\$ 13,251</u>                        |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
CR&R Recycling Fee Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts   |                  | Actual            | Variance with                           |
|---------------------------------------|------------------|------------------|-------------------|-----------------------------------------|
|                                       | Original         | Final            | Amounts           | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                  |                  |                   |                                         |
| Investment income                     | \$ 300           | \$ 300           | \$ 9,109          | \$ 8,809                                |
| Other revenue                         | 150,000          | 150,000          | 391,448           | 241,448                                 |
| Total revenues                        | 150,300          | 150,300          | 400,557           | 250,257                                 |
| Expenditures:                         |                  |                  |                   |                                         |
| Current:                              |                  |                  |                   |                                         |
| Public works                          | 185,300          | 185,300          | 270,949           | (85,649)                                |
| Net Change in Fund Balance            | (35,000)         | (35,000)         | 129,608           | 164,608                                 |
| Fund Balance at Beginning of the Year | 107,733          | 107,733          | 107,733           | -                                       |
| Fund Balance at End of the Year       | <u>\$ 72,733</u> | <u>\$ 72,733</u> | <u>\$ 237,341</u> | <u>\$ 164,608</u>                       |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
C & D Forfeited Deposits Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts |            | Actual     | Variance with                           |
|---------------------------------------|----------------|------------|------------|-----------------------------------------|
|                                       | Original       | Final      | Amounts    | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                |            |            |                                         |
| Licenses and permits                  | \$ 100,000     | \$ 100,000 | \$ 300,601 | \$ 200,601                              |
| Investment income                     | 200            | 200        | 4,552      | 4,352                                   |
| Total revenues                        | 100,200        | 100,200    | 305,153    | 204,953                                 |
| Expenditures:                         |                |            |            |                                         |
| Current:                              |                |            |            |                                         |
| Public works                          | 100,000        | 100,000    | 20,043     | 79,957                                  |
| Net Change in Fund Balance            | 200            | 200        | 285,110    | 284,910                                 |
| Fund Balance at Beginning of the Year | 33,595         | 33,595     | 33,595     | -                                       |
| Fund Balance at End of the Year       | \$ 33,795      | \$ 33,795  | \$ 318,705 | \$ 284,910                              |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
SB 1383 Grant Special Revenue Fund  
Year Ended June 30, 2024

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|                                       | Budget Amounts     |                    | Actual           | Variance with                           |
|---------------------------------------|--------------------|--------------------|------------------|-----------------------------------------|
|                                       | Original           | Final              | Amounts          | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                             |                    |                    |                  |                                         |
| Intergovernmental                     | \$ -               | \$ -               | \$ 87,140        | \$ 87,140                               |
| Investment income                     | -                  | -                  | 750              | 750                                     |
| Total revenues                        | -                  | -                  | 87,890           | 87,890                                  |
| Expenditures:                         |                    |                    |                  |                                         |
| Current:                              |                    |                    |                  |                                         |
| Public works                          | 24,972             | 24,972             | 1,028            | 23,944                                  |
| Net Change in Fund Balance            | (24,972)           | (24,972)           | 86,862           | 111,834                                 |
| Fund Balance at Beginning of the Year | 1,028              | 1,028              | 1,028            | -                                       |
| Fund Balance at End of the Year       | <u>\$ (23,944)</u> | <u>\$ (23,944)</u> | <u>\$ 87,890</u> | <u>\$ 111,834</u>                       |

City of Laguna Hills, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Park In-Lieu Special Revenue Fund

Year Ended June 30, 2024

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|                                                              | Budget Amounts      |                  | Actual              | Variance with                           |
|--------------------------------------------------------------|---------------------|------------------|---------------------|-----------------------------------------|
|                                                              | Original            | Final            | Amounts             | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                     |                  |                     |                                         |
| Investment income                                            | \$ 20,000           | \$ 20,000        | \$ 106,208          | \$ 86,208                               |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 20,000              | 20,000           | 106,208             | 86,208                                  |
| Other Financing Sources (Uses):                              |                     |                  |                     |                                         |
| Transfers out                                                | -                   | (2,053,640)      | (48,944)            | 2,004,696                               |
| Total other financing<br>sources (uses)                      | -                   | (2,053,640)      | (48,944)            | 2,004,696                               |
| Net Change in Fund Balance                                   | 20,000              | (2,033,640)      | 57,264              | 2,090,904                               |
| Fund Balance at Beginning of the Year                        | 2,053,640           | 2,053,640        | 2,053,640           | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 2,073,640</u> | <u>\$ 20,000</u> | <u>\$ 2,110,904</u> | <u>\$ 2,090,904</u>                     |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
CASp Special Revenue Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts |           | Actual    | Variance with                           |
|--------------------------------------------------------------|----------------|-----------|-----------|-----------------------------------------|
|                                                              | Original       | Final     | Amounts   | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                |           |           |                                         |
| Licenses and permits                                         | \$ 5,000       | \$ 5,000  | \$ 3,371  | \$ (1,629)                              |
| Investment income                                            | 150            | 150       | 1,585     | 1,435                                   |
| Total revenues                                               | 5,150          | 5,150     | 4,956     | (194)                                   |
| Expenditures:                                                |                |           |           |                                         |
| Community development                                        | 5,000          | 5,000     | 2,499     | 2,501                                   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 150            | 150       | 2,457     | 2,307                                   |
| Net Change in Fund Balance                                   | 150            | 150       | 2,457     | 2,307                                   |
| Fund Balance at Beginning of the Year                        | 31,458         | 31,458    | 31,458    | -                                       |
| Fund Balance at End of the Year                              | \$ 31,608      | \$ 31,608 | \$ 33,915 | \$ 2,307                                |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Water Conservation Special Revenue Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts    |                   | Actual            | Variance with                           |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------|
|                                                              | Original          | Final             | Amounts           | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                   |                   |                   |                                         |
| Investment income                                            | \$ 3,460          | \$ 3,460          | \$ 18,243         | \$ 14,783                               |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 3,460             | 3,460             | 18,243            | 14,783                                  |
| Net Change in Fund Balance                                   | 3,460             | 3,460             | 18,243            | 14,783                                  |
| Fund Balance at Beginning of the Year                        | 352,753           | 352,753           | 352,753           | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 356,213</u> | <u>\$ 356,213</u> | <u>\$ 370,996</u> | <u>\$ 14,783</u>                        |



City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
Public Art VALH MGP Special Revenue Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts    |                   | Actual            | Variance with                           |
|--------------------------------------------------------------|-------------------|-------------------|-------------------|-----------------------------------------|
|                                                              | Original          | Final             | Amounts           | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                   |                   |                   |                                         |
| Investment income                                            | \$ 6,000          | \$ 6,000          | \$ 17,809         | \$ 11,809                               |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 6,000             | 6,000             | 17,809            | 11,809                                  |
| Net Change in Fund Balance                                   | 6,000             | 6,000             | 17,809            | 11,809                                  |
| Fund Balance at Beginning of the Year                        | 344,354           | 344,354           | 344,354           | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 350,354</u> | <u>\$ 350,354</u> | <u>\$ 362,163</u> | <u>\$ 11,809</u>                        |

City of Laguna Hills, California  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
State COPS/SLESF Special Revenue Fund  
Year Ended June 30, 2024

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|                                                              | Budget Amounts   |                  | Actual           | Variance with                           |
|--------------------------------------------------------------|------------------|------------------|------------------|-----------------------------------------|
|                                                              | Original         | Final            | Amounts          | Final Budget<br>Positive/<br>(Negative) |
| Revenues:                                                    |                  |                  |                  |                                         |
| Intergovernmental                                            | \$ 150,000       | \$ 150,000       | \$ 100,000       | \$ (50,000)                             |
| Investment income                                            | 1,000            | 1,000            | 3,312            | 2,312                                   |
| Total revenues                                               | 151,000          | 151,000          | 103,312          | (47,688)                                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 151,000          | 151,000          | 103,312          | (47,688)                                |
| Other Financing Sources (Uses):                              |                  |                  |                  |                                         |
| Transfers out                                                | (151,000)        | (151,000)        | (151,000)        | -                                       |
| Net Change in Fund Balance                                   | -                | -                | (47,688)         | (47,688)                                |
| Fund Balance at Beginning of the Year                        | 88,259           | 88,259           | 88,259           | -                                       |
| Fund Balance at End of the Year                              | <u>\$ 88,259</u> | <u>\$ 88,259</u> | <u>\$ 40,571</u> | <u>\$ (47,688)</u>                      |

City of Laguna Hills, California

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Debt Service Fund

Year Ended June 30, 2024

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|                                                              | Budget Amounts |              | Actual       | Variance with           |
|--------------------------------------------------------------|----------------|--------------|--------------|-------------------------|
|                                                              | Original       | Final        | Amounts      | Final Budget            |
|                                                              |                |              |              | Positive/<br>(Negative) |
| Revenues:                                                    |                |              |              |                         |
| Investment income                                            | \$ 10,000      | \$ 10,000    | \$ 66,118    | \$ 56,118               |
| Expenditures:                                                |                |              |              |                         |
| Debt service:                                                |                |              |              |                         |
| Interest and fiscal charges                                  | 32,622         | 32,622       | 31,759       | 863                     |
| Principal retirement                                         | 355,000        | 355,000      | 355,000      | -                       |
| Total expenditures                                           | 387,622        | 387,622      | 386,759      | 863                     |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (377,622)      | (377,622)    | (320,641)    | 56,981                  |
| Other Financing Sources (Uses):                              |                |              |              |                         |
| Transfers in                                                 | -              | -            | 2,141        | 2,141                   |
| Net Change in Fund Balance                                   | (377,622)      | (377,622)    | (318,500)    | 59,122                  |
| Fund Balance at Beginning of the Year                        | 1,472,833      | 1,472,833    | 1,472,833    | -                       |
| Fund Balance at End of the Year                              | \$ 1,095,211   | \$ 1,095,211 | \$ 1,154,333 | \$ 59,122               |

## Statistical Section

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*This part of the City of Laguna Hills's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.*

## **Contents**

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

### **Operating Information**

*These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

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City of Laguna Hills  
Net Position by Component  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

|                                                    | Fiscal Year Ending    |                      |                      |                      |                      |
|----------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                    | 2015                  | 2016                 | 2017                 | 2018                 | 2019                 |
| <b>Governmental activities</b>                     |                       |                      |                      |                      |                      |
| Net Investment in capital assets                   | \$ 84,623,408         | \$ 83,320,937        | \$ 82,980,468        | \$ 81,972,798        | \$ 79,706,238        |
| Restricted                                         | 5,240,670             | 2,470,305            | 2,394,252            | 2,155,589            | 3,462,431            |
| Unrestricted                                       | 1,789,992             | 4,916,994            | 3,315,387            | 2,956,001            | 4,583,713            |
| <b>Total governmental activities net position</b>  | <b>\$ 91,654,070</b>  | <b>\$ 90,708,236</b> | <b>\$ 88,690,107</b> | <b>\$ 87,084,388</b> | <b>\$ 87,752,382</b> |
| <b>Business-type activities</b>                    |                       |                      |                      |                      |                      |
| Net Investment in capital assets                   | \$ 9,324,493          | \$ 8,998,114         | \$ 8,343,488         | \$ 7,635,240         | \$ 6,964,651         |
| Restricted                                         | -                     | -                    | -                    | -                    | -                    |
| Unrestricted                                       | (36,397)              | 68,288               | 117,338              | 236,196              | 227,320              |
| <b>Total business-type activities net position</b> | <b>\$ 9,288,096</b>   | <b>\$ 9,066,402</b>  | <b>\$ 8,460,826</b>  | <b>\$ 7,871,436</b>  | <b>\$ 7,191,971</b>  |
| <b>Primary government</b>                          |                       |                      |                      |                      |                      |
| Net Investment in capital assets                   | \$ 93,947,901         | \$ 92,319,051        | \$ 91,323,956        | \$ 89,608,038        | \$ 86,670,889        |
| Restricted                                         | 5,240,670             | 2,470,305            | 2,394,252            | 2,155,589            | 3,462,431            |
| Unrestricted                                       | 1,753,595             | 4,985,282            | 3,432,725            | 3,192,197            | 4,811,033            |
| <b>Total primary government net position</b>       | <b>\$ 100,942,166</b> | <b>\$ 99,774,638</b> | <b>\$ 97,150,933</b> | <b>\$ 94,955,824</b> | <b>\$ 94,944,353</b> |



City of Laguna Hills  
Net Position by Component (Continued)  
Last Ten Fiscal Years  
*(accrual basis of accounting)*

|                                                    | Fiscal Year Ending   |                      |                      |                       |                       |
|----------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
|                                                    | 2020                 | 2021                 | 2022                 | 2023                  | 2024                  |
| <b>Governmental activities</b>                     |                      |                      |                      |                       |                       |
| Net Investment in capital assets                   | \$ 80,312,979        | \$ 78,878,248        | \$ 79,981,695        | \$ 76,838,788         | \$ 75,262,629         |
| Restricted                                         | 2,538,747            | 3,894,336            | 4,226,804            | 8,202,665             | 9,821,061             |
| Unrestricted                                       | 4,177,487            | 4,089,857            | 8,289,453            | 17,861,468            | 20,657,625            |
| <b>Total government activities net position</b>    | <b>\$ 87,029,213</b> | <b>\$ 86,862,441</b> | <b>\$ 92,497,952</b> | <b>\$ 102,902,921</b> | <b>\$ 105,741,315</b> |
| <b>Business-type activities</b>                    |                      |                      |                      |                       |                       |
| Net Investment in capital assets                   | \$ 6,311,356         | \$ 5,577,506         | \$ 5,556,210         | \$ 4,988,423          | \$ 4,602,531          |
| Restricted                                         | -                    | -                    | -                    | -                     | -                     |
| Unrestricted                                       | 178,595              | 218,820              | 212,173              | 217,172               | 193,562               |
| <b>Total business-type activities net position</b> | <b>\$ 6,489,951</b>  | <b>\$ 5,796,326</b>  | <b>\$ 5,768,383</b>  | <b>\$ 5,205,595</b>   | <b>\$ 4,796,093</b>   |
| <b>Primary government</b>                          |                      |                      |                      |                       |                       |
| Net Investment in capital assets                   | \$ 86,624,335        | \$ 84,455,754        | \$ 85,537,905        | \$ 81,827,211         | \$ 79,865,160         |
| Restricted                                         | 2,538,747            | 3,894,336            | 4,226,804            | 8,202,665             | 9,821,061             |
| Unrestricted                                       | 4,356,082            | 4,308,677            | 8,501,626            | 18,078,640            | 20,851,187            |
| <b>Total primary government net position</b>       | <b>\$ 93,519,164</b> | <b>\$ 92,658,767</b> | <b>\$ 98,266,335</b> | <b>\$ 108,108,516</b> | <b>\$ 110,537,408</b> |

# City of Laguna Hills

## Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

|                                                        | Fiscal Year Ending     |                        |                        |                        |                        |
|--------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                        | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   |
| <b>Expenses</b>                                        |                        |                        |                        |                        |                        |
| <b>Governmental activities:</b>                        |                        |                        |                        |                        |                        |
| General government                                     | \$ 3,088,372           | \$ 3,112,783           | \$ 4,226,233           | \$ 4,104,012           | \$ 3,467,852           |
| Public works                                           | 6,332,724              | 6,802,499              | 7,234,921              | 6,841,288              | 6,433,542              |
| Community development                                  | 1,434,213              | 1,309,210              | 1,462,611              | 1,287,931              | 1,385,455              |
| Community services                                     | 4,660,667              | 4,141,792              | 4,131,886              | 4,161,070              | 4,079,412              |
| Public safety                                          | 7,162,514              | 6,929,025              | 8,167,361              | 8,032,660              | 8,251,937              |
| Interest expense                                       | 479,589                | 431,264                | 376,993                | 323,513                | 267,582                |
| <b>Total governmental activities expenses</b>          | <b>23,158,079</b>      | <b>22,726,573</b>      | <b>25,600,005</b>      | <b>24,750,474</b>      | <b>23,885,780</b>      |
| <b>Business-type activities:</b>                       |                        |                        |                        |                        |                        |
| Property leasing                                       | 1,204,437              | 1,222,043              | 1,255,765              | 1,247,849              | 1,273,554              |
| <b>Total business-type activities expenses</b>         | <b>1,204,437</b>       | <b>1,222,043</b>       | <b>1,255,765</b>       | <b>1,247,849</b>       | <b>1,273,554</b>       |
| <b>Total primary government expenses</b>               | <b>\$ 24,362,516</b>   | <b>\$ 23,948,616</b>   | <b>\$ 26,855,770</b>   | <b>\$ 25,998,323</b>   | <b>\$ 25,159,334</b>   |
| <b>Program Revenues</b>                                |                        |                        |                        |                        |                        |
| <b>Governmental activities:</b>                        |                        |                        |                        |                        |                        |
| Charges for Services:                                  |                        |                        |                        |                        |                        |
| General government                                     | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   |
| Public works                                           | 136,037                | 205,446                | 196,054                | 189,662                | 253,438                |
| Community development                                  | 1,050,127              | 881,286                | 894,150                | 988,719                | 1,010,326              |
| Community services                                     | 775,330                | 780,519                | 756,089                | 821,388                | 777,605                |
| Public safety                                          | 300,032                | 267,555                | 228,649                | 208,461                | 219,727                |
| Operating Contributions                                | 2,989,299              | 1,960,392              | 2,131,220              | 1,876,109              | 2,516,513              |
| Capital Contributions                                  | 2,264,558              | 60,850                 | 716,200                | -                      | -                      |
| <b>Total governmental activities program revenues</b>  | <b>7,515,383</b>       | <b>4,156,048</b>       | <b>4,922,362</b>       | <b>4,084,339</b>       | <b>4,777,609</b>       |
| <b>Business-type activities:</b>                       |                        |                        |                        |                        |                        |
| Charges for Services:                                  |                        |                        |                        |                        |                        |
| Property leasing                                       | 500,202                | 579,313                | 650,147                | 658,396                | 594,026                |
| Operating grants and contributions                     | -                      | -                      | -                      | -                      | -                      |
| Capital grants and contributions                       | -                      | -                      | -                      | -                      | -                      |
| <b>Total business-type activities program revenues</b> | <b>500,202</b>         | <b>579,313</b>         | <b>650,147</b>         | <b>658,396</b>         | <b>594,026</b>         |
| <b>Total primary government program revenues</b>       | <b>\$ 8,015,585</b>    | <b>\$ 4,735,361</b>    | <b>\$ 5,572,509</b>    | <b>\$ 4,742,735</b>    | <b>\$ 5,371,635</b>    |
| <b>Net (expense)/revenue</b>                           |                        |                        |                        |                        |                        |
| Governmental activities                                | \$ (15,642,696)        | \$ (18,570,525)        | \$ (20,677,643)        | \$ (20,666,135)        | \$ (19,108,171)        |
| Business-type activities                               | (704,235)              | (642,730)              | (605,618)              | (589,453)              | (679,528)              |
|                                                        | <b>\$ (16,346,931)</b> | <b>\$ (19,213,255)</b> | <b>\$ (21,283,261)</b> | <b>\$ (21,255,588)</b> | <b>\$ (19,787,699)</b> |

City of Laguna Hills

Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

|                                                     | Fiscal Year Ending   |                       |                       |                       |                      |
|-----------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
|                                                     | 2015                 | 2016                  | 2017                  | 2018                  | 2019                 |
| <b>General Revenues and Changes in Net Position</b> |                      |                       |                       |                       |                      |
| <b>Governmental activities:</b>                     |                      |                       |                       |                       |                      |
| Taxes                                               |                      |                       |                       |                       |                      |
| Property taxes                                      | \$ 9,128,568         | \$ 9,660,614          | \$ 10,064,067         | \$ 10,481,864         | \$ 10,981,130        |
| Sales and use taxes                                 | 5,603,521            | 5,439,210             | 5,779,073             | 5,755,661             | 5,966,524            |
| Motor vehicle in lieu taxes                         | 13,856               | 12,506                | 13,745                | 16,604                | 15,273               |
| Other State subvention                              | 93,653               | 57,112                | 9,209                 | 5,725                 | 22,529               |
| Franchise taxes                                     | 1,343,505            | 1,303,919             | 1,191,868             | 1,248,488             | 1,265,411            |
| Transient occupancy taxes                           | 1,285,455            | 1,406,823             | 1,437,420             | 1,381,719             | 1,311,213            |
| Investment earnings                                 | 14,266               | 14,893                | 21,911                | 49,179                | 99,204               |
| Miscellaneous revenue                               | 56,542               | 150,614               | 142,221               | 121,176               | 114,881              |
| Transfers                                           | (50,000)             | (421,000)             | -                     | -                     | -                    |
| <b>Total governmental activities</b>                | <b>17,489,366</b>    | <b>17,624,691</b>     | <b>18,659,514</b>     | <b>19,060,416</b>     | <b>19,776,165</b>    |
| <b>Business-type activities:</b>                    |                      |                       |                       |                       |                      |
| Investment earnings                                 | 27                   | 36                    | 42                    | 63                    | 63                   |
| Transfers                                           | 50,000               | 421,000               | -                     | -                     | -                    |
| <b>Total business-type activities</b>               | <b>50,027</b>        | <b>421,036</b>        | <b>42</b>             | <b>63</b>             | <b>63</b>            |
| <b>Total primary government</b>                     | <b>\$ 17,539,393</b> | <b>\$ 18,045,727</b>  | <b>\$ 18,659,556</b>  | <b>\$ 19,060,479</b>  | <b>\$ 19,776,228</b> |
| <b>Changes in Net Position:</b>                     |                      |                       |                       |                       |                      |
| Governmental activities                             | \$ 1,846,670         | \$ (945,834)          | \$ (2,018,129)        | \$ (1,605,719)        | \$ 667,994           |
| Business-type activities                            | (654,208)            | (221,694)             | (605,576)             | (589,390)             | (679,465)            |
| <b>Total primary government</b>                     | <b>\$ 1,192,462</b>  | <b>\$ (1,167,528)</b> | <b>\$ (2,623,705)</b> | <b>\$ (2,195,109)</b> | <b>\$ (11,471)</b>   |

City of Laguna Hills  
Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

|                                                        | Fiscal Year Ending     |                        |                        |                        |                        |
|--------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                        | 2020                   | 2021                   | 2022                   | 2023                   | 2024                   |
| <b>Expenses</b>                                        |                        |                        |                        |                        |                        |
| <b>Governmental activities:</b>                        |                        |                        |                        |                        |                        |
| General government                                     | \$ 4,350,707           | \$ 4,468,341           | \$ 3,318,690           | \$ 4,577,936           | \$ 4,507,981           |
| Public works                                           | 6,783,242              | 6,727,008              | 6,849,279              | 7,674,208              | 9,520,313              |
| Community development                                  | 1,656,277              | 2,270,417              | 1,762,606              | 1,405,880              | 1,576,567              |
| Community services                                     | 3,781,731              | 3,371,755              | 4,027,705              | 2,572,809              | 2,698,973              |
| Public safety                                          | 8,630,054              | 9,106,311              | 9,005,866              | 10,106,055             | 10,978,289             |
| Interest expense                                       | 202,566                | 118,455                | 40,507                 | (12,748)               | (26,552)               |
| <b>Total governmental activities expenses</b>          | <b>25,404,577</b>      | <b>26,062,287</b>      | <b>25,004,653</b>      | <b>26,324,140</b>      | <b>29,255,571</b>      |
| <b>Business-type activities:</b>                       |                        |                        |                        |                        |                        |
| Property leasing                                       | 1,299,630              | 1,312,224              | 1,396,618              | 1,417,830              | 1,372,783              |
| <b>Total business-type activities expenses</b>         | <b>1,299,630</b>       | <b>1,312,224</b>       | <b>1,396,618</b>       | <b>1,417,830</b>       | <b>1,372,783</b>       |
| <b>Total primary government expenses</b>               | <b>\$ 26,704,207</b>   | <b>\$ 27,374,511</b>   | <b>\$ 26,401,271</b>   | <b>\$ 27,741,970</b>   | <b>\$ 30,628,354</b>   |
| <b>Program Revenues</b>                                |                        |                        |                        |                        |                        |
| <b>Governmental activities:</b>                        |                        |                        |                        |                        |                        |
| Charges for Services:                                  |                        |                        |                        |                        |                        |
| General government                                     | \$ -                   | \$ -                   | \$ -                   | \$ 36,804              | \$ 42,000              |
| Public works                                           | 738,335                | 1,480,182              | 787,032                | 600,449                | 152,814                |
| Community development                                  | 1,182,430              | 1,009,012              | 1,042,546              | 2,890,596              | 2,969,604              |
| Community services                                     | 345,328                | 183,008                | 498,155                | 2,657,311              | 582,073                |
| Public safety                                          | 175,661                | 146,395                | 173,454                | 224,731                | 244,299                |
| Operating Contributions                                | 2,555,054              | 3,170,212              | 6,293,799              | 4,601,680              | 1,236,178              |
| Capital Contributions                                  | 206,675                | -                      | 239,224                | 2,507,586              | 3,176,977              |
| <b>Total governmental activities program revenues</b>  | <b>5,203,483</b>       | <b>5,988,809</b>       | <b>9,034,210</b>       | <b>13,519,157</b>      | <b>8,403,945</b>       |
| <b>Business-type activities:</b>                       |                        |                        |                        |                        |                        |
| Charges for Services:                                  |                        |                        |                        |                        |                        |
| Property leasing                                       | 597,525                | 618,552                | 705,583                | 754,913                | 834,085                |
| Operating grants and contributions                     | -                      | -                      | -                      | -                      | -                      |
| Capital grants and contributions                       | -                      | -                      | -                      | -                      | -                      |
| <b>Total business-type activities program revenues</b> | <b>597,525</b>         | <b>618,552</b>         | <b>705,583</b>         | <b>754,913</b>         | <b>834,085</b>         |
| <b>Total primary government program revenues</b>       | <b>\$ 5,801,008</b>    | <b>\$ 6,607,361</b>    | <b>\$ 9,739,793</b>    | <b>\$ 14,274,070</b>   | <b>\$ 9,238,030</b>    |
| <b>Net (expense)/revenue</b>                           |                        |                        |                        |                        |                        |
| Governmental activities                                | \$ (20,201,094)        | \$ (20,073,478)        | \$ (15,970,443)        | \$ (12,804,983)        | \$ (20,851,626)        |
| Business-type activities                               | (702,105)              | (693,672)              | (691,035)              | (662,917)              | (538,698)              |
|                                                        | <b>\$ (20,903,199)</b> | <b>\$ (20,767,150)</b> | <b>\$ (16,661,478)</b> | <b>\$ (13,467,900)</b> | <b>\$ (21,390,324)</b> |

City of Laguna Hills

Changes in Net Position (Continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

|                                                     | Fiscal Year Ending    |                      |                      |                      |                      |
|-----------------------------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                     | 2020                  | 2021                 | 2022                 | 2023                 | 2024                 |
| <b>General Revenues and Changes in Net Position</b> |                       |                      |                      |                      |                      |
| <b>Governmental activities:</b>                     |                       |                      |                      |                      |                      |
| Taxes                                               |                       |                      |                      |                      |                      |
| Property taxes                                      | \$ 11,314,045         | \$ 11,930,666        | \$ 12,340,524        | \$ 13,069,248        | \$ 13,581,709        |
| Sales and use taxes                                 | 5,372,149             | 5,825,883            | 6,940,812            | 6,930,366            | 6,193,444            |
| Motor vehicle in lieu taxes                         | 24,988                | 23,109               | 35,897               | 32,177               | 38,775               |
| Other State subvention                              | 10,613                | 9,895                | -                    | 80,839               | 28,546               |
| Franchise taxes                                     | 1,198,008             | 1,218,098            | 1,251,870            | 1,326,571            | 1,344,949            |
| Transient occupancy taxes                           | 1,025,047             | 678,706              | 1,021,089            | 1,122,643            | 1,161,391            |
| Investment earnings                                 | 112,250               | 2,988                | (117,321)            | 636,875              | 1,324,276            |
| Miscellaneous revenue                               | 420,825               | 217,361              | 133,083              | 111,233              | 146,055              |
| Transfers                                           | -                     | -                    | -                    | (100,000)            | (129,125)            |
| <b>Total governmental activities</b>                | <u>19,477,925</u>     | <u>19,906,706</u>    | <u>21,605,954</u>    | <u>23,209,952</u>    | <u>23,690,020</u>    |
| <b>Business-type activities:</b>                    |                       |                      |                      |                      |                      |
| Investment earnings                                 | 85                    | 47                   | 76                   | 129                  | 71                   |
| Transfers                                           | -                     | -                    | -                    | 100,000              | 129,125              |
| <b>Total business-type activities</b>               | <u>85</u>             | <u>47</u>            | <u>76</u>            | <u>100,129</u>       | <u>129,196</u>       |
| <b>Total primary government</b>                     | <u>\$ 19,478,010</u>  | <u>\$ 19,906,753</u> | <u>\$ 21,606,030</u> | <u>\$ 23,310,081</u> | <u>\$ 23,819,216</u> |
| <b>Changes in Net Position:</b>                     |                       |                      |                      |                      |                      |
| Governmental activities                             | \$ (723,169)          | \$ (166,772)         | \$ 5,635,511         | \$ 10,404,969        | \$ 2,838,394         |
| Business-type activities                            | (702,020)             | (693,625)            | (690,959)            | (562,788)            | (409,502)            |
| <b>Total primary government</b>                     | <u>\$ (1,425,189)</u> | <u>\$ (860,397)</u>  | <u>\$ 4,944,552</u>  | <u>\$ 9,842,181</u>  | <u>\$ 2,428,892</u>  |

**City of Laguna Hills**  
**Governmental Activities - Tax Revenues By Source**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

| Fiscal Year Ending | Property Tax | Sales & Use Tax | Motor Vehicle in Lieu Tax | Other State Subvention | Franchise Tax | Transient Occupancy Tax | Total      |
|--------------------|--------------|-----------------|---------------------------|------------------------|---------------|-------------------------|------------|
| 2015               | 9,128,568    | 5,603,521       | 13,856                    | 93,653                 | 1,343,505     | 1,285,455               | 17,468,558 |
| 2016               | 9,660,614    | 5,439,210       | 12,506                    | 57,112                 | 1,303,919     | 1,406,823               | 17,880,184 |
| 2017               | 10,064,067   | 5,779,073       | 13,745                    | 9,209                  | 1,191,868     | 1,437,420               | 18,495,382 |
| 2018               | 10,481,864   | 5,755,661       | 16,604                    | 5,725                  | 1,248,488     | 1,381,719               | 18,890,061 |
| 2019               | 10,981,130   | 5,966,524       | 15,273                    | 22,529                 | 1,265,411     | 1,311,213               | 19,562,080 |
| 2020               | 11,314,045   | 5,372,149       | 24,988                    | 10,613                 | 1,198,008     | 1,025,047               | 18,944,850 |
| 2021               | 11,930,666   | 5,825,883       | 23,109                    | 9,895                  | 1,218,098     | 678,706                 | 19,686,357 |
| 2022               | 12,340,524   | 6,940,812       | 35,897                    | -                      | 1,251,870     | 1,021,089               | 21,590,192 |
| 2023               | 13,069,248   | 6,930,366       | 32,177                    | 80,839                 | 1,326,571     | 1,122,643               | 22,561,844 |
| 2024               | 13,581,709   | 6,193,444       | 38,775                    | 28,546                 | 1,344,949     | 1,161,391               | 22,348,814 |

City of Laguna Hills  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
*(modified accrual basis of accounting)*

|                                    | Fiscal Year Ending  |                     |                     |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2015                | 2016                | 2017                | 2018                | 2019                |
| General Fund                       |                     |                     |                     |                     |                     |
| Nonspendable                       | \$ 318,769          | \$ 312,137          | \$ 81,520           | \$ 78,971           | \$ 99,169           |
| Restricted                         | 88,990              | -                   | -                   | -                   | -                   |
| Committed                          | -                   | -                   | -                   | -                   | -                   |
| Assigned                           | 1,230,959           | 1,059,959           | 720,659             | 871,931             | 1,145,659           |
| Unassigned                         | 5,078,583           | 6,727,197           | 6,029,507           | 6,373,541           | 7,161,146           |
| Total General Fund                 | <u>\$ 6,717,301</u> | <u>\$ 8,099,293</u> | <u>\$ 6,831,686</u> | <u>\$ 7,324,443</u> | <u>\$ 8,405,974</u> |
| All other governmental funds       |                     |                     |                     |                     |                     |
| Nonspendable                       | -                   | -                   | -                   | -                   | -                   |
| Restricted                         | 5,151,680           | 4,276,934           | 4,209,039           | 3,983,335           | 5,291,312           |
| Committed                          | -                   | -                   | -                   | -                   | -                   |
| Assigned                           | -                   | -                   | -                   | -                   | -                   |
| Unassigned                         | (229,971)           | (227,254)           | -                   | -                   | -                   |
| Total all other governmental funds | <u>\$ 4,921,709</u> | <u>\$ 4,049,680</u> | <u>\$ 4,209,039</u> | <u>\$ 3,983,335</u> | <u>\$ 5,291,312</u> |

City of Laguna Hills  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
*(modified accrual basis of accounting)*

|                                    | Fiscal Year Ending  |                     |                      |                      |                      |
|------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|                                    | 2020                | 2021                | 2022                 | 2023                 | 2024                 |
| General Fund                       |                     |                     |                      |                      |                      |
| Nonspendable                       | \$ 69,834           | \$ 91,384           | \$ 128,954           | \$ 105,889           | \$ 299,941           |
| Restricted                         | -                   | -                   | -                    | -                    | -                    |
| Committed                          | -                   | -                   | -                    | -                    | -                    |
| Assigned                           | 795,659             | 910,659             | 769,926              | 847,881              | 691,632              |
| Unassigned                         | 7,487,247           | 7,824,536           | 12,895,569           | 20,711,877           | 23,776,892           |
| Total General Fund                 | <u>\$ 8,352,740</u> | <u>\$ 8,826,579</u> | <u>\$ 13,794,449</u> | <u>\$ 21,665,647</u> | <u>\$ 24,768,465</u> |
| All other governmental funds       |                     |                     |                      |                      |                      |
| Nonspendable                       | -                   | -                   | -                    | -                    | 963                  |
| Restricted                         | 4,364,330           | 5,703,771           | 4,226,804            | 8,202,665            | 9,821,061            |
| Committed                          | -                   | -                   | -                    | -                    | -                    |
| Assigned                           | -                   | -                   | -                    | -                    | -                    |
| Unassigned                         | (164,472)           | -                   | (165,237)            | -                    | -                    |
| Total all other governmental funds | <u>\$ 4,199,858</u> | <u>\$ 5,703,771</u> | <u>\$ 4,061,567</u>  | <u>\$ 8,202,665</u>  | <u>\$ 9,822,024</u>  |



**City of Laguna Hills**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|                                                                | Fiscal Year Ending  |                   |                       |                   |                     |
|----------------------------------------------------------------|---------------------|-------------------|-----------------------|-------------------|---------------------|
|                                                                | 2014                | 2015              | 2016                  | 2017              | 2018                |
| <b>Revenues:</b>                                               |                     |                   |                       |                   |                     |
| Taxes                                                          | \$ 11,777,528       | \$ 12,393,356     | \$ 12,695,355         | \$ 13,114,068     | \$ 13,559,754       |
| Licenses and permits                                           | 3,195,756           | 959,138           | 1,022,542             | 932,640           | 981,873             |
| Intergovernmental                                              | 8,765,516           | 7,897,817         | 8,506,103             | 7,602,950         | 8,463,884           |
| Charges for current services                                   | 944,054             | 1,156,880         | 1,068,521             | 1,159,437         | 1,152,319           |
| Fines and forfeitures                                          | 300,032             | 267,555           | 228,649               | 208,461           | 219,727             |
| Investment income                                              | 24,209              | 35,970            | 65,691                | 109,302           | 200,303             |
| Other revenues                                                 | -                   | -                 | -                     | -                 | -                   |
| Total revenues                                                 | 25,007,095          | 22,710,716        | 23,586,861            | 23,126,858        | 24,577,860          |
| <b>Expenditures:</b>                                           |                     |                   |                       |                   |                     |
| Current:                                                       |                     |                   |                       |                   |                     |
| General government                                             | 3,271,039           | 3,128,699         | 3,599,531             | 3,876,923         | 3,856,802           |
| Public works                                                   | 4,299,138           | 4,273,572         | 4,848,571             | 4,276,773         | 4,406,628           |
| Community development                                          | 1,433,383           | 1,308,380         | 1,461,781             | 1,287,101         | 1,384,625           |
| Community services                                             | 2,608,281           | 2,070,952         | 2,101,883             | 2,131,638         | 2,050,652           |
| Public safety                                                  | 7,153,841           | 6,917,275         | 8,149,762             | 8,025,961         | 8,243,746           |
| Capital outlay                                                 | 2,976,435           | 2,277,446         | 2,777,691             | 2,151,578         | 356,354             |
| Debt Service:                                                  |                     |                   |                       |                   |                     |
| Interest and fiscal charges                                    | 553,529             | 503,429           | 451,427               | 397,428           | 342,922             |
| Principal retirement                                           | 1,250,000           | 1,300,000         | 1,352,353             | 1,423,396         | 1,546,623           |
| Total expenditures                                             | 23,545,646          | 21,779,753        | 24,742,999            | 23,570,798        | 22,188,352          |
| Excess (deficiency) of revenues over expenditures              | 1,461,449           | 930,963           | (1,156,138)           | (443,940)         | 2,389,508           |
| <b>Other financing sources (uses):</b>                         |                     |                   |                       |                   |                     |
| Capital lease proceeds                                         | -                   | -                 | 47,890                | 710,993           | -                   |
| Transfers in                                                   | 8,059,715           | 7,006,357         | 7,582,790             | 5,207,406         | 2,992,799           |
| Transfers out                                                  | (8,109,715)         | (7,427,357)       | (7,582,790)           | (5,207,406)       | (2,992,799)         |
| Total other financing sources (uses)                           | (50,000)            | (421,000)         | 47,890                | 710,993           | -                   |
| <b>Net change in fund balances</b>                             | <b>\$ 1,411,449</b> | <b>\$ 509,963</b> | <b>\$ (1,108,248)</b> | <b>\$ 267,053</b> | <b>\$ 2,389,508</b> |
| <b>Debt service as a percentage of noncapital expenditures</b> | 8.60%               | 8.76%             | 8.00%                 | 8.21%             | 8.57%               |

**City of Laguna Hills**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|                                                                | Fiscal Year Ending    |                     |                     |                      |                     |
|----------------------------------------------------------------|-----------------------|---------------------|---------------------|----------------------|---------------------|
|                                                                | 2020                  | 2021                | 2022                | 2023                 | 2024                |
| <b>Revenues:</b>                                               |                       |                     |                     |                      |                     |
| Taxes                                                          | \$ 13,539,101         | \$ 13,829,470       | \$ 21,609,138       | \$ 22,628,828        | \$ 22,281,493       |
| Licenses and permits                                           | 1,775,501             | 2,432,782           | 1,754,078           | 1,453,067            | 1,361,559           |
| Intergovernmental                                              | 8,264,831             | 8,920,379           | 6,140,282           | 7,199,902            | 3,533,609           |
| Charges for current services                                   | 637,373               | 584,889             | 894,419             | 4,832,814            | 2,399,609           |
| Fines and forfeitures                                          | 175,661               | 146,395             | 173,454             | 224,731              | 244,299             |
| Investment income                                              | 230,657               | 14,567              | (121,953)           | 745,205              | 1,637,703           |
| Other revenues                                                 | -                     | -                   | -                   | 4,055                | 659,885             |
| Total revenues                                                 | <u>24,623,124</u>     | <u>25,928,482</u>   | <u>30,449,418</u>   | <u>37,088,602</u>    | <u>32,118,157</u>   |
| <b>Expenditures:</b>                                           |                       |                     |                     |                      |                     |
| Current:                                                       |                       |                     |                     |                      |                     |
| General government                                             | 3,801,648             | 3,721,950           | 4,070,347           | 4,341,841            | 3,973,134           |
| Public works                                                   | 4,781,981             | 4,656,267           | 5,094,782           | 5,178,852            | 5,980,383           |
| Community development                                          | 1,655,447             | 2,269,587           | 1,761,776           | 1,405,880            | 1,576,567           |
| Community services                                             | 1,754,112             | 1,310,727           | 1,968,914           | 2,333,063            | 2,467,593           |
| Public safety                                                  | 8,621,863             | 9,098,120           | 8,992,127           | 10,096,445           | 10,968,679          |
| Capital outlay                                                 | 3,251,173             | 1,024,620           | 3,343,324           | 1,136,500            | 1,822,001           |
| Debt Service:                                                  |                       |                     |                     |                      |                     |
| Interest and fiscal charges                                    | 284,921               | 208,924             | 129,922             | 46,423               | 31,759              |
| Principal retirement                                           | 1,616,667             | 1,660,535           | 1,762,560           | 437,302              | 446,739             |
| Total expenditures                                             | <u>25,767,812</u>     | <u>23,950,730</u>   | <u>27,123,752</u>   | <u>24,976,306</u>    | <u>27,266,855</u>   |
| Excess (deficiency) of revenues over expenditures              | (1,144,688)           | 1,977,752           | 3,325,666           | 12,112,296           | 4,851,302           |
| <b>Other financing sources (uses):</b>                         |                       |                     |                     |                      |                     |
| Capital lease proceeds                                         | -                     | -                   | -                   | -                    | -                   |
| Transfers in                                                   | 8,539,794             | 3,770,978           | 12,861,293          | 5,308,736            | 1,649,617           |
| Transfers out                                                  | (8,539,794)           | (3,770,978)         | (12,861,293)        | (5,408,736)          | (1,778,742)         |
| Total other financing sources (uses)                           | <u>-</u>              | <u>-</u>            | <u>-</u>            | <u>(100,000)</u>     | <u>(129,125)</u>    |
| <b>Net change in fund balances</b>                             | <u>\$ (1,144,688)</u> | <u>\$ 1,977,752</u> | <u>\$ 3,325,666</u> | <u>\$ 12,012,296</u> | <u>\$ 4,722,177</u> |
| <b>Debt service as a percentage of noncapital expenditures</b> | 8.38%                 | 8.05%               | 7.96%               | 1.94%                | 1.75%               |

**City of Laguna Hills**  
**Assessed Value and Estimated Actual Value of Taxable Property, Citywide**  
**Last Ten Fiscal Years (in thousands)**

| Fiscal Year Ending | Secured Property | Unsecured Property | Less Tax-Exempt Property | Taxable Assessed Value | Total Direct Tax Rate (1) | Estimated Actual Taxable Value (2) | Factor of Taxable Assessed Value | Assessed Value as a Percentage of Actual Value |
|--------------------|------------------|--------------------|--------------------------|------------------------|---------------------------|------------------------------------|----------------------------------|------------------------------------------------|
| 2015               | 5,809,642        | 148,567            | 35,410                   | 5,958,209              | .05371                    | 5,958,209                          | 1.000000                         | 100.00%                                        |
| 2016               | 6,236,428        | 183,676            | 165,185                  | 6,254,919              | .05371                    | 8,159,912                          | 1.304559                         | 76.65%                                         |
| 2017               | 6,499,868        | 187,553            | 218,920                  | 6,468,501              | .05371                    | 9,167,561                          | 1.417262                         | 70.56%                                         |
| 2018               | 6,728,482        | 188,841            | 209,680                  | 6,707,643              | .05371                    | 9,373,474                          | 1.397432                         | 71.56%                                         |
| 2019               | 7,089,277        | 245,352            | 212,722                  | 7,121,907              | .05371                    | 9,878,938                          | 1.387120                         | 72.09%                                         |
| 2020               | 7,353,496        | 211,472            | 242,642                  | 7,322,326              | .05371                    | 9,834,824                          | 1.343128                         | 74.45%                                         |
| 2021               | 7,623,019        | 213,636            | 219,789                  | 7,616,866              | .05371                    | 10,190,719                         | 1.337915                         | 74.74%                                         |
| 2022               | 7,889,791        | 210,848            | 167,326                  | 7,933,313              | .05371                    | 11,575,188                         | 1.459061                         | 68.54%                                         |
| 2023               | 8,267,342        | 194,441            | 238,422                  | 8,223,361              | .05371                    | 13,379,293                         | 1.626986                         | 61.46%                                         |
| 2024               | 8,737,827        | 213,490            | 150,411                  | 8,800,906              | .05371                    | 13,454,623                         | 1.528777                         | 65.41%                                         |

Source: Orange County Assessor data, Avenu Insights & Analytics

Source: 2015 prior ACFR

Table has been reformatted to comply with GASB No. 44 and include estimated actual value.

(1.) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 31-001.

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

**City of Laguna Hills**  
**Assessed Value of Property by Use Code, Citywide**  
**Last Nine Fiscal Years (In Thousands)**

| Category            | Fiscal Year Ending  |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | 2016                | 2017                | 2018                | 2019                | 2020                |
| Residential         | \$ 4,947,347        | \$ 5,170,783        | \$ 5,398,624        | \$ 5,669,336        | \$ 5,889,434        |
| Commercial          | 1,072,613           | 1,107,991           | 1,100,803           | 1,180,147           | 1,217,600           |
| Industrial          | 216,447             | 221,072             | 229,033             | 239,771             | 246,439             |
| Rural               | 22                  | 22                  | 23                  | 23                  | 23                  |
| Gross Secured Value | 6,236,429           | 6,499,868           | 6,728,482           | 7,089,277           | 7,353,496           |
| Unsecured Value     | 183,676             | 187,553             | 188,841             | 245,352             | 211,472             |
| Less: Exemptions    | 165,185             | 218,920             | 209,680             | 212,722             | 242,642             |
| Net Taxable Value   | <u>\$ 6,254,920</u> | <u>\$ 6,468,501</u> | <u>\$ 6,707,643</u> | <u>\$ 7,121,907</u> | <u>\$ 7,322,326</u> |

Source: Orange County Assessor Data, Avenu Insights & Analytics

Note: Data only available for nine years.

**City of Laguna Hills**  
**Assessed Value of Property by Use Code, Citywide**  
**Last Nine Fiscal Years (In Thousands)**

| Category            | Fiscal Year Ending  |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
|                     | 2021                | 2022                | 2023                | 2024                |
| Residential         | \$ 6,106,523        | \$ 6,288,266        | \$ 6,595,302        | \$ 6,973,016        |
| Commercial          | 1,264,734           | 1,345,541           | 1,405,711           | 1,478,565           |
| Industrial          | 251,738             | 255,960             | 266,304             | 286,221             |
| Rural               | 24                  | 24                  | 25                  | 25                  |
| Gross Secured Value | 7,623,019           | 7,889,791           | 8,267,342           | 8,737,827           |
| Unsecured Value     | 213,636             | 210,848             | 194,441             | 213,490             |
| Less: Exemptions    | 219,789             | 167,326             | 238,422             | 150,411             |
| Net Taxable Value   | <u>\$ 7,616,866</u> | <u>\$ 7,933,313</u> | <u>\$ 8,223,361</u> | <u>\$ 8,800,906</u> |

Source: Orange County Assessor Data, Avenu Insights & Analytics

Note: Data only available for nine years.

**City of Laguna Hills**  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

|                                   |  | Fiscal Year Ending |          |          |          |          |
|-----------------------------------|--|--------------------|----------|----------|----------|----------|
|                                   |  | 2015               | 2016     | 2017     | 2018     | 2019     |
| Overlapping Basic Rate            |  | 1.000000           | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| Capistrano Union                  |  | 0.009000           | 0.008450 | 0.008430 | 0.008000 | 0.007860 |
| Metropolitan Water District       |  | 0.003500           | 0.003500 | 0.003500 | 0.003500 | 0.003500 |
| Moulton Niguel Water District     |  | 0.086000           | -        | -        | -        | -        |
| Saddleback Valley Unified         |  | 0.028060           | -        | -        | -        | -        |
| Total                             |  | 1.126560           | 1.011950 | 1.011930 | 1.011500 | 1.011360 |
|                                   |  |                    |          |          |          |          |
| City Direct Rate:                 |  |                    |          |          |          |          |
| City Share of 1% Levy Per Prop 13 |  | 0.053710           | 0.053710 | 0.053710 | 0.053710 | 0.053710 |

Source: Orange County Assessor data, Avenu Insights & Analytics  
TRA 31-000 is represented.

**City of Laguna Hills**  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

|                                   |  | Fiscal Year Ending |          |          |          |          |
|-----------------------------------|--|--------------------|----------|----------|----------|----------|
|                                   |  | 2020               | 2021     | 2022     | 2023     | 2024     |
| Overlapping Basic Rate            |  | 1.000000           | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| Capistrano Union                  |  | 0.007450           | 0.007560 | 0.007270 | 0.006910 | 0.006330 |
| Metropolitan Water District       |  | 0.003500           | 0.003500 | 0.003500 | 0.003500 | 0.003500 |
| Moulton Niguel Water District     |  | -                  | -        | -        | -        | -        |
| Saddleback Valley Unified         |  | -                  | -        | -        | -        | -        |
| Total                             |  | 1.010950           | 1.011060 | 1.010770 | 1.010410 | 1.009830 |
|                                   |  |                    |          |          |          |          |
| City Direct Rate:                 |  |                    |          |          |          |          |
| City Share of 1% Levy Per Prop 13 |  | 0.053710           | 0.053710 | 0.053710 | 0.053710 | 0.053710 |

Source: Orange County Assessor data, Avenu Insights & Analytics  
TRA 31-000 is represented.

City of Laguna Hills  
Principal Property Tax Payers  
Last Fiscal Year and Nine Years Ago

| Taxpayer                                | 2023-24            |                                         | 2014-15            |                                         |
|-----------------------------------------|--------------------|-----------------------------------------|--------------------|-----------------------------------------|
|                                         | Taxable Value (\$) | Percent of Total City Taxable Value (%) | Taxable Value (\$) | Percent of Total City Taxable Value (%) |
| Juniper SB Mob LLC                      | 142,321,873        | 1.62%                                   |                    |                                         |
| MGP Fund X Laguna Hills LLC             | 139,576,084        | 1.59%                                   | 151,234,180        | 2.56%                                   |
| Memorial Health Services                | 112,250,692        | 1.28%                                   | 25,059,178         | 0.42%                                   |
| Laguna Hills Investment Company         | 109,333,197        | 1.24%                                   | 23,143,141         | 0.39%                                   |
| PMI Prado LLC                           | 103,704,362        | 1.18%                                   |                    |                                         |
| B9 Sequoia Laguna Hills Center Owner LP | 77,901,695         | 0.89%                                   |                    |                                         |
| KB Mill Creek Dst                       | 63,750,000         | 0.72%                                   |                    |                                         |
| Roic California LLC                     | 50,335,172         | 0.57%                                   |                    |                                         |
| Vision Star II LLC                      | 46,581,889         | 0.53%                                   |                    |                                         |
| TM Medical Center LLC                   | 44,157,961         | 0.50%                                   |                    |                                         |
| Pacifica Laguna Hills LLC               | 41,263,704         | 0.47%                                   |                    |                                         |
| La Paz Office Plaza LLC                 | 36,492,509         | 0.41%                                   | 31,749,277         | 0.54%                                   |
| Spectrum Property Owner LLC             | 30,751,884         | 0.35%                                   |                    |                                         |
| BSP Oak Brook I LC                      | 28,100,000         | 0.32%                                   |                    |                                         |
| EQR-Villa Solana Vistas Inc             | 26,658,084         | 0.30%                                   | 22,549,786         | 0.38%                                   |
| Laguna Hills Estate LLC                 | 25,631,499         | 0.29%                                   | 25,584,176         | 0.43%                                   |
| La Paz Village Investors LLC            | 23,969,998         | 0.27%                                   |                    |                                         |
| Sylmar Apartments LLC                   | 23,451,263         | 0.27%                                   | 19,881,065         | 0.34%                                   |
| Calle De La Louisa Holdings LLC         | 20,760,776         | 0.24%                                   |                    |                                         |
| Force-Moulton Office LLC                | 20,104,810         | 0.23%                                   |                    |                                         |
| Mouldy LLC                              | 17,781,917         | 0.20%                                   | 14,917,400         | 0.25%                                   |
| K & M Royal Group LLC                   | 17,318,201         | 0.20%                                   | 14,671,300         | 0.25%                                   |
| Laguna Hills Real Estate Partnership LP | 16,477,549         | 0.19%                                   |                    |                                         |
| Ashley Real Estate LLC                  | 16,351,839         | 0.19%                                   |                    |                                         |
| Aliso Equities Ltd                      | 15,957,590         | 0.18%                                   |                    |                                         |
| Acquiport Three Corp                    |                    |                                         | 77,543,725         | 1.31%                                   |
| TGM Prado LLC                           |                    |                                         | 65,150,000         | 1.10%                                   |
| LHT Saddleback LLC                      |                    |                                         | 39,744,548         | 0.67%                                   |
| SPTMRT Properties Trust                 |                    |                                         | 36,633,203         | 0.62%                                   |
| Lakehills at Laguna LLC                 |                    |                                         | 35,534,193         | 0.60%                                   |
| Moulton Plaza LLC                       |                    |                                         | 23,628,792         | 0.40%                                   |
| Muller Taj                              |                    |                                         | 19,490,243         | 0.33%                                   |
| Columbia California Carlota of          |                    |                                         | 19,125,758         | 0.32%                                   |
| Realty Assoc Fund VIII                  |                    |                                         | 15,385,591         | 0.26%                                   |
| Universal Properties LH Five L          |                    |                                         | 14,260,709         | 0.24%                                   |
| Laguna Hills Business Park              |                    |                                         | 13,984,637         | 0.24%                                   |
| Ashley Furniture Industries In          |                    |                                         | 13,877,935         | 0.23%                                   |
| Mission Hills Investment Co             |                    |                                         | 13,837,070         | 0.23%                                   |
| Yacoel Maria E                          |                    |                                         | 13,530,344         | 0.23%                                   |
| Westport Moulton Parkway Ltd..          |                    |                                         | 13,273,067         | 0.22%                                   |
| Moulton La Paz LLC                      |                    |                                         | 13,265,349         | 0.22%                                   |
| Total Top 25 Taxpayers                  | 1,250,984,548      | 14.21%                                  | 757,054,667        | 12.79%                                  |
| Total Taxable Value                     | 8,800,906,744      |                                         | 5,918,214,923      |                                         |

Source: Orange County Assessor data, Avenu Insights & Analytics



City of Laguna Hills  
Property Tax Levy and Collections  
Last Ten Fiscal Years

| Fiscal Year<br>Ending | Collected within the Fiscal<br>Year of the Levy |           |                                        |                     |           |                      | Total Collections to Date |           |
|-----------------------|-------------------------------------------------|-----------|----------------------------------------|---------------------|-----------|----------------------|---------------------------|-----------|
|                       | Secured                                         | Unsecured | Taxes Levied<br>for the Fiscal<br>Year | Amount<br>Collected | % of Levy | Other<br>Collections | Amount                    | % of Levy |
| 2015                  | \$ 6,051                                        | \$ 275    | \$ 6,327                               | \$ 6,180            | 97.7%     | \$ 52                | \$ 6,231                  | 98%       |
| 2016                  | 6,375                                           | 232       | 6,607                                  | 6,456               | 97.7%     | 72                   | 6,528                     | 99%       |
| 2017                  | 6,634                                           | 300       | 6,934                                  | 6,733               | 97.1%     | 69                   | 6,802                     | 98%       |
| 2018                  | 6,901                                           | 230       | 7,131                                  | 7,004               | 98.2%     | 66                   | 7,070                     | 99%       |
| 2019                  | 7,288                                           | 235       | 7,523                                  | 7,376               | 98.0%     | 66                   | 7,442                     | 99%       |
| 2020                  | 7,529                                           | 242       | 7,771                                  | 7,624               | 98.1%     | 73                   | 7,697                     | 99%       |
| 2021                  | 7,844                                           | 256       | 8,100                                  | 7,958               | 98.3%     | 90                   | 8,048                     | 99%       |
| 2022                  | 8,168                                           | 281       | 8,449                                  | 8,150               | 96.5%     | 77                   | 8,227                     | 97%       |
| 2023                  | 8,504                                           | 260       | 8,764                                  | 8,610               | 98.2%     | 87                   | 8,697                     | 99%       |
| 2024                  | 9,067                                           | 306       | 9,373                                  | 8,610               | 91.9%     | 117                  | 8,727                     | 93%       |

Source: County Auditor-Controller, Avenu Insights & Analytics

City of Laguna Hills  
Principal Sales Tax Producers  
Last Fiscal Year and Nine Years Ago

| 2023-24                        |                      |
|--------------------------------|----------------------|
| Taxpayer                       | Business Type        |
| Ashley Furniture Homestore     | Furniture/Appliance  |
| BJ's Restaurant & Brewhouse    | Restaurants          |
| Chevron Service Stations       | Service Stations     |
| Chick-Fil-A                    | Restaurants          |
| Circle K Food Stores           | Food Markets         |
| Cynergy Professional Systems   | Electronic Equipment |
| Decisionpoint Systems CA       | Office Equipment     |
| Dick's Sporting Goods          | Recreation Products  |
| Howard's Appliances            | Furniture/Appliance  |
| In-N-Out Burgers               | Restaurants          |
| Jackson Energy Co.             | Energy Sales         |
| Jerome's Furniture Warehouse   | Furniture/Appliance  |
| John Deere Landscapes          | Florist/Nursery      |
| King's Seafood Co.             | Restaurants          |
| Laguna Hills Auto Spa          | Service Stations     |
| Marshall's Stores              | Apparel Stores       |
| Material Supply Incorporated   | Bldg.Matls-Whsle     |
| Nordstrom Department Store     | Department Stores    |
| Pritchard Supply               | Bldg.Matls-Whsle     |
| Raising Cane's Chicken Fingers | Restaurants          |
| Sidepat                        | Office Equipment     |
| Snap One                       | Office Equipment     |
| Total Wine & More              | Liquor Stores        |
| United Pacific                 | Service Stations     |
| Vertiv Corporation             | Electronic Equipment |

| 2014-15                           |                     |
|-----------------------------------|---------------------|
| Taxpayer                          | Business Type       |
| 7-Eleven Food Stores              | Food Markets        |
| A & R Floor Covering Accesrs-Sup. | Furniture/Appliance |
| Ashley Furniture Homestore        | Furniture/Appliance |
| Big Lots                          | Department Stores   |
| BJ's Restaurant & Brewhouse       | Restaurants         |
| Chevron Service Stations          | Service Stations    |
| David J.Phillips Buick-Pntc-Mazda | Auto Sales - New    |
| Dick's Sporting Goods             | Recreation Products |
| Exxon Service Stations            | Service Stations    |
| Howard's Appliances               | Furniture/Appliance |
| In-N-Out Burgers                  | Restaurants         |
| J C Penney Company                | Department Stores   |
| King's Seafood Co.                | Restaurants         |
| Macy's Department Store           | Department Stores   |
| Marshall's Stores                 | Apparel Stores      |
| Material Supply Incorporated      | Bldg.Matls-Whsle    |
| Nordstrom Department Store        | Department Stores   |
| Petrolink Superior                | Service Stations    |
| Ralph's Grocery Company           | Food Markets        |
| Sears Roebuck & Company           | Department Stores   |
| Shell Service Stations            | Service Stations    |
| Sit 'N Sleep                      | Furniture/Appliance |
| Tesoro Service Stations           | Service Stations    |
| Total Wine & More                 | Liquor Stores       |
| Western Fuel Group                | Service Stations    |

Source: Avenu Insights & Analytics

City of Laguna Hills  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
*(amounts expressed in thousands, except per capita amounts)*

| Fiscal Year<br>Ending | Governmental Activities          |                          | Total Direct<br>Debt | Debt Per Capita<br>(a) | Personal<br>Income | Percentage of<br>Personal<br>Income |
|-----------------------|----------------------------------|--------------------------|----------------------|------------------------|--------------------|-------------------------------------|
|                       | Certificates of<br>Participation | Direct<br>Borrowings (b) |                      |                        |                    |                                     |
| 2015                  | 12,106                           | -                        | 12,106               | 394.58                 | 1,373,184          | 0.88%                               |
| 2016                  | 10,726                           | -                        | 10,726               | 340.02                 | 1,479,761          | 0.72%                               |
| 2017                  | 9,295                            | 46                       | 9,341                | 293.57                 | 1,587,577          | 0.59%                               |
| 2018                  | 7,825                            | 723                      | 8,548                | 270.74                 | 1,661,606          | 0.51%                               |
| 2019                  | 6,294                            | 627                      | 6,921                | 219.65                 | 1,724,666          | 0.40%                               |
| 2020                  | 4,694                            | 530                      | 5,224                | 168.11                 | 1,835,890          | 0.28%                               |
| 2021                  | 3,033                            | 437                      | 3,470                | 112.85                 | 1,935,992          | 0.18%                               |
| 2022                  | 1,283                            | 345                      | 1,628                | 53.70                  | 2,026,083          | 0.08%                               |
| 2023                  | 857                              | 252                      | 1,109                | 36.33                  | 2,026,083          | 0.05%                               |
| 2024                  | 375                              | 160                      | 535                  | 17.65                  | 2,107,165          | 0.03%                               |

*Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.*

*Source: Income Data is provided by the United States Census Data and is adjusted for inflation.*

<sup>(a)</sup> *Population data can be found in the Schedule of Demographic and Economic Statistics*

<sup>(b)</sup> *On-bill financing program with Southern California Edison and San Diego Gas & Electric, for the installation of energy efficient LED street lighting throughout the City, beginning in FY 2016-17.*

City of Laguna Hills  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Less: Amounts<br>Available in Debt<br>Service Fund | Percentage of<br>Estimated<br>Actual Taxable<br>Value of<br>Property | Per<br>Capita |
|----------------|--------------------------------|----------------------------------------------------|----------------------------------------------------------------------|---------------|
|----------------|--------------------------------|----------------------------------------------------|----------------------------------------------------------------------|---------------|

*Note: There was no general bonded debt outstanding for the last ten fiscal years.*

**City of Laguna Hills**  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2024

|                                                                          | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable (a) | Estimated<br>Share of<br>Overlapping<br>Debt |
|--------------------------------------------------------------------------|---------------------|-------------------------------------------|----------------------------------------------|
| <b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>                       |                     |                                           |                                              |
| Metropolitan Water District                                              | 18,210,000          | 0.228%                                    | 41,519                                       |
| Saddleback Valley Unified School District                                | 74,370,000          | 16.452%                                   | 12,235,352                                   |
| Capistrano Unified School District Facilities Improvement District No. 1 | 6,712,860           | 0.023%                                    | 1,544                                        |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT:                               |                     |                                           | <u>\$ 12,278,415</u>                         |
| <b><u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</u></b>        |                     |                                           |                                              |
| Orange County General Fund Obligations                                   | 440,385,000         | 1.147%                                    | 5,051,216                                    |
| Orange County Board of Education General Fund Obligations                | 10,030,000          | 1.147%                                    | 115,044                                      |
| Capistrano Unified School District Certificates of Participation         | 19,365,000          | 0.016%                                    | 3,098                                        |
| Moulton Niguel Water District Certificates of Participation              | 48,605,000          | 13.339%                                   | 6,483,421                                    |
| SUBTOTAL OVERLAPPING GENERAL FUND OBLIGATION DEBT:                       |                     |                                           | <u>\$ 11,652,779</u>                         |
| <b>City of Laguna Hills Certificates of Participation, Direct Debt</b>   | <b>421,932</b>      | <b>100.000%</b>                           | <b>421,932</b>                               |
| <b>City of Laguna Hills Direct Borrowings, Direct Debt</b>               | <b>160,144</b>      | <b>100.000%</b>                           | <b>160,144</b>                               |
| SUBTOTAL DIRECT GENERAL FUND OBLIGATION DEBT:                            |                     |                                           | <u>\$ 582,076</u>                            |
| TOTAL DIRECT & OVERLAPPING GENERAL FUND OBLIGATION DEBT:                 |                     |                                           | <u>\$ 12,234,855</u>                         |
| <b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u></b>          | <b>4,405,000</b>    | <b>2.408%</b>                             | <b>106,072</b>                               |
| <b><u>GROSS COMBINED TOTAL DEBT</u></b>                                  |                     |                                           | <u><u>\$ 24,619,343</u></u> <sup>(b)</sup>   |

(a) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(b) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Source: Avenu Insights & Analytics

City of Laguna Hills  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

|                                                                      | Fiscal Year Ending |                   |                   |                     |                     |
|----------------------------------------------------------------------|--------------------|-------------------|-------------------|---------------------|---------------------|
|                                                                      | 2015               | 2016              | 2017              | 2018                | 2019                |
| Debt limit                                                           | \$ 899,043         | \$ 963,016        | \$ 1,003,113      | \$ 1,037,598        | \$ 1,100,194        |
| Total net debt applicable to limit                                   | 11,335             | 10,035            | 9,295             | 7,825               | 6,294               |
| Legal debt margin                                                    | <u>\$ 887,708</u>  | <u>\$ 952,981</u> | <u>\$ 993,818</u> | <u>\$ 1,029,773</u> | <u>\$ 1,093,900</u> |
| Total net debt applicable to limit, as<br>a percentage of debt limit | 1.26%              | 1.04%             | 0.93%             | 0.75%               | 0.57%               |

**City of Laguna Hills**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

|                                                                   | Fiscal Year Ending  |                     |                     |                     |                     |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                   | 2020                | 2021                | 2022                | 2023                | 2024                |
| Debt limit                                                        | \$ 1,134,745        | \$ 1,175,498        | \$ 1,215,096        | \$ 1,269,267        | \$ 1,269,267        |
| Total net debt applicable to limit                                | 4,694               | 3,033               | 1,283               | 730                 | 375                 |
| Legal debt margin                                                 | <u>\$ 1,130,052</u> | <u>\$ 1,172,465</u> | <u>\$ 1,213,813</u> | <u>\$ 1,268,537</u> | <u>\$ 1,268,892</u> |
| Total net debt applicable to limit, as a percentage of debt limit | 0.41%               | 0.26%               | 0.11%               | 0.06%               | 0.03%               |

**Legal Debt Margin Calculation for Fiscal Year 2023-24**

|                                          |                     |
|------------------------------------------|---------------------|
| Assessed value                           | 8,223,361           |
| Add back: exempt real property           | 238,422             |
| Total assessed value                     | <u>8,461,783</u>    |
| Debt limit (15% of total assessed value) | 1,269,267           |
| Debt applicable to limit:                |                     |
| Certificates of Participation            | 375                 |
| Total net debt applicable to limit       | <u>375</u>          |
| Legal debt margin                        | <u>\$ 1,268,892</u> |

*Note: Under state finance law, the City of Laguna Hills' outstanding general obligation debt should not exceed 15% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.*

# City of Laguna Hills

## Pledged-Revenue Coverage

### Last Ten Fiscal Years

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*Note: There was no debt covenants that required pledged-revenue coverage for the last ten fiscal years.*



**City of Laguna Hills**  
Demographic and Economic Statistics  
Last Ten Fiscal Years

| Calendar Year | Population (1) | Personal Income (In Thousands) | Per Capita Personal Income (2) | City Unemployment Rate (3) | Median Age (4) | % of Population with High School Diploma (5) | % of Population With Bachelor's Degree (5) |
|---------------|----------------|--------------------------------|--------------------------------|----------------------------|----------------|----------------------------------------------|--------------------------------------------|
| 2014          | 30,857         | 1,336,181                      | 43,315                         | 5.0%                       | 41.8           | 91.6%                                        | 45.3%                                      |
| 2015          | 30,681         | 1,373,184                      | 44,757                         | 4.1%                       | 41.7           | 91.2%                                        | 44.8%                                      |
| 2016          | 31,544         | 1,479,761                      | 46,911                         | 3.7%                       | 41.8           | 91.5%                                        | 45.6%                                      |
| 2017          | 31,818         | 1,587,577                      | 49,896                         | 2.6%                       | 43.0           | 91.3%                                        | 46.7%                                      |
| 2018          | 31,572         | 1,661,606                      | 52,629                         | 2.2%                       | 41.4           | 92.1%                                        | 49.1%                                      |
| 2019          | 31,508         | 1,724,666                      | 54,737                         | 12.2%                      | 42.5           | 92.3%                                        | 49.4%                                      |
| 2020          | 31,073         | 1,835,890                      | 59,083                         | 7.4%                       | 42.8           | 92.2%                                        | 50.5%                                      |
| 2021          | 30,750         | 2,086,807                      | 67,864                         | 2.2%                       | 41.8           | 92.8%                                        | 50.4%                                      |
| 2022          | 30,525         | 2,416,252                      | 79,157                         | 2.9%                       | 43.0           | 93.3%                                        | 80.8%                                      |
| 2023          | 30,315         | 2,681,544                      | 88,456                         | 3.0%                       | 43.8           | 93.4%                                        | 75.9%                                      |

Source: Avenu Insights & Analytics

Source: 2014-2015 prior ACFR

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the United States Census Data and is adjusted for inflation.
- 3.) Unemployment and Total Employment Data are provided by the EDD's Bureau of Labor Statistics Department.
- 4.) Median Age is provided by the United States Census data estimation table.
- 5.) School diploma and Bachelor's degree is provided by the United States Census data.

City of Laguna Hills  
Principal Employers  
Last Fiscal Year and Nine Years Ago

| Business Name                                 | 2024                |                                 | 2015                |                                 |
|-----------------------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|
|                                               | Number of Employees | Percent of Total Employment (%) | Number of Employees | Percent of Total Employment (%) |
| MemorialCare Saddleback Medical Center        | 1,925               | 11.46%                          | 1,915               | 11.13%                          |
| Laguna Hills Health and Rehabilitation Center | 236                 | 1.40%                           | 306                 | 1.78%                           |
| Saddleback Valley Unified School District     | 228                 | 1.36%                           | 260                 | 1.51%                           |
| Moulton Niguel Water District                 | 180                 | 1.07%                           |                     |                                 |
| BJ's Restaurant & Brewhouse                   | 158                 | 0.94%                           | 150                 | 0.87%                           |
| United States Postal Service                  | 129                 | 0.77%                           | 98                  | 0.57%                           |
| Orange Coast Women's Medical Group            | 123                 | 0.73%                           |                     |                                 |
| MemorialCare Home Health                      | 116                 | 0.69%                           | 137                 | 0.80%                           |
| Villa Valencia Healthcare Center              | 113                 | 0.67%                           |                     |                                 |
| Meridian at Laguna Hills                      | 110                 | 0.65%                           |                     |                                 |
| Allied Schools / Ashley Crown Systems Inc     |                     |                                 | 227                 | 1.32%                           |
| Macy's                                        |                     |                                 | 205                 | 1.19%                           |
| JC Penney                                     |                     |                                 | 147                 | 0.85%                           |
| City of Laguna Hills                          |                     |                                 | 105                 | 0.61%                           |
| Total Top Employees                           | 3,318               | 19.75%                          | 3,550               | 20.63%                          |
| Total City Employment (1)                     | 16,800              |                                 |                     |                                 |

Source: Avenu Insights & Analytics

Source: 2015 ACFR

Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data as of June 30th.

City of Laguna Hills  
Full-time Equivalent Personnel Allocation by Function  
Last Ten Fiscal Years

| Function              | Fiscal Year Ending |       |       |       |       |       |       |       |       |       |
|-----------------------|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                       | 2015               | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  |
| General Government    | 10.99              | 10.99 | 10.49 | 9.74  | 9.50  | 9.50  | 9.50  | 9.50  | 9.00  | 8.00  |
| Non-Departmental      | 1.00               | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  |
| Public Works          | 5.00               | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00  |
| Community Development | 8.23               | 8.23  | 8.23  | 8.00  | 7.10  | 7.10  | 6.50  | 6.50  | 6.87  | 7.00  |
| Community Services    | 15.40              | 15.40 | 15.40 | 14.65 | 14.50 | 14.50 | 14.25 | 14.25 | 10.97 | 11.60 |
| Total                 | 40.62              | 40.62 | 40.12 | 38.39 | 37.10 | 37.10 | 36.25 | 36.25 | 32.84 | 32.60 |

*Sources: City of Laguna Hills' Biennial Budget (includes vacant positions) and City Finance Department*

**City of Laguna Hills**  
Operating Indicators by Function  
Last Ten Fiscal Years

| Function                                     | Fiscal Year Ending |        |        |        |        |        |        |        |        |        |
|----------------------------------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                              | 2015               | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   |
| <b>Police</b> <sup>(b)</sup>                 |                    |        |        |        |        |        |        |        |        |        |
| Physical arrests                             | 534                | 284    | 293    | 281    | 240    | 246    | 289    | 258    | 211    | 243    |
| Parking violations                           | 1,981              | 3,257  | 3,406  | 2,487  | 2,381  | 1,876  | 1,267  | 1,841  | 908    | 2,034  |
| Traffic violations                           | 3,041              | 3,187  | 2,669  | 1,512  | 1,136  | 722    | 842    | 900    | 3,113  | 2,908  |
| <b>Fire</b> <sup>(c)</sup>                   |                    |        |        |        |        |        |        |        |        |        |
| Number of calls answered                     | 2,675              | 2,887  | 3,078  | 3,203  | 3,303  | 3,122  | 3,263  | 3,842  | 3,878  | 3,990  |
| <b>Highways and Streets</b> <sup>(d)</sup>   |                    |        |        |        |        |        |        |        |        |        |
| Sidewalk replacement (sq. ft.)               | 7,250              | 940    | 7,012  | 1,328  | 1,790  | 790    | 2,961  | 1,847  | 742    | 6,258  |
| Curb & gutter replacement (linear ft.)       | -                  | 211    | 523    | 28     | 85     | 93     | 20     | 66     | 22     | 186    |
| Asphalt concrete placed (tons)               | 16,276             | 134    | 10,536 | 1,215  | 174    | 266    | 18     | 6,059  | 40     | 436    |
| Street sweeping debris collected (tons)      | 265                | 229    | 219    | 217    | 227    | 206    | 244    | 226    | 329    | 350    |
| New sign installations                       | 23                 | 155    | 12     | 31     | 2      | 13     | 18     | 11     | 27     | 24     |
| Sign Replacements                            | 380                | 297    | 312    | 196    | 55     | 220    | 287    | 187    | 309    | 293    |
| Trees trimmed                                | 792                | 821    | 1,396  | 1,347  | 1,407  | 1,639  | 1,592  | 1,546  | 1,461  | 1,379  |
| Trees removed                                | 461                | 152    | 263    | 286    | 183    | 206    | 211    | 200    | 164    | 130    |
| Trees planted                                | 38                 | 43     | 118    | 120    | 109    | 139    | 122    | 123    | 199    | 134    |
| <b>Waste Stream</b> <sup>(a)</sup>           |                    |        |        |        |        |        |        |        |        |        |
| Refuse collected (tons)                      | 15,707             | 17,197 | 17,966 | 17,520 | 16,576 | 20,016 | 25,026 | 20,539 | 19,854 | 22,805 |
| Recyclables collected (tons)                 | 17,728             | 18,150 | 17,058 | 16,827 | 16,879 | 15,611 | 10,717 | 14,402 | 16,606 | 10,074 |
| <b>Sanitation</b> <sup>(a)</sup>             |                    |        |        |        |        |        |        |        |        |        |
| Refuse collected (tons/day)                  | 43                 | 47     | 49     | 48     | 45     | 55     | 69     | 56     | 54     | 62     |
| Recyclables collected (tons/day)             | 49                 | 50     | 47     | 46     | 46     | 43     | 29     | 40     | 45     | 28     |
| <b>Culture and Recreation</b> <sup>(e)</sup> |                    |        |        |        |        |        |        |        |        |        |
| Program participants                         | 5,637              | 6,152  | 5,686  | 5,993  | 4,456  | 2,919  | 341    | 2,572  | 990    | 3,088  |
| Athletic permits                             | 41                 | 42     | 48     | 41     | 43     | 30     | 6      | 26     | 32     | 30     |

<sup>(a)</sup> CR&R Monthly Tonnage Report

<sup>(b)</sup> Orange County Sheriff's Daily Booking Log; Monthly Traffic Statistics; Data Ticket Citation Report

<sup>(c)</sup> Orange County Fire Authority - Annual Comprehensive Financial Report

<sup>(d)</sup> City of Laguna Hills, Public Works Department

<sup>(e)</sup> City of Laguna Hills, Community Services Department

City of Laguna Hills  
Capital Assets Statistics by Function  
Last Ten Fiscal Years

| Function                      | Fiscal Year Ending |      |      |      |      |      |      |      |      |      |
|-------------------------------|--------------------|------|------|------|------|------|------|------|------|------|
|                               | 2015               | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| <b>Highways and streets</b>   |                    |      |      |      |      |      |      |      |      |      |
| Streets (miles)               | 83                 | 83   | 83   | 83   | 83   | 83   | 83   | 83   | 83   | 83   |
| Traffic signals               | 47                 | 47   | 47   | 48   | 48   | 48   | 49   | 49   | 49   | 49   |
| <b>Culture and recreation</b> |                    |      |      |      |      |      |      |      |      |      |
| Parks acreage                 | 83                 | 83   | 83   | 83   | 83   | 83   | 83   | 83   | 83   | 83   |
| Parks                         | 15                 | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 15   |
| Community Centers             | 1                  | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Civic Center                  | 1                  | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |

Source: Various City Departments

# CITY OF LAGUNA HILLS

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## AT A GLANCE

### GENERAL INFORMATION

The City of Laguna Hills, located in South Orange County, has approximately 6.6 square miles of land in its corporate boundary and is now home to 30,315 people. The majority of the area in the City has a distinctive residential character. Yet, the City has a commercial base in its northern part. This area, or “urban village”, is anchored by upcoming development of The Village at Laguna Hills, the Oakbrook Village Retail Center, and Saddleback Memorial Hospital. It includes retail, restaurant, professional office, and medical related building space. When the City annexed the “North Laguna Hills” area in July of 1996, the City acquired 1.2 square miles of primarily light industrial, professional office, specialty retail, hotel, and residential uses. This annexed area contains a furniture row, office headquarters, and the only light industrial/manufacturing establishments in the City. In September of 2000, the City grew by another 150 acres as a result of the annexation of residential properties identified as West Laguna Hills.

### HISTORY

Laguna Hills is built on one of the major land grants developed during the rancho area. Following Mexico’s independence from Spain in 1821, those who had served in the government or who had friends in authority were given vast lands for cattle grazing. Rancho Lomas de Santiago, Rancho San Joaquin, and Rancho Niguel covered much of the western portion of the Saddleback Valley. Don Juan Avila was granted the 13,000-acre Rancho Niguel on which Laguna Hills is located.

In 1874, Lewis Moulton purchased Rancho Niguel from Don Juan Avila and increased the original grant to 22,000 acres. Moulton and his partner, Jean Piedrea Daguerre, used the ranch to raise sheep and cattle. The Moulton ranch was eventually subdivided in the early 1960s, part of which is recognized as Laguna Hills.

Incorporation efforts began in 1987 and on March 5, 1991, the goal of incorporation was finally achieved with 86% of the residents voting in favor of forming the City of Laguna Hills. On December 20, 1991, Laguna Hills officially became a City.

### CITY GOVERNMENT

The City of Laguna Hills is a General Law City that operates under the Council/Manager form of government. The voters elect five of their fellow citizens to the City Council for overlapping four-year terms. The Council, in turn, selects one of its members to serve as Mayor for a one-year term. The City Council holds regular public meetings on the second and fourth Tuesday of each month.



December 2, 2024

To the Honorable Mayor and Members of the City Council  
City of Laguna Hills  
Laguna Hills, California

We have audited the financial statements of City of Laguna Hills, California (City) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 2, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards**

As communicated in our letter dated April 25, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 2, 2024.

We also performed agreed upon procedures on the Article XII-B Appropriation's Limit Calculation.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Management override of internal controls
- Revenue recognition
- Net pension liability, related deferred inflows/outflows of resources and pension expense.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application as of June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimates of the net pension liability, related deferred inflows and outflows of resources, pension expense, and disclosures.

Management's estimate of the pension information is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.



## *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

- The net pension liability and related deferred inflows/outflows of resources and expense in Note 8 are sensitive to the underlying actuarial assumptions used, including, but not limited to, the investment rate of return and discount rate. As disclosed in Note 8, a 1% increase or decrease in the discount rate has a material effect on the City's net pension liability.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

## **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated December 2, 2024.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Additionally, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

### **Group Audits**

The financial statements include the financial activity of the Laguna Hills Public Improvement Corporation (Corporation), a blended component unit. For the purposes of our audit, we do not consider the Corporation to be a significant component of the financial statements. Consistent with the audit of the financial statements as a whole, our audit included obtaining an understanding of the Corporation and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of Corporation and City as a whole, and completion of further audit procedures.

This report is intended solely for the information and use of the City Council, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and Members of the City Council  
City of Laguna Hills, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Laguna Hills, California (City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 2, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California  
December 2, 2024



Independent Accountant's Report on  
Applying Agreed-Upon Procedures Related to  
the Article XIII-B Appropriations Limit Calculation  
June 30, 2024

City of Laguna Hills, California



**Independent Accountant's Report  
on the Article XIII-B Appropriations Limit Calculation**

To the Honorable Mayor and Members of the City Council  
City of Laguna Hills, California

We have performed the procedures enumerated below, on the Appropriations Limit Calculation of the City of Laguna Hills, California (City) prepared in accordance with Article XIII-B of the California Constitution for the fiscal year ended June 30, 2024. The City's management is responsible for the Appropriations Limit Calculation.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Appropriations Limit Calculation. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We obtained the completed worksheets setting forth the calculations necessary to establish the City's appropriations limit and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

**Finding:** No exceptions were found as a result of this procedure.

2. We added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2023-2024 appropriations limit.

**Finding:** No exceptions were found as a result of this procedure.

3. We compared the current year information to the worksheets described in Procedure 1 above and to information provided by the California State Department of Finance.

**Finding:** No exceptions were found as a result of this procedure.

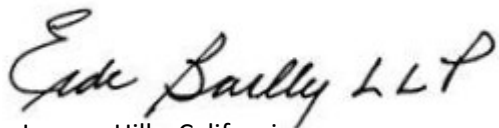
4. We agreed the prior year appropriations limit to the prior year appropriations limit adopted by the City Council.

**Finding:** No exceptions were found as a result of this procedure.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's Appropriations Limit Calculation for the fiscal year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of City Council and management of the City and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California

December 2, 2024



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** 2025 City Council Meeting Calendar

---

**Recommendation:** That the City Council adopt the 2025 City Council Meeting Calendar.

---

### **Background:**

In order to facilitate the preparation of agendas, as well as to provide adequate time for City Council Members and staff to plan schedules, it is helpful to review the City Council Meeting Calendar. The City Council, with proper noticing, can decide to adjourn a regular meeting to a specific date and time prior to its meeting or can call a Special Meeting, if the need for such a meeting arises. Please note that the second meeting in July, first meeting in August, and second meetings in November and December are, in regular practice, not held. The November 2025 meeting deviates from the typical schedule with the meeting on the 3rd Tuesday due to the 2nd Tuesday being Veterans Day and the 4th Tuesday meeting being Dark due to the Thanksgiving holiday. Also, as regular practice, the second meetings of each month are subject to cancellation if the City Manager determines there are not sufficient items to justify a meeting.

### **Fiscal Impact:**

There is no fiscal impact associated with this item.

### **Attachments:**

1. 2025 City Council Meeting List
2. 2025 City Council Meeting Calendar



## Calendar 2025

|             |                                                                           |
|-------------|---------------------------------------------------------------------------|
| January 1   | <b>New Year's Day Holiday (observed)</b><br><b>City Hall Closed</b>       |
| January 14  | Regular City Council/Planning Agency Meeting                              |
| January 28  | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| February 11 | Regular City Council/Planning Agency Meeting<br>Public Improvement Corp   |
| February 17 | <b>Presidents Day Holiday</b><br><b>City Hall Closed</b>                  |
| February 25 | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| March 11    | Regular City Council/Planning Agency Meeting                              |
| March 25    | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| April 8     | Regular City Council/Planning Agency Meeting                              |
| April 22    | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| May 13      | Regular City Council/Planning Agency Meeting                              |
| May 26      | <b>Memorial Day Holiday</b><br><b>City Hall Closed</b>                    |
| May 27      | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| June 10     | Regular City Council/Planning Agency Meeting                              |
| June 24     | Regular City Council/Planning Agency Meeting<br>(subject to cancellation) |
| July 4      | <b>City's Fourth of July Celebration</b><br><b>City Hall Closed</b>       |
| July 8      | Regular City Council/Planning Agency Meeting                              |

|                    |                                                                                                                                          |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>July 22</b>     | Regular City Council/Planning Agency Meeting<br><b>Dark Meeting</b>                                                                      |
| <b>August 12</b>   | Regular City Council/Planning Agency Meeting<br><b>Dark Meeting</b>                                                                      |
| August 26          | Regular City Council/Planning Agency Meeting                                                                                             |
| September 1        | <b>Labor Day Holiday</b><br><b>City Hall Closed</b>                                                                                      |
| September 9        | Regular City Council/Planning Agency Meeting                                                                                             |
| September 23       | Regular City Council/Planning Agency Meeting<br>(subject to cancellation)                                                                |
| October 14         | Regular City Council/Planning Agency Meeting                                                                                             |
| October 28         | Regular City Council/Planning Agency Meeting<br>(subject to cancellation)                                                                |
| November 11        | <b>Veterans Day Holiday (observed)</b><br><b>City Hall Closed</b><br>Regular City Council/Planning Agency Meeting<br><b>Dark Meeting</b> |
| November 18        | Regular City Council/Planning Agency Meeting                                                                                             |
| November 25        | Regular City Council/Planning Agency Meeting<br><b>Dark Meeting</b>                                                                      |
| November 27-28     | <b>Thanksgiving Holiday</b><br><b>City Hall Closed</b>                                                                                   |
| December 9         | Regular City Council/Planning Agency Meeting<br>City Council Reorganization                                                              |
| <b>December 23</b> | Regular City Council/Planning Agency Meeting<br><b>Dark Meeting</b>                                                                      |
| December 24 -31    | <b>Christmas Holiday</b><br><b>City Hall Closed</b>                                                                                      |



**City Council Meeting Calendar**

City Council Meetings

City Council Recess

City Holidays (City Hall Closed)

**January**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    | 1  | 2  | 3  | 4  |
| 5  | 6  | 7  | 8  | 9  | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 |    |

**February**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    |    |    |    | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 |    |

**March**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    |    |    |    | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 |    |    |    |    |    |

**April**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    | 1  | 2  | 3  | 4  | 5  |
| 6  | 7  | 8  | 9  | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 |    |    |    |

**May**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    |    | 1  | 2  | 3  |
| 4  | 5  | 6  | 7  | 8  | 9  | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

**June**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
| 1  | 2  | 3  | 4  | 5  | 6  | 7  |
| 8  | 9  | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 |    |    |    |    |    |

**July**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    | 1  | 2  | 3  | 4  | 5  |
| 6  | 7  | 8  | 9  | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 |    |    |

**August**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    |    |    | 1  | 2  |
| 3  | 4  | 5  | 6  | 7  | 8  | 9  |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 |    |    |    |    |    |    |

**September**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    | 1  | 2  | 3  | 4  | 5  | 6  |
| 7  | 8  | 9  | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 |    |    |    |    |

**October**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    | 1  | 2  | 3  | 4  |
| 5  | 6  | 7  | 8  | 9  | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 |    |

**November**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    |    |    |    |    |    | 1  |
| 2  | 3  | 4  | 5  | 6  | 7  | 8  |
| 9  | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 |    |    |    |    |    |    |

**December**

| S  | M  | T  | W  | T  | F  | S  |
|----|----|----|----|----|----|----|
|    | 1  | 2  | 3  | 4  | 5  | 6  |
| 7  | 8  | 9  | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 |    |    |    |

**Standard City Council Meeting Schedule:**

2<sup>nd</sup> & 4<sup>th</sup> Tuesday of each month, at 6:00 p.m.,  
in the Laguna Hills Council Chamber, located  
at: 24035 El Toro Road, Laguna Hills, CA 92653  
Meetings are dark on Holidays and during Council Recess

**City Hall is closed on the following holidays:**

|                                   |                            |
|-----------------------------------|----------------------------|
| New Year's Day                    | Labor Day                  |
| Martin Luther King, Jr's Birthday | Veterans Day               |
| President's Day                   | Thanksgiving and day after |
| Memorial Day                      | Christmas Eve through      |
| Independence Day                  | New Year's Eve             |



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Affirmation of Local Appointments List for City Boards, Commission, and Committees

---

**Recommendation:** That the City Council affirm the Local Appointments List and direct that it be posted on the City's website, at City Hall and in the Laguna Hills Branch Technology Library in accordance with Government Code Section 54972, the Maddy Act.

---

### Background:

The State Legislature found that there was a vast and largely untapped reservoir of talent existing among the citizenry of the State of California and that this resource was not, all too frequently, aware of the many opportunities which exist to participate in and serve on local regulatory and advisory boards, commissions, and committees. In order to provide access to information regarding vacancies which occur on local boards, commissions, and committees, Government Code Section 54972 requires that each legislative body prepare a Local Appointments List on or before December 31st of each year consisting of the following:

- A list of appointive terms, which will expire during the next calendar year, with the name of the incumbent appointee, the date of the appointment, the date the term expires, and the necessary qualifications for the position.
- A list of all boards, commissions, and committees whose members serve at the pleasure of the legislative body and the necessary qualifications for each position.

A Local Appointments List for the City of Laguna Hills is attached. After the City Council acts to affirm the list, a copy of the list will be posted on the City's website, at City Hall,

and in the Laguna Hills Branch Technology Library at the Community Center.

**Fiscal Impact:**

There is no fiscal impact associated with the affirmation of the Local Appointments List.

**Attachments:**

1. Local Appointments List

City of Laguna Hills  
**LOCAL APPOINTMENTS LIST**

Ongoing Commissions, Boards, and Committees  
(Pursuant to Government Code §54972 et seq.)

**Planning Agency**

City Council Members

established by Ordinance No. 9 and Laguna Hills Municipal Code Section 2-28.010

The members of the Laguna Hills City Council shall serve as members of the Planning Agency.

Planning Agency of the City pursuant to Government Code §65100 to carry out the purposes of Government Code Title 7. Planning and Land Use.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Janine Heft             | 12/13/2016                   | 12/10/2024                 |
| Erica Pezold            | 12/11/2018                   | 12/08/2026                 |
| Dave Wheeler            | 12/11/2018                   | 12/08/2026                 |
| Don Caskey              | 10/26/2021                   | 12/10/2024                 |
| Joshua Sweeney          | 12/13/2022                   | 12/08/2026                 |

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**Parks and Recreation Commission**

Five Members, Four-Year Staggered Terms

established by Resolution No. 92-04-14-5

amended by Resolution Nos. 96-02-13-1; 2005-09-13-1; 2006-01-10-1; 2009-08-25-4

All Commission Members, at all times during their incumbencies, must be a bona fide resident and registered voter of the City of Laguna Hills.

Advisory commission to the City Council pertaining to parks, recreation facilities, and recreational programming to balance community wants with municipality responsibility and resources.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Sanjay Mathur           | 01/18/2022                   | 01/31/2025                 |
| Patricia Thee           | 01/26/2021                   | 01/31/2025                 |
| Chris Bieber            | 05/23/2023                   | 01/31/2027                 |
| Marc Trocchio           | 05/23/2023                   | 01/31/2027                 |
| Michael Zozaya          | 05/23/2023                   | 01/31/2027                 |

---

**Traffic Commission**

Five Members, Four-Year Staggered Terms

established by Resolution No. 92-02-25-4

amended by Resolution No. 2005-09-13-2

All Commission Members, at all times during their incumbencies, must be a bona fide resident and registered voter of the City of Laguna Hills.

Advisory commission to the City Council pertaining safe and efficient movement of traffic, including pedestrians and bicycles, upon existing streets, roads and highways of the City.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Manuel Hernandez        | 03/10/2020                   | 01/31/2025                 |
| Mark Schaff             | 02/09/2021                   | 01/31/2025                 |
| Michael Caputo          | 06/14/2022                   | 01/31/2025                 |
| Neel Patel              | 05/23/2023                   | 01/31/2027                 |
| Scott Miller            | 02/27/2024                   | 01/31/2027                 |

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### **Audit Committee**

City Manager (or designee) and Two City Council Members  
established by City Council Action on March 14, 1995 and City Council Policy No. 105  
Committee Members must be a current member of the Laguna Hills City Council.

Advisory committee to the City Council for the purpose of providing a direct line of communication between the auditor and the City Council.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Joshua Sweeney          | 1/10/2023                    | Unlimited Term             |
| Don Caskey              | 12/14/2021                   | Unlimited Term             |

---

### **Events, Communication, and Beautification Committee**

Two City Council Members  
established by City Council Action on June 28, 2022  
Committee Members must be a current member of the Laguna Hills City Council.

Advisory committee to the City Council for the purpose of making recommendations on projects designed to maintain and enhance the appearance of public areas within the City, conduct research on communications programs, and develop and implement community events.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Erica Pezold            | 06/28/2022                   | Unlimited Term             |
| Janine Heft             | 06/28/2022                   | Unlimited Term             |

---

### **Economic Development Committee**

Two City Council Members  
established by City Council Action on June 28, 2022  
Committee Members must be a current member of the Laguna Hills City Council.

Advisory committee to the City Council for the purpose of promoting and supporting local businesses and encouraging a strong economy within the City.

| <b><u>Appointee</u></b> | <b><u>Date Appointed</u></b> | <b><u>Term Expires</u></b> |
|-------------------------|------------------------------|----------------------------|
| Dave Wheeler            | 06/28/2022                   | Unlimited Term             |
| Don Caskey              | 06/28/2022                   | Unlimited Term             |

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## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Resolution Updating Designation of Assistant and Deputy City Attorneys Within the Office of City Attorney as Required by Laguna Hills Municipal Code Chapter 2-20

---

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Updating Designation of Assistant and Deputy City Attorneys Within the Office of the City Attorney as Required by Laguna Hills Municipal Code Chapter 2-20."

---

### Background:

Chapter 2-20 of the Laguna Hills Municipal Code (LHMC) establishes the Office of the City Attorney. LHMC Section 2-20.010 specifies that the City Attorney's office shall include those Assistant and Deputy City Attorneys as may be authorized by the City Council. The functions of the Office of the City Attorney are as specified in LHMC Section 2-20.030. The City contracts with the law firm of Woodruff & Smart located in Costa Mesa to provide city attorney, general counsel, advisory, transactional, prosecutorial, and litigation services. Members of the firm designated as Assistant City Attorneys are subject to the City's Conflict of Interest Code requirements. The City Clerk recommends that the City Council adopt the proposed Resolution to update the members of the firm that are designated to serve as Assistant and Deputy City Attorneys, in accordance with the Laguna Hills Municipal Code.

### Fiscal Impact:

There is no fiscal impact associated with the adoption of the proposed resolution.



**Attachments:**

1. Proposed Resolution

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LAGUNA HILLS, CALIFORNIA, UPDATING DESIGNATION  
OF ASSISTANT AND DEPUTY CITY ATTORNEYS WITHIN  
THE OFFICE OF CITY ATTORNEY AS REQUIRED BY  
LAGUNA HILLS MUNICIPAL CODE CHAPTER 2-20

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, Chapter 2-20 of the Laguna Hills Municipal Code establishes the office of City Attorney and provides that the City Attorney shall administer the office and shall serve under the direct supervision and control of the City Council as its legal advisor, and that the City Attorney shall perform the functions set forth in Section 2-20.030 of the Laguna Hills Municipal Code; and

WHEREAS, Chapter 2-20 specifies that the City Attorney's office shall include those Assistant and Deputy City Attorneys as may be authorized by the City Council; and

WHEREAS, the City contracts with the law firm of Woodruff & Smart located in Costa Mesa to provide city attorney, general counsel, advisory, transactional, prosecutorial, and litigation services.

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

SECTION 1. The following members of the law firm of Woodruff & Smart are hereby designated as Assistant and Deputy City Attorneys, pursuant to Section 2-20.010 of the Laguna Hills Municipal Code:

Assistant City Attorneys:

Michael S. Daudt  
James H. Eggart  
Ricia R. Hager  
Jason M. McEwen  
Barbara Raileanu

Deputy City Attorneys:

Caroline A. Byrne  
Lindsay C. Caro  
Walter Crandall  
Daniel L. Cruz  
Michael D'Angelo L.  
David A. DeBerry  
Patrick M. Desmond

Deputy City Attorneys (continued):

James M. Donich  
Craig G. Farrington  
Kathya M. Firlik  
Christopher Grzelecki  
Nicholas A. Hutchins  
Adison G. Kahn  
David E. Kendig  
Bobbie A. Kraus  
Mark Monachino  
Brian A. Moore  
Laura A. Morgan  
Omar Sandoval  
Meredith D. Stewart  
Alyson C. Suh  
Whitney N. Tantisuwanna  
Cassie E. Trapesonian  
Michael C. Valdez  
Gary C. Weisberg

PASSED, APPROVED, AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_  
, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

---

JENNIFER LEE, CITY CLERK



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Resolution Amending and Restating City Council Policy No. 101 Regarding Procedures for the City Council Policy Manual

---

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Amending and Restating City Council Policy No. 101 Regarding Procedures for the City Council Policy Manual."

---

### **Background:**

There are several routine business practices and City Council protocols that the City Council has established over the years. These policies are outlined and compiled in the City Council Policy Manual. At the November 12, 2024, City Council special meeting, Mayor Wheeler agendaized a staff report requesting modifications to City Council Policy No. 101. Based on the direction provided by the City Council during the November 12, 2024, special meeting workshop, staff drafted the proposed resolution amending and restating City Council Policy No. 101. For reference, a relined version of City Council Policy No. 101 has been included as an attachment to the staff report.

### **Fiscal Impact:**

Action by the City Council on this matter has no fiscal impact to the City.

### **Attachments:**

1. Proposed Resolution Updating CC Policy No. 101
2. Redlined City Council Policy No. 101

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING AND RESTATING CITY COUNCIL POLICY NO. 101 REGARDING PROCEDURES FOR THE CITY COUNCIL POLICY MANUAL

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, the City Council adopted City Council Policy No. 101 on June 14, 1994 to establish a process for developing, approving, and revising City Council Policies; and

WHEREAS, the City Council desires to make changes to the current procedure as outlined in City Council Policy No. 101.

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. 101, entitled, "City Council Policy Manual," is hereby approved and adopted as set forth in Exhibit "A," a copy of which is attached hereto and is incorporated herein by reference.

PASSED, APPROVED AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

---

JENNIFER LEE, CITY CLERK

# CITY OF LAGUNA HILLS



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## CITY COUNCIL POLICY

**SUBJECT: CITY COUNCIL POLICY MANUAL**  
**POLICY No. 101**

*Effective Date: June 14, 1994*

*Last Revision: December 10, 2024*

---

### **PURPOSE:**

To establish a process for developing, approving, and revising City Council Policies which provide requirements to the City Manager for the administration, operation, and general health, safety, and welfare of the City.

### **BACKGROUND:**

In order to effectively carry out the day-to-day operations of the City, the City Manager and staff depend on an extensive body of laws, regulations, ordinances, codes, and policies for direction. Many of the policies promulgated by the City Council are established by adoption of ordinances and resolutions and shall be standalone requirements. City Council Policies when in conflict shall take precedence over the Municipal Code and General Plan.

### **POLICY:**

The following process shall be utilized to develop and maintain appropriate documentation of City Council policies:

1. New policies shall be prepared in written form and submitted to the City Council for approval. They become effective at the time the City Council takes action.
2. Existing policies may be recommended for deletion or modification by any Member of the City Council or the City Manager. Any such deletion or modification shall be placed on the City Council agenda and requires a majority vote for approval.
3. The City Council Policy Manual shall be maintained by the City Clerk. The City Council Policies shall be in the format attached as Exhibit A.
4. A copy of the City Council Policy Manual shall be maintained in a secure location and available on the city's public website.
5. The City Council Manual shall be set up using the following headings and numbering:

City of Laguna Hills  
City Council Policies  
Table of Contents



100 ADMINISTRATION AND GOVERNMENT

101 (Title)

200 BOARDS AND COMMISSIONS

201 (Title)

300 PLANNING, BUILDING, ENGINEERING, PARKS, AND MAINTENANCE

301 (Title)

400 RECREATION, HISTORICAL, AND CULTURAL

401 (Title)

500 GENERAL

501 (Title)

**ATTACHMENTS:**

- NONE

# CITY OF LAGUNA HILLS



## CITY COUNCIL POLICY

**SUBJECT: CITY COUNCIL POLICY MANUAL**  
**POLICY No. 101**

*Effective Date: June 14, 1994*

*Last Revision: ~~June 14, 1994~~ December 10, 2024*

### **PURPOSE:**

To establish a process for developing, approving, and revising City Council Policies which provide ~~broad, general guidelines~~requirements to the City Manager for the administration, operation, and general health, safety, and welfare of the City.

### **BACKGROUND:**

In order to effectively carry out the day-to-day operations of the City, the City Manager and staff depend on an extensive body of laws, regulations, ordinances, codes, and policies for direction. Many of the policies promulgated by the City Council are established by adoption of ordinances and resolutions and will shall be standalone requirements. City Council Policies when in conflict shall take precedence over ~~be included in~~ the Municipal Code and General Plan.

~~The purpose of the City Council Policy Manual is to provide general direction to assist City staff and members of City Commissions in conducting municipal affairs by identifying certain administrative/operational policies adopted by the City Council. From these broad policies, the City Manager and staff develop more specific administrative procedures designed to achieve the Council's goals and objectives.~~

~~These policies provide staff with general direction and are not intended to limit the City Manager's flexibility to adapt administrative procedures for different circumstances as needed.~~

### **POLICY:**

The following process will shall be utilized to develop and maintain appropriate documentation of City Council policies:

1. New policies will shall be prepared in written form and submitted to the City Council for approval. They become effective at the time the City Council takes action.
2. Existing policies may be recommended for deletion or modification by any Member of the City Council or the City Manager. Any such deletion or

modification ~~will~~shall be placed on the City Council agenda and requires a majority vote for approval.

3. The City Council Policy Manual ~~will~~shall be maintained by the City Clerk. The City Council Policies ~~will~~shall be in the format attached as Exhibit A.
4. A copy of the City Council Policy Manual ~~will~~shall be maintained in a secure location and available on the city's public website ~~the same location as the City Council Reading File.~~
5. The City Council Manual ~~will~~shall be set up using the following headings and numbering:

City of Laguna Hills  
City Council Policies  
Table of Contents

## 100 ADMINISTRATION AND GOVERNMENT

101 ~~City Council Policies~~(Title)

~~105—Financial Policies~~

~~110—Recognition Policy~~

~~115—Council Member Participation in the 2007-2008 General Plan Update Process (Minute Order)~~

## 200 BOARDS AND COMMISSIONS

201 ~~Appointment of Commissioners~~(Title)

~~205—Commissioner Attendance at Meetings~~

## 300 PLANNING, BUILDING, ENGINEERING, PARKS, AND MAINTENANCE

301 ~~Park Site Planning~~(Title)

~~305—Advertising/Temporary Signs in City Parks~~

~~309—Community Center Facility Reservation Policy~~

~~310—Public Reservations and Fee Policy~~

~~311—Group Picnic/Park Reservation Policy~~

~~312 Athletic Field Tournament Policy~~

~~313 Gymnasium Rental and Use Policy~~

~~314 Athletic Field/Roller Hockey Facility Reservation Policy~~

~~315 Tree Preservation~~

~~316 Special Event Permit and Reservation Policy~~

~~320 Contract Change Order~~

~~330 Placement of Telecommunication Facilities on City-owned Property~~

~~340 Disposition of Surplus Land~~

~~350 Residential Streets Traffic Management Policy~~

400 RECREATION, HISTORICAL, AND CULTURAL

~~401 (Title)~~

500 GENERAL

~~501 (Title)~~

~~505~~

**ATTACHMENTS:**

- ~~Format for City Council Policies~~None



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Resolution Amending and Restating City Council Policy No. 125 Regarding Procedures for the City Council Policy Manual

---

**Recommendation:** That the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, Amending and Restating City Council Policy No. 125 Regarding Procedures for the Delivery of City Council Agendas."

---

### **Background:**

There are several routine business practices and City Council protocols that the City Council has established over the years. These policies are outlined and compiled in the City Council Policy Manual. At the November 12, 2024, City Council special meeting, Mayor Wheeler agendaized a staff report requesting modifications to City Council Policy No. 125. Based on the direction provided by the City Council during the November 12, 2024, special meeting workshop, staff drafted the proposed resolution amending and restating City Council Policy No. 125. For reference, a relined version of City Council Policy No. 125 has been included as an attachment to the staff report.

### **Fiscal Impact:**

Action by the City Council on this matter has no fiscal impact to the City.

### **Attachments:**

1. Proposed Resolution Updating CC Policy No. 125
2. Redlined City Council Policy No. 125

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LAGUNA HILLS, CALIFORNIA, AMENDING AND  
RESTATING CITY COUNCIL POLICY NO. 125 REGARDING  
PROCEDURES FOR THE DELIVERY OF CITY COUNCIL  
AGENDAS

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, the City Council adopted City Council Policy No. 125 on October 8, 2019 to establish guidelines for the delivery of the City Council meeting agenda to Council Members and members of the public; and

WHEREAS, the City Council desires to make changes to the current procedure as outlined in City Council Policy No. 125.

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. 125, entitled, "Delivery of Agenda," is hereby approved and adopted as set forth in Exhibit "A," a copy of which is attached hereto and is incorporated herein by reference.

PASSED, APPROVED AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_  
, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

---

JENNIFER LEE, CITY CLERK

# CITY OF LAGUNA HILLS



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## CITY COUNCIL POLICY

**SUBJECT: DELIVERY OF AGENDA**  
**POLICY No. 125**

*Effective Date: October 8, 2019*

*Last Revision: December 10, 2024*

---

### **PURPOSE:**

To establish guidelines for the delivery of the City Council meeting agenda to Council Members and members of the public.

### **POLICY:**

The purpose of this policy is to provide staff general direction and establish guidelines regarding the delivery of the City Council agenda and supplemental information to City Council Members and members of the public.

1. Pursuant to State law, agendas for regular City Council meetings must be posted a minimum of 72 hours in advance. For regularly scheduled Tuesday City Council meetings, agendas must be posted no later than the Saturday preceding the meeting by 6:00 p.m.
2. The City Council meeting agenda and agenda packet shall be made available to City Council Members and members of the public by 5:00 p.m. on the Friday prior to the meeting.
3. In instances where there is a minimum of 4 weeks or more period of time preceding a City Council meeting, staff will endeavor to release the City Council meeting agenda and agenda packet for the upcoming City Council meeting no later than 5:00 p.m. on the Wednesday prior to the meeting.
4. Upon the release of the City Council meeting agenda and agenda packet, should any changes to the material occur after the release of the agenda and agenda packet, City Council Members will be provided with a Hot Envelope detailing the changes to the agenda or agenda packet after publication. This information will concurrently be made available to members of the public.
5. The City Clerk shall deliver the Agenda Planning Calendar to the City Council at least twice per month. The Agenda Planning Calendar shall show the forecast for the next 12 months.



**City Council Policy  
No. 125  
Delivery of Agenda Policy**

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**ATTACHMENTS:**

- NONE

# CITY OF LAGUNA HILLS



## CITY COUNCIL POLICY

SUBJECT: DELIVERY OF AGENDA  
POLICY No. 125

Effective Date: October 8, 2019

Last Revision: ~~11/11~~ December 10, 2024

### PURPOSE:

To establish guidelines for the delivery of the City Council meeting agenda to Council Members and members of the public.

### POLICY:

The purpose of this policy is to provide staff general direction and establish guidelines regarding the delivery of the City Council agenda and supplemental information to City Council Members and members of the public.

- 1) Pursuant to State law, agendas for regular City Council meetings must be posted a minimum of 72 hours in advance. For regularly scheduled Tuesday City Council meetings, agendas must be posted no later than the Saturday preceding the meeting by 7~~6~~:00 p.m.
- ~~2) As has been the City's regular practice, the~~ The City Council meeting agenda and agenda packet is shall be made available to City Council Members and members of the public by 5:00 p.m. on the Friday prior to the meeting.
- ~~3) In instances where there is a minimum of 4 weeks or more period of time preceding a City Council meeting, staff will endeavor to release the City Council meeting agenda and agenda packet for the upcoming City Council meeting no later than 5:00 p.m. on the Wednesday prior to the meeting.~~
- ~~4) While staff will endeavor to release the City Council meeting agenda and agenda packet by the time guidelines detailed above, there may be instances where staff may be unable to meet the stated timeframes. If that is the case, the City Council meeting agenda and agenda packet will be released upon completion.~~
4. Upon the release of the City Council meeting agenda and agenda packet, should any changes to the material occur after the release of the agenda and agenda packet, City Council Members will be provided with a Hot Envelope detailing the changes to the agenda or agenda packet after

**City Council Policy**  
**No. 125**  
**Delivery of Agenda Policy**

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publication. This information will concurrently be made available to members of the public.

~~5)5.~~ The City Clerk shall deliver the Agenda Planning Calendar to the City Council at least twice per month. The Agenda Planning Calendar shall show the forecast for the next 12 months.

~~6)6.~~ This policy is not intended to limit the City Manager's flexibility to address different and/or unanticipated circumstances, as needed. The City Manager may exercise his sole discretion and judgment in deciding the timing of the production and release of the City Council meeting agenda and agenda packet, with the exception of timing as is required by law.

**ATTACHMENTS:**

- NONE



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Joe Ames, Public Works Director/City Engineer  
Greg Simonian, City Attorney  
**Issue:** Declare Former Globe Property (APN: 616-022-04) as Exempt Surplus Land

---

**Recommendation:** That the City Council declare the former Globe Property (APN: 616-022-04) as Exempt Surplus Land, and adopt a Resolution entitled, "A Resolution of the City Council of the City of Laguna Hills, California, Declaring Real Property (APN No. 616-022-04) as Exempt Surplus Land Pursuant to the Surplus Land Act, Government Code Section 54220 Et Seq. and Making CEQA Findings."

---

### Background:

The former Globe Property is a remnant parcel of land owned in fee simple by the City and sits adjacent to the Interstate 5 (I-5) freeway next to St. George's Episcopal Church (23802 Avenida de la Carlota). The Property remains vacant and has never been used for a City purpose. Staff recommends that the City Council declare the Property as exempt surplus land under the small parcel exemption, pursuant to the Surplus Land Act.

The Surplus Land Act ("SLA") (Government Code Section 54220 et seq.) generally requires local agencies to make surplus property available for affordable housing and governmental uses before disposing of it. A "disposition" under the SLA means the sale or long-term lease (over 15 years) of surplus property. The SLA defines surplus land as "land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use." An "agency's use" includes, but is not limited to, land that is being used or is planned to be used pursuant to a written plan adopted by the local agency's governing board for agency work or operations (Government Code

Section 54221). The California Department of Housing and Community Development (State HCD) oversees the disposition of surplus land by local agencies.

For property that meets the above definition, the SLA requires the governing board to declare property as either “surplus” or “exempt surplus” before the agency takes any action to dispose of the property consistent with the agency’s procedures. There are a number of statutory exemptions under the Surplus Land Act that may apply to surplus property, including a small parcel exemption for land that is: 1) less than one-half acre in area (< 21,780 sq. ft.); and 2) is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes (Government Code Section 54221(f)(1)(B)). Both criteria must be met. An agency may dispose of exempt surplus land without going through the noticing procedures for affordable housing or governmental uses.

The Globe Property is a vacant parcel that sits directly adjacent to the I-5 freeway and private property owned by a church. The Property is 7,899 square feet and irregularly configured in the shape of an isosceles triangle. It has been vacant and unused since at least 2003 and has never been needed for a City use or purpose. The Property is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes. Over the years, City staff has evaluated potential re-uses for the Property and has determined that it is not being used or planned to be used to support City work or operations.

For the above-stated reasons, the Property meets the small parcel exemption under Government Code Section 54221(f)(1)(B). Staff recommends that the City Council adopt a Resolution (**Attachment 1**) declaring the Property as exempt surplus land. Should the City Council formally declare the Property as exempt, City Staff will notify State HCD of its determination and seek concurrence that the Property is exempt. Once the City receives written confirmation from HCD, which generally takes 30 days, the Property can be leased or sold for any purpose without further regard to the SLA.

### **CEQA Findings:**

The declaration of real property as exempt from the SLA does not commit the City to a definite course of action, and thus does not qualify as a project approval for purposes of the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*; Cal. Code. Regs., Tit. 14, §§ 15000 *et seq.*). (Cal. Code Regs., Tit. 14, § 15352.) Even if the declaration could be construed as a project approval for CEQA purposes, it would qualify for the CEQA exemption applicable to surplus government property sales/leases that are not located in areas of statewide, regional, or areawide concern. (Cal. Code

Regs., Tit. 14, §§ 15312; 15206(b)(4).) Should the City Council make the recommended declaration, staff is directed to file and post a Notice of Determination and a Notice of Exemption accordingly.

**Fiscal Impact:**

There is no fiscal impact with this item.

**Attachments:**

1. Proposed Resolution Including Exhibits

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DECLARING REAL PROPERTY (APN NO. 616-022-04) AS EXEMPT SURPLUS LAND PURSUANT TO THE SURPLUS LAND ACT, GOVERNMENT CODE SECTION 54220 ET SEQ. AND MAKING CEQA FINDINGS

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the City owns property identified as APN No. 616-022-04 as further depicted in Exhibit "A," attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, pursuant to the Surplus Land Act, Government Code Section 54220, et seq. (the "Act"), land must be declared either "surplus land" or "exempt surplus land," as supported by written findings, before a local agency may take any action to dispose of it; and

WHEREAS, pursuant to the Act, "surplus land" means land that is surplus and is not necessary for the agency's use; and

WHEREAS, "exempt surplus land" includes "Surplus land that is less than one-half acre in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes" (Government Code Section 54221(f)(1)(B)); and

WHEREAS, the Property is approximately 7,899 square feet, which is less than one-half of an acre, as further described in Exhibit "B," attached hereto and incorporated herein by this reference; and

WHEREAS, the Property is located adjacent to the Interstate 5 freeway and another property owned by a private property owner, and it is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and

WHEREAS, City Staff has evaluated the Property and has determined that it is not needed for a City use; and

WHEREAS, the accompanying staff report provides supporting information upon which the declaration and findings set forth in this Resolution are based.

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

SECTION 1. The above findings and recitals are true and correct and are incorporated herein in full by this reference.

SECTION 2. The City Council hereby determines that the Property is not necessary for the City's use and declares that the Property is exempt surplus land, as defined by the Act.

SECTION 3. The City Manager, or designee, is authorized to proceed with the requirements of the Act to facilitate the disposition of the Property.

SECTION 4. The declaration of the Property as exempt from the Surplus Land Act does not commit the City to a definite course of action, and thus does not qualify as a project approval for purposes of the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*; Cal. Code. Regs., Tit. 14, §§ 15000 *et seq.*). (Cal. Code Regs., Tit. 14, § 15352.) Even if CEQA applied, the declaration would qualify for the exemption applicable to sales/leases of surplus land, except for parcels of land located in an area of statewide, regional, or areawide concern identified in Section 15206(b)(4). (Cal. Code. Regs., Tit. 14, § 15312.) The Property is not within an area of statewide, regional, or areawide concern, as set forth in Section 15206(b)(4). Staff is directed to file a Notice of Determination and a Notice of Exemption accordingly.

PASSED, APPROVED AND ADOPTED this 10<sup>th</sup> day of December 2024.

---

, MAYOR

ATTEST:

---

JENNIFER LEE, CITY CLERK



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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution  
No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 10<sup>th</sup> day of December 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

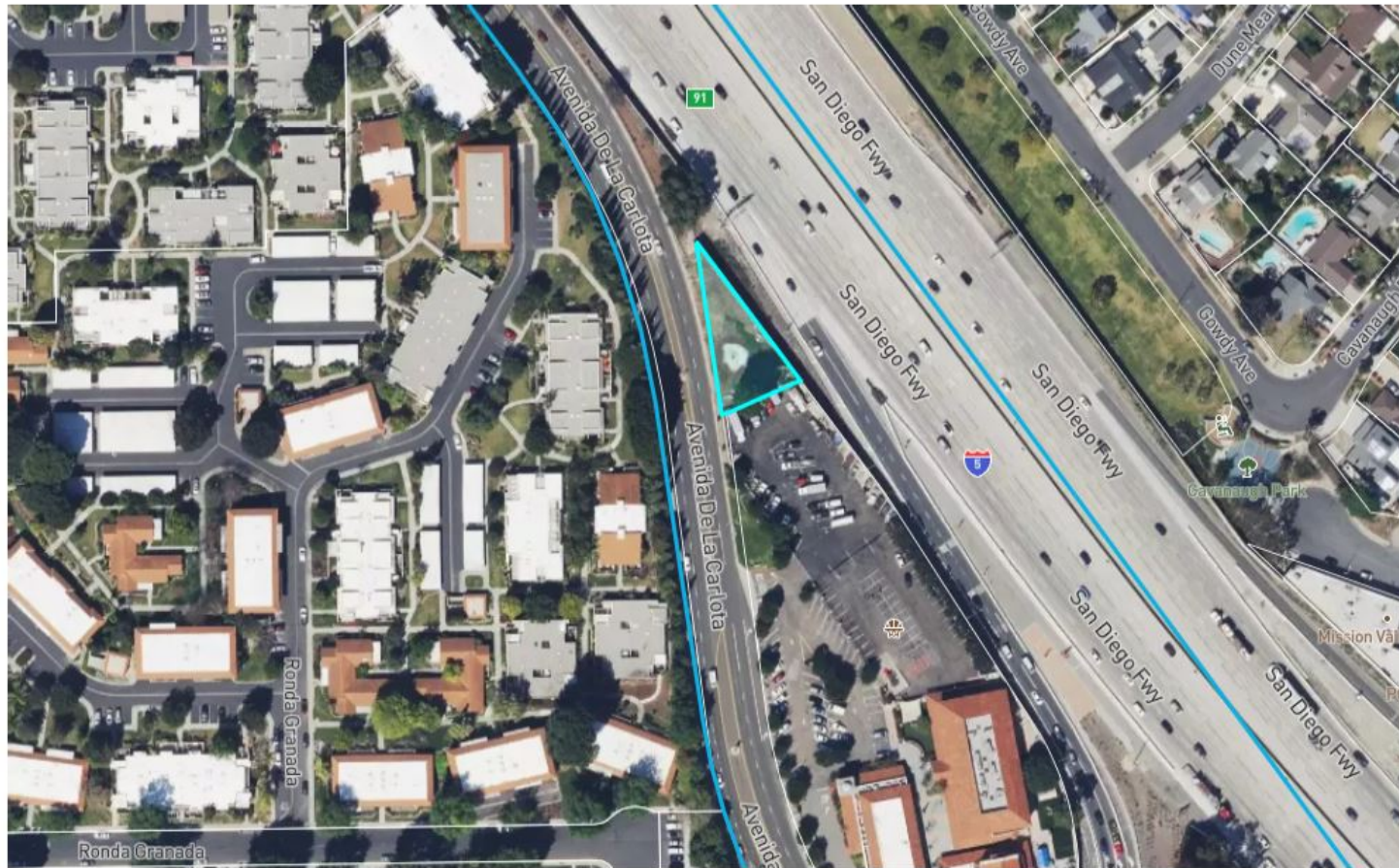
(SEAL)

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JENNIFER LEE, CITY CLERK

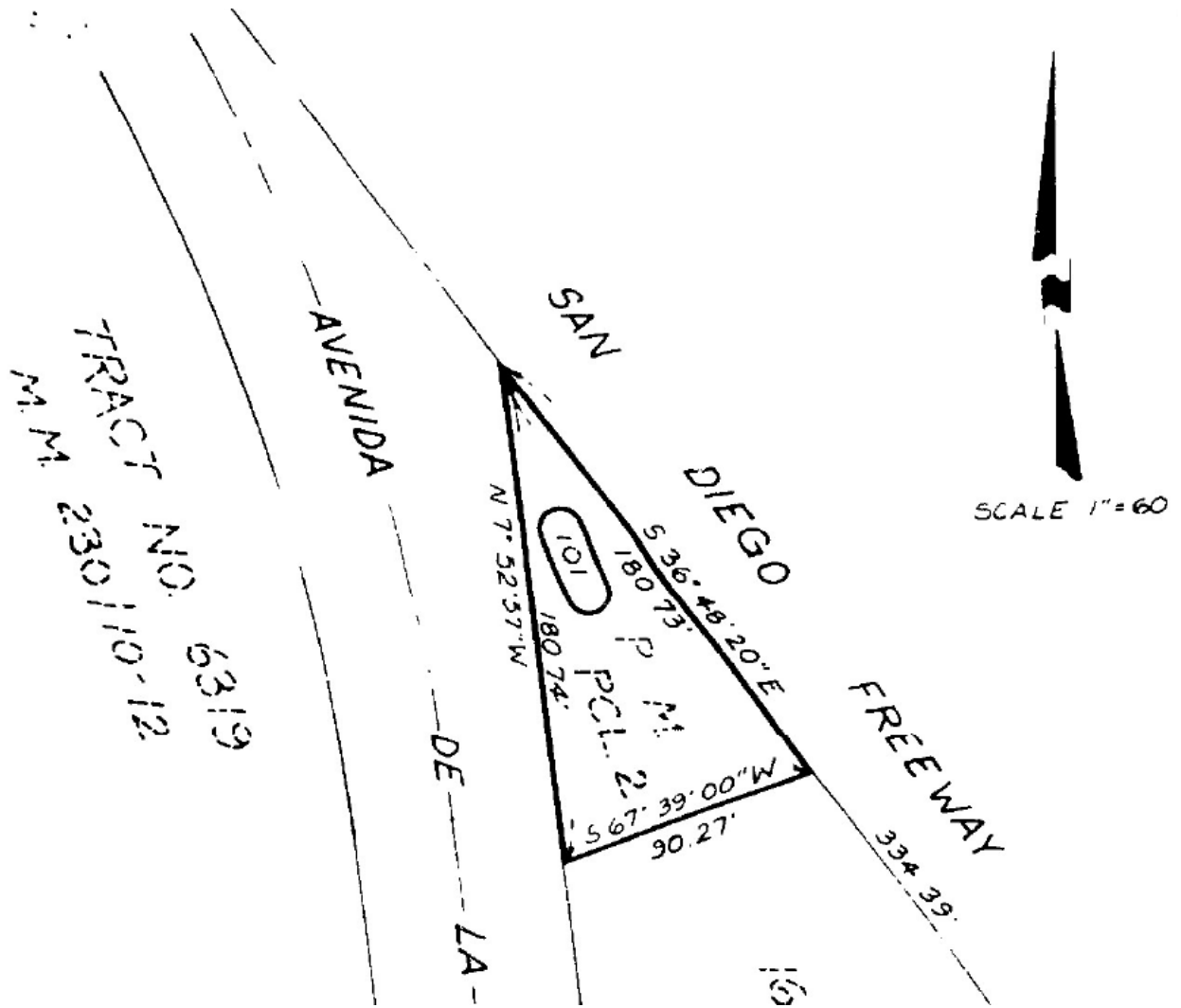
## Exhibit "A"

Former Globe Property



|                                                                                                                                                                                                                                                       |                 |            |                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------|---------------------------------------------------------------------------------------|
| 1" = 175 ft                                                                                                                                                                                                                                           | APN: 616-022-04 | 07/01/2024 |  |
| This map may represents a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information. |                 |            |                                                                                       |

Exhibit "B"





## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Joe Ames, Public Works Director/City Engineer  
**Issue:** Assignment and Assumption Agreement for NPDES Program Management and Inspection Consulting Services

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**Recommendation:** That the City Council: 1) Approve the proposed Assignment and Assumption Agreement relating to the 2023 Professional Services Agreement between the City of Laguna Hills and WSP USA Environment and Infrastructure, Inc. for NPDES Program Management and Inspection Consulting Services; and 2) Authorize the City Manager to execute the Assignment and Assumption Agreement.

---

### Background:

The City manages compliance with the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permits issued by the San Diego and Santa Ana Regional Water Quality Control Boards with the assistance of a consultant, WSP USA Environmental and Infrastructure, Inc.

On June 13, 2023, the City and WSP USA Environmental and Infrastructure, Inc. entered into a Professional Services Agreement for NPDES Program Management and Inspection Consulting Services ("Agreement") for a contract term of three (3) years ending on June 30, 2026, which may be duly amended, in writing, for an additional two years. By way of written correspondence, attached, on November 11, 2024, WSP USA Environmental and Infrastructure, Inc, notified the City that it will merge into WSP USA, Inc. With this merger, WSP USA Environmental and Infrastructure, Inc. will cease to exist as of December 31, 2024, and WSP USA, Inc. will remain as the successor entity.

Section 4.3 of the Agreement requires the written consent of the City prior to any transfer or assignment of the Agreement to a different company or corporate entity.

WSP USA, Inc. requested that the City consent to and allow it to formally assume rights, obligations, and interests under the Agreement for the remainder of the term of the Agreement.

WSP USA, Inc. will retain the same personnel assigned to the current contract; therefore, it is anticipated that service will continue without any interruptions.

Approval of the Assignment and Assumption Agreement, including authorizing the City Manager to execute the Agreement, is recommended.

**CEQA Findings:**

CEQA Guidelines Section 15378 specifically excludes organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

**Fiscal Impact:**

None. Costs will remain as-is and will not be changed by the approval of the Assignment and Assumption Agreement.

**Attachments:**

1. Proposed Assignment and Assumption Agreement
2. Agreement WSP USA Environmental and Infrastructure, Inc.
3. Notification of Merger

**ASSIGNMENT AND ASSUMPTION AGREEMENT  
RELATING TO THE 2023 PROFESSIONAL SERVICES AGREEMENT FOR NPDES  
PROGRAM MANAGEMENT AND INSPECTION CONSULTING SERVICES  
BETWEEN THE CITY OF LAGUNA HILLS AND  
WSP USA ENVIRONMENT AND INFRASTRUCTURE INC.**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into, and is to be effective on December 10, 2024, by and among the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California ("City"); WSP USA ENVIRONMENT AND INFRASTRUCTURE INC., a Nevada corporation (hereinafter "Assignor"); and WSP USA INC., a New York corporation (hereinafter "Assignee"). City, Assignor, and Assignee are hereinafter collectively referred to as the "Parties."

**RECITALS**

A. City and Assignor previously entered into that certain Professional Services Agreement, dated June 13, 2023, for NPDES Program Management and Inspection Consulting Services, for an initial contract term of three (3) years commencing on June 13, 2023, and ending on June 30, 2026, (the "Agreement"). Section 3.4 of the Agreement provides the City with the unilateral option, at its sole discretion, to renew and extend the term of the Agreement for no more than one (1) additional two (2)-year term extension under the same terms and conditions.

B. On November 11, 2024, Assignee notified the City through written correspondence that on December 31, 2024 Assignee will acquire Assignor and will continue to provide NPDES Program Management and Inspection Consulting Services pursuant to the terms and conditions set forth in the Agreement.

C. Section 4.3 of the Agreement requires the written consent of the City prior to any transfer or assignment of the Agreement to a different entity. Assignor and Assignee have requested that the City consent to and allow Assignee to formally assume Assignor's rights, obligations, and interest under the Agreement.

D. Assignee now wishes to assume all of Assignor's rights, obligations, and interest in the Agreement and requests City's consent and authorization to the transfer and assignment of the Agreement to Assignee.

E. Accordingly, City, Assignor, and Assignee desire to clarify, affirm, and acknowledge their respective rights and obligations under the terms of the Agreement.

**ASSIGNMENT AND ASSUMPTION**

NOW, THEREFORE, for valuable consideration, the Parties hereby agree as follows:

1. Assignment. As of December 31, 2024, Assignor hereby assigns to Assignee all of the rights, title, interests, liability, burdens, and obligations of Assignor under the Agreement.

2. Assumption. As of December 31, 2024, Assignee hereby assumes all of the rights, title, interests, burdens and obligations of Assignor under the Agreement, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Agreement, and to be subject to all the terms and conditions thereof.



3. Binding on Successors. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

4. Notice Address. The Notice Address of Assignee described in Section 10.2 of the Agreement shall be:

WSP USA Inc.  
Attention: Hillary Jassey  
One Penn Plaza, 4<sup>th</sup> Floor  
New York, NY 10119  
Telephone: (212) 465-5000

5. Counterparts. This Assignment may be signed in multiple counterparts, each of which shall constitute an original.

6. Except as modified in this Assignment, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed and delivered this Assignment as of the day and year first above written.

**THE CITY OF LAGUNA HILLS**, a California  
municipal corporation

\_\_\_\_\_  
Jarad L. Hildenbrand,  
City Manager

Attest:

\_\_\_\_\_  
(SEAL)  
Jennifer Lee,  
City Clerk

Approved as to form:

\_\_\_\_\_  
Gregory E. Simonian,  
City Attorney

**WSP USA ENVIRONMENTAL AND  
INFRASTRUCTURE INC.**, a Nevada corporation

\_\_\_\_\_  
By: Andrew J. Lynn  
Its: Vice President

\_\_\_\_\_  
By: Hillary F. Jassey  
Its: Assistant Secretary

**WSP USA INC.**, a New York corporation

\_\_\_\_\_  
By: Andrew J. Lynn  
Its: Vice President

\_\_\_\_\_  
By: Hillary F. Jassey  
Its: Secretary

**PROFESSIONAL SERVICES AGREEMENT**  
**WSP USA Environment and Infrastructure, Inc.**  
*(NPDES Program Management and Inspection Consulting Services)*

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective the 13<sup>th</sup> day of June 2023, 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 WSP USA ENVIRONMENT AND INFRASTRUCTURE, INC., a Nevada 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 environmental protection and civil engineering consulting services firm for the purpose of assisting the City with NPDES program management and inspection services (the "Project").

B. In response to City's Request for Proposals, dated February 8, 2023, Consultant has submitted to City a proposal, dated March 21, 2023, to provide professional environmental protection and civil engineering 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 technical expertise to provide professional NPDES program management and inspection consulting 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 necessary to perform the work and services contracted for herein.

D. City desires to retain Consultant to provide such professional 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 the professional NPDES program management and inspection consulting services to City for the Project as set forth in the Proposal/Scope of Work, dated March 21, 2023, 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; (2) the Consultant's signed, original Proposal/Scope of Work dated March 21, 2023 ("Consultant's Proposal") submitted to City; and (3) City's 4-page Scope of Services Description, which shall all be referred to collectively hereinafter as the "Contract Documents." The Consultant's Proposal is attached hereto as Exhibit "A" and is hereby incorporated by reference and made a part of this Agreement. The City's 4-page Scope of Services Description is attached hereto as Exhibit "B" and is hereby incorporated by reference and made 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: (1<sup>st</sup>) the terms and conditions of this Agreement; (2<sup>nd</sup>) the terms and conditions of City's 4-page Scope of Services Description (Exhibit "B"); and (3<sup>rd</sup>) 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 Services (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 Five Hundred Seventy Five Thousand Dollars (\$575,000.00) (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 (10<sup>th</sup>) 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 **Optional CPI Adjustment.** The fees, rates, and/or unit prices set forth in Consultant's Proposal (Exhibit "A") shall remain fixed and unchanged for the first three years of the term of this Agreement (i.e., from June 13, 2023 through June 30, 2026). Thereafter, Consultant may submit a request to adjust its fees, rates, and/or unit prices once per year during the remainder of the term of the Agreement as provided for herein. However, approval of any request to adjust Consultant's fees, rates, and/or unit prices as set forth herein shall be made at the sole discretion of the City Manager, in writing, and is subject to the City's approved budget. Such fee, rate, and/or unit pricing adjustment(s), if any, shall not exceed the value of the change in the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year. In no event shall any adjustment of any fee, rate, and/or unit pricing as authorized by this section exceed five percent (5%) per year regardless of CPI or any other cost factors.

2.4 **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.

**2.5 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, pandemics, 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 continue in full force and effect for an initial period of three (3) years, commencing on June 13, 2023, and ending on June 30, 2026 ("Initial Term"). The City shall have the unilateral option, at its sole discretion, to renew and extend the term of this Agreement

for no more than one additional two (2) year term ("Renewal Term").

**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 project 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 project 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: **Theodore Von Bitner, Ph.D., Assistant Vice President/ Environmental Scientist**. 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 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 and hold the City, its elected and appointed officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officers, directors, employees, subcontractors, consultants or agents, in connection with Consultant's performance under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent that the Work or Services performed by Consultant are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. 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. 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 such claims or liabilities arising from the sole or active negligence or willful misconduct of City.

## **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

To Consultant: WSP USA Environment and Infrastructure, Inc.  
Pete Campbell, Senior Vice President  
Theodore Von Bitner, Ph.D., Assistant Vice President  
9177 Sky Park Court  
San Diego, California 92123  
Telephone: (858) 514-6401  
(949) 642-0245

**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.

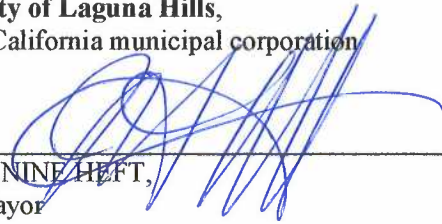
B. DIR Registration. If the Work or Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial 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.

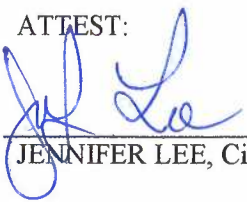
[SIGNATURES ON NEXT PAGE]

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

  
\_\_\_\_\_  
JANINE HEFT,  
Mayor

ATTEST:

  
\_\_\_\_\_  
(SEAL)  
JENNIFER LEE, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
GREGORY E. SIMONIAN,  
City Attorney

**"CONSULTANT"**  
**WSP USA Environment and**  
**Infrastructure, Inc.,** a Nevada corporation

By:   
\_\_\_\_\_  
PETE CAMPBELL,  
Senior Vice President

By:   
\_\_\_\_\_  
BRAD KNIGHT,  
Senior Vice President/ Secretary

**EXHIBIT "A"**

**CONSULTANT'S PROPOSAL/ SCOPE OF WORK  
FOR  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES**

**DATED: MARCH 21, 2023**

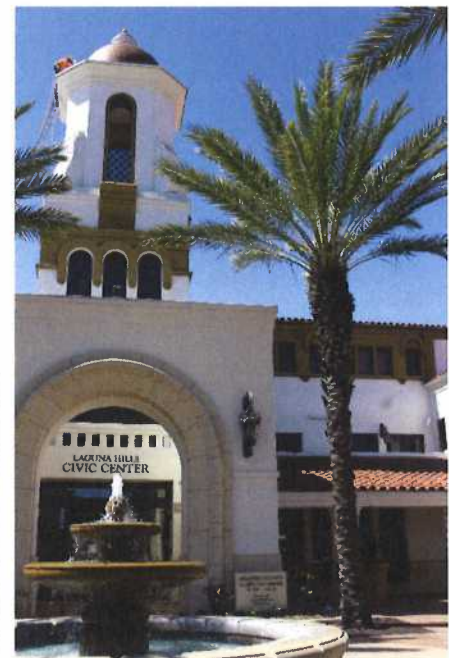
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SCOPE OF SERVICES FOR PROJECT  
INCLUDING,  
SCHEDULE OF PERFORMANCE  
AND  
SCHEDULE OF COMPENSATION/ FEES

## Technical Proposal: ORIGINAL

City of Laguna Hills  
NPDES Program Management and Inspection Services  
March 21, 2023

Joe Ames  
Public Works Director  
24305 El Toro Road  
Laguna Hills, CA 92653





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**A. Cover Letter**

3560 Hyland Avenue  
(949) 642-0245  
wsp.com

March 21, 2023

Joe Ames, Public Works Director  
City of Laguna Hills  
24305 El Toro Road  
Laguna Hills, CA 92653

**Subject: Proposal for NPDES Program Management and Inspection Services**

Dear Mr. Ames,

WSP USA Environment & Infrastructure, Inc. (WSP) would like to thank you for the opportunity to submit a proposal for NPDES Program Management and Inspection Services for the City of Laguna Hills.

The attachment to this cover letter provides a summary of WSP's qualifications to provide the services outlined in the RFP. We have successfully delivered similar projects for many other Orange County cities and are an active participant in the Orange County Stormwater Program helping to guide countywide efforts to comply with NPDES requirements.

From commercial/industrial inspection services, to Water Quality Management Plan (WQMP) review and post-construction BMP inspections, to statewide Trash Amendments compliance plan development and OCTA M2 Tier 1 grants acquisition, to water pollution response and source investigations we have implemented all aspects of local agency stormwater programs and have experience with program implementation under both the Santa Ana and San Diego Region Phase I Municipal Separate Storm Sewer System (MS4) permits.

**The WSP Team Advantage:**

- ✓ Local team with decades of experience led by a proven Project Manager
- ✓ Environmental compliance is our core capability
- ✓ Decades of successful on-call contract service history
- ✓ Proven methodology
- ✓ Commitment to QA/QC
- ✓ Knowledge of local environment

WSP is a global leader in consulting and engineering across the energy and built environment. We provide consulting, projects, and operations solutions in more than 60 countries, and employ approximately 40,000 people. WSP's southern California offices are staffed by more than 400 professional planners, biologists, and scientists. Our Costa Mesa, CA office is only 15 miles from Laguna Hills City Hall and has been designated as the project management location for this contract.

The proposed key team members, as well as numerous other staff members within our organization will be immediately available to perform the described program management and inspection services. Theodore (Ted) W. Von Bitner, who will serve as the Principal-in-Charge, and Kacen Clapper, proposed Project Manager, are authorized to negotiate a binding contract on behalf of WSP and the parties named in this proposal. Our corporate office and local addresses and the primary point of contact during the evaluation process are listed in Table 1.



Table 1 – WSP Contact Information

| Legal Name & Corporate Office                                                                           | Main Point of Contact                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WSP USA Environment & Infrastructure, Inc.<br>1075 Big Shanty Road NW, Suite 100,<br>Kennesaw, GA 30144 | Kacen Clapper, Project Manager<br>3560 Hyland Avenue, Suite 100,<br>Costa Mesa, CA 92626<br>Direct: 714-624-2722<br><a href="mailto:kacen.clapper@wsp.com">kacen.clapper@wsp.com</a> |

#### PROFESSIONAL SERVICES AGREEMENT STATEMENT & ADDENDUM ACKNOWLEDGEMENT

WSP declares that we have reviewed and are ready to execute the City's standard form Professional Services Agreement (Attachment 4) and acknowledge receipt of all RFP addenda.

#### ACQUISITION NOTICE

Effective September 21, 2022, Wood Environment & Infrastructure Solutions, Inc. was acquired by WSP. Because of the acquisition, we have changed our name to WSP USA Environment & Infrastructure Inc. No other aspects of our legal entity or capabilities have changed for this proposal, including our Federal Tax ID, which remains 91-1641772.

#### MAIN POINT OF CONTACT

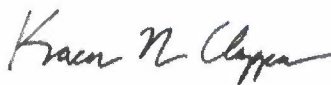
Should you have any questions regarding either the scope of work or our fee schedule, Kacen Clapper will be your primary point of contact. Correspondence can be sent to him at our address listed below or he may be contacted at (714) 624-2722 or at his email address is [kacen.clapper@wsp.com](mailto:kacen.clapper@wsp.com).

Sincerely,

**WSP USA Environment & Infrastructure, Inc.**



Theodore Von Bitner, PhD  
Principal-In-Charge



Kacen Clapper, CPSWQ  
Project Manager



## B. Company Data

### Official Name and Address

WSP USA Environment and Infrastructure, Inc. (WSP)

**Corporate Headquarters:** 1075 Big Shanty Road NW, Suite 100, Kennesaw, GA 30144

### Primary Point of Contact

Pete Campbell, Senior Vice President and California Business Lead.

San Diego Office, 9177 Sky Park Court, San Diego CA, 92123

### Entity Type

Corporation

### Federal Employer ID Number

91-1641772

### Firm Locations Contact Information

We've provided the address, telephone numbers and authorized email addresses of each of our California office locations in Table 1. Additional locations are available upon request.

| Table 1: WSP California Office Locations                     |                   |                       |
|--------------------------------------------------------------|-------------------|-----------------------|
| Office Address                                               | Telephone Numbers | Email Address         |
| 3560 Hyland Avenue, Suite 100, Costa Mesa, CA 92626          | (949) 642-0245    | Pete.Campbell@wsp.com |
| 1281 East Alluvial Avenue, Suite 101, Fresno, CA 93720       | (559) 264-2535    |                       |
| 6001 Rickenbacker Road, Los Angeles, CA 90040                | (323) 889-5300    |                       |
| 180 Grand Avenue, Suite 1100, Oakland, CA 94612              | (510) 663-4100    |                       |
| 3120 Chicago Avenue, Suite 110, Riverside, CA 92507          | (951) 369-8060    |                       |
| 9177 Sky Park Court, San Diego, CA 92123                     | (858) 278-3600    |                       |
| 5 Third Street, Suite 222, San Francisco, CA 94103           | (415) 543-8422    |                       |
| 104 West Anapamu Street, Suite 204A, Santa Barbara, CA 93101 | (805) 962-0992    |                       |

### Firm Ownership Statement

WSP USA Environment and Infrastructure, Inc. is a wholly-owned subsidiary of WSP USA Inc., Our ultimate parent organization is WSP Global, Inc.

### Number of Years in Business (Under Present Name)

WSP has extensive experience providing the type of services requested by the City for this contract. Over the past 35 years, WSP's project team provided similar or identical services to a variety of clients within southern California including the cities of Laguna Niguel, Laguna Beach, Dana Point, San Juan Capistrano, San Clemente, Anaheim, Santa Ana, Costa Mesa, Seal Beach, Newport Beach, Buena Park, Garden Grove, Irvine, Newport Beach, San Diego, Encinitas, Oceanside and Imperial Beach; the counties of Orange, Riverside, San Diego, San Bernardino, Los Angeles; the Ports of San Diego, Long Beach, and Los Angeles; John Wayne Airport, San Diego County Regional Airport Authority, and the California Department of Transportation. Our experience with these clients has included many aspects of the environmental services elements related to this RFP.



### Years of Experience Providing Required, Equivalent and Related Services

Table 2 lists project experience covers numerous examples of the projects similar in scope, complexity, and regulatory compliance implications as would be expected by the City.

| Table 2: The WSP Team’s Local Experience and Strong Qualifications Match the Contract Needs | LIP/JRMP Updates                     | Program Management | Training and Audits | Copermittee Meetings | Permit Renewal Support | Monitoring Programs | Third-party Reports | JRMP/WQIP Integration | Resource Impact Assessment | MS4 Permit Renewal    | TMDL Developments | Trash Amendments Policy | Proposed New Regulations | Grant Applications | Data Compilation and | JRMP/WQIP Reporting | Financial Analysis | WQIP strategies |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------|---------------------|----------------------|------------------------|---------------------|---------------------|-----------------------|----------------------------|-----------------------|-------------------|-------------------------|--------------------------|--------------------|----------------------|---------------------|--------------------|-----------------|
|                                                                                             | MS4 Permit Compliance                |                    |                     |                      |                        | WQIP Support        |                     |                       |                            | Regulatory Compliance |                   |                         |                          | Reporting          |                      |                     |                    |                 |
|                                                                                             | City of Laguna Niguel                | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  | •                    | •                   | •                  | •               |
|                                                                                             | City of Dana Point                   | •                  |                     |                      | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        |                    | •                    |                     |                    | •               |
|                                                                                             | City of Laguna Beach                 | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  | •                    | •                   |                    | •               |
|                                                                                             | City of San Juan Capistrano          | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        |                    | •                    | •                   | •                  | •               |
|                                                                                             | City of San Clemente                 | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  | •                    | •                   | •                  | •               |
|                                                                                             | City of Anaheim                      | •                  | •                   | •                    | •                      | •                   | •                   | •                     |                            |                       | •                 |                         | •                        | •                  | •                    | •                   |                    |                 |
|                                                                                             | City of Santa Ana                    | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  | •                    | •                   |                    |                 |
|                                                                                             | City of Costa Mesa                   | •                  | •                   | •                    |                        |                     |                     |                       |                            |                       | •                 |                         | •                        | •                  |                      | •                   | •                  |                 |
|                                                                                             | City of Garden Grove                 |                    |                     | •                    |                        |                     |                     |                       |                            |                       | •                 |                         | •                        | •                  |                      |                     |                    |                 |
|                                                                                             | John Wayne Airport                   | •                  | •                   | •                    | •                      | •                   | •                   | •                     |                            | •                     | •                 | •                       | •                        | •                  | •                    | •                   | •                  |                 |
|                                                                                             | City of San Diego                    | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  | •                    | •                   | •                  |                 |
|                                                                                             | City of Imperial Beach               |                    | •                   | •                    | •                      | •                   | •                   |                       | •                          | •                     | •                 | •                       | •                        | •                  |                      | •                   | •                  |                 |
|                                                                                             | County of San Diego                  |                    | •                   | •                    | •                      |                     | •                   | •                     | •                          | •                     | •                 | •                       |                          | •                  |                      | •                   | •                  |                 |
|                                                                                             | San Diego Regional Airport Authority | •                  | •                   | •                    | •                      | •                   | •                   | •                     | •                          | •                     | •                 | •                       | •                        | •                  |                      | •                   | •                  | •               |



## 1 Laguna Niguel Urban Runoff Improvement Program

Laguna Niguel, CA

**Project Description:** Stormwater Compliance Services

**WSP Scope of Work:** WSP has provided Storm Water Compliance technical support to the City's Public Works Department since 2016 including serving in an Environmental Programs management role for the City since June 2021. Through this experience we have developed insights into daily program activities and important areas of support need. Building on this knowledge our work plan approach is based on key service areas:

1. Program Management
2. Program Implementation
3. TMDL and WQIP Technical Consultation
4. Meeting Support and Public Education
5. Project Planning and Grant Administration
6. Program Reporting
7. WQIP Focused Special Studies

In the past years of service to the City, WSP staff supported a number of efforts that provide high profile recognition to the City and its commitment to environmental programs. In 2022, the City received a Best Award from the American Public Works Association related to the Salt Creek Wetland Mitigation Project. In 2020, WSP started a dry weather flow reduction special study for the City to address WQIP-related goals and this work has led to successfully reducing dry weather flows into the MS4 in support of the Unnatural Water Balance and Pathogen Health Risk High Priority Water Quality Conditions

| Agency or Client Name                          | Project Developer             | Construction Cost | Project Size           |
|------------------------------------------------|-------------------------------|-------------------|------------------------|
| City of Laguna Niguel, Public Works Department | Kathy Nguyen, Program Manager | Not Applicable    | \$383,000 over 5 years |

| Key Personnel (Including Project Manager)                                                                              | Task Relevancy                                   |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Kacen Clapper (Project Manager), Theodore Von Bitner (Principal), Brent Smith, Mike Lowther, Ellen RFP Smith, Lijun Xi | Similar in scope, size, and complexity to City's |

### Performance Dates

2016 to Present

### On-Time Within Budget

✓ ✓



WSP performs municipal BMP inspections at City owned property.

## 2 San Juan Capistrano Jurisdictional Runoff Management Program

San Juan Capistrano, CA

**Project Description:** NPDES Program Implementation

**WSP Scope of Work:** WSP has provided NPDES program implementation services to the City's Public Works Department since 2014 including a wide range of services including program management; performing inspections of commercial, industrial, residential, municipal, and construction properties; preventing illegal discharges/illicit connections; providing WQMP plan check services; developing each phase of the Water Quality Improvement Plans (WQIP); and providing TMDL implementation support. Our approach is based on six key service areas:

1. Program Management
2. Program Implementation and Technical Advisory
3. Compliance Inspections
4. Meeting Support and Public Education
5. Project Planning and Grant Administration
6. Program Reporting

### Performance Dates

2014 to Present

### On-Time Within Budget

✓ ✓



WSP investigates public complaints such as an oil spill by private property owners and helps the City to enforce the IC-ID regulations in the municipal code.



WSP supported the City through the 2015 permit adoption including development of their jurisdictional strategies incorporated into the June 2018 Water Quality Improvement Plan. In 2022, WSP successfully helped the City to receive an OCTA Environmental Clean Up program grant award intended to support the Trash Amendments program

| Agency or Client Name                                                                                                        | Project Developer        | Construction Cost                                    | Project Size       |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------|--------------------|
| City of San Juan Capistrano, Public Works Department                                                                         | Joe Parco, City Engineer | Not Applicable                                       | \$130,000 per year |
| Key Personnel (Including Project Manager)                                                                                    |                          | Task Relevancy                                       |                    |
| Theodore Von Bitner (Project Manager), Kacen Clapper, Brent Smith, Mike Lowther, Tom Perry, Sarah Seifert, and Teresa Perone |                          | Similar in scope, size, and complexity to City's RFP |                    |

### 3 Santa Ana Inspection and NPDES Program Support Services

Santa Ana, CA

**Project Description:** Regulatory compliance inspections, NPDES program support, and as-needed services

**WSP Scope of Work:** WSP supports the City of Santa Ana with a range of technical services related to the Santa Ana Regional Water Quality Control Board issued MS4 permit including:

1. Commercial, Industrial, and Municipal Inspections
2. Inspection database management
3. WQMP verification and O&M inspections
4. Trash Amendments policy Track 1 program
5. Newport Bay TMDL technical advisory services
6. PEA annual reporting assistance
7. As-needed services including environmental engineering, storm water sampling, Copermittee meetings, grant application assistance, and source investigations

Since 2004, WSP has been supporting the City with the NPDES program but our services to the City have evolved over the years as the MS4 permit requirements grew in complexity and volume. Ours services started with the commercial-industrial inspection program and evolved into additional subjects such as municipal facilities, WQMPs, Trash Provisions, TMDL regulatory support, public complaint investigations, and for a short period of time included serving as the interim NPDES Program Manager. WSP is a full service consulting firm that can help the City respond to a variety of regulatory, engineering, and program management issues.

| Performance Dates |               |
|-------------------|---------------|
| 2004 to Present   |               |
| On-Time           | Within Budget |
| ✓                 | ✓             |



WSP performed thousands of commercial inspections with zero safety incidences and has a record of success for providing high quality work

| Agency or Client Name                                                                                                                    | Project Developer | Construction Cost                                    | Project Size          |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------|-----------------------|
| City of Santa Ana Public Works Administration                                                                                            | Craig Foster      | Not Applicable                                       | \$1.625M over 5 years |
| Key Personnel (Including Project Manager)                                                                                                |                   | Task Relevancy                                       |                       |
| Brent Smit (Project Manager), Kacen Clapper, Mike Lowther, Ted Von Bitner, Dylan Cawthorne, Ellen Smith, Michael Jones, Martin Spongberg |                   | Similar in scope, size, and complexity to City's RFP |                       |



### All Comparable Contracts Entered Into During the Last Five Years (Completed or Not)

WSP is a large international company and thus, has numerous ongoing and completed contracts at any given time. For the purposes of this proposal, we have provided the following local, relevant, and comparable contracts:

### Any Failures or Refusals to Complete a Contract and Explanation

WSP is a large international services company and as such, there are inevitably disputes arising from time to time. While details of those disputes are confidential, we can confirm that there are no disputes or litigation of any kind, that individually or collectively, will have a material effect upon the quality of WSP's performance and its ability to provide services for this contract.

### Ownership

WSP Environment and Infrastructure Inc.'s ultimate parent WSP Global Inc. is a Canadian corporation publicly traded on the Toronto Stock Exchange.

### Financial Interests in Other Lines of Business

WSP Environment and Infrastructure, Inc. does not have any financial interests in other lines of business.

### Litigation/Adverse Judgement History

WSP is a large international services company and as such, there are inevitably disputes arising from time to time. While details of those disputes are confidential, we can confirm that there are no disputes or litigation of any kind, that individually or collectively, will have a material effect upon the quality of WSP's performance and its ability to provide services for this contract.

### Termination of Contract "For Cause" History

WSP USA Environment and Infrastructure, Inc. has thousands of contracts for the performance of professional services outstanding at any given moment in time. Please be advised it would be unusual for WSP to fail to complete a project. From time to time, the client or WSP has suspended or terminated a contract for their convenience.

## C. Resumes and Qualifications of Personnel

WSP USA realizes that the success of a project relies heavily on the individual team members' capabilities and experience. WSP USA's team includes certified, experienced planners and seasoned professional engineers, resource specialists, and managers with decades of experience in Southern California. Our key personnel for this assignment were selected because they have demonstrated a successful track record with the service areas requested by the City. WSP USA's key personnel are qualified to perform the specific consulting services requested by the City.

### Personnel Staffing Plan

#### Staff Availabilities to Perform Technical Services to be Provided

We have provided our key personnel availability and location/proximity to the City in Table 2.

| Key Personnel       | Contract Role                                                                                                                                                                       | Availability | Location   |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|
| Theodore Von Bitner | Principal-In-Charge and Technical Lead (TMDLS, Trash Amendments, Special Studies)                                                                                                   | 10%          | Costa Mesa |
| Kacen Clapper       | Project Manager and Technical Lead (Program Meetings, NPDES Planning, MS4 Reporting, CIP Water Quality Planning, Outreach Materials/Events, Illegal Discharges/Illicit Connections) | 30%          | Costa Mesa |
| Brent Smith         | Technical Lead (SWPPP/ESCP Review, Construction BMP Inspections, NPDES Training and CIP Grants)                                                                                     | 5%           | Costa Mesa |

**Table 2: Key Personnel Commitment and Availability**

| Key Personnel   | Contract Role                                      | Availability | Location   |
|-----------------|----------------------------------------------------|--------------|------------|
| Keri Gannon, PE | Technical Lead (WQMP Reviews)                      | 10%          | San Diego  |
| Mike Lowther    | Technical Lead (WQMP and Facility BMP Inspections) | 10%          | Costa Mesa |

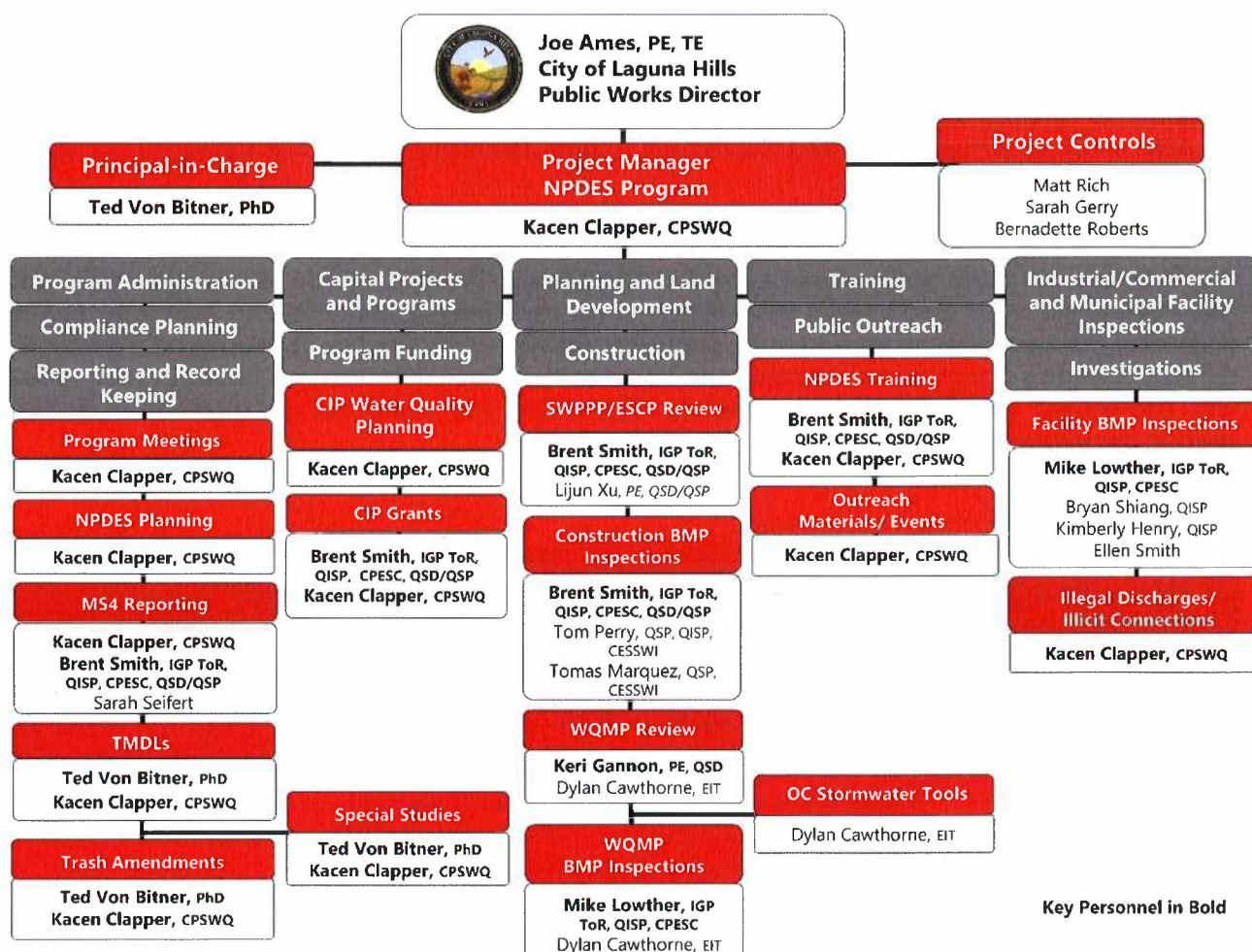
### Resumes

Resumes for key personnel are provided in Appendix B for key personnel.

### Organizational Chart

WSP USA's organization chart (Figure 4) reflects the titles of key staff and management contacts of each individual assigned to provide services under this proposal. The organization chart identifies the resources we use to provide consulting services to federal, state, and local agencies and special use districts. Our team has successfully implemented the contract scope of work on similar assignments in each of the service areas identified by the City.

### Organization Chart



Staff Transition Plan. We understand and concur with the City's requirement that key personnel identified in the Organizational Chart remain during the term of the agreement and any proposed replacement requires City approval prior to making the staff change. In the event that there are proposed changes in



key personnel during the term of the agreement that are outside of our firm's control or if the City requests such change.

#### D. References

In Table 3, we have provided references for similar services of the nature and scope as set forth in the RFP within the last five years.

| <b>Table 3: WSP References Within the Last Five Years</b> |                                                                                                 |                                                                                                                                                                                                                                     |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Agency Name</b>                                        | <b>Contact Person</b>                                                                           | <b>Description of Services Provided</b>                                                                                                                                                                                             |
| City of Laguna Niguel                                     | Kathy Nguyen<br>Engineering Services Manager<br>949-362-4341<br>kanguyen@cityoflagunaniguel.org | Program Management, Meeting Support, Technical Advisor (Bacteria TMDL, Trash Amendments Planning), Special Studies, Grant Administration, Plan Check Services, Wetlands Program Management, LIP/WQIP Annual Reporting               |
| City of San Juan Capistrano                               | Jeremy Hohnbaum<br>Senior Civil Engineer<br>949-449-1190<br>JHohnbaum@sanjuancapistrano.org     | Program Management, Meeting Support, Technical Advisor (Bacteria TMDL, Trash Amendments Planning, CHWSRS), Special Studies, Grant Administration, WQMP Plan Check Services, LIP/WQIP Updates, ICID Investigations, Annual Reporting |
| City of Santa Ana                                         | Craig Foster<br>NPDES Manager<br>714-647-5659<br>cfoster@santa-ana.org                          | NPDES Compliance Services: Industrial/Commercial Facility Inspections, Trash Amendments Planning, TMDL Compliance, illegal discharges and illicit connections, Annual Reporting                                                     |
| City of Dana Point                                        | Lisa Zawaski<br>Senior Water Quality Engineer<br>949-248-3584<br>lzawaski@danapoint.org         | Bacteria TMDL Program, LIP and WQIP Special Studies, Water Quality Regulations, Trash Amendments Planning                                                                                                                           |

#### E. Project Understanding, Overview and Approach

WSP has a proven track record of providing high-quality, efficient services for NPDES program management and inspection services for cities and counties throughout southern California. We have provided Phase I Municipal Separate Storm Sewer System (MS4) permit compliance consulting services for over 21 years under both the San Diego Regional MS4 permit and Santa Ana Orange County MS4 permit. We also have extensive experience implementing relevant state-wide general permits (i.e., Construction General Permit (CGP) and Industrial General Permit (IGP)), in land development water quality management plan (WQMP) development and review, facility construction and post-construction BMP inspections, and have led countless pollutant source investigations and special studies. As some of these services may be more efficiently completed at the City's Public Works offices, WSP proposes to provide these services to the City through a combination of on-site and remote support. Our Costa Mesa office is located only 15 miles from City Hall, allowing us to be available on very short notice. In addition to on-call on-site support, WSP can also provide regularly scheduled in-person support staff at City offices to further improve the efficiency of our services. Our understanding of the scope and the

Our approach to providing NPDES Program Management and Inspection Services to the City is based on the following service areas:

- 1. Program Administration**
- 2. Compliance Planning**
- 3. Program Funding**
- 4. Training**
- 5. Capital Projects and Programs**
- 6. Planning and Land Development**
- 7. Construction**
- 8. Industrial/Commercial and Municipal Facility Inspections**
- 9. Investigations**
- 10. Public Outreach**
- 11. Reporting and Record Keeping**



envisioned methods for providing technical support under each service area is described in the following sections.

### **Program Administration**

NPDES regulations continue to evolve and municipal programs need to adapt accordingly. Tracking changes, their potential implications to existing City programs, and the development and implementation of new jurisdictional runoff management programs is an important component of program administration. Active participation in Orange County Stormwater Program committees and subcommittees is the foundation for these efforts in Orange County. As lead permittee, the County of Orange coordinates and implements these committees which drive watershed planning and improvement plan development, model program development, and monitoring and reporting programs through a Copermittee cost share budget. It is vital that the City has a voice at these committee meetings to help influence program development and changes. It is also important that City staff are aware of new regulations and mandates, and updates to model programs. WSP staff already attend many Orange County Stormwater Program committee meetings on behalf of other clients and have been directly involved for over a decade in a variety of aspects of watershed planning, model plan development, and monitoring efforts both as a consultant and directly as former County staff. Our proposed project manager, Kacen Clapper, was also a recent co-chair of the California Stormwater Quality Agency (CASQA) Policy and Permitting subcommittee and has been at the forefront of tracking precedent setting changes in NPDES regulations that may impact municipalities throughout California, including the draft Los Angeles Region commercial, industrial and institutional permit (CII Permit) and San Diego Region biological objectives.

WSP expects to provide the following areas of support as part of its Program Administration services to the City:

- ▶ Attend and represent the City at various Orange County Stormwater Program and regulatory compliance meetings
- ▶ Monthly program update meetings to brief City staff on changing mandates and regulations and new technologies in program implementation
- ▶ Coordination with City departments regarding NPDES Program issues including pollution incident investigations and public and private property development and usage
- ▶ Efforts to evaluate and improve NPDES Program policies and procedures
- ▶ Program budget and cost estimate preparation
- ▶ Navigating the budget development and approval process including City council staff reports
- ▶ Implementing and tracking program expenditures
- ▶ Monthly progress reports to accompany WSP invoices for services

Our Program Administration services will include three 2-hour Orange County Stormwater Program and regulatory compliance meetings per month. Monthly 1-hour program update meetings to City staff, general project management and monthly progress reports, and 3-hours per month of additional as-needed technical assistance and help desk support to City staff regarding NPDES Program compliance.

### **Compliance Planning**

The WSP team has extensive experience implementing regulatory-based environmental programs and managing NPDES Program compliance including Water Quality Improvement Plan (WQIP) development, Total Maximum Daily Load (TMDL) compliance planning, Track 1 and Track 2 plan development under the statewide Trash Amendments, and project implementation through the Integrated Regional Water Management (IRWM) planning process. As both the Santa Ana and San Diego Phase I MS4 permits are in the process of renewal it is expected there will be increased compliance planning related efforts needed during both the permit renewal process and to development and revise planning related documents to meet new permit requirements. It is our understanding that the City of Laguna Hills submitted a request to the Santa Ana Regional Water Quality Control Board to have the San





Diego Regional Water Quality Control Board exclusively regulate the programmatic elements of the City's NPDES Program when the next term Phase I MS4 permits are adopted. As there remains uncertainty in when this change will be officially granted, and it is anticipated that the City will still be responsible for complying with Water Quality Based Effluent Limitations (WQBELs) and TMDLs requirements for the Newport Bay watershed, WSP's proposed approach for Compliance Planning services assumes the continued need for support under both permits.

WSP staff have been involved since initial development of the South Orange County WQIP in 2015 and currently assist several south Orange County cities with providing comments on WQIP documents, completing WQIP jurisdictional strategy table updates, and BMP data entry within the web-based BMP asset and modeling tool, OC Stormwater Tools. A key component of the WQIP includes compliance with the Beaches and Creeks Bacteria TMDLs. New significant milestones for the bacteria TMDLs are anticipated in the coming year as a revised tentative bacteria TMDL Time Schedule Order (TSO) was released in December 2022 and may be adopted in 2023. WSP's proposed Project Manager, Kacen Clapper helped the South Orange County Copermittees, to develop the original bacteria TMDL Comprehensive Load Reduction Plans and has been actively involved in comment development on the draft TSO and in state efforts to identify technical and regulatory actions needed to initiate revisions to current bacteria-based objectives.

In 2018, the San Diego Regional Board issued a California Water Code section 13383 administrative order to south Orange County cities to select either a Track 1 or Track 2 pathway for compliance with new statewide Trash Amendments. In response WSP developed Track 2 compliance plans for four Orange County cities and is currently assisting four additional cities with Track 1 compliance planning and implementation. WSP also led countywide efforts to draft a land substitution guidance document to assist with compliance with the new regulations. We have also assisted several Orange County cities with improving the accuracy of modeled land use trash generation rates (TGRs) through on-land visual trash assessment (OVTA) surveys and have now conducted over 1,800 OVTAs to refine TGRs and compliance plan targets largely resulting in notable cost saving to clients.

The South Orange County IRWM Plan is an important component to identifying and securing funding for significant water resources related projects within the region. WSP has assisted clients with grant implementation through the IRWM process and is currently working as a local city representative with water agencies such as the Moulton Niguel Water District to identify and plan potential future multi benefit stormwater capture and reuse projects.

In north Orange County WSP has also been involved with compliance planning efforts under the Santa Ana Region Orange County MS4 Permit. Efforts have included support to local clients in representing their interests in Newport Bay Watershed TMDL program planning, statewide Trash Amendments program planning, IRWM program efforts, and providing overall regulatory compliance and program guidance.

Our Compliance Planning services to the City include efforts under both the Santa Ana and San Diego MS4 permits. Areas of expected support to the City include:

- ▶ Preparing City comments on Orange County Stormwater Program developed planning documents and materials
- ▶ Preparing City comments on Regional Board issued orders
- ▶ Participation in WQIP Comprehensive Human Waste Source Reduction Strategy (CHWSRS) program planning and implementation on behalf of the City
- ▶ Managing implementation of the WQIP high priority water quality condition initiatives including City specific jurisdictional strategies such as a MS4 outfall dry weather flow reduction
- ▶ Statewide Trash Amendments policy program implementation and compliance assessment
- ▶ Newport Bay watershed TMDLs implementation efforts and compliance assessment

Our services will include 8 hours/month in support of Compliance Planning services as defined in the RFP. Special studies targeting bacteria and flow reductions or Trash Amendments related OVTAs are anticipated to require additional work and would pursue as task cost savings is presented and at the direction of the City's project manager.

### Program Funding

The South Orange County WQIP includes an overall goal that runoff from >9,000 acres of existing impervious surface area will be addressed through structural storm water BMPs (e.g., biofiltration basins, treatment wetlands, storm water capture and reuse, etc.) and goals for stream restoration and stabilization to mitigate past impacts from land development. The statewide Trash Amendments have additional requirements for trash capture for priority land use areas and Watershed Management Plans are currently being developed for north Orange County they will likely bring additional project-based water quality improvement goals. Laguna Hills, like many south Orange County cities, may wish to seek grants to help fund its stormwater related CIP projects. WSP understands projects may include a mixture of Federal, State, and Local funds. Over the past 21 years, we have assisted with obtaining grants, performing administrative and technical tasks required of the grants, and developing reports compliant with stringent grant funding requirements. We have assisted with Proposition 84, the Clean Water State Revolving Fund, and Measure M funded projects, and Proposition 1 Stormwater projects. Recently, WSP helped several Orange County cities secure multiple OCTA M2 Tier 1 grants to install catch basin trash capture screens to help meet statewide Trash Amendment requirements.

As part of WQIP implementation every south Orange County city is now being asked to identify additional potential projects within their jurisdiction and explore funding opportunities. WSP can provide support to the City in all aspects of project planning and grant administration to ensure program funding initiatives.

Areas of expected support to the City in Program Funding include:

- ▶ Initial CIP stormwater project scoping and analysis
- ▶ Grant application preparation
- ▶ Potential multi agency coordination, memorandum of understanding and contract development, and cost share agreement preparation
- ▶ Grant administration and budget oversight
- ▶ Grant related monitoring and reporting

Our services in support of this task will include 20 hours/year in support of Program Funding services as defined in the RFP.

### Training

WSP staff have been providing NPDES training services in southern California for several decades, for industrial facilities since 1998, airports since 2003, and other construction contractors and municipal clients since 2012. Several local WSP staff are Industrial General Permit Trainers of Record (IGP ToR) and have trained WSP and client staff to become certified Qualified Industrial Storm Water Practitioners (QISPs). WSP training presentations provided for municipal, industrial, and construction target audiences typically provide an overview of relevant NPDES permit requirements, common issues, and BMPs that should be implemented. We have conducted annual NPDES MS4 trainings for other clients and can build on these materials to develop an individually crafted presentation to match the tone, themes, and message desired by the City.

WSP staff have completed many of the County's Drainage Area Management Plan (DAMP) model programs trainings including the Industrial/Commercial Inspector Training, Illicit Discharge and Illegal Connection Training, and Post-Construction BMP Inspection Training. In fact, every WSP inspector completes an extensive training program based on the Orange County Stormwater Programs core competencies program for municipal, industrial, and commercial inspectors. As the County's model

programs are updated to reflex changes in new pending MS4 permits, WSP will be tracking these changes and attend any additional proper or pertinent trainings provided by the County.

Areas of expected support to Training include:

- ▶ Annual in-person NPDES MS4 training for City staff
- ▶ Tracking changes to County-wide training module programs and attending pertinent trainings as-needed

Our services in support of this task will include 8 hours/year in Training services as defined in the RFP.

### **Capital Projects and Programs**

WSP has extensive experience providing as-needed stormwater quality support for capital improvement program (CIP) projects. WSP's team includes civil design engineers and technical support staff to assist with a variety of public facilities, transportation, water, wastewater, and energy projects. We have extensive experience in the development, review and implementation of plans and specifications for public works projects including required NPDES elements. Our staff routinely review WQMPs, provide recommendations for post-construction structural treatment control BMPs, and review construction compliance documents such as Storm Water Pollution Prevention Plans (SWPPPs), Erosion and Sediment Control Plans (ESCP), and Water Pollution Control Plans (WPCP). We have QSD/QSPs available to complete the construction inspections or to assist with preparing the Notice of Intent (NOI) in the SWRCBs Stormwater Multiple Application and Report Tracking System (SMARTS) to obtain coverage under the Construction General Permit (CGP).

Areas of expected support to Capital Projects and Programs include:

- ▶ Support in selecting, developing, and implementing NPDES elements of CIP projects
- ▶ Conducting municipal facility post-construction BMP maintenance inspections
- ▶ Providing CGP related inspection and SMARTS reporting assistance

Our services in support of this task will include 2 inspections per year as defined in the RFP.

### **Planning and Land Development**

WSP staff have an in-depth understanding of the County's New Development/Re-Development Standards and Technical Guidance Document (TGD). Our team routinely provide engineering services for grading and drainage projects associated with site development and redevelopment, and stormwater BMPs (first flush treatment, green infrastructure, etc.), making us well suited for the review of such projects. WSP's engineers have experience with a wide range of civil engineering projects and can collaborate and confer with developers on designs for detention and retention ponds, drainage swales, culverts, underground storm drain systems, hydraulic modification considers, and overall site grading considerations for new and redevelopment projects. We are experienced water quality engineers and are familiar with the necessary coordination between grading and drainage design and stormwater quality analysis and design and understand the range of local regulations, state regulations and federal regulations to find the best solution to project water quality issues.

Our team has reviewed hundreds of WQMPs for Orange County projects and is currently providing WQMP verification and BMP maintenance inspections for several Orange County cities including Anaheim, Santa Ana, Laguna Niguel, and San Juan Capistrano. During our typical verification inspection, WSP verifies that the structural treatment control BMPs were installed exactly in accordance with the WQMP and grading plans, flow patterns are reviewed to confirm that stormwater is directed to the structural treatment controls as intended, and elevations are reviewed to assess storm water detention. WSP also understands that some projects within the City may be constructed in phases and the relationship between the construction phase and the need to protect structural treatment control BMPs during construction.



Areas of expected support to Planning and Land Development include:

- ▶ Private project plan check services to review priority WQMP and Non-Priority WQMPs for compliance with storm water regulations
- ▶ Advising developers, contractors, and engineers on potential solutions to water quality issues related to grading plans and encroachment permits
- ▶ Conducting post-construction BMP verification and maintenance inspections to ensure the City's compliance with MS4 permit requirements

Our services in support of this task will include the review of 10 WQMPs involving up to 3 reviews each and conducting 15 project WQMP post-construction BMP verification/ maintenance inspections as defined in the RFP.

### **Construction**

WSP has more than 20 local professionals supporting construction storm water permitting and inspection services and has been providing these services to both public and private sector clients throughout southern California for over 30 years. Over the past decade our capability to provide these services has been built on securing contracts with many notable clients such as SDG&E, Imperial Irrigation District, San Diego International Airport, Caltrans, US Naval Facilities Command Southwest Division, Ports of San Diego and Long Beach, Panoche Valley Solar Plant, Los Angeles Engineering Inc., cities of Anaheim, Santa Ana and National City and County of Los Angeles. Our staff routinely review construction compliance documents such as SWPPPs, ESCPs, and WPCPs. We have QSD/QSPs available to lead inspections and have a reputation for swift responses to meet client needs for construction inspection support.

Our approach to providing stormwater related construction services is to be proactive and establish expectations with developers and contractors early in the construction process. We intend to work closely with public works staff, building inspectors, and code enforcement offices to prioritize projects for inspections based both on City defined criteria in its LIP (i.e., size, proximity to 303(d) listed water body segment, rainy or dry season, etc.) and based on the history of specific types of projects or contractors. We have found that clear and upfront communication with private developers helps ensure NPDES issues, if they occur, will be properly addressed in a timely manner.

Areas of expected support to Construction services include:

- ▶ Conducting routine and proactive stormwater quality inspections for construction sites that require CGP coverage
- ▶ Conducting as-needed inspection assistance to other smaller construction sites based on project prioritization
- ▶ Collaboration with public works staff, building inspectors, and code enforcement officers to bring NPDES issues into timely compliance

Our services in support of this task will include 30 inspections, 15 follow-up inspections, and 5 enforcement notices per year as defined in the RFP.

### **Industrial/Commercial and Municipal Facility Inspections**

WSP performs thousands of inspections of industrial/commercial and municipal fixed facilities each year. To ensure thorough and consistent inspections, every WSP inspector completes an extensive training program based on the Orange County Stormwater Programs core competencies program for municipal, industrial, and commercial inspectors. Our training program also includes 40-hour HAZWOPER training for safety and 40 hours of field training with a senior NPDES inspector. WSP's QA/QC program also includes having a senior inspector review each inspection.



As each jurisdiction may handle facility inspections a bit differently including possible city specific inspection forms, mobile data forms, unique local water quality ordinances, and processes for enforcement, our proposed approach includes having City public works and code enforcement staff join WSP staff in conducting 1 to 3 initial facility inspections. The goal is to establish a standard process of support before proceeding somewhat autonomously to complete required inspections as a support arm to the City. WSP will provide status reports on a routine basis as facilities are inspected, education materials distributed, and include City in enforcement actions as needed through established City processes. For several clients, including the cities of Santa Ana and Costa Mesa, we have transitioned their previous paper-based inspection process to mobile data form and web-based inventory. This platform has a proven track record of success and demonstrated cost savings to our clients and could be quickly adapted to meet the City's needs, if desired.

Areas of expected support to Industrial/Commercial and Municipal Facility Inspections include:

- ▶ Conduct annual and as-needed Industrial/Commercial and Municipal Fixed facilities inspections
- ▶ Collaboration with City code enforcement on facility enforcement notices as needed and follow up inspections of facilities to ensure compliance

The WSP project team will conduct field inspections of industrial/commercial and municipal facilities to assess compliance with local water quality regulations and appropriate BMPs. As identified in the RFP, we have assumed 70 inspections per year will be required including 20 follow-up inspections and the issuance of 5 enforcement notices per year.

### Investigations

The City implements a program to actively detect and eliminate illegal discharges and illicit connections to the storm drain system. In addition to the proactive detection identified through County led outfall monitoring or City led facility inspections or special studies, a large portion of city investigations are in response to water pollution complaints or reported incidents. To ensure a consistent response in compliance with MS4 permit requirements an Orange County Investigation Guidance Manual was developed by Orange County Copermittees outlining the fundamental techniques that should be followed during investigations. Each investigation must be thoroughly documented and discharges that present a significant threat to the environment must be immediately reported and remediated as quickly as possible.

WSP has provided these types of investigation services to several Orange County cities (i.e., Anaheim, Santa Ana, Laguna Niguel, San Juan Capistrano, etc.) and understands the process for investigation, the resources available to assist the City with addressing and eliminating the discharge (i.e., County pollution response implementation agreement, Countywide Area Spill Control program, Orange County Health Care Agency, Orange County District Attorney's office, Environmental Protection Agency), and the procedures for required reporting to local and State agencies.

Our proposed project manager, Kacen Clapper, has extensive experience with water pollution investigations. In his prior position at OC Public Works, Mr. Clapper led the County's Water Pollution Response Unit which directed County efforts to address illegal and illicit discharges in County unincorporated areas and Orange County Flood Control District facilities and also provided support to Orange County cities including on-call water pollution response assistance.

Not all water pollution incidents require the same level of response and initial investigations may be more quickly and cost-effectively achieved through an assessment by City field staff. Our proposed approach is to coordinate closely with City public works staff and code enforcement officers to assess each incident situation and determine the best plan for a response. If WSP assistance is requested, we will respond as quickly as possible and with City staff's authorization can request additional support through the County Water Pollution Response Unit to ensure a timely response and protection of downstream receiving waters.

Areas of expected support in Investigation services include:

- ▶ Response to emergency spill notifications including agency notification and coordination, field investigation, and coordination of cleanup efforts
- ▶ Proper documentation of all incident investigations to ensure MS4 permit compliance and legally defensible investigation data
- ▶ Coordination with appropriate parties to quickly mitigate incidents
- ▶ Work with code enforcement officers to bring NPDES issues into compliance and maintain tracking of all complaints, investigations, and correspondence

As identified in the RFP, we have assumed 4 investigations and 4 follow-up investigations per year for investigation services.

### **Public Outreach**

The City supports and participates in the countywide public education program, H2OC, and conducts local water quality protection themed education and outreach to further increase awareness and foster environmental protective behaviors. WSP has demonstrated public outreach experience both implementing H2OC program initiatives for Orange County cities and developing unique messaging and public outreach materials for our clients. Examples of local city project efforts include presentations to a local elementary school environmental science class and at HOA outreach meetings (Laguna Niguel), hosting public education booths at several events (H2O for HOAs, Sea Country Festival), and directing coastal cleanup day event efforts (San Juan Capistrano). More extensive outreach efforts have included development of an environmental outreach and education program for the Marine Corps Air Station (MCAS) Yuma and assisting with the development of the City of San Diego's, Think Blue outreach campaign. MCAS Yuma work included developing original audience-focused materials aimed at educating base personnel, on-base residential communities, and surrounding communities about industrial, construction, and residential sources of stormwater pollution, as well as methods for pollution prevention. For the City of San Diego's Think Blue campaign, WSP partnered with Action Research to develop a cohesive messaging strategy and worked to develop education materials that translated complex technical concepts into public-friendly terminology and content.

Areas of expected support in Public Outreach services include:

- ▶ Identify and post H2OC and City developed pollution prevention educational materials for distribution and content for internet-based platforms
- ▶ Assist and host booths at City community events to promote pollution prevention
- ▶ Collaborate with the City's public information office consultant and other City staff to develop and update educational materials and content

As identified in the RFP, this task efforts assumes \$500 in material purchases per year and assisting with 3 public education outreach events per year including 4 hours per event.

### **Reporting and Record Keeping**

WSP has been assisting southern California municipalities with stormwater related MS4 permit reporting and record keeping since 2003. In this capacity, our Orange County municipal clients have included the cities of Santa Ana, Costa Mesa, Anaheim, Laguna Niguel, and San Juan Capistrano, and John Wayne Airport. We understand that a large component of municipal NPDES Program implementation revolves around reporting and that accurate and thorough record keeping is the foundation to good reporting. The Santa Ana and San Diego MS4 Permits require annual reporting on all Local Implementation Plan (LIP) components including legal authority, illicit discharge detection and elimination, land development planning, construction management, existing development, and public education. The San Diego MS4 Permit requires additional reporting on jurisdictional strategies to address WQIP identified High Priority Water Quality Conditions (HPWQCs). Our approach for this task will focus on consideration of reporting and record keeping as part of all NPDES Program tasks. We will work closely with City staff to review



existing program methods and propose new methods for tracking and reporting if needed to better streamline the reporting process.

Over the past three years Orange County Public Works has been encouraging cities to on-board to OC Stormwater Tools a new web based countywide stormwater BMP inventory, planning, and water quality model tool. The web-based platform provides a uniform stormwater asset management database linked to spatial drainage data and a pollution load reduction model to quantify water quality benefits. The tool is envisioned to encapsulate and eventually fulfil MS4 Permit reporting requirements replacing the current cumbersome reporting methods. It is our understanding that the City currently has a backlog of entries to OC Stormwater Tools which involve making field visits to City-owned and privately-owned stormwater treatment devices to verify status and operations and maintenance issues, researching existing WQMPs and grading plans, and entering the data into the system. WSP is currently assisting several clients with this process (San Juan Capistrano, Laguna Niguel, and Anaheim) and are familiar with the challenges that on-boarding my present and the software quirks of the still evolving OC Stormwater Tools.

Areas of expected support in Reporting and Record Keeping include:

- ▶ Manage and update inventories to track inspections of municipal facilities, commercial facilities, industrial facilities, WQMP projects, post-construction BMP maintenance and verification, and construction site inspections
- ▶ Prepare and submit the City's Santa Ana MS4 Permit quarterly reports for NPDES Permit facilities
- ▶ Acquire, compile, and submit annual report data to Orange County Public Works for use in development of Copermittee unified report
- ▶ Prepare NPDES MS4 Annual Reports for the Santa Ana and San Diego Regional Water Quality Control Boards
  - San Diego MS4 Permit Attachment D Form, Fiscal Analysis, cover letter and annual report summary
  - San Diego MS4 Permit WQIP jurisdictional strategy reporting tables
  - Santa Ana MS4 Permit Program Effectiveness Assessments (PEA) annual report
- ▶ Input of BMP and WQMP data into the OC Stormwater Tools asset management and modeling tool for future potential use as a compliance reporting platform

Our proposal for NPDES Program reporting and record keeping includes 200 hours of work per year. OC Stormwater Tools related task efforts will include an additional 100 hours of work during year 1 and 40 hours of work in years 2 and 3 as defined in the RFP.

### **Project Management**

WSP's designated Project Manager, Kacen Clapper, will be responsible for all project management and reporting aspects of the contract, including adherence to scope, schedule, and costs of individual project directives; budget tracking using WSP's BST accounting system; accuracy of invoices; preparation of monthly progress reports; subconsultants; document review; and oversight of all technical aspects of each project directive. Kacen Clapper will be supported in these activities by WSP-designated project controls administrator Matt Rich. Individual task managers will be responsible for the technical aspects of each project Task Order (TO). WSP's general approach to successful project management is based on the following practices:

- ▶ Communicating with City staff early and often
- ▶ Working with City staff to develop a clear understanding of the specifics of each TO, including the project start date and required deliverables
- ▶ Developing a detailed scope of work, schedule, and cost estimate prior to starting work
- ▶ Assembling the best team of in-house personnel and sub-service providers for each specific TO
- ▶ Effectively communicating project expectations to all team members

- ▶ Delegating project tasks (e.g., field collection, data analysis, report preparation) to most qualified staff
- ▶ Conducting rigorous QA/QC reviews of all project-related data and results
- ▶ Communicating findings verbally to City staff
- ▶ Conducting thorough peer review and technical editing of written materials

Staying abreast of environmental issues and laws that may affect the City and attending regulatory meetings, participating in scientific organizations, and being involved in outreach activities that will allow our staff to develop a better understanding of local issues so that we can more fully serve the City.

### Resources, City Assistance and Other Items

WSP need for assistance from the City is focused help gathering information related to program inventories such as business licenses, approved WQMPs, and data management procedures for preparing the annual reports.

### Additional Services

In the near future the San Diego Regional Water Quality Control Board will adopt the next term Regional MS4 permit that will include a number of changes to the City's jurisdictional runoff management plan to incorporate additional items such as, but not limited to:

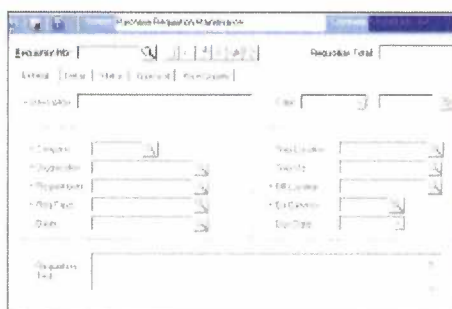
- Incorporation of the Trash Amendments policy and the City's Track 1 implementation approach
- Implementation of an equestrian facility inspection program
- Changes to the land development program with WQMP coverage criteria for new and significant redevelopment

### Project Controls

WSP holds the experience providing an approach structured to ensure meeting the needs of our clients and maintaining project controls.

#### *Cost Control and Ability to Complete Project within Scope, Schedule, and Budget*

WSP utilizes various financial tracking systems, such as BST and Deltek, to ensure that task order budgets are expended at the appropriate rate. This includes use of WSP's internal Management Portal, which allows task order managers to access project budgets, expenditures, and sub-consultant invoicing status in one location and a weekly budget tracking sheet specifically developed for the City to provide similar information as well as the percentage complete.



#### **Streamlined Project Delivery**

*The BST interface shows project managers the hours billed on a weekly basis, providing near real-time status of budget and schedule.*

#### *Responsiveness to City Staff and Project Requirements*

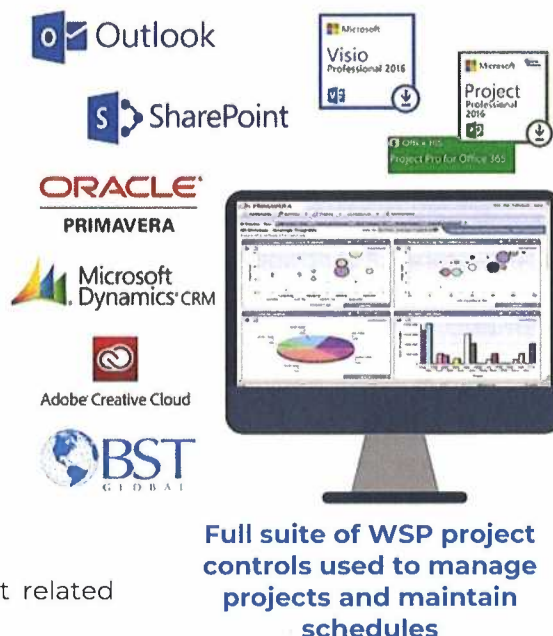
For each task order, WSP will designate one technical lead supported by a project manager responsible for all reporting aspects of the contract, including adherence to scope, schedule, and costs of individual project directives; budget tracking using WSP's accounting system; accuracy of invoices; preparation of monthly progress reports; reporting results; and document review; WSP's technical lead responsible for oversight of all technical aspects of each project directive will be selected based on the scope requirements of the task order.

Once we receive a task order request from the City, we will acknowledge receipt within 8 hours. The designated technical lead will read through the task order and clarify technical details with the City within 2-3 days. The technical lead will then draft a scope of work and budget, submit it to the City for review and discussion within 10-15 days of the initial notification.



Our project manager will be supported in these activities by a WSP-designated Project Controller. Individual task managers will be responsible for the technical aspects of each project. Our general approach to successful project management is based on the following practices:

- ▶ Communicating with City staff early and often
- ▶ Working with City staff to develop a clear understanding specifics of each project
- ▶ Developing a detailed scope of work, schedule, and cost estimate prior to commencing work
- ▶ Assembling the best team of in-house personnel and subconsultants for each project
- ▶ Effectively communicating project expectations to all team members
- ▶ Delegating project tasks (e.g., field collections, data analysis, reports) to the most qualified staff
- ▶ Conducting rigorous QA/QC reviews of all project related data and results
- ▶ Communicating findings to City staff



The WSP team holds the specific experience to successfully plan and complete assigned project tasks.

Dr. Von Bitner and Mr. Schaedler are available for any questions or concerns the City may have during the life of this contract. With the understanding that work sometime continues into the evening or is scheduled to take place at night and during weekends, Dr. Von Bitner and Mr. Schaedler, having managed project and contracts that require service be provided during evening hours and weekends, are prepared to respond efficiently to the City's needs.

#### *Coordination between Respondent and City Staff*

WSP has a reputation for providing excellent service, and we are committed to being fully responsive to the City under this contract. We believe that clear, accurate, and appropriate communications are essential for successful project management, from a project's initiation to its completion. A key element of our success is our management process, whereby we set up clear lines of communication; establish well-defined project roles; and bring together dedicated, experienced, efficient, and effective project teams.

Communication is a key element in successful project management. There are specific times in the course of a project when a meeting will help to keep our collective efforts on track with the objectives and goals of the project.

We have identified specific opportunities where we anticipate formal in-person communications will occur as follows:

- ▶ In a task order kickoff/scoping meeting
- ▶ During submittal review meetings
- ▶ Prior to any proposed meetings with relevant agencies

Our Project Manager will provide monthly progress reports for all task orders under the contract.

WSP uses communication and consensus building and reviews to identify and mitigate sources of project risk. To facilitate communication, and if deemed necessary by the City, we can establish, at no cost to the City, a password-protected SharePoint™ site that will be used by the project team and the City to share documents and deliverable reviews. Regular communication is essential both within the project team and between the project team and the City.

### *Method of Service Delivery*

WSP's Costa Mesa office is located less than 10 miles from the City's offices. We have a wealth of environmental and water resources professionals in our San Diego offices as well and that are located approximately 85 miles from the City's offices. We will coordinate project work through both in-person and virtual meetings depending on the project needs.

### *Environmentally Preferred Products and Services*

WSP's approach to protecting the environment goes beyond the work we do for our clients. We embrace a philosophy of adopting practices and procedures that minimizes our carbon footprint. First and foremost, we prefer to incorporate electronic communication such as remote sensing through use game cameras to monitor activities at field stations and telemetry systems to watch over the performance of sampling equipment like flowmeters and autosamplers. These remote sensing options eliminate the need for someone to drive to a station to physically check the equipment. We are steadily migrating all of our clients towards a paperless system by using smartphone apps, such as Survey 123 or DoForms, to record inspections and field data forms. We have also embraced new technology with client interface by relying to a greater degree on virtual meetings through Microsoft Teams and Zoom to interact face-to-face with clients obviating the need for a large number of people to drive to physical meeting locations. Electronic deliverables are also a common approach we adapted towards environmentally sustainable products and no longer embrace the philosophy of hard copy reports as the preferred mechanism for delivering products to clients.

### *Understanding of the Commodities or Services to be Provided*

WSP understands the diverse services that are included in the scope of this as-needed RFP. We have previously held this contract and have demonstrated our capability to perform the scopes specified on-time and on-budget. We will continue to work collaboratively with the City staff to understand your needs and ensure that they are met on each task order.

### *Sequential Steps for Completing the Objectives and Specifying the staff members proposed to Perform the Objectives*

WSP's approach to developing a technical project scope of work and executing the tasks to perform the objectives follows a multi-step sequence in order to clarify the purpose and goals of the project, identify the intended audience, and note any potential constraints including time tables or budgetary limitations.

Our process for completing the objectives, specifying the staff members, and reaching agreement on the deadlines for performing the objectives follow the steps outlined below.

- Hold a project scoping meeting with City PMs to discuss need, purpose, and goals
- Reach consensus on key deliverables to be provided by WSP
- Identify and receive concurrence from City on staff members and/or subcontractors who will be assigned to complete the objectives
- Hold periodic progress reporting meetings with City staff and WSP staff
- Schedule as-needed meetings to discuss solutions to overcome key issues and provide recommendations for next steps
- Submit the draft deliverable to our City PM and receive feedback
- If necessary, hold conference call to discuss key issues related to revisions and reach consensus on the content, voice, and messaging that needs to be present in the final document
- Submit final version along with documentation showing the changes provided
- Remaining responsive to City needs for additional revisions to make sure final document meets or exceeds expectations.

## Quality Control/Quality Assurance (QA/QC)

### Quality Performance

WSP will ensure that all analysis, data evaluation, and reporting meet the City's and WSP's high QA/QC standards. To achieve high technical quality of both analysis and documentation, WSP has adopted a formal QA/QC program for all of the firm's work. The fundamental objectives of the QA/QC program are to ensure that each deliverable not only fulfills all requirements of the job task, but also fully defines and meets the specific and unique needs of the City. The WSP QA/QC Managers will ensure that the City receives quality deliverables compliant with City's requirements and standards and will be responsible for final review of all deliverables. As shown on the QA/QC pyramid, WSP's managers have primary responsibility for the quality of the team's work, but ultimately it is the across-the-board, day-to-day commitment and thoroughness of all team members that translate WSP's QA/QC program into top-quality project deliverables.



**Key staff serve as QA/QC managers to ensure that the City receives quality deliverables compliant with its requirements**

WSP's experience covers many projects with the same scope of services required by this contract. Because we have this experience, our team can translate complex data into easily understood documents to ensure approval by internal and external stakeholders. WSP has the requisite project experience, with an excellent record of completing projects on time, within budget, and to our customers' complete satisfaction. Our successful track record of supporting environmental and storm water compliance programs for various municipalities throughout California spans more than two decades.

This section provides specific information on how WSP plans for and carries out our QA/QC program. Our firm has made an across-the-board commitment to QA/QC in all aspects of our day-to-day work activities. While specific QA/QC-related practices and personnel are discussed below, it is really our expectation that all staff, from technicians to senior managers, conduct all aspects of their work with the utmost attention to quality and sustainability.

### Quality Control (QC) Methodology:

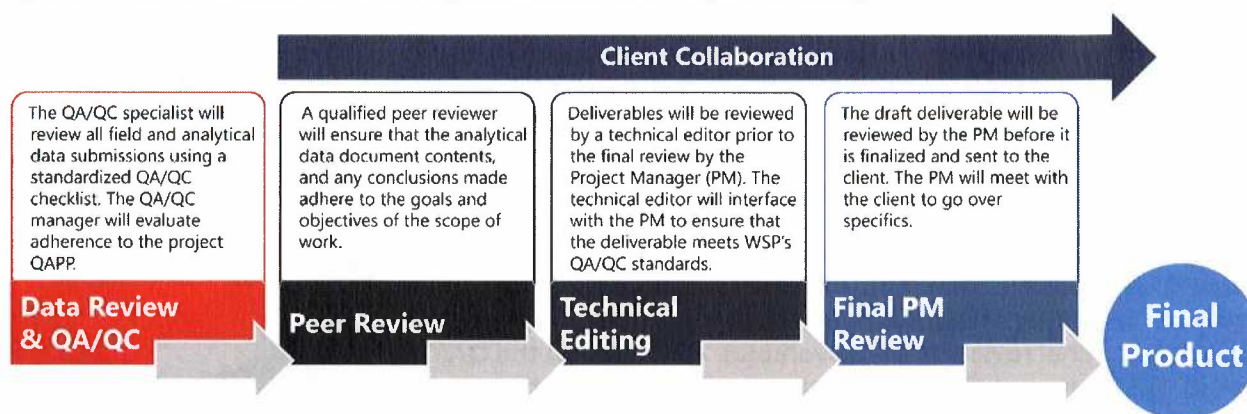
Documents prepared by WSP will undergo technical editing and peer review by qualified individuals, depending on the project's scope of work. A high degree of QA/QC oversight is involved in every step of the project process. While WSP's project managers and technicians are primarily responsible for designing, implementing, and delivering work products with the highest degree of QA/QC possible, it is really the across-the-board team commitment of our staff and sub-service providers that ultimately deliver quality products. An example of our internal QC checklist maintained for each data set that we review is presented in Figure 2.

### Customer Satisfaction Ratings





Figure 2: WSP's Internal QA/QC Steps for Successful Project Delivery



## F. Communication Plan

A key element of the WSP USA project management process is establishment of clear lines of communication, well-defined project roles, and dedicated, experienced, efficient, and effective project teams. For this contract, the single point of contact responsible for all overarching program related matters will be our Project Manager, Mr. Clapper, who will promptly respond to requests from the City and coordinate work distribution.

WSP USA has a reputation for providing excellent service, and we are committed to being fully responsive to the City under this contract. We believe that clear, accurate, and appropriate communications are essential for successful project management from a project's initiation to its completion. A key element of our success is our management process, whereby we set up clear lines of communication, establish well-defined project roles, and bring together dedicated, experienced, efficient, and effective project teams:

- ▶ The City's contact will be Kacen Clapper, Project Manager, who will coordinate all project activities with the City Project Manager.
- ▶ When the City notifies WSP USA of an upcoming work, Mr. Clapper will identify the appropriate Technical Lead to work with him to review the work description, schedule, and other data.
- ▶ The Technical Lead will develop an execution plan that includes our understanding of the City's objectives and requirements, scope of work, deliverables, schedule, and proposed costs.
- ▶ For efficiency, the Project Manager will engage in frequent discussions with the City Project Manager.
- ▶ Following approval of the work scope, budget, and schedule, the technical team will implement the work upon receiving the executed notice to proceed.

## G. Compensation/Payment Schedule

We have provided our cost proposal in the format as outlined in Section V in a separate, sealed envelope.

## H. Certificate of Insurance

We are willing and able to meet the required insurance coverage as set forth in the Sample Draft Professional Services Agreement (Attachment 4) prior to the execution of the contract. We have provided an example of our Certificate of Insurance in Appendix C, as proof our commitment to meeting the City's requirements.

## I. Certification of Proposal

We have signed and provided Certification of Proposal (Attachment 3) in Appendix A.

City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

H) The proposal response includes all of the commentary, figures and data required by this Request for Proposal.

I) The proposal shall be valid for 180 days from the date of submittal to the City.

I declare under penalty of perjury pursuant to the laws of the State of California and the United States that the foregoing facts are true and correct.

Executed this 21 day of March, 2023, at Costa Mesa, California.

WSP USA Environment  
Name of Proposer: & Infrastructure, Inc.

By:   
(Authorized Signature)

Type Name: Theodore W. Von Bitner

Title: Assistant Vice President

Date: March 21, 2023

**Appendix B.**

**Key Personnel Resumes**

*(To be included in 30 page limit for proposal)*

**Appendix A.**  
**Required Forms**

*(Not included in 30 page limit for proposal)*

City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

**ATTACHMENT 1**

**NON-COLLUSION AFFIDAVIT**

The undersigned represents and certifies that:

1. This Proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization or corporation.
2. This Proposal is genuine and not collusive or sham.
3. The Proposer has not directly or indirectly induced or solicited any other Proposer to put in a false or sham proposal and has not directly or indirectly colluded, conspired, connived, or agreed with any other Proposer or anyone else to put in sham proposal or to refrain from submitting to this RFP.
4. The Proposer has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price or to fix any overhead, profit or cost element of the proposal price or to secure any advantage against the City of Laguna Hills or of anyone interested in the proposed contract.
5. Proposer affirms that all statements contained in the Proposal and related documents are true and correct.
6. Proposer has not directly or indirectly submitted the proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay any fee to any person, corporation, partnership, company, association, organization, RFP depository, or to any member or agent thereof to effectuate a collusive or sham proposal.
7. Proposer has not entered into any arrangement or agreement with any City of Laguna Hills public officer in connection with this proposal.
8. Proposer understands that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards.

I declare under penalty of perjury pursuant to the laws of the State of California and the United States that the foregoing facts are true and correct. Executed this 21 day of March, 2023, at Costa Mesa, California.



Signature of Authorized Representative

Theodore W. Von Bitner

Name of Authorized Representative

Assistant Vice President

Title of Authorized Representative



City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

**ATTACHMENT 2**

**CONSULTANT'S ACKNOWLEDGEMENT OF COMPLIANCE  
WITH INSURANCE REQUIREMENTS FOR  
AGREEMENT FOR PROFESSIONAL SERVICES**

Consultant agrees, acknowledges, understands and is fully aware of the insurance requirements as specified in **Section 5, Insurance Requirements** of the attached sample Agreement for Professional Services (Attachment 4) and hereby accepts all conditions and requirements as contained therein.

Consultant: Theodore W. Von Bitner  
Name (Please Print or Type)

By:  Assistant Vice President  
Consultant's Signature & Title

Date: March 21, 2023

**This executed form must be submitted with proposal.**

City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

**ATTACHMENT 3**

**CERTIFICATION OF PROPOSAL  
TO THE CITY OF LAGUNA HILLS**

The undersigned hereby submits its proposal and agrees to be bound by the terms and conditions of this Request for Proposal (RFP). By signing the Certification of Proposal (**Attachment 3**) and submitting a proposal to the City in response to this Request for Proposals, the Proposer hereby represents and certifies that:

- A) No elected or appointed official, officer, or employee of the City has been or shall be compensated, directly or indirectly, in connection with this proposal or for any work connected with this proposal; should any agreement be approved in connection with this Request for Proposals ("Agreement") no elected or appointed official, officer, or employee of the City, during the term of his/her service with the City, shall have any direct or indirect financial interest in the Agreement, or obtain any present, anticipated, or future financial interest or other material benefit arising therefrom;
- B) No elected or appointed official, officer, or employee of the City shall have any financial interest, direct or indirect, in the Agreement nor shall any such official, officer, or employee participate in any decision relating to the Agreement which effects his/her personal financial interest or the financial interest of any corporation, partnership, or association in which they are, directly or indirectly, interested in violation of state law;
- C) The Proposer and its principals do not have now, nor shall it acquire any financial or business interest that would conflict with the performance of services under the Agreement;
- D) Proposer does not and will not discriminate against any employee or applicant for employment because of race, religion, gender, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy related conditions, political affiliation or opinion, age or medical condition;
- E) By submitting the response to this request, Proposer agrees, if selected, to furnish services to the City in accordance with this RFP;
- F) Proposer has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the Proposer and that the Proposer is responsible for them;
- G) It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City;



## THEODORE VON BITNER, PHD

*PRINCIPAL-IN-CHARGE / TECHNICAL LEAD (TMDLS, TRASH AMENDMENTS, SPECIAL STUDIES)*

### Years with WSP

10

### Years total

20

### Education

PhD, Chemistry, UCLA,  
2001

BS, Chemical Physics,  
UCSD, 1995

### Licenses/ Certifications

Certificate of Achievement  
Real Estate (2022)

Certified Project Manager  
(2013)

### Professional Memberships

CASQA

Mentor Collective

SF Bay Area  
Trash Technical Advisory  
Committee (2023-2028)

Statewide Trash  
Monitoring Methods  
Technical Advisory  
Committee (2020)

### Office location

Costa Mesa, CA

Dr. VonBitner has 20 years of environmental science and program management of NPDES and TMDL compliance programs of various city, county, and state level government agencies. Primary professional responsibilities include project management for multiple state and local government clients and providing technical advisory services on specific priority issues. His experience has included managing City agency level Jurisdictional Runoff Management Programs, NPDES and TMDL program implementation, developing and performing regulatory compliance inspection programs, and providing community outreach and education.

### *SUMMARY OF RELEVANT EXPERIENCE (CHRONOLOGICAL ORDER)*

**City of Dana Point, Stormwater Program Technical Support Services, Dana Point, CA: Project Manager. (July 2017 to Present).** In 2017, WSP was contracted by the City to provide as-needed NPDES and TMDL stormwater program consultancy support. Services to the City cover a wide range of topics including development of regulatory compliance implementation plans for the statewide Trash Amendments policy, reviewing and updating structural treatment control device inventories, water quality inspections, preparing comments letters on proposed regulations, performing technical assessments of water quality data to inform the City on regulatory compliance status, and working with City staff to develop implementation strategies for the Bacteria TMDL program compliance.

**City of Santa Ana, Stormwater Program Technical Support, Santa Ana, CA: Interim NPDES Program Manager and Technical Lead. (December 2017 to Present).** WSP's services were contracted beginning in December 2017 to provide interim NPDES Program Management assistance in response to staffing shortages at the City. Support included activities related to general implementation of NPDES program such as TMDLs, statewide Trash Amendments, the Integrated Regional Watershed Management Program, reviewing program budgets, providing regulatory guidance and program implementation recommendations, performing inspections, and meeting with members of the public. Additional project activities have included assisting the City with grant-funding for structural treatment control systems.

**City of San Juan Capistrano, NPDES Jurisdictional Runoff Management Program, San Juan Capistrano, CA: Project Manager. (March 2015 to Present).** WSP supports the City's jurisdictional runoff management program under the San Diego MS4 Permit. Project activities include managing the work of support staff, performing regulatory compliance inspections for commercial, industrial, municipal, and residential management areas; responding to public complaints, preparing administrative enforcement letters to HOA management and private property owners, managing inspection programs and structural BMP inventories, reviewing WQMPs for Priority Development Projects, and developing technical guidance for Department Directors and Executive Managers. Additional project activities include developing an equestrian facility regulatory compliance inspection program, supporting public works with the Bacteria TMDL and CHWSRS programs, conducting MS4 outfall investigations, and JRMP updates.



## KACEN CLAPPER, CPSWQ

*PROJECT MANAGER / TECHNICAL LEAD (PROGRAM MEETINGS, NPDES PLANNING, MS4 REPORTING, CIP WATER QUALITY PLANNING, OUTREACH MATERIALS/EVENTS, ILLEGAL DISCHARGES/ILLCIT CONNECTIONS)*

### Years with WSP

6

### Years total

23

### Education

MS, Environmental Studies, California State University, Fullerton, 2001

BA, Ecology and Evolutionary Biology, University of Connecticut, 1996

40 Hour HAZWOPER Training, 2008

### Licenses/ Certifications

Certified Professional in Storm Water Quality, Number 1139

### Professional Memberships

CASQA

### Office location

Costa Mesa, CA

Mr. Clapper is a Certified Professional in Storm Water Quality (CPSWQ) and provides 23 years of expertise in the environmental field including over 11 years working on storm water and surface water quality NPDES programs for a public agency. He has supervised the Orange County Public Works internal storm water compliance section, managed several bacterial Total Maximum Daily Load (TMDL) programs, led mass emission program water quality and flow monitoring activities, and currently provides technical support to multiple local agencies in stormwater program implementation and Geographic Information System (GIS) spatial data development and analysis. His areas of expertise include Phase I Municipal Separate Storm Sewer System (MS4) permit implementation under both the San Diego and Santa Ana Water Boards, bacteria TMDL program implementation, pollutant source investigation, and compliance with the statewide Trash Amendments. In addition, Mr. Clapper recently served as co-chair for the California Stormwater Quality Association (CASQA) Policy and Permitting Subcommittee helping to lead discussions and comment development on new and potential precedent setting changes in stormwater regulations.

### SUMMARY OF RELEVANT EXPERIENCE (CHRONOLOGICAL ORDER)

**Orange County Public Works, Horno Creek Dry Weather Flow Investigation, Ladera Ranch, CA: Project Manager. (June 2021 – Present).** Mr. Clapper is the project manager for a multiyear special study focused on dry weather flow reduction and the identification and elimination of over-irrigation and other controllable non-storm water flows in the unincorporated Ladera Ranch community of Orange County. Project work has included subdrainage mapping, dry weather flow investigation work plan development, the deployment of flow monitoring equipment at three outfall locations, and dry weather flow reconnaissance during peak flow hours to identify controllable non-stormwater discharges such as over-irrigation. Identified flow sources are referred to Orange County Public Works for focused outreach and education efforts and to the Ladera Ranch homeowners association to address common area irrigation deficiencies.

**City of Laguna Niguel, Storm Water Compliance Technical Support, Laguna Niguel, CA: Project Manager. (July 2017 - Present).** Mr. Clapper is currently the project manager for storm water compliance technical support services to the City of Laguna Niguel including overall management of the City's Environmental Programs. Components of technical support include Local Implementation Plan/Jurisdictional Runoff Management Program (LIP/JRMP) and Water Quality Improvement Plan (WQIP) implementation and reporting, bacteria TMDL compliance support, wetlands program implementation, and other MS4 permit compliance related support. Project activities have included updates to the City's LIP/JRMP to reflect new MS4 permit requirements, development of a Track 2 implementation plan for compliance with the statewide Trash Amendments, development of MS4 outfall dry weather flow investigation work plan and





## KACEN CLAPPER, CPSWQ

*PROJECT MANAGER / TECHNICAL LEAD (PROGRAM MEETINGS, NPDES PLANNING, MS4 REPORTING, CIP WATER QUALITY PLANNING, OUTREACH MATERIALS/EVENTS, ILLEGAL DISCHARGES/ILLCIT CONNECTIONS)*

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implementation of a multiyear pilot study in cooperation with Moulton Niguel Water District, conducting a Bacteria TMDL related Comprehensive Human Waste Source Reduction Strategy (CHWSRS) work plan area of investigation study, municipal facility WQMP post-construction BMP inspections, environmental compliance project management oversight of a Salt Creek wetlands restoration project, securing an Orange County Transportation Authority (OCTA) grant for trash capture BMPs, and development of MS4 permit annual reporting submittals.

**City of Laguna Beach, Water Quality Program Technical Support, Laguna Beach, CA: Project Manager. (June 2018 – January 2023).** Mr. Clapper was the project manager and lead analyst performing all data analysis and development of a state Trash Amendments compliance plan for the City of Laguna Beach and assisting the City implementation of south Orange County Water Quality Improvement Plan (WQIP) program requirements. A conceptual Track 2 plan was developed for the City and baseline trash visual assessment surveys were conducted to further refine additional measures needed for compliance. Data analysis included using GIS software to define priority land use areas, model trash generation rates, and refine drainage area delineations to existing BMPs. WQIP implementation assistance has included technical support in bacteria TMDL compliance and assisting the City with Heisler Park Area of Special Biological Significance (ASBS) Compliance Plan annual reporting.

**Orange County Public Works, OC Watersheds Program, Orange County, CA: Section Supervisor, Program Manager, Field Lead. (August 2005 – January 2017) Previous Employer.** The County of Orange's OC Watersheds program directs NPDES compliance programs as both a lead permittee conducting MS4 permit program development, monitoring, and reporting through a cost-share on behalf of Orange County cities, and as an individual permittee representing County jurisdictional areas. During his time at the County, Mr. Clapper served in several OC Watersheds program roles including: a monitoring program lead, a hydrology and GIS data analyst, a bacteria TMDL program manager, and as chief of the County's Internal Storm Water Compliance Section managing the County's JRMP for unincorporated areas and the Orange County Flood Control District. Notable program efforts included development of bacteria TMDL required Comprehensive Load Reduction Plans for the Aliso Creek and San Juan Creek Watersheds and leading the County's JRMP MS4 permit annual reporting involving the coordination of multiple County departments and agencies and reporting under two separate permits.



## BRENT SMITH, IGP TOR, QSD/QSP, QISP, CPESC

*TECHNICAL LEAD (SWPPP/ESCP REVIEW, CONSTRUCTION BMP INSPECTIONS, NPDES TRAINING AND CIP GRANTS)*

### Years with WSP

22

### Years total

22

### Education

BS, Environmental  
Science, University of  
California Santa Barbara

### Licenses/ Certifications

Industrial General Permit  
Trainer of Record and  
Qualified Industrial Storm  
Water Practitioner (Reg.  
No. 115)

Construction General  
Permit Qualified SWPPP  
Developer / Qualified  
SWPPP Practitioner,  
(Reg. No. 01105)

Certified Professional in  
Erosion and Sediment  
Control, (Reg. No. 5585)

### Professional Memberships

CASQA

California Construction  
and Industrial Materials  
Association

### Office location

Costa Mesa

Mr. Smith is a senior associate scientist with more than 22 years of experience providing environmental compliance consulting for a wide variety of projects and clients. Mr. Smith has helped many clients comply with NPDES regulations and permitting, including municipal, industrial, construction, and de minimus permits. Mr. Smith's responsibilities have included stormwater program management, NPDES permit compliance, flow measurement and sampling system design, evaluation and recommendation of BMPs, field monitoring, training including QISP training, interpretation of analytical results, structural BMP inspection program development, statewide Trash Amendments implementation, and grant funding support. Mr. Smith currently manages compliance projects for several of the largest municipalities in Orange County and industrial facilities such as John Wayne Airport.

### *SUMMARY OF RELEVANT EXPERIENCE (CHRONOLOGICAL ORDER)*

**Port of Long Beach, Construction NPDES Program Support, Long Beach, CA: Technical Lead. (2015 – Present).** Mr. Smith assisted the Port of Long Beach with construction document revisions and risk calculations to comply with California's Construction General Permit. Mr. Smith developed procedures to properly calculate risk for all construction sites at the Port of Long Beach and utilized the procedure to calculate risk for four active construction sites lowering the risk level for three of four sites. Mr. Smith has also assisted with revisions and development of SWPPPs as a Qualified SWPPP Developer (QSD) for construction projects at the Port of Long Beach.

**City of Anaheim, Municipal NPDES Program, Anaheim, CA: Project Manager. (2003 – Present).** Mr. Smith is the Project Manager for the City of Anaheim NPDES compliance programs. Mr. Smith has assisted with the development and implementation of a comprehensive NPDES compliance inspection program for the City's existing development, construction, and the significant re-development programs. The existing development program includes inspecting thousands of industrial and commercial facilities to help the City of Anaheim comply with stormwater program obligations. Mr. Smith currently manages this program with the City's Code Enforcement Department conducting the inspections. Mr. Smith developed a NPDES training program for the City, which is provided annually. Mr. Smith also assists Public Works Construction with the construction and significant redevelopment programs. Mr. Smith has reviewed WQMPs and SWPPPs, conducted field verifications of structural treatment controls installed, reviewed operation and maintenance of post-construction BMPs, completed construction inspections, and trained construction inspectors. Mr. Smith has also assisted the City with the development of three SPCC plans, all aspects of the City's MS4 annual report, grant funding reporting requirements, construction support, and is currently managing the development and implementation of the City's program to comply with the statewide Trash Amendments.



**MICHAEL LOWTHER, IGP TOR, QISP, CPESC**  
*TECHNICAL LEAD (WQMP AND FACILITY BMP INSPECTIONS)*

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**Years with WSP**

16

**Years total**

16

**Education**

BS, Environmental  
Engineering, California  
Polytechnic State  
University

**Licenses/  
Certifications**

2015 Industrial General  
Permit Trainer of  
Record/Qualified Industrial  
Storm Water Practitioner  
(Reg. No. 159)

Certified Professional in  
Erosion and Sediment  
Control, 6187

Qualified Storm Water  
Pollution Prevention Plan  
Developer for the Scrap  
Metal Permit, Order No.  
R8-2012-0012, Certificate  
# SMQSD-001

**Office location**

Costa Mesa

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Mr. Lowther has 16 years of professional experience evaluating and developing stormwater management programs and providing annual training seminars to comply with the NPDES Industrial General Permit (IGP). He has written and evaluated SWPPPs for a variety of facilities with industrial activities that have included sulphur processing, clay mining, oil field drilling, aerospace manufacturing, automotive dismantling, scrap metal/paper/plastic processing, chemical manufacturers, wineries, paint manufacturers, airports, schools bus maintenance shops, marinas and boatyards. Mr. Lowther has completed several thousands of municipal/industrial/commercial/construction inspections on behalf of municipalities in Orange County to comply with Phase I MS4 permits. He has extensive experience performing post-construction WQMP stormwater treatment control BMP inspections on behalf of municipalities to verify that BMPs are installed and maintained as proposed in the WQMPs. Mr. Lowther also has extensive experience training WSP and municipal personnel to complete industrial, commercial, municipal, construction, and post-construction WQMP inspections.

***SUMMARY OF RELEVANT EXPERIENCE (CHRONOLOGICAL ORDER)***

**City of Santa Ana, Municipal NPDES Program, Santa Ana, CA: Compliance Inspector. (2011- Present).** Mr. Lowther has assisted the City of Santa Ana with implementation of an industrial and commercial NPDES inspection program that includes inspections at approximately 1,000 industrial and commercial facilities each year. He has audited facilities for compliance with Santa Ana Regional Water Quality Control Board stormwater requirements including an evaluation of current business practices, potential discharges generated by the facility and recommendations for BMP interim actions. Tasks also included enforcement, as necessary, including writing notices of violation.

**City of Anaheim, Municipal NPDES Program, Anaheim, CA: Compliance Inspector. (2003 – Present).** Mr. Lowther has served as senior NPDES Compliance Inspector responsible for investigating various NPDES-related complaints and audited facilities at industrial and commercial sites for compliance with Santa Ana Regional Water Quality Control Board stormwater requirements. Audits included evaluation of current business practices that involved potential discharges generated by the facility and recommendations for BMP interim actions. He has completed hundreds of verification and operation and maintenance inspections of structural treatment control BMPs. Mr. Lowther has provided in-class and in-the field training for code enforcement officers to complete WQMP operation and maintenance inspections of structural treatment control BMPs. Mr. Lowther routinely assists the City with providing simple solutions to correct design issues observed in the field and assists the City with construction-related inspections.





KERI GANNON, PE, QSD

TECHNICAL LEAD (WQMP REVIEW)

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**Years with WSP**

5

**Years total**

19

**Education**

BS, Civil Engineering,  
Bucknell University, 2002

**Professional  
Registrations**

PE, Civil, CA, 68877

**Licenses/  
Certifications**

Construction General  
Permit Qualified SWPPP  
Developer, 22492

**Office location**

San Diego

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Ms. Gannon has broad civil engineering and project management experience. She currently provides drainage and stormwater services in the areas of conceptual planning, final design and review for existing and proposed municipal systems. She is currently working with the Port of Long Beach, the San Diego County Regional Airport Authority, the County of San Diego, and the Navy on a variety of projects that include hydrologic/hydraulic analyses, stormwater conveyance and management design, erosion control design, preparation of plans, specifications, and estimates (PS&E), construction-phase support services and stormwater report review. Her expertise also includes stormwater technical studies, CEQA/NEPA review, and QA/QC reviews.

**SUMMARY OF RELEVANT EXPERIENCE (CHRONOLOGICAL ORDER)**

**San Diego Regional Airport Authority, Water Quality Equivalency Credit Trading Document, San Diego, CA: Technical Lead. (2021- Present).** Ms. Gannon led development a Water Quality Equivalency (WQE) Credit Trading Framework for the San Diego County Regional Airport Authority (SDCRAA) with the purpose of providing a framework for implementing water quality credit trading at San Diego International Airport (SAN). This Framework relies on the previously developed SDCRAA's BMP Design Manual for Permanent Site Design and the WQE Guidance Document as a basis for outlining the methods that project applicants, and the SDCRAA, can use to bank, track and trade water quality credits for development projects within the SAN jurisdiction. WSP researched other jurisdictional (local and national) guidance on the tracking of water quality credits to complete the development of the Framework, which has been accepted by the San Diego Regional Water Quality Control Board.

**City of Anaheim, Trash Full Capture Analysis, Anaheim, CA: Senior Engineer. (2021- Present).** Ms. Gannon was the senior engineer responsible for the peer review of the design of three continuous deflective separation (CDS) units to meet the current trash full capture system requirements. The review entailed a review of the basis of design reports, the project plans, and the CDS unit details to ensure that the new system will meet the requirements.

**Multiple Clients, Water Quality Management Plan Document Review, Southern CA: Senior Engineer. (2019 - Present).** Ms. Gannon is the senior engineer responsible for providing technical support to the Port of Long Beach and the City of San Juan Capistrano to review the stormwater reports developed for redevelopment and development projects occurring within their jurisdiction. The reports are reviewed according to the clients' specific requirements in compliance with NPDES MS4 Permits. WSP prepares comments on the report and works with the report preparer to make sure the reports and project designs meet MS4 permit requirements.





## LIST OF PREVIOUS AND CURRENT CLIENTS

### *PROJECTS RELEVANT TO NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES*

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City of San Juan Capistrano, Public Works Department, San Juan Capistrano, CA (current)

City of Dana Point, Public Works Department, Dana Point CA (current)

City of Garden Grove, Public Works Department, Garden Grove CA (current)

City of Fountain Valley, Public Works Department, Fountain Valley CA (current)

City of Laguna Niguel, Public Works Department, Laguna Niguel CA (current)

City of San Diego, Storm Water Division, San Diego CA (current)\*

City of Newark, Public Works Department, Newark CA (current)\*

City of Oakland, Public Works Department, Oakland CA (current)\*

City of Berkeley, Public Works Department, Berkeley CA (current)\*

City of Mountain View, Mountain View CA (current)\*

City of Anaheim, Public Works Department, Anaheim CA (current)

City of Santa Ana, Public Works Administration, Santa Ana CA (current)

City of Irvine, Public Works Department, Irvine CA (current)

City of Costa Mesa, Public Works Department, Costa Mesa CA (current)

City of Encinitas, Encinitas CA (current)\*

City of Imperial Beach, Public Works Department, Imperial Beach CA (current)\*

County of Orange, Orange County Public Works, Santa Ana CA (current)

County of San Diego, Department of Public Works, San Diego CA (current)\*

John Wayne Airport, Santa Ana CA (current)

San Diego County Regional Airport Authority, San Diego CA (current)\*

Port of Long Beach, Long Beach CA (current)\*

Port of Los Angeles, Long Beach CA (current)\*

Port of San Diego, San Diego CA (current)\*

California Department of Transportation, Sacramento CA (current)

City of San Clemente, Utilities Department, San Clemente CA (previous)

City of Laguna Beach, Water Quality Department, Laguna Beach CA (previous)

County of Ventura, Public Works Department, Ventura CA (previous)

State of California, SWAMP Region 9, San Diego CA (previous)

\*Current and previous clients includes WSP Project Managers and staff members not included in proposal.



## Fee Proposal

City of Laguna Hills

NPDES Program Management and Inspection Services

March 21, 2023

Joe Ames

Public Works Director  
24305 El Toro Road  
Laguna Hills, CA 92653



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**A. Cover Letter**

3560 Hyland Avenue  
(949) 642-0245  
wsp.com

March 21, 2023

Joe Ames, Public Works Director  
City of Laguna Hills  
24305 El Toro Road  
Laguna Hills, CA 92653

**Subject: Fee Proposal for NPDES Program Management and Inspection Services**

Dear Mr. Ames,

WSP USA Environment & Infrastructure, Inc. (WSP) would like to thank you for the opportunity to submit a proposal for NPDES Program Management and Inspection Services for the City of Laguna Hills.

The attachment to this cover letter provides a summary of WSP's qualifications to provide the services outlined in the RFP. We have successfully delivered similar projects for many other Orange County cities and are an active participant in the Orange County Stormwater Program helping to guide countywide efforts to comply with NPDES requirements.

From commercial/industrial inspection services, to Water Quality Management Plan (WQMP) review and post-construction BMP inspections, to statewide Trash Amendments compliance plan development and OCTA M2 Tier 1 grants acquisition, to water pollution response and source investigations we have implemented all aspects of local agency stormwater programs and have experience with program implementation under both the Santa Ana and San Diego Region Phase I Municipal Separate Storm Sewer System (MS4) permits.

**The WSP Team Advantage:**

- ✓ Local team with decades of experience led by a proven Project Manager
- ✓ Environmental compliance is our core capability
- ✓ Decades of successful on-call contract service history
- ✓ Proven methodology
- ✓ Commitment to QA/QC
- ✓ Knowledge of local environment

WSP is a global leader in consulting and engineering across the energy and built environment. We provide consulting, projects, and operations solutions in more than 60 countries, and employ approximately 40,000 people. WSP's southern California offices are staffed by more than 400 professional planners, biologists, and scientists. Our Costa Mesa, CA office is only 15 miles from Laguna Hills City Hall and has been designated as the project management location for this contract.

The proposed key team members, as well as numerous other staff members within our organization will be immediately available to perform the described program management and inspection services. Theodore (Ted) W. Von Bitner, who will serve as the Principal-in-Charge, and Kacen Clapper, proposed Project Manager, are authorized to negotiate a binding contract on behalf of WSP and the parties named in this proposal. Our corporate office and local addresses and the primary point of contact during the evaluation process are listed in Table 1.





Table 1 – WSP Contact Information

| Legal Name & Corporate Office                                                                           | Main Point of Contact                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WSP USA Environment & Infrastructure, Inc.<br>1075 Big Shanty Road NW, Suite 100,<br>Kennesaw, GA 30144 | Kacen Clapper, Project Manager<br>3560 Hyland Avenue, Suite 100,<br>Costa Mesa, CA 92626<br>Direct: 714-624-2722<br><a href="mailto:kacen.clapper@wsp.com">kacen.clapper@wsp.com</a> |

**PROFESSIONAL SERVICES AGREEMENT STATEMENT & ADDENDUM ACKNOWLEDGEMENT**

WSP declares that we have reviewed and are ready to execute the City's standard form Professional Services Agreement (Attachment 4) and acknowledge receipt of all RFP addenda.

**MAIN POINT OF CONTACT**

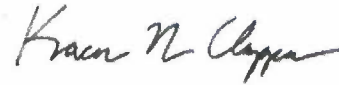
Should you have any questions regarding either the scope of work or our fee schedule, Kacen Clapper will be your primary point of contact. Correspondence can be sent to him at our address listed below or he may be contacted at (714) 624-2722 or at his email address is [kacen.clapper@wsp.com](mailto:kacen.clapper@wsp.com).

Sincerely,

**WSP USA Environment & Infrastructure, Inc.**



Theodore Von Bitner, PhD  
Principal-In-Charge



Kacen Clapper, CPSWQ  
Project Manager

**B. Proposed Project Budget**

This section presents our estimated costs to perform the scope of services based on experience with similar work for other clients, incorporating the assumptions described by the City in the RFP, and based on our proposed rate schedule presented in section C. Our costs estimate is negotiable and can be revised at the opportunity to clarify the specific assumptions outlined in the RFP.

Our approach to providing NPDES Program Management and Inspection Services to the City is based on the following service areas:

Task 1. Program Administration

Task 2. Compliance Planning

Task 3. Program Funding

Task 4. Training

Task 5. Capital Projects and Programs

Task 6. Planning and Land Development

Task 7. Construction

Task 8. Industrial/Commercial and Municipal Facility Inspections

Task 9. Investigations

Task 10. Public Outreach

Task 11. Reporting and Record Keeping

Tables 1, 2, 3 lists the task specific costs and estimated hours to perform the scope of work.

**Table 1. Year 1 Costs to Provide NPDES Program Management and Inspection Services to the City of Laguna Hills.**

| Classification                          | Name(s)                                               | Rate  | Hours by Task Number |          |         |         |         |          |          |          |          |          |          | Total Hours | Total Cost |
|-----------------------------------------|-------------------------------------------------------|-------|----------------------|----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|-------------|------------|
|                                         |                                                       |       | 1                    | 2        | 3       | 4       | 5       | 6        | 7        | 8        | 9        | 10       | 11       |             |            |
| Principle                               | Matt Rich                                             | \$310 | 2                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 2           | \$620      |
| Senior Associate                        | Theodore Von Bitner, Brent Smith                      | \$250 | 12                   | 6        | 2       | 2       | 0       | 2        | 0        | 0        | 0        | 0        | 0        | 24          | \$6,000    |
| Associate/Project Manager               | Michael Lowther, Lijun Xu, Kacen Clapper              | \$200 | 80                   | 65       | 6       | 14      | 18      | 8        | 8        | 17       | 40       | 20       | 33       | 309         | \$61,800   |
| Senior 2/ Project Manager               | Keri Gannon                                           | \$180 | 0                    | 0        | 0       | 0       | 0       | 59       | 0        | 0        | 0        | 0        | 0        | 59          | \$10,620   |
| Senior 1                                | Sarah Seifert, Kimberly Henry, Tomas Marquez          | \$170 | 0                    | 25       | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 60       | 85          | \$14,450   |
| Professional Staff 3                    | Dylan Cawthorne, Bryan Shiang, Ellen Smith, Tom Perry | \$150 | 0                    | 0        | 10      | 0       | 6       | 90       | 103      | 170      | 0        | 6        | 126      | 511         | \$76,650   |
| Professional Staff 2                    |                                                       | \$130 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Professional Staff 1                    |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Technician                       |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Field Technician                        |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Project/ Controller/ Coordinator |                                                       |       | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Project Controls Analyst                | Bernadette Roberts, Sarah Gerry                       | \$110 | 27                   | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 27          | \$2,970    |
| Project Support                         |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Technical Writer                        |                                                       | \$135 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Mileage (IRS Rate) and Materials        |                                                       |       | \$235.80             | \$0.00   | \$0.00  | \$0.00  | \$78.60 | \$589.50 | \$884.25 | \$314.40 | \$209.60 | \$558.95 | \$0.00   |             | \$2,871    |
| Task Specific and Overall Costs         |                                                       |       | \$22,826             | \$18,750 | \$3,200 | \$3,300 | \$4,579 | \$26,810 | \$17,934 | \$29,214 | \$8,210  | \$5,459  | \$35,700 | 1017        | \$175,981  |

NA = Not Applicable



**Table 2. Year 2 Costs to Provide NPDES Program Management and Inspection Services to the City of Laguna Hills.**

| Classification                         | Name(s)                                               | Rate  | Hours by Task Number |          |         |         |         |          |          |          |          |          |          | Total Hours | Total Cost |
|----------------------------------------|-------------------------------------------------------|-------|----------------------|----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|-------------|------------|
|                                        |                                                       |       | 1                    | 2        | 3       | 4       | 5       | 6        | 7        | 8        | 9        | 10       | 11       |             |            |
| Principle                              | Matt Rich                                             | \$310 | 2                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 2           | \$620      |
| Senior Associate                       | Theodore Von Bitner, Brent Smith                      | \$250 | 12                   | 6        | 2       | 2       | 0       | 2        | 0        | 0        | 0        | 0        | 0        | 24          | \$6,000    |
| Associate/Project Manager              | Michael Lowther, Lijun Xu, Kacen Clapper              | \$200 | 80                   | 65       | 6       | 14      | 18      | 8        | 8        | 17       | 40       | 20       | 32       | 308         | \$61,600   |
| Senior 2/ Project Manager              | Keri Gannon                                           | \$180 | 0                    | 0        | 0       | 0       | 0       | 59       | 0        | 0        | 0        | 0        | 0        | 59          | \$10,620   |
| Senior 1                               | Sarah Seifert, Kimberly Henry, Tomas Marquez          | \$170 | 0                    | 25       | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 42       | 67          | \$11,390   |
| Professional Staff 3                   | Dylan Cawthorne, Bryan Shiang, Ellen Smith, Tom Perry | \$150 | 0                    | 0        | 10      | 0       | 6       | 90       | 103      | 170      | 0        | 6        | 141      | 526         | \$78,900   |
| Professional Staff 2                   |                                                       | \$130 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Professional Staff 1                   |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Technician                      |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Field Technician                       |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Project Controller/ Coordinator |                                                       | \$150 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Project Controls Analyst               | Bernadette Roberts, Sarah Gerry                       | \$110 | 27                   | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 27          | \$2,970    |
| Project Support                        |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Technical Writer                       |                                                       | \$135 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Mileage (IRS Rate) and Materials       |                                                       |       | \$235.80             | \$0.00   | \$0.00  | \$0.00  | \$78.60 | \$589.50 | \$884.25 | \$314.40 | \$209.60 | \$558.95 | \$0.00   | NA          | \$2,871    |
| Task Specific and Overall Costs        |                                                       |       | \$22,826             | \$18,750 | \$3,200 | \$3,300 | \$4,579 | \$26,810 | \$17,934 | \$29,214 | \$8,210  | \$5,459  | \$34,690 | 1,013       | \$174,971  |

NA = Not Applicable

**Table 3. Year 3 Costs to Provide NPDES Program Management and Inspection Services to the City of Laguna Hills.**

| Classification                         | Name(s)                                               | Rate  | Hours by Task Number |          |         |         |         |          |          |          |          |          |          | Total Hours | Total Cost |
|----------------------------------------|-------------------------------------------------------|-------|----------------------|----------|---------|---------|---------|----------|----------|----------|----------|----------|----------|-------------|------------|
|                                        |                                                       |       | 1                    | 2        | 3       | 4       | 5       | 6        | 7        | 8        | 9        | 10       | 11       |             |            |
| Principle                              | Matt Rich                                             | \$310 | 2                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 2           | \$620      |
| Senior Associate                       | Theodore Von Bitner, Brent Smith                      | \$250 | 12                   | 6        | 2       | 2       | 0       | 2        | 0        | 0        | 0        | 0        | 0        | 24          | \$6,000    |
| Associate/Project Manager              | Michael Lowther, Lijun Xu, Kacen Clapper              | \$200 | 80                   | 65       | 6       | 14      | 18      | 8        | 8        | 17       | 40       | 20       | 32       | 308         | \$61,600   |
| Senior 2/ Project Manager              | Keri Gannon                                           | \$180 | 0                    | 0        | 0       | 0       | 0       | 59       | 0        | 0        | 0        | 0        | 0        | 59          | \$10,620   |
| Senior 1                               | Sarah Seifert, Kimberly Henry, Tomas Marquez          | \$170 | 0                    | 25       | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 42       | 67          | \$11,390   |
| Professional Staff 3                   | Dylan Cawthorne, Bryan Shiang, Ellen Smith, Tom Perry | \$150 | 0                    | 0        | 10      | 0       | 6       | 90       | 103      | 170      | 0        | 6        | 141      | 526         | \$78,900   |
| Professional Staff 2                   |                                                       | \$130 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Professional Staff 1                   |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Technician                      |                                                       | \$120 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Field Technician                       |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Senior Project Controller/ Coordinator |                                                       | \$150 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Project Controls Analyst               | Bernadette Roberts, Sarah Gerry                       | \$110 | 27                   | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 27          | \$2,970    |
| Project Support                        |                                                       | \$100 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Technical Writer                       |                                                       | \$135 | 0                    | 0        | 0       | 0       | 0       | 0        | 0        | 0        | 0        | 0        | 0        | 0           | \$0        |
| Mileage (IRS Rate) and Materials       |                                                       |       | \$235.80             | \$0.00   | \$0.00  | \$0.00  | \$78.60 | \$589.50 | \$884.25 | \$314.40 | \$209.60 | \$558.95 | \$0.00   | NA          | \$2,871    |
| Task Specific and Overall Costs        |                                                       |       | \$22,826             | \$18,750 | \$3,200 | \$3,300 | \$4,579 | \$26,810 | \$17,934 | \$29,214 | \$8,210  | \$5,459  | \$34,690 | 1013        | \$174,971  |

NA = Not Applicable

### C. Fee Schedule

As requested, we have provided an hourly rate fee schedule applicable to our proposed personnel proposed to provide services on City of Laguna Hills projects in a separate sealed envelope.

The Schedule of Charges applies to all services provided by and/or through WSP to the City. The schedule of charges may be revised periodically, as conditions require. These rates will be in effect for the duration of the contract.

WSP is an Equal Opportunity/Affirmative Action Employer, and as such adheres to all applicable federal, state, and local laws and regulations in this regard.

### Labor

Labor charges are for technical work, including technical typing, editing, and graphics involved in the preparation of reports and correspondence and for the time associated with production of such documents. Direct charges are not made for secretarial service, office management, accounting, and maintenance, because these items are included in overhead. Labor category charge rates for WSP are listed below. Regional and other factors may influence rates charged for certain individuals. Rates for individuals will be provided on request.

| LABOR CATEGORY                               | HOURLY RATE |
|----------------------------------------------|-------------|
| Principal Engineer/Scientist                 | \$310       |
| Senior Associate Engineer/Scientist          | \$250       |
| Associate Project Manager/Engineer/Scientist | \$200       |
| Senior 2/Engineer / Scientist                | \$180       |
| Senior 1/Engineer/Scientist                  | \$170       |
| Staff 3 Engineer / Scientist                 | \$150       |
| Staff 2 Engineer / Scientist                 | \$130       |
| Staff 1 Engineer / Scientist                 | \$120       |
| Senior Technician                            | \$120       |
| Field Technician                             | \$100       |
| Senior Project Controller/Coordinator        | \$150       |
| Project Controls Analyst                     | \$110       |
| Project Support                              | \$100       |
| Technical Writer                             | \$135       |

The hourly labor rates set forth are valid effective January 1, 2023.

Time spent in travel in the interest of the client will be charged at hourly rates, except that no more than 8 hours of travel time will be charged in any day. When it is necessary for an employee to be away from the office overnight, actual costs, or a negotiated rate, will be charged for living expenses. Employee



expenses will be charged at cost. Mileage for travel expenses will not be charged to the City. Other expenses are listed below.

Charges for expert witness services will be at the hourly rates shown. However, for depositions and for court appearances, the rate is twice the amount shown. There will be a 4-hour minimum per-day charge for depositions and an 8-hour minimum per-day charge for court appearances. Special accounting services will be billed at the Support Staff rate.

### **Direct Costs and Subcontracted Services**

The following represents typical billing rates for expense not directly related to hourly fees, including reprographic services.

#### **Outside Services**

Outside services will be charged at cost multiplied by 1.05. Common outside items include: subconsultants, drilling services, laboratory testing, equipment and vehicle rental, printing and photographic work, postage and shipping, conference calls, travel, and transportation.

#### **Reimbursables**

|                                        |                           |
|----------------------------------------|---------------------------|
| Non-routine Photocopies.....           | \$0.12/sheet              |
| Specialized Computer Application ..... | \$25.00/hour <sup>1</sup> |

#### **On-request Invoices**

Invoices will be rendered at least monthly, either as a final or partial billing, and will be payable upon receipt. An additional payment charge of 1 1/2% per month or the maximum charge allowed by law, whichever is less, will be payable on accounts not paid within 30 days from billing date.

#### **Other Expenses**

Special equipment or supplies, permits, shipping charges, special printing, or other items not customarily provided by WSP, will be charged at our cost multiplied by 1.05. The use of company-owned specialized equipment required by a project not listed above will be quoted separately to the City prior to the work and charged at an hourly rate or daily rate.

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<sup>1</sup> Does not include commercially available software programs such as ArcGIS, ArcPro for GIS, Microsoft Office products, etc.

**EXHIBIT "B"**

**CITY OF LAGUNA HILLS  
SCOPE OF SERVICES  
FOR  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES**

---

REQUEST FOR PROPOSALS (RFP)  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES  
SCOPE OF SERVICES DESCRIPTION  
(4-PAGES)



City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

**SECTION IV**

**SCOPE OF SERVICES**

**Services to be Provided:**

Consultant shall provide all, or any combination, of the following services to the City of Laguna Hills upon issuance of a Task Order. None of the requested services should be interpreted as requiring any dedicated or continuing on-site staffing by the Consultant.

These services include ensuring that the City's National Pollution Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit requirements are complied with, including total maximum daily load (TMDL) implementation, water pollution prevention programs, and the City's stormwater pollution prevention ordinance.

Responsibilities include coordinating the City's NPDES MS4 program, serving as a main liaison with the Santa Ana and San Diego Regional Water Quality Control Boards and the County of Orange, overseeing the City's NPDES MS4 program, and attend various countywide meetings.

It is anticipated the selected consultant will support the City with a combination of meetings, both in-house and field, along with satellite services. ***The Department anticipates the work can be accomplished within 16 hours per week with the selected provider. All work performed by the selected provider shall be invoiced on an hourly basis.*** This allows the Department to contract for more complex expertise than is currently available with in-house staff.

As a courtesy, some items below have estimated time allowances. However, the proposer shall investigate all items and make his/her own estimates of all work items, regardless of estimated time allowances provided, in his/her proposal.

Other specific tasks include, but are not limited to:

**1. Program Administration**

**a. Program updates and correspondence.**

- Provide Program status updates and hold update meetings. Represent the City at various regulatory compliance meetings. Meetings include but are not limited to: NPDES General Permittee Meetings, Newport Bay Watershed Meetings, North Orange County Watershed Management Area Management Committee Meetings, South Orange County Watershed Management Area Committee Meetings, Local Implementation Plan/Program Effectiveness Assessment Sub-Committee Meetings, NPDES Legal/Regulatory Advisory Sub-Committee

City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

Meetings, Trash and Debris Task Force Meeting Public Education Sub-Committee Meetings, NPDES Technical Advisory Committee Meetings, NPDES Inspection Sub-Committee Meetings, and, as-needed Regional Board Meetings. ***For this task, assume three 2-hour meetings per month.***

- Act as liaison with various environmentally related resource agencies as it relates to public and private projects within the city.
- b. Technical assistance. Be aware, train, and update City staff regarding new technologies, changing mandates, regulations, and NPDES items. Consultant will be knowledgeable of NPDES legislation and recommend implementation of program elements as necessary and required to comply with NPDES regulations.

**2. Compliance Planning.**

- a. Assist with planning, implementing, and reporting for TMDLs and Watershed Plans and for statewide pollutant provisions, including any Newport Bay TMDLs as well as the South Orange County Integrated Regional Water Management Plan and the South Orange County Water Quality Improvement Plan. Assess compliance with TMDLs and Plans as well as statewide pollutant provisions. Recommend compliance actions and assist in their implementation. ***For this task, assume 8 hours per month.***

**3. Program Funding**

- a. Apply for applicable grant funding opportunities. Grant funding opportunities may include but not limited to OCTA M2 Tier 1 Grants. ***For this task, assume 20 hours of assistance per year.***
- b. Assist in developing and administering Program fees, budgets, and cost share agreements.

**4. Training**

- a. Hold annual NPDES MS4 training for City staff in-person.
- b. Obtain proper and pertinent training by attending County-wide training. County-wide training includes but is not limited to: WQMP and Hydromodification Model Training, Stormwater Program Manager Training, Illegal Discharge and Illicit Connection Training, Commercial/Industrial/Municipal Inspector Training, and Post-Construction Inspection Training. ***For this task, assume 8 hours of County-wide training per year.***

**5. Capital Projects and Programs**

- a. Provide as-needed assistance in selecting, developing, and implementing any NPDES elements of capital projects.
- b. Conduct maintenance inspections for City-owned post-construction BMPs.



City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

***For this task, assume 2 inspections per year.***

- c. Assist City staff in receiving and terminating coverage under the NPDES Construction General Permit and other applicable NPDES permits.

**6. Planning and Land Development**

- a. Review and approve submittals of Water Quality Management Plans (WQMPs), Non-Priority Water Quality Management Plans, Stormwater Pollution Prevention Plans, and Water Pollution Control Plans for City and private development projects. ***For this task, assume 10 WQMPs, each requiring 3 reviews to approval, for a total of 30 reviews.***
- b. Review/plan check project plans, specifications, and other documents for compliance with storm water regulations.
- c. Collaborate and confer with developers, contractors and engineers on water quality issues related to grading plans and encroachment permits.
- d. Conduct post-construction BMP verification and maintenance inspections. ***For this task, assume 15 verification/maintenance inspections per year.***

- 7. **Construction.** Conduct proactive, routine stormwater quality inspections for construction sites that require NPDES Permit coverage and provide as-needed inspection assistance for construction sites that do not require coverage. Work with public works staff, building inspectors, and code enforcement officers to bring NPDES issues into compliance. ***For this task, assume 30 inspections, 15 follow-up inspections, and 5 enforcement notices per year.***

**8. Industrial/Commercial and Municipal Facility Inspections**

- a. Conduct routine stormwater quality inspections for commercial, industrial, and municipal facilities. Work with Public Works staff and the City's Code Enforcement Officer to bring NPDES issues into compliance. Routine inspections also include following-up for facilities referred to by Orange County Health Care Agency, and Orange County Pollution Prevention Hotline. ***For this task, assume 70 inspections, 20 follow-up inspections, and 5 enforcement notices per year.***
- b. Assist as-needed with the implementation of SB-205.

- 9. **Investigations.** Respond as needed to emergency spills and properly document the incidents, including illicit connections and illegal discharges. Communicate with appropriate parties to mitigate incidences and maintain tracking system of all complaints, investigations, and correspondence. Work with code enforcement officers to bring NPDES issues into compliance. ***For this task, assume 4 investigations and 4 follow-up inspections per year.***

City of Laguna Hills  
NPDES PROGRAM MANAGEMENT AND INSPECTION SERVICES

**10. Public Outreach**

- a. Provide pollution prevention educational materials for distribution and content for internet-based platforms. ***For this task, assume \$500 in material purchases per year to be reimbursed by the City as part of the consultant's monthly invoicing.***
- b. Assist with City community events to promote pollution prevention. ***For this task, assume 3 events per year with 4 hours per event.***
- c. Update educational materials and content as needed, working with the City's public information officer consultant and City staff.

**11. Reporting and Record Keeping**

- a. Prepare the NPDES MS4 Annual Reports for the Santa Ana RWQCB and San Diego RWQCB along with providing data to the County of Orange. This includes but is not limited to: legal authority, illicit discharge detection and elimination program, development planning program, construction management program, existing development and management program, public education and participation program, and fiscal analysis.
- b. Prepare and submit the City's quarterly reports for Industrial/Construction NPDES Permit facilities.
- c. Manage and update inventories to track NPDES activities. Inventory includes tracking of municipal facilities, commercial facilities, industrial facilities, WQMP projects, post-construction BMP maintenance and verification, and construction sites.
- d. **Use and populate the Orange County Stormwater Tools ("OC Stormwater Tools") compliance reporting program designed by Orange County Public Works.** The City currently has a backlog of entries which must be made which involve making field visits to City-owned and privately-owned stormwater treatment devices (structural BMPs) to verify status and O&M issues, researching existing WQMPs and grading plans the City has on-file, and entering the data into OC Stormwater Tools. ***For this task, in the first year of the contract, assume 100 hours of work, and assume 40 hours of work in years 2 and 3.***

End of Section, continue to next page.



November 11, 2024

Joe Ames, Public Works Director/City Engineer  
City of Laguna Hills  
24035 El Toro Road  
Laguna Hills, CA 92653

Subject: Contract Novation to WSP USA Inc. (Professional Services Agreement WSP USA Environment & Infrastructure, Inc. for NPDES Program Management and Inspection Consulting Services effective June 13, 2023)

Dear Client:

On December 31, 2024, WSP USA Environment & Infrastructure Inc. ("WSP E&I") will merge into WSP USA Inc. With this merger, WSP E&I will cease to exist, and WSP USA Inc. will remain as the successor legal entity. The existing WSP E&I contract will effectively transfer to WSP USA Inc. with no action needed on your part for our work to continue. As the surviving corporation, WSP USA Inc. automatically assumes all rights, responsibilities, and liabilities of WSP E&I, including existing agreements.

Regarding insurance, both WSP USA Inc. and WSP E&I are currently covered under the same insurance policies, and this merger shall not modify that coverage. The insurance certificates previously provided will remain valid. If you need an updated insurance certificate listing WSP USA Inc. as the insured, please email [GGB.WSPUS.CertRequests@ajg.com](mailto:GGB.WSPUS.CertRequests@ajg.com) with that request.

If you need or wish to request a contract novation, assignment, amendment, or other formal name change due to this merger, please inform your WSP point of contact. Our legal team is prepared to support any necessary transition documentation promptly. You may submit any questions regarding this matter directly to the WSP E&I Merger mailbox at [WSP-E&I-Merger@wsp.com](mailto:WSP-E&I-Merger@wsp.com). Our legal team is monitoring this mailbox and will respond promptly to any inquiries. Our goal is to minimize any disruptions to our clients, and we apologize for any inconvenience this may cause.

We want to assure you that while we complete these administrative changes, what you rely on remains the same: our staff and leadership, our passion for quality, and our commitment to collaboration and client service. The WSP USA Inc. teams assigned to your organization, including project managers, project staff, and senior management, will not change due to these changes. We remain committed to providing the same level of service you have come to expect.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lytle Troutt'.

Lytle Troutt  
SVP Operations, US E&E



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Joe Ames, Public Works Director/City Engineer  
**Issue:** Proposed Civic Center Office Lease with The Financial Coaching Group, Inc., a California corporation, for 24031 El Toro Road, Suite 320, Laguna Hills, California

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**Recommendation:** That the City Council: 1) Approve the lease agreement with The Financial Coaching Group, a California corporation, for 24031 El Toro Road, Suite 320, Laguna Hills, California; 2) Authorize the City Manager to make minor modifications to and negotiate the final terms of the lease agreement, as necessary; and 3) Authorize the City Manager to execute the lease agreement.

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### Background:

City staff and the Civic Center property management company, Essex Realty Management, Inc., negotiated a five-year lease with The Financial Coaching Group, a California corporation, for 24031 El Toro Road, Suite 320. Michael and Arlene Stokes, principals with the firm, offer financial services including investments, retirement planning, and estate planning. They are planning to relocate their business to the Civic Center.

Until August 31, 2024, Suite 320 was occupied by the Dayle McIntosh Center for the Disabled. This location was a satellite location for the Center. They elected not to renew their lease and instead only operate out of their primary location in Anaheim. Suite 320 has not been rehabilitated in a long time and requires improvements in order to be marketable.

In November 2024, Essex Realty Management, Inc., received an offer from the Stokes for the lease of Suite 320. The offer requires reasonable improvements to be made to

Suite 320 prior to occupancy. In lieu of providing a tenant improvement allowance to the lessee to make the reasonable improvements, which would require the lessee to hire contractors registered with the California Department of Industrial Relations and to pay prevailing wage rates, City staff and Essex negotiated a proposed lease that requires the City to make the improvements to the space prior to occupancy by the lessee. While these improvements still require the payment of prevailing wages, the City is better equipped to manage these improvements.

The tenant improvements include: 1) installation of new vinyl plank or tile flooring and wall base throughout; 2) painting the interior suite throughout with building standard interior paint; 3) replacing wall outlets/lighting plates and plugs throughout; 4) removal of the existing handicap door hardware; 5) demolition of the dividing wall in the reception area; 6) installation of two light fixtures to match existing lighting in area where wall was removed; 7) removal of all old security system equipment from walls and ceiling tiles; 8) removal of the floating cabinet in the kitchen; 9) cleaning AC vent covers; and 10) ensuring all ceiling tiles are uniform throughout the suite. The expected tenant improvements are expected to cost less than \$40,000 and must be completed by April 1, 2025, per the terms of the proposed lease agreement.

Due to the limited timeframe to complete the work and the relatively minor scope of work, City staff will use the City's Informal Bidding Ordinance, Chapter 3-36, which authorizes the City Manager to award and execute contracts for "public projects" of \$60,000 or less. "Public projects" include the construction, reconstruction, erection, alteration, renovation, demolition, repair work, and repainting or repainting of any publicly owned, leased, or operated facility. By using the Informal Bidding Ordinance, this process will save City staff time and money that would otherwise be spent on creating bid documents for the scope of work for the requested tenant improvements and the overhead costs associated with hiring one general contractor for the improvements versus hiring individual specialty contractors.

Consequently, City staff recommends that the City Council: 1) Approve the lease agreement with The Financial Coaching Group, a California corporation, for 24031 El Toro Road, Suite 320, Laguna Hills, California; 2) Authorize the City Manager to make minor modifications to and negotiate the final terms of the lease agreement, as necessary; and 3) Authorize the City Manager to execute the lease agreement

#### **CEQA Findings:**

Environmental review is not required under the California Environmental Quality Act (CEQA) pursuant to the California Code of Regulations, Title 14, Chapter 3, Section

15301 as a Class 1 Categorical Exemption – “Existing Facilities.”

**Fiscal Impact:**

The following is a summary of the key lease terms and financial analysis:

|                       |                                                                                                                                                                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commencement Date:    | July 1, 2024 (subject to change)                                                                                                                                                                                                                |
| Term:                 | Sixty (60) months                                                                                                                                                                                                                               |
| Rentable Square Feet: | 1,218                                                                                                                                                                                                                                           |
| Upfront Capital:      | \$52,357 (Estimated)                                                                                                                                                                                                                            |
| Base Rent:            | Months 1-12: \$2,984.10 (~\$2.45/SF/mo)<br>Months 13-24: \$3,073.62/month (~\$2.52/SF/mo)<br>Months 25-36: \$3,165.83/month (~\$2.60/SF/mo)<br>Months 37-48: \$3,260.81/month (~\$2.68/SF/mo)<br>Months 49-60: \$3,358.63/month (~\$2.76/SF/mo) |
| Total Rent Payments:  | \$190,115.91                                                                                                                                                                                                                                    |

The Base Rent includes the lessee’s share of eligible operating expenses (also known as common area maintenance charges) for the first year. In the second and subsequent years, any increases in eligible operating expenses will be borne, proportionally, by the lessee up to 4% annually.

The Base Rent schedule reflects a 3% annual increase.

Upfront Capital includes leasing commissions and tenant improvements (or allowances for tenant improvements). The negotiated lease includes an estimated cost of \$40,000 of tenant improvements to be performed by the City. Essex Realty, per the terms of the existing property management agreement, will receive approximately \$5,703 for its lease commission (3% of total rent consideration) as the listing broker, and the broker representing the lessee will receive approximately \$6,655 for its lease commission (3.5% of total rent consideration) as the procuring broker.

**Attachments:**

1. Proposed Lease

# STANDARD MULTI-TENANT OFFICE LEASE - GROSS

## 1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("Lease"), dated for reference purposes only November 22, 2024, is made by and between The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California ("Lessor") and The Financial Coaching Group, Inc., a California corporation ("Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) **Premises:** That certain Portion of the Project (as defined below), commonly known as (street address, suite, city, state): 24031 El Toro Road, Suite 320 Laguna Hills, CA 92653 ("Premises"). The Premises are located in the County of Orange, and consist of approximately 1,218 rentable square feet and approximately 1,018 useable square feet. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to the Common Areas (as defined in Paragraph 2.7 below) as hereinafter specified, but shall not have any rights to the roof, the exterior walls, the area above the dropped ceilings, or the utility raceways of the building containing the Premises ("Building") or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." The Project consists of approximately 51,946 rentable square feet. (See also Paragraph 2)

1.2(b) **Parking:** 4/1000sf unreserved and N/A reserved vehicle parking spaces at a monthly cost of N/A per unreserved space and N/A per reserved space. (See Paragraph 2.6)

1.3 **Term:** 5 years and \_\_\_\_\_ months ("Original Term") commencing April 1, 2025 ("Commencement Date") and ending March 31, 2030 ("Expiration Date"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Lessee shall be granted early possession in order to complete Lessee's portion of improvement (Lessee shall not interfere with progress of Lessors Tenant Improvements) provided that Lessor is in receipt of a fully executed lease agreement, monies outlined in section 1.7e, and a certificate of liability insurance naming Landlord and it's agent as additionally insured. ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** \$2,984.10 per month ("Base Rent"), payable on the First day of each month commencing April 1, 2025. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 4.4. (See Addendum Paragraph 1)

1.6 **Lessee's Share of Operating Expense Increase.** two point three four percent (2.34 %) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

### 1.7 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent:** \$2,984.10 for the period April 1, 2025 - April 30, 2025.

(b) **Security Deposit:** \$3,358.63 ("Security Deposit"). (See also Paragraph 5)

(c) **Parking:** N/A for the period N/A.

(d) **Other:** N/A for N/A.

(e) **Total Due Upon Execution of this Lease:** \$6,342.73.

1.8 **Agreed Use:** General office use for a financial services business. (See also Paragraph 6)

1.9 **Base Year; Insuring Party.** The Base Year is 2025. Lessor is the "Insuring Party". (See also Paragraphs 4.2 and 8)

1.10 **Real Estate Brokers.** (See also Paragraphs 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm Essex Realty Management, Inc. License No. 00965485 Is the broker of (check one): ☐ the Lessor; or ☐ both the Lessee and Lessor (dual agent).

Lessor's Agent Heather Stark License No. 02153034 is (check one): ☐ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm \_\_\_\_\_ License No. \_\_\_\_\_ Is the broker of (check one): ☒ the Lessee; or ☐ both the Lessee and Lessor (dual agent).

Lessee's Agent \_\_\_\_\_ License No. \_\_\_\_\_ is (check one): ☒ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of \_\_\_\_\_ or \_\_\_\_\_ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by Michael Stokes and Arlene Stokes, personally in their individual capacity. ("Guarantor"). (See also Paragraph 37)

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1.12 **Business Hours for the Building:** 7:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and 8:00 a.m. to 1:00 p.m. on Saturdays (except Building Holidays). "Building Holidays" shall mean the dates of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and N/A.

1.13 **Lessor Supplied Services.** Notwithstanding the provisions of Paragraph 11.1, Lessor is NOT obligated to provide the following within the Premises:

- ☐ Janitorial services
- ☐ Electricity
- ☐ Other (specify): \_\_\_\_\_

1.14 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- ☒ an Addendum consisting of Paragraphs 1 through 8;
- ☒ a plot plan depicting the Premises; Exhibit "A"
- ☒ a current set of the Rules and Regulations; Exhibit "B"
- ☒ a Work Letter; Requirements for Improvements or Alterations by Lessee Exhibit "D"
- ☐ a janitorial schedule;
- ☒ other (specify): Exhibit "C" Waiver and Release. Exhibit "E" Personal Guaranty, Agency

Disclosure.

## 2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee in a clean condition on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), and all other items which the Lessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Premises do not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Premises ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) Lessee has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements), and their suitability for Lessee's intended use, (c) Lessee has made such

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investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

**2.5 Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date, Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

**2.6 Vehicle Parking.** So long as Lessee is not in default, and subject to the Rules and Regulations attached hereto, and as established by Lessor from time to time, Lessee shall be entitled to rent and use the number of parking spaces specified in Paragraph 1.2(b) at the rental rate applicable from time to time for monthly parking as set by Lessor and/or its licensee.

(a) If Lessee commits, permits or allows any of the prohibited activities described in the Lease or the rules then in effect, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

(b) The monthly rent per parking space specified in Paragraph 1.2(b) is subject to change upon 30 days prior written notice to Lessee. The rent for the parking is payable one month in advance prior to the first day of each calendar month.

**2.7 Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Premises that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

**2.8 Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

**2.9 Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to adopt, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. The Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the noncompliance with said Rules and Regulations by other tenants of the Project.

**2.10 Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of the lobbies, windows, stairways, air shafts, elevators, escalators, restrooms, driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

### 3. Term.

**3.1 Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

**3.2 Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of the Operating Expense Increase) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

**3.3 Delay In Possession.** Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

**3.4 Lessee Compliance.** Lessor shall not be required to deliver possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Paragraph 8 of the Lease (See Addendum Paragraph 4) Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

### 4. Rent.

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4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Operating Expense Increase.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share of the amount by which all Operating Expenses for each Comparison Year exceeds the amount of all Operating Expenses for the Base Year, such excess being hereinafter referred to as the "Operating Expense Increase", in accordance with the following provisions:

(a) "Base Year" is as specified in Paragraph 1.9.

(b) "Comparison Year" is defined as each calendar year during the term of this Lease subsequent to the Base Year; provided, however, Lessee shall have no obligation to pay a share of the Operating Expense Increase applicable to the first 12 months of the Lease Term (other than such as are mandated by a governmental authority, as to which government mandated expenses Lessee shall pay Lessee's Share, notwithstanding they occur during the first twelve (12) months). Lessee's Share of the Operating Expense Increase for the first and last Comparison Years of the Lease Term shall be prorated according to that portion of such Comparison Year as to which Lessee is responsible for a share of such increase.

(c) The following costs relating to the ownership and operation of the Project, calculated as if the Project was at least 95% occupied, are defined as "Operating Expenses":

(i) Costs relating to the operation, repair, and maintenance in neat, clean, safe, good order and condition, but not the replacement (see subparagraph (g)), of the following:

(aa) The Common Areas, including their surfaces, coverings, decorative items, carpets, drapes and window coverings, and including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, stairways, parkways, driveways, landscaped areas, striping, bumpers, irrigation systems, Common Area lighting facilities, building exteriors and roofs, fences and gates;

(bb) All heating, air conditioning, plumbing, electrical systems, life safety equipment, communication systems and other equipment used in common by, or for the benefit of, tenants or occupants of the Project, including elevators and escalators, tenant directories, fire detection systems including sprinkler system maintenance and repair.

(cc) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of trash disposal, janitorial and security services, pest control services, and the costs of any environmental inspections;

(iii) The cost of any other service to be provided by Lessor that is elsewhere in this Lease stated to be an "Operating Expense";

(iv) The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 and any deductible portion of an insured loss concerning the Building or the Common Areas;

(v) The amount of the Real Property Taxes payable by Lessor pursuant to paragraph 10;

(vi) The cost of water, sewer, gas, electricity, and other publicly mandated services not separately metered;

(vii) Labor, salaries, and applicable fringe benefits and costs, materials, supplies and tools, used in maintaining and/or cleaning the Project and accounting and management fees attributable to the operation of the Project;

(viii) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such Capital Expenditure in any given month;

(ix) The cost to replace equipment or improvements that have a useful life for accounting purposes of 5 years or less.

(x) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(d) Any item of Operating Expense that is specifically attributable to the Premises, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Premises, Building, or other building. However, any such item that is not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(e) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(c) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(f) Lessee's Share of Operating Expense Increase is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such Year exceed Lessee's Share, Lessee shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such Year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of said statement. Lessor and Lessee shall forthwith adjust between them by cash payment any balance determined to exist with respect to that portion of the last Comparison Year for which Lessee is responsible as to Operating Expense Increases, notwithstanding that the Lease term may have terminated before the end of such Comparison Year.

(g) Operating Expenses shall not include the costs of replacement for equipment or capital components such as the roof, foundations, exterior walls or a Common Area capital improvement, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(h) Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or by insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States on or before the day on which it is due, without offset or deduction (except as specifically permitted in this Lease). All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of ~~\$25~~ \$75 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after

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written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

## 6. Use. (See Addendum Paragraph 3)

~~6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements of the Building, will not adversely affect the mechanical, electrical, HVAC, and other systems of the Building, and/or will not affect the exterior appearance of the Building. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which shall include an explanation of Lessor's objections to the change in the Agreed Use.~~

### 6.2 Hazardous Substances.

(a) **Reportable Uses Require Consent.** The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use such as ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor.** If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation.** Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification.** Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification.** Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations.** Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option.** If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such

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Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

**6.3 Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

**6.4 Inspection; Compliance.** Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times, after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

## **7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.**

**7.1 Lessee's Obligations.** Notwithstanding Lessor's obligation to keep the Premises in good condition and repair, Lessee shall be responsible for payment of the cost thereof to Lessor as additional rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Lessee or the Premises, to the extent such cost is attributable to abuse or misuse. In addition, Lessee rather than the Lessor shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any similar improvements within the Premises. Lessor may, at its option, upon reasonable notice, elect to have Lessee perform any particular such maintenance or repairs the cost of which is otherwise Lessee's responsibility hereunder."

**7.2 Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, fire alarm and/or smoke detection systems, fire hydrants, and the Common Areas.

### **7.3 Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air lines, vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, and plumbing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof, ceilings, floors or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed \$2000. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor. In addition to and without limiting the other requirements of this Paragraph 7.3, all utilities, installations, and alterations made by Lessee shall also be subject to the provisions of Exhibit "D" attached to this Lease.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If

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Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

#### 7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

### 8. Insurance; Indemnity. (See Addendum Paragraph 4)

8.1 **Insurance Premiums.** The cost of the premiums for the insurance policies maintained by Lessor pursuant to paragraph 8 are included as Operating Expenses (see paragraph 4.2 (c)(iv)). Said costs shall include increases in the premiums resulting from additional coverage related to requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. Said costs shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. If the Project was not insured for the entirety of the Base Year, then the base premium shall be the lowest annual premium reasonably obtainable for the required insurance as of the Start Date, assuming the most nominal use possible of the Building and/or Project. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of \$2,000,000 procured under Paragraph 8.2(b).

#### 8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured- Managers or Lessors of Premises" Endorsement and coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

#### 8.3 Property Insurance- Building, Improvements and Rental Value.

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground lessor, and to any Lender insuring loss or damage to the Building and/or Project. The amount of such insurance shall be equal to the full insurable replacement cost of the Building and/or Project, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value Insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

#### 8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds

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~~from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.~~

~~(b) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.~~

~~(c) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.~~

~~(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.~~

~~8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 10 days prior written notice to Lessor. Lessee shall, at least 30 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.~~

~~8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.~~

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

## 9. **Damage or Destruction.**

### 9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) **"Premises Total Destruction"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8 of this Lease (See Addendum Paragraph 4) ~~Paragraph 8.3(a)~~, irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$5,000 or less, and, in such

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event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

**9.3 Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

**9.4 Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

**9.5 Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

**9.6 Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

**9.7 Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

**10. Real Property Taxes.**

**10.1 Definitions.** As used herein, the term "Real Property Taxes" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

**10.2 Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Operating Expenses in accordance with the provisions of Paragraph 4.2.

**10.3 Additional Improvements.** Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

**10.4 Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith,

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shall be conclusive.

**10.5 Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

## **11. Utilities and Services.**

**11.1 Services Provided by Lessor.** Lessor shall provide heating, ventilation, air conditioning, reasonable amounts of electricity for normal lighting and office machines, water for reasonable and normal drinking and lavatory use in connection with an office, and replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures. Lessor shall also provide janitorial services to the Premises and Common Areas 5 times per week, excluding Building Holidays, or pursuant to the attached janitorial schedule, if any. Lessor shall not, however, be required to provide janitorial services to kitchens or storage areas included within the Premises.

**11.2 Services Exclusive to Lessee.** Notwithstanding the provisions of paragraph 11.1, Lessee shall pay for all water, gas, light, power, telephone and other utilities and services specially or exclusively supplied and/or metered exclusively to the Premises or to Lessee, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2(vi), if a service is deleted by Paragraph 1.13 and such service is not separately metered to the Premises, Lessee shall pay at Lessor's option, either Lessee's Share or a reasonable proportion to be determined by Lessor of all charges for such jointly metered service.

**11.3 Hours of Service.** Said services and utilities shall be provided during times set forth in Paragraph 1.12. Utilities and services required at other times shall be subject to advance request and reimbursement by Lessee to Lessor of the cost thereof.

**11.4 Excess Usage by Lessee.** Lessee shall not make connection to the utilities except by or through existing outlets and shall not install or use machinery or equipment in or about the Premises that uses excess water, lighting or power, or suffer or permit any act that causes extra burden upon the utilities or services, including but not limited to security and trash services, over standard office usage for the Project. Lessor shall require Lessee to reimburse Lessor for any excess expenses or costs that may arise out of a breach of this subparagraph by Lessee. Lessor may, in its sole discretion, install at Lessee's expense supplemental equipment and/or separate metering applicable to Lessee's excess usage or loading.

**11.5 Interruptions.** There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

**11.6** Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

## **12. Assignment and Subletting.**

### **12.1 Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a non-curable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a non-curable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

### **12.2 Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession

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of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

**12.3 Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

### **13. Default; Breach; Remedies.**

**13.1 Default; Breach.** A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.2.8 (See Addendum Paragraph 4) is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b) or (c), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

**13.2 Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

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(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

**13.3 Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

**13.4 Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

**13.5 Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

#### **13.6 Breach by Lessor. (See Addendum Paragraph 5)**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided, however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

**14. Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the rentable floor area of the Premises, or more than 25% of Lessee's Reserved Parking Spaces, if any, are taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the

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Premises caused by such Condemnation.

#### 15. Brokerage Fees.

~~15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.~~

~~15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.~~

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

#### 16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Project, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

#### 23. Notices.

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as

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required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

**23.3 Options.** Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

#### **24. Waivers.**

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

#### **25. Disclosures Regarding the Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. To the Lessee: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

**26. No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

**27. Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**28. Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

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**29. Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

**30. Subordination; Attornment; Non-Disturbance.**

**30.1 Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

**30.2 Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner; and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

**30.3 Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

**30.4 Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

**31. Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).

**32. Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

**33. Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

**34. Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Lessor may not place any sign on the exterior of the Building that covers any of the windows of the Premises. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

**35. Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

**36. Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

**37. Guarantor.**

**37.1 Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE. Attached hereto as Exhibit

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**37.2 Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

**38. Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

**39. Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply.

**39.1 Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

**39.2 Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

**39.3 Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

**39.4 Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

**40. Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties. In the event, however, that Lessor should elect to provide security services, then the cost thereof shall be an Operating Expense.

**41. Reservations.**

(a) Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessor may also: change the name, address or title of the Building or Project upon at least 90 days prior written notice; provide and install, at Lessee's expense, Building standard graphics on the door of the Premises and such portions of the Common Areas as Lessor shall reasonably deem appropriate; grant to any lessee the exclusive right to conduct any business as long as such exclusive right does not conflict with any rights expressly given herein; and to place such signs, notices or displays as Lessor reasonably deems necessary or advisable upon the roof, exterior of the Building or the Project or on signs in the Common Areas. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights. The obstruction of Lessee's view, air, or light by any structure erected in the vicinity of the Building, whether by Lessor or third parties, shall in no way affect this Lease or impose any liability upon Lessor.

(b) Lessor also reserves the right to move Lessee to other space of comparable size in the Building or Project. Lessor must provide at least 45 days prior written notice of such move, and the new space must contain improvements of comparable quality to those contained within the Premises. Lessor shall pay the reasonable out of pocket costs that Lessee incurs with regard to such relocation, including the expenses of moving and necessary stationary revision costs. In no event, however, shall Lessor be required to pay an amount in excess of two months Base Rent. Lessee may not be relocated more than once during the term of this Lease.

(c) Lessee shall not: (i) use a representation (photographic or otherwise) of the Building or Project or their name(s) in connection with Lessee's business; or (ii) suffer or permit anyone, except in emergency, to go upon the roof of the Building.

**42. Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

**43. Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**44. Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or

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handwritten provisions.

**45. Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

**46. Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

**47. Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

**48. Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

**49. Accessibility; Americans with Disabilities Act.**

(a) The Premises:

☒ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

**LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.**

**ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:**

- 1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.**
- 2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING AND SIZE OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.**

**WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.**

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at: 24031 El Toro Road, Suite 100,  
Laguna Hills, CA 92653

On: \_\_\_\_\_

**By LESSOR:**

The City of Laguna Hills, a municipal  
corporation organized and existing under  
the laws of the State of California

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

Name Printed: Jarad Hildenbrand

Title: City Manager

Phone: \_\_\_\_\_

\_\_\_\_\_

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OFG-21.30, Revised 10-22-2020

Executed at:

On: 12/04/2024

**By LESSEE:**

The Financial Coaching Group, Inc., a  
California corporation

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

Name Printed: Michael Stokes

Title: President

Phone: 949-813-6707

Fax: \_\_\_\_\_

Email: mike@myfcg.com

\_\_\_\_\_

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Last Edited: 12/3/2024 1:29 PM

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Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

By: \_\_\_\_\_  
Name Printed: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
  
Address: \_\_\_\_\_  
Federal ID No.: \_\_\_\_\_

**BROKER**

Essex Realty Management, Inc.

Attn: Heather Stark  
Title: Vice President

Address: 17744 Sky Park Circle, Suite 100,  
Irvine CA 92614  
Phone: 949-798-8100  
Fax: \_\_\_\_\_  
Email: hstark@essexrealty.com  
Federal ID No.: \_\_\_\_\_  
Broker DRE License #: 00965485  
Agent DRE License #: 02153034

By:   
Name Printed: Arlene Stokes  
Title: Vice President  
Phone: 949-337-6603  
Fax: \_\_\_\_\_  
Email: arlene@myfcg.com  
  
Address: \_\_\_\_\_  
Federal ID No.: \_\_\_\_\_

**BROKER**

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

Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_  
Federal ID No.: \_\_\_\_\_  
Broker DRE License #: \_\_\_\_\_  
Agent DRE License #: \_\_\_\_\_

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## **ADDENDUM TO LEASE**

**THIS ADDENDUM TO LEASE** (this “Addendum”) shall constitute part of that certain STANDARD MULTI-TENANT OFFICE LEASE – GROSS (“Lease”), dated as of November 22, 2024, between **The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California** (“Lessor”), and **The Financial Coaching Group, Inc., a California corporation** (“Lessee”). The terms of this Addendum shall be incorporated into the Lease for all purposes. In the event of any conflict between the terms of the Lease and the terms of this Addendum, the terms of this Addendum shall control.

1. Base Rent Increase. Paragraph 4.4. is hereby added to the Lease to read as follows:

4.4.1 The monthly Base Rent payable as set forth Paragraph 1.5 and as set forth in Paragraph 1.7 (a) of the Lease shall be adjusted annually on the Commencement Date of the Lease, and on such other dates stated, to the amounts set forth below:

|                                       |                             |
|---------------------------------------|-----------------------------|
| <b>April 1, 2025 – March 31, 2026</b> | <b>\$2,984.10 per month</b> |
| <b>April 1, 2026 – March 31, 2027</b> | <b>\$3,073.62 per month</b> |
| <b>April 1, 2027 – March 31, 2028</b> | <b>\$3,165.83 per month</b> |
| <b>April 1, 2028 – March 31, 2029</b> | <b>\$3,260.81 per month</b> |
| <b>April 1, 2029 – March 31, 2030</b> | <b>\$3,358.63 per month</b> |

2. Commencement: Base Rent shall commence on April 1, 2025.

3. Use. Paragraph 6.1 of the Lease is hereby deleted in its entirety and replaced by the following:

“6.1. Use. The Premises shall be used only for the Agreed Use and for no other use. Lessee’s use of the Premises shall be in compliance with and subject to all Applicable Requirements relating to or affecting the Project, the Premises or the Building or the use or operation thereof, whether now existing or hereafter enacted, including, without limitation, the Americans with Disabilities Act of 1990, 42 USC 12111 et seq. (the “ADA”) as the same may be amended from time to time, any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Lessee, the Premises, the Building, or the Project (“Environmental Laws”), any transportation or traffic management plan in satisfaction of any requirement imposed on the Project by a governmental agency with jurisdiction over the Project, and any CC&Rs or any supplement thereto recorded in any official or public records with respect to the Project or any portion thereof (collectively, “Applicable Laws”). Lessee shall be responsible for obtaining any permit, business license, or other permits or licenses required by any governmental agency permitting Lessee’s use or occupancy of the Premises. Lessee shall not commit waste, overload the floors or structure of the Building, subject the Premises, the Building, the Common Area or the Project to any use which would damage the same or increase the risk of loss or violate any insurance coverage, permit any unreasonable odors, smoke, dust, gas, substances, noise or vibrations to emanate from the Premises, take any action which would constitute a nuisance or would disturb, obstruct or endanger any other tenants, take any action which would abrogate any warranties, or use or allow the Premises to be used for any unlawful purpose. Lessor shall not be responsible for non-compliance by any other tenant or occupant of the Project with, or Lessor’s failure to enforce, any of the rules or regulations or CC&Rs or any other terms or provisions of such tenant’s or occupant’s lease. Lessee shall promptly

comply with the reasonable requirements of any board of fire insurance underwriters or other similar body now or hereafter constituted. Lessee shall not do any act which shall in any way encumber the title of Lessor in and to the Premises, the Building or the Project.

4. Insurance; Indemnity. Paragraph 8.1 through 8.6 of the Lease are hereby deleted in their entirety and replaced by the following:

“8.1 Lessor’s Insurance. Lessor shall maintain insurance through individual or blanket policies insuring the Building against fire and extended coverage (including, if Lessor elects, “all risk” coverage, earthquake/volcanic action, flood and/or surface water insurance) for the full replacement cost of the Building, with deductibles and the form and endorsements of such coverage as selected by Lessor, together with rental abatement insurance against loss of Rent in an amount equal to the amount of Rent for a period of at least twelve (12) months commencing on the date of loss. Lessor may also carry such other insurance as Lessor may deem prudent or advisable, including, without limitation, liability insurance in such amounts and on such terms as Lessor shall determine. Lessee shall pay to Lessor, as a portion of the Operating Expenses, the costs of the insurance coverages described herein, including, without limitation, Lessor’s cost of any self-insurance deductible or retention.

8.2 Lessee’s Compliance with Insurance Requirements. Lessee shall obtain, maintain, and keep in full force and effect during the term of this Lease, at its sole cost and expense, and in a form and content satisfactory to Lessor, all insurance required under this Paragraph 8 against claims for injuries to persons or damages to property which may arise from or in connection with Lessee’s operation and use of the Premises and the activities of the Lessee, its guests, agents, representatives, employees, or subcontractors. Lessee shall not take possession of the Premises unless and until it has provided evidence satisfactory to Lessor that it has secured all insurance required by this Paragraph 8.

8.3 Types of Insurance Required of Lessee. Without limiting the indemnity provisions set forth in this Lease, Lessee shall obtain and maintain in full force and effect during the term of this Lease, including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of Commercial General Liability insurance written on an occurrence basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits of at least Two Million Dollars (\$2,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this Premises/location, or the general aggregate limit shall be twice the required occurrence limit. 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 this Lease.

(b) Automobile Liability Insurance. A policy of Automobile Liability Insurance written on a per occurrence basis with limits of at least One Million Dollars (\$1,000,000) 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 and Employer’s Liability Insurance. 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. Lessee agrees to waive and obtain endorsements from its workers’ compensation insurer waiving all subrogation rights under its workers’ compensation insurance policy against Lessor, its officials, officers, employees, agents and volunteers. Lessee shall obtain and maintain, in full force and effect throughout the term of this Lease, a policy of

Employer's Liability Insurance written on a per occurrence basis with limits of at least One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

(d) Property Insurance. A policy of Property Insurance against all risk of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision.

(e) Equipment Breakdown/ Boiler & Machinery Insurance. A policy of Equipment Breakdown / Boiler & Machinery Insurance with limits of not less than actual replacement costs for all property and improvements, encompassing explosion and breakdown. Lessee shall obtain and deliver to Lessor, along with copies of all policies of insurance required herein, a joint loss endorsement for the Property Insurance and Equipment Breakdown/Boiler & Machinery Insurance policies. Lessor is to be included as an additional insured on the Equipment Breakdown /Boiler & Machinery Insurance coverage.

(f) Business Interruption. Loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all peril commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

#### 8.4 General.

(a) Acceptability of Insurers. Insurance required by this Paragraph 8 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 Line Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that Lessor will accept workers' compensation insurance from the State Compensation Fund. In the event Lessor determines that Lessee's use of the Premises creates an increased or decreased risk of loss to Lessor, Lessee agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from Lessor. Lessee shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

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

(i) Additional Insured. Lessee's policy or policies of Commercial General Liability Insurance and Automobile Liability Insurance shall be endorsed to include Lessor, its officials, officers, employees, agents and volunteers, Lessor's lender, and any property management company of Lessor for the Premises. The additional insured endorsement shall not (1) be restricted to "ongoing operations", (2) exclude "contractual liability", (3) restrict coverage to "sole" liability of Lessee, or (4) contain any other exclusions contrary to this Lease; and, the coverage shall contain no special limitations on the scope of protection afforded to additional insureds.

(ii) Notice. Each insurance policy required by this Paragraph 8, except for workers' compensation and employer's 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 Lessor. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Lessee's

failure to pay the insurance premium, the notice provided to Lessor shall be by ten (10) days prior written notice.

(iii) Primary and Non-Contributing Insurance. All policies of insurance maintained by Lessee pursuant to this Paragraph 8, except for workers' compensation and employer's liability insurance, shall be primary and any other insurance, deductible, or self-insurance maintained by Lessor, its officials, officers, employees, agents or volunteers, shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

(iv) Waiver of Subrogation. All policies of insurance maintained by Lessee pursuant to this Paragraph 8 shall contain or be endorsed to waive subrogation against Lessor, its officials, officers, employees, agents and volunteers, or shall specifically allow Lessee to waive its right to recovery prior to a loss. Lessee hereby agrees to waive its own right of recovery against Lessor, its officials, officers, employees, agents and volunteers.

(c) Evidence of Coverage. Concurrently with the execution of this Lease, Lessee shall deliver certificates of insurance together with original endorsements affecting each of the insurance policies required by this Paragraph 8. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to Lessor 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 Lessor. If such coverage is cancelled or reduced and not replaced immediately so as to avoid a lapse in the required coverage, Lessee shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with Lessor evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. Lessee shall promptly furnish, at Lessor's request, copies of actual policies including all declaration pages, endorsements, exclusions and any other policy documents Lessor requires to verify coverage.

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

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

(f) Notification of Incidents. Lessee shall notify Lessor within twenty-four (24) hours after the occurrence of any accidents or incidents in the Premises, the Building, Common Areas or the Project which could give rise to a claim under any of the insurance policies required under this Paragraph 8.

8.5 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of Lessee pursuant to this Paragraph 8:

(a) Lessee shall provide immediate written notice to Lessor 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 Lessee and available or applicable to this Lease 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 Lease or any other agreement relating to Lessor 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 Paragraph 8 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 Lessor 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 Lessee's occupancy of the Premises. It is Lessee's obligation to ensure timely compliance with all insurance submittal requirements as provided herein.

(e) Lessee agrees to ensure that its subconsultants and subcontractors, if any, and any other parties involved with the Project who are brought onto or involved in the Project by Lessee, provide the same minimum insurance coverage required of Lessee. Lessee 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 Paragraph 8. Lessee agrees that upon request, all agreements with subconsultants, subcontractors and others engaged in the Project will be submitted to Lessor for review."

5. Breach by Lessor; Performance by Lessee on Behalf of Lessor. Paragraph 13.6(c) is hereby added to the Lease to read as follows:

"13.6(c). Lessee's Remedies. Lessee and all successors and assigns covenant and agree that, in the event of any actual or alleged default by Lessor, Lessee's sole and exclusive remedy shall be either to seek either specific performance or monetary damages, provided that Lessor shall not be liable for loss of business profits or consequential damages, and provided further, that any recourse for monetary damages by Lessee against Lessor shall be limited solely and exclusively to an amount which is equal to the amounts paid by Lessee to Lessor under the Lease (and Lessee hereby expressly waives and releases personal liability of Lessor in excess of such amount on behalf of itself and all persons claiming by through, or under the lease) Further, in no event shall the obligations of Lessor under the Lease constitute the personal obligations of Lessor or its elected or appointed officers and officials, employees, agents, and volunteers, and Lessee shall have no right to seek recourse against Lessor's elected or appointed officers and officials, employees, agents, and volunteers, or any of their personal assets for the satisfaction of any liability of Lessor with respect to the Lease. Lessee expressly waives all remedies except those specifically set forth in the Lease, including, without limitation, any right of offset or abatement except as specifically set forth in the Lease, any right to terminate the Lease under Civil Code Sections 1932(2), 1933(4) and 1941 or any other successor statute, or any statutory, legal or equitable self-help remedy including, without limitation, Civil Code Section 1942 or any other current or future law. Nothing contained in the Lease shall entitle Lessee to terminate the Lease as a result of Lessor's default nor excuse Lessee from paying Rent or Additional Rent due hereunder."

6. Estoppel Certificates. All references in the Lease to "Estoppel Certificate", including, but not limited to the definition in Paragraph 16(a), shall refer to Lessor's standard form certificate.

7. Recordation. Lessee shall not have any right to cause the Lease or any short form or memorandum thereof to be recorded.

8. HVAC Operating Hours. Standard operating hours included within the Base Year Operating Expenses shall be weekdays from 7:00 a.m. to 6:00 p.m. and Saturdays from 8:00 a.m. to 1:00 p.m., excluding Sundays and normally recognized national holidays. Thereafter, Lessee shall pay for such additional use beyond the aforementioned hours at a rate equal to Lessor's actual operating costs and depreciation.

**IN WITNESS WHEREOF**, the parties have executed this Addendum as of the date of the Lease.

"Lessor"

THE CITY OF LAGUNA HILLS

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

Name Printed: Jarad Hildenbrand

Its: **City Manager**

"Lessee"

**The Financial Coaching Group, Inc., A  
California corporation**

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

Name Printed: Michael Stokes

Title: President

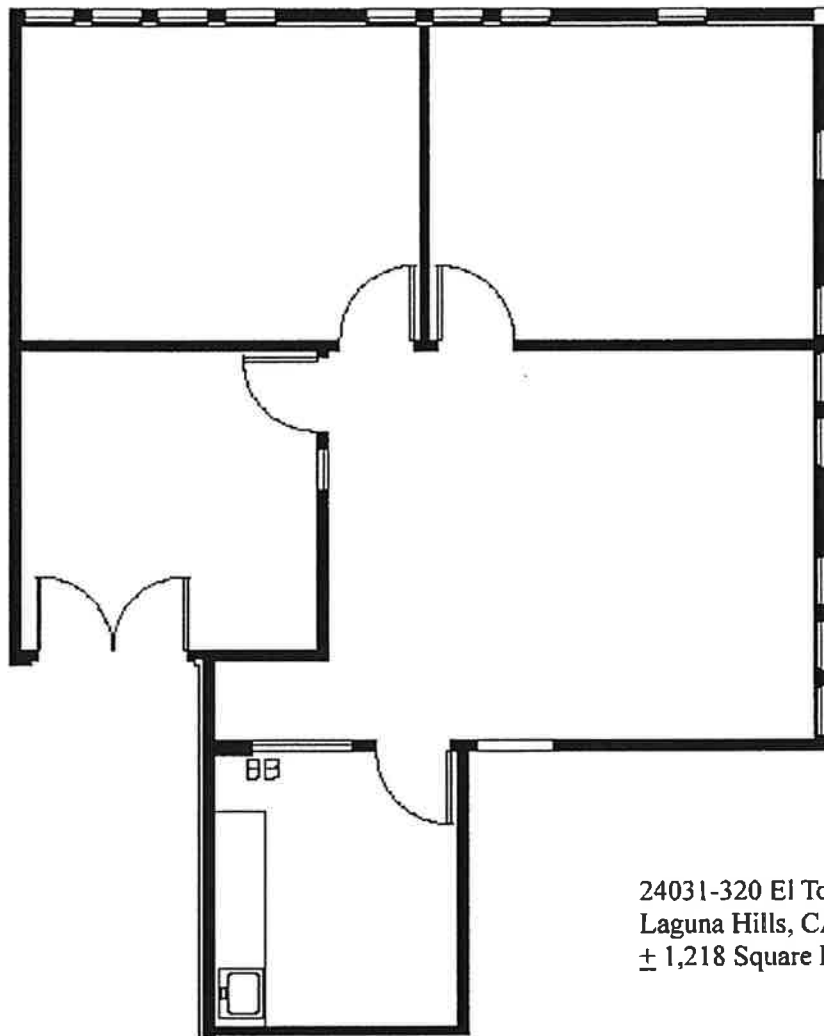
By:  \_\_\_\_\_

Name Printed: Arlene Stokes

Title: Vice President

EXHIBIT A

**STE 320**  
**1,218 rsf**



24031-320 El Toro Road  
Laguna Hills, CA 92653  
± 1,218 Square Feet

## **EXHIBIT B**

### **RULES AND REGULATIONS**

#### **ATTACHED TO AND MADE A PART OF STANDARD OFFICE LEASE**

The following Rules and Regulations shall be in effect at the Office Building Project. Lessor reserves the right to adopt reasonable modifications and additions hereto. In the case of any conflict between these Rules and Regulations and the Lease, the Lease shall be controlling.

1. Except with the prior written consent of Lessor, no Lessee shall conduct any retail sales or any manufacturing of any kind in or from the Premises, or any business other than that specifically provided for in the Lease.

2. Lessor reserves the right to prohibit personal goods and services vendors from access to the Office Building Project except upon such reasonable terms and conditions, including but not limited to the payment of a reasonable fee and provision for insurance coverage, as are related to the safety, care and cleanliness of the Office Building Project, the preservation of good order thereon, and the relief of any financial or other burden on Lessor occasioned by the presence of such vendors or the sale by them of personal goods or services to the Lessee or its employees. If reasonably necessary for the accomplishment of these purposes, Lessor may exclude a particular vendor entirely or limit the number of vendors who may be present at any one time in the Office Building Project. The term "personal goods or services vendors" means persons who periodically enter the Office Building Project of which the Premises are a part for the purpose of selling goods or services to a Lessee, other than goods or services, which are used by a lessee only for the purpose of conducting its business on the Premises. "Personal goods or services" include, but are not limited to, drinking water and other beverages, food, barbering services, and shoe shining services. This Section 2 shall not apply to Lessee's vendors and suppliers in connection with Lessee's operation of its business.

3. The sidewalks, halls, passages, elevators and stairways shall not be obstructed by any Lessee or used by it for any purpose other than for ingress to and egress from their respective Premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Lessor shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Lessor shall be prejudicial to the safety, character, reputation and interests of the Office Building Project and its lessees, provided that nothing herein contained shall be construed to prevent such access to persons with whom Lessee normally deals only for the purpose of conducting its business on the Premises (such as clients, customers, office suppliers and equipment vendors, and the like) unless such persons are engaged in illegal activities. No Lessee and no employees of any Lessee shall go upon the roof of the Building without the written consent of Lessor. This Section 3 shall not apply to Lessee's vendor's suppliers in connection with Lessee's operation of its business.



4. The sashes, sash doors, windows, glass lights, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilet rooms, water and wash closets and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage, resulting from the violation of this rule shall be borne by the Lessee who, or whose clerks, agents, employees, or visitors, shall have caused it.

5. No sign, advertisement or notice visible from the exterior of the Premises or Building shall be inscribed, painted or affixed by Lessee on any part of the Office Building Project or the Premises without the prior written consent of Lessor. If Lessor shall have given such consent at any time, whether before or after the execution of this Lease, such consent shall in no way operate as a waiver or release of any of the provisions hereof or of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by Lessor and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Lessor with respect to each and every such sign, advertisement or notice, as the case may be, so consented to by Lessor. Lessor shall have the right to remove any non-approved sign, advertisement or notice, without notice to and at the expense of Lessee, and Lessor shall not be liable in damages for such removal.

6. In order to maintain the outward professional appearance of the Office Building Project all window coverings to be installed at the Premises shall be subject to Lessor's prior approval. If Lessor, by a notice in writing to Lessee, shall object to any curtain, blind, shade or screen attached to or hung in, or used in connection with, any window door of the Premises, such use of such curtain, blind, shade or screen shall be forthwith discontinued by Lessee. No awnings shall be permitted on any part of the Premises.

7. Lessee shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by Lessor.

8. Lessee shall not do or permit anything to be done in the Premises, or bring or keep anything therein, which shall in any way increase the rate of fire insurance on the Office Building Project, or on the property kept therein, or obstruct or interfere with the rights of other Lessees, or in any way injure or annoy them, or conflict with the regulations of the Fire Department or the fire laws, or with any insurance policy upon the Office Building Project, or any part thereof, or with any rules and ordinances established by the Board of Health or other governmental authority.

9. No Lessee shall sweep or throw or permit to be swept or thrown from the

Premises any dirt or other substance into any of the corridors or halls or elevators, or out of the doors or windows or stairways of the Building. Lessee shall not use, keep or permit to be used any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Lessor or other occupants of the Office Building Project by reason of noise, odors, fire hazards and/or vibrations, or interfere in any way with other Lessees or those having business therein, nor shall any animals or birds be kept in or about the Office Building Project.

10. Lessee and its employees, agents and invitees shall not smoke any tobacco products or any other smoking materials whatsoever in the Premises, Building, common areas or any other area of the Project except in such areas, if any, as shall be designated by Lessor for smoking, in Lessor's sole and absolute discretion.

11. No cooking shall be done or permitted by Lessee on the Premises, except for the use of a microwave oven for food or Underwriter's Laboratory approved equipment for brewing coffee, tea, and similar beverages shall be permitted, provided that such use is in compliance with law. Offices in the Office Building Project shall not be used for the storage of merchandise or for sleeping or lodging.

12. Lessee, upon the termination of its tenancy, shall deliver to Lessor all the keys of offices, rooms and toilet rooms which shall have been furnished Lessee or which Lessee shall have had made, and in the event of loss of any keys so furnished, shall pay Lessor therefore.

13. On Saturdays after 6:00pm., Sundays and legal holidays, and on other days between the hours of 9:00 p.m. and 7:00 a.m., access to the Office Building Project or to the halls, corridors, elevators or stairways in the Building, or to the Premises may be refused unless the person seeking access is known to the building watchman, if any, in charge and has a pass or is properly identified. Lessor shall in no case be liable for damages for the admission to or exclusion from the Office Building Project of any person whom Lessor has the right to exclude under Rule 3 above. In case of invasion, mob, riot, public excitement, or other commotion, Lessor reserves the right but shall not be obligated to prevent access to the Office Building Project during the continuance of the same by closing the doors or otherwise, for the safety of the tenants and protection of property in the Office Building Project.

14. Lessee shall see that the windows and doors of the Premises are closed and securely locked before leaving the building and Lessee shall exercise extraordinary care and caution that all water faucets or water apparatus are entirely shut off before Lessee or Lessee's employees leave the Building, and that all electricity, gas or air shall likewise be carefully shut off, so as to prevent waste or damage, and for any default or carelessness Lessee shall make good all injuries sustained by other Lessees or occupants of the Building or Lessor.

15. Lessee shall not alter any lock or install a new or additional lock or any bolt

on any door of the Premises without prior written consent of Lessor. If Lessor shall give its consent, Lessee shall in each case furnish Lessor with a key for any such lock.

16. Lessee shall not install equipment such as, but not limited to, electronic tabulating or computer equipment requiring electrical or air conditioning service in excess of those to be provided by Lessor under the Lease and any such equipment shall be placed in the Premises in settings approved by Lessor to adsorb or prevent any vibration, noise or annoyance.

17. No bicycle, or shopping cart, or other vehicle or any animal shall be brought into the Premises or the halls, corridors, elevators or any part of the Building by Lessee.

18. Lessor shall have the right to prohibit the use of the name of the Office Building Project or any other publicity by Lessee which in Landlord's opinion tends to impair the reputation of the Office Building Project, or their desirability for other Lessees, and upon written notice from Lessor, Lessee will refrain from or discontinue such publicity.

19. Lessee shall not erect any aerial or antenna on the roof or exterior walls of the Premises, the Building, or the Office Building Project.

20. Lessee shall not overload the floor of the Premises. In addition, Lessee shall not mark, drive nails, screw or drill into partitions, ceilings or floor of the Premises or deface the Premises.

21. No furniture, freight or equipment of any kind shall be brought into the Building or the Building's elevator without the consent of Lessor and all moving of the same into or out of the Building shall be done at such time and in such manner, as Lessor shall designate. Lessor shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Office Building Project. Safes or other heavy objects shall, if considered necessary by Lessor, stand on wood strips of such thickness as is necessary to properly distribute the weight. However, Lessor's consent to placement of Lessee's safes, heavy equipment or furniture shall not constitute a representation or warranty by Lessor that the safe, heavy equipment or furniture complies, with regard to distribution of weight and/or vibration, with the provisions of the Rule 21 nor relieve Lessee from responsibility for the consequences of noncompliance. Lessor will not be responsible for loss of or damage to any safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or property from any cause and all damage done to the Building by moving or maintaining any such safe or other property shall be repaired at the expense of Lessee. There shall not be used in any space, or in the public halls of the Building, either by any Lessee or others, any hand trucks except those equipped with rubber tires and side guards.

22. Except with the written consent of Lessor, no person or persons other than those approved by Lessor shall be permitted to enter the Building for their purpose of cleaning the same. Lessee shall not cause any unnecessary labor by reason of Lessee's carelessness or indifference in the preservation of good order and cleanliness. Lessor shall in no way be responsible to any Lessee for any loss of property on the Premises, however occurring, or for any damage done to the effects of any lessee by the janitor or any other employee or any other person. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture and other special services. Janitor service may not be furnished on nights when rooms are occupied after 9:00p.m.

23. Lessor will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Lessor. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Lessor.

24. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours and in such elevators as shall be designated by Lessor.

25. Lessor reserves the right to exclude or expel from the Office Building Project any person who in the judgment of Lessor, is intoxicated or under the influence of liquor or illegal, non-prescription drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Office Building Project.

26. The requirements of Lessee will be attended to only upon application to Lessor. Contractors, vendors and employees of Lessor shall not perform any work or do anything outside of their regular duties unless under special instructions from the Lessor or Lessor's agent.

27. No vending machine shall be installed, maintained or operated upon the Premises without the written consent of the Lessor.

28. Lessor shall have the right, exercisable without notice and without liability to Lessee, to change the name and the street address of the Building and/or Office Building Project of which the Premises are a part.

29. Lessee agrees that it shall comply with all fire and security regulations that may be issued from time-to-time by Lessor and Lessee also shall provide Lessor with the name of a designated responsible employee to represent Lessee in all matters pertaining to such fire or security regulations.

30. Lessor reserves the right by written notice to Lessee, to rescind, alter or

waive any rule or regulation at any time prescribed for the Office Building Project when, in Lessor's judgment, it is necessary, desirable or proper for the best interest of the Office Building Project and its lessees.

31. Lessees shall not disturb, solicit, or canvas any occupant of the Office Building Project and shall cooperate to prevent same.

32. Lessor shall furnish heating and air conditioning during the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 12:00 p.m. on Saturday except for holidays. In the event Lessee requires heating and air conditioning during off hours, Sundays or Holidays, Lessor shall on notice provide such services at the then prevailing rate for such extra services.

33. Lessee shall cooperate with Lessor in obtaining maximum effectiveness of the cooling system by closing blinds when the sun's rays fall directly on windows of the premises. Lessee shall not obstruct, alter, or in any way impair the efficient operation of Lessor's heating, ventilating and air-conditioning system. Lessee shall not tamper with or change the setting of any thermostats or control valves.

34. Parking

- (a) The parking lot shall be accessible twenty-four (24) hours per day, subject to parking card or other reasonable Identification or security restriction as may be reasonably established by Lessor from time-to-time. Lessee agrees to cooperate with Lessor in completing regular maintenance of the parking lot.
- (b) Automobiles must be parked entirely within the stall lines.
- (c) All directional signs and arrows must be observed and the speed limit shall be 5 miles per hour.
- (d) Parking is prohibited in areas not striped for parking.
- (e) Lessor may refuse to permit any person who violates the within rules to park in the parking lot, and any violation of the rules shall subject the automobile to removal from the parking lot at the parker's expense.
- (f) Every parker is required to park and lock his or her own automobile. All responsibility for any loss or damage to automobile or any personal property therein is assumed by the parker.

- (g) The parking lot is for the sole purpose of parking one automobile per space. Washing, waxing, cleaning or servicing of any vehicles by the parker or his agents is prohibited.
- (h) Storage of vehicles in the parking facilities is prohibited. Lessee and Lessee's employees and visitors shall not leave vehicles in the parking lot overnight.
- (I) Lessor reserves the right to restrict customer, Lessee and Lessee's employees parking to a limited designated area or areas.

35. Lessee agrees to comply and acquaint its employees with such reasonable rules and regulations in the use of such Common areas as Lessor may adopt from time to time for the orderly and proper operation of said Common Areas.

Lessor reserves the right to make such other and further rules and regulations as in its judgment may be for the safety, care and cleanliness of the Office Building Project and for the preservation of good order therein. Lessee agrees to abide by these Rules and Regulations herein above stated and any additional rules and regulations, which are adopted hereafter.

Date: \_\_\_\_\_

Date: 12/04/2024

Lessor's Initials: \_\_\_\_\_

Lessee's Initials: MS AS

**EXHIBIT "C"**

**Waiver and Release.**

It is the express and understood intent, purpose, desire, and agreement of the parties in the event of termination for cause or expiration of the Lease term, that Lessee, on behalf of itself, its officers, heirs, agents, shareholders, employees, subcontractors, executors, successors and assigns, shall and does hereby release and discharge Lessor, and its respective elected and appointed officials, officers, directors, employees, attorneys, accountants, consultants, other professionals, and agents, from and against the following: any claims, penalties, actions or causes of action, obligations, and demands of any kind including but not limited to, any claims arising under the California Eminent Domain Law (Title 7 (commencing with Section 1230.010) of Part 3 of the California Code of Civil Procedure), the Relocation Statutes and Regulations set forth in Chapter 16 (commencing with Section 7260) of Division 7 of the California Government Code and Subchapter 1 (commencing with Section 6000) Division 3 of Title 25 of the California Code of regulations, and claims for a "taking" or inverse condemnation arising under the United States or California Constitutions or under any federal, state, or local law, statute, ordinance, regulation, rule, official policy, court order, or common law (collectively, the "Released Claims").

The parties further acknowledge that the Released Claims include any claims for loss of business goodwill pursuant to Code of Civil Procedure §1263.510 et seq., for precondemnation damages and severance damages.

Date: \_\_\_\_\_ Date: 12/04/2024  
Lessor's Initials: \_\_\_\_\_ Lessee's Initials: MR JS

## EXHIBIT "D"

### WORK LETTER/REQUIREMENTS FOR IMPROVEMENTS OR ALTERATIONS BY LESSEE

Lessee shall perform all tenant improvements (subsequent to the initial improvements to be constructed by Lessor, if any) in the Premises or to have any work performed in the Premises at any time prior to or during the Lease term by a contractor retained by Lessee ("Lessee's Work"), then Lessee shall comply with the requirements set forth herein. If Lessee's Work has been properly authorized, Lessee will receive written approval and consent for alterations to the Premises. All alterations to the Premises, excepting movable furniture and trade fixtures, shall, at Lessor's option, become a part of the realty and belong to Lessor. Lessee shall be responsible for obtaining and hiring a qualified architect, submitting building plans, submitting construction permits, hiring a licensed and insured contractor and funding all the tenant improvement costs as further outline below.

1. SUBMITTAL OF PLANS. Prior to commencing any work in the Premises, Lessee shall submit to Lessor for approval its proposed plans for the work. Without limiting the foregoing, Lessee shall provide:

- (a) A separate scale drawing denoting all proposed construction and/or demolition, if necessary.
- (b) A separate drawing for each trade proposing structural, electrical, mechanical, civil or landscaping modifications.
- (c) Specify all dimensions and complete references to all work to be performed in the affected areas.
- (d) If adding extra electrical or mechanical equipment, provide complete operating and maintenance specifications for each item.

2. CHECKLIST. With respect to each project, Lessor will provide Lessee with a checklist listing the items required to be furnished to Lessor in connection with the proposed work. Lessee shall furnish to Lessor prior to, during, or upon completion of Lessee's Work, as applicable, each of the items specified in the checklist attached hereto as Attachment 1.

3. CONTRACTORS PROVIDING INTERIOR IMPROVEMENT SERVICES.

- (a) The contractor employed by Lessee and any subcontractors shall be (i) duly licensed in the state in which the Premises are located, and (ii) subject to Lessor's prior written approval, which approval shall not be unreasonably withheld. If more than one trade is employed on a single job, state law requires the services of a general contractor in addition to contractors for specialty work being performed.
- (b) Each contractor shall provide proof of licensing as a general or specialty contractor in accordance with state law. Additionally, each contractor shall furnish proof of licensing in the city or municipality in which the construction related activity is to take place.
- (c) Lessee shall use Lessor's subcontractor for mechanical, electrical, plumbing, roofing and roofing consultant if available at competitive rates.
- (d) Lessee and Lessee's contractors shall comply with all Applicable Laws pertaining to the performance of Lessee's Work and the completed improvements and all applicable safety regulations established by Lessor or the general contractor.
- (e) Prior to commencement of any work in the Premises, Lessee and Lessee's



contractors (and any subcontractors) shall obtain and provide Lessor with certificates evidencing Workers' Compensation, public liability and property damage insurance in amounts and forms and with companies satisfactory to Lessor. Each general contractor (and any subcontractor) employed on the Premises shall provide Lessor with a current certificate of insurance in effect for that contractor with a thirty day notice of cancellation or revocation clause. Insurance requirements are as follows:

- (i) Comprehensive General Liability with a \$1,000,000 Combined Single Limit covering the liability of Lessor and contractor for bodily injury and property damage arising as a result of the construction of the improvements and the services performed thereunder. Lessor and any Management Company shall be named as an additional insured.
- (ii) Comprehensive Automobile Liability with a \$1,000,000 Combined Single Limit covering Lessor and vehicles used by contractor (and any subcontractor) in connection with the construction of the improvements.
- (iii) Workers' Compensation and Employer's Liability as required by law, for employees of the contractor (and any subcontractors) performing work on the Premises.

(f) The following requirements shall be incorporated as "Special Conditions" into the contract between Lessee and its contractors and a copy of the contract shall be furnished to Lessor prior to the commencement of Lessee's Work:

- (i) Prior to start of Lessee's Work, Lessee's contractor shall provide Lessor with a construction schedule in "bar graph" form indicating the completion dates of all phases of Lessee's Work.
- (ii) Lessee's contractor shall be responsible for the repair, replacement or clean-up of any damage done by it to other contractors' work which specifically includes accessways to the Premises which may be concurrently used by others.
- (iii) Lessee's contractor shall accept the Premises prior to starting any trenching operations. Any rework of sub-base or compaction required after the contractor's initial acceptance of the Premises shall be done by Lessee's contractor, which shall include the removal from the Project of any excess dirt or debris.
- (iv) Lessee's contractor shall contain its storage of materials and its operations within the Premises and such other space as it may be assigned by Lessor or Lessor's contractor. Should Lessee's contractor be assigned space outside the Premises, it shall move to such other space as Lessor or Lessor's contractor shall direct from time to time to avoid interference or delays with other work.
- (v) Lessee's contractor shall clean up the construction area and surrounding exterior areas daily. All trash, demolition materials and surplus construction materials shall be stored within the Premises and promptly removed from the Premises and the Project and disposed of in an approved sanitation site.
- (vi) Lessee's contractor shall provide temporary utilities, portable toilet facilities, and potable drinking water as required for its work within the Premises and shall pay to Lessor's contractor the cost of any temporary utilities and facilities provided by Lessor's contractor at Lessee's

contractor's request.

- (vii) Lessee's contractor shall notify Lessor or Lessor's project manager of any planned work to be done on weekends or other than normal job hours.
- (viii) Lessee's contractor or subcontractors shall not post signs on any part of the Project or on the Premises.

#### 4. COSTS.

(a) Lessee shall promptly pay any and all costs and expenses in connection with or arising out of the performance of Lessee's Work (including the costs of permits thereof) and shall furnish to Lessor evidence of such payment upon request.

(b) Except in the case of carpet replacement or repainting, Lessee shall pay Lessor an amount equal to five percent (5%) of the total hard costs of construction and installation of Lessee's Work as compensation to Lessor for review of plans, use of facilities and other miscellaneous costs of Lessor incurred as a result of such work.

5. CONTRACTOR'S BONDS. At Lessor's sole discretion, Lessor may require Lessee to obtain performance and completion bonds to insure Interior Work

#### 6. MECHANIC'S LIENS.

(a) Lessee shall not suffer or permit to be enforced against the Premises or any part of the Project any mechanic's, materialman's, contractor's or subcontractor's lien arising out of any work of improvement, however it may arise.

(b) Lessee shall notify Lessor at least ten (10) days prior to the commencement of construction of any Lessee's Work and Lessor shall have the right to post and record a notice of no responsibility in conformity with applicable law. Within ten (10) days following completion of Lessee's Work, Lessee shall file a Notice of Completion and deliver to Lessor an unconditional release and waiver of lien executed by each contractor, subcontractor and materialman involved in Lessee's Work.

(c) In the event any lien is filed against the Project or any portion thereof or against Lessee's leasehold interest therein as a result of Lessee's work, Lessee shall obtain the release and/or discharge of said lien, within ten (10) days after the filing thereof. In the event Lessee fails to do so, Lessor may obtain the release and/or discharge of said lien and Lessee shall indemnify Lessor for the costs thereof, including reasonable attorney's fees, together with interest at the Applicable Interest Rate from the date of demand. Nothing herein shall prohibit Lessee from contesting the validity of any such asserted claim, provided Lessee has furnished to Lessor a lien release bond freeing the Premises from the effect of the lien claim.

7. INDEMNITY. Lessee shall indemnify, defend (with counsel satisfactory to Lessor) and hold Lessor harmless from and against any and all suits, claims, actions, loss, cost or expense (including claims for workers' compensation, attorney's fees and costs) based on personal injury or property damage, or otherwise (including, without limitation, contract and breach of warranty claims) arising from the performance of Lessee's Work. Lessee shall repair or replace (or, at Lessor's election, reimburse Lessor for the cost of repairing or replacing) any portion of the Building or item of Lessor's equipment or any of Lessor's real or personal property damaged, lost or destroyed in the performance of Lessee's Work.

8. BUILDING STANDARDS. All work shall conform to Lessor's established building standards and specifications. Lessee is required to make these standards part of the construction documents.

9. ROOF PENETRATIONS. If improvements penetrate the roof membrane, the penetrations will be sealed per Lessor/IRC roofing specifications and inspected by IRC to maintain roof warranty. The cost of inspection and all corrective work shall be borne by Lessee. Lessee shall use Lessor's original roofing contractor.

10. BUILDING MODIFICATIONS. Work will only be approved within the confines of a given space. Lessee will not be allowed to modify building exterior or mechanical and electrical service as provided to the building in common with other tenants.

11. ELECTRICAL WORK. All electrical work shall be approved from the unit space electrical panel only. Additional service requirements shall be secured only by direction of Lessor. Lessee shall use Lessor's original electrical contractor if available at competitive rates.

12. SCHEDULE OF WORK. Lessee shall be required to provide a schedule of all work to be performed, subject to Lessor approval. All costs to produce such schedule shall be borne solely by Lessee.

13. CLEAN UP AND DISPOSAL OF CONSTRUCTION DEBRIS. Building trash containers are provided for office generated trash only and are not to be used for disposal of construction-related materials and debris. Unapproved usage will result in a penalty assessment to the Lessee equal to the cost of an extra pick-up service as provided under the current rate schedule of regular trash removal service.

14. INSPECTION BY LANDLORD. Lessor reserves the following rights: (i) the right of inspection prior to, during and at completion of all construction and/or demolition, (ii) the right to post and record a notice of nonresponsibility in conformity with California law, and (iii) the right to order, if reasonable, a total stop to all improvements underway for non-compliance with any of the requirements hereof.

15. GENERAL PROVISIONS.

(a) If Lessor has agreed to provide an allowance toward the cost of tenant improvements (other than the initial Lessee Improvement Allowance), Lessor shall retain from such funds an amount determined by Lessor until Lessee has fully complied with the requirements hereof.

(b) All materials, work, installations and decorations of any nature whatsoever brought on or installed in the Premises before the commencement of the Term or throughout the Term shall be at Lessee's risk, and neither Lessor nor any party acting on Lessor's behalf shall be responsible for any damage thereto or loss or destruction thereof due to any reason or cause whatsoever.

(c) Nothing contained herein shall make or constitute Lessee as the agent of Lessor.

16. LESSOR'S WORK. Lessor's Work shall be limited to installing: (1) new building standard LTV flooring and wall base throughout; (2) painting the interior suite throughout with building standard interior paint; (3) update the wall outlets/lighting plates and plugs throughout; (4) removal of the handicap door hardware; (5) demo the wall in the reception area; (6) install 2 lighting fixtures to match existing lighting in area where wall was removed; (7) removal of all old security system equipment from walls and ceiling tiles; (8) removal of the floating cabinet in the kitchen; (8) clean AC vent covers; and (9) ensure all ceiling tiles are uniform throughout. Lessee and Lessee's project manager may enter the Premises during construction of Lessor's work.

**Attachment 1 to "Exhibit D"**

**ITEMS TO BE FURNISHED TO LESSOR FOR EACH WORK OF IMPROVEMENT**

1. Plan of Alterations for Lessor Approval.
2. Contractor(s), Address, Telephone Number, Contact Person.
3. Copy of Contractor's State and City Business License.
4. Copy of Building Permit.
5. Copy of Final Inspection and Signed Building Permit Cards.
6. Copy of Certificate of Insurance Naming The City of Laguna Hills and Essex Realty Management as Additional Insured. Insurance to include Comprehensive General Liability, Comprehensive Auto, Workers' Compensation, Employer's Liability and original Endorsement.
7. Signed Unconditional Lien Waiver in favor of Development Corporation.
8. Schedule of Work.
9. Copy of Completion and Payment Bond.
10. Architect's License and Expiration.
11. Copy of Permit Plans.
12. Copy of As-Builts.
13. Copy of Recorded Notice of Completion.
14. Certificate of Occupancy.
15. Evidence of Insurance for All-Risk/Builder's Risk Insurance to the Amount of Improvements.

## GUARANTY OF LEASE

WHEREAS, The City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California, hereinafter "Lessor", and The Financial Coaching Group, Inc., a California corporation, hereinafter "Lessee", are about to execute a document entitled "Lease" dated November 22, 2024 concerning the premises commonly known as (street address, city, state, zip) 24031 El Toro Road, Suite 320 Laguna Hills, CA 92653 wherein Lessor will lease the premises to Lessee, and

WHEREAS, Michael Stokes and Arlene Stokes hereinafter "Guarantors" have a financial interest in Lessee, and

WHEREAS, Lessor would not execute the Lease if Guarantors did not execute and deliver to Lessor this Guaranty of Lease.

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guarantee the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

It is specifically agreed by Lessor and Guarantors that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, or by a course of conduct, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without the consent of or notice to Guarantors and that this Guaranty shall guarantee the performance of said Lease as so modified.

This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under said Lease.

No notice of default by Lessee under the Lease need be given by Lessor to Guarantors, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which Lessor may proceed immediately against Lessee and/or against Guarantors following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

Lessor shall have the right to proceed against Guarantors following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantors.

Guarantors hereby waive (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other Guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy Lessor may have before proceeding against Guarantors, (g) any right of subrogation that Guarantors may have against Lessee.

Guarantors do hereby subordinate all existing or future indebtedness of Lessee to Guarantors to the obligations owed to Lessor under the Lease and this Guaranty.

If a Guarantor is married, such Guarantor expressly agrees that recourse may be had against his or her separate property for all of the obligations hereunder.

The obligations of Lessee under the Lease to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantors to provide estoppel statements and financial statements to Lessor. The failure of the Guarantors to provide the same to Lessor shall constitute a default under the Lease.

The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Lessor's interest shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

Any recovery by Lessor from any other guarantor or insurer shall first be credited to the portion of Lessee's indebtedness to Lessor which exceeds the maximum liability of Guarantors under this Guaranty.

No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in the county in which the leased premises are located and the Guarantors consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State in which the leased premises are located and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of such State.

In the event any action be brought by said Lessor against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorneys' fees reasonably incurred.

If any Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity. Signatures to this Guaranty accomplished by means of electronic

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signature or similar technology shall be legal and binding.

If this Form has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by AIR CRE, the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Form or the transaction relating thereto.

GUARANTORS

Michael Stokes and Arlene Stokes

Executed At:

On: 12/04/2024

By:

Name Printed: Michael Stokes

Title: President

Address: 26151 Roscommon Court, Lake Forest, CA  
92630

By:

Name Printed: Arlene Stokes

Title: Vice President

Address: 26151 Roscommon Court, Lake Forest, CA  
92630

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## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(As required by the Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A Buyer's agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more salesperson and broker associates, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the Seller's willingness to accept a price less than the listing price or the Buyer's willingness to pay a price greater than the price offered.

### SELLER AND BUYER RESPONSIBILITIES

Either the purchase agreement or a separate document will contain a confirmation of which agent is representing you and whether that agent is representing you exclusively in the transaction or acting as a dual agent. Please pay attention to that confirmation to make sure it accurately reflects your understanding of your agent's role. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. If you are a Buyer, you have the duty to exercise reasonable care to protect yourself, including as to those facts about the property which are known to you or within your diligent attention and observation. Both Sellers and Buyers should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. **This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).**

☐ Buyer ☐ Seller ☒ Lessor ☐ Lessee  
☐ Buyer ☐ Seller ☐ Lessor ☒ Lessee

\_\_\_\_\_  
 \_\_\_\_\_  
 Date: 12/04/2024

Agent: Essex Realty Management DRE Lic. #: 00965485  
 Real Estate Broker (Firm)

By: Heather Stark DRE Lic. #: 02153034 Date: 11/22/2024  
 (Salesperson or Broker-Associate)

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**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP  
CIVIL CODE SECTIONS 2079.13 THROUGH 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13.** As used in Sections 2079.7 and 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. The agent in the real property transaction bears responsibility for that agent's salespersons or broker associates who perform as agents of the agent. When a salesperson or broker associate owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the salesperson or broker associate functions. (b) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee of real property. (c) "Commercial real property" means all real property in the state, except (1) single-family residential real property, (2) dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, (3) a mobilehome, as defined in Section 798.3, (4) vacant land, or (5) a recreational vehicle, as defined in Section 799.29. (d) "Dual agent" means an agent acting, either directly or through a salesperson or broker associate, as agent for both the seller and the buyer in a real property transaction. (e) "Listing agreement" means a written contract between a seller of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer, including rendering other services for which a real estate license is required to the seller pursuant to the terms of the agreement. (f) "Seller's agent" means a person who has obtained a listing of real property to act as an agent for compensation. (g) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the seller's agent. (h) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) "Offer to purchase" means a written contract executed by a buyer acting through a buyer's agent that becomes the contract for the sale of the real property upon acceptance by the seller. (j) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property, and includes (1) single-family residential property, (2) multiunit residential property with more than four dwelling units, (3) commercial real property, (4) vacant land, (5) a ground lease coupled with improvements, or (6) a manufactured home as defined in Section 18007 of the Health and Safety Code, or a mobilehome as defined in Section 18008 of the Health and Safety Code, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) "Real property transaction" means a transaction for the sale of real property in which an agent is retained by a buyer, seller, or both a buyer and seller to act in that transaction, and includes a listing or an offer to purchase. (l) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (m) "Seller" means the transferor in a real property transaction and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor of real property. (n) "Buyer's agent" means an agent who represents a buyer in a real property transaction.

**2079.14.** A seller's agent and buyer's agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and shall obtain a signed acknowledgment of receipt from that seller and buyer, except as provided in Section 2079.15, as follows: (a) The seller's agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The buyer's agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase. If the offer to purchase is not prepared by the buyer's agent, the buyer's agent shall present the disclosure form to the buyer not later than the next business day after receiving the offer to purchase from the buyer.

**2079.15.** In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17(a)** As soon as practicable, the buyer's agent shall disclose to the buyer and seller whether the agent is acting in the real property transaction as the buyer's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the buyer's agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the seller's agent shall disclose to the seller whether the seller's agent is acting in the real property transaction as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the seller's agent prior to or coincident with the execution of that contract by the seller.

(c) CONFIRMATION: The following agency relationships are confirmed for this transaction.

Seller's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number \_\_\_\_\_

Is the broker of (check one): ☐ the seller; or ☐ both the buyer and seller. (dual agent)

Seller's Agent DO NOT COMPLETE, SAMPLE ONLY License Number \_\_\_\_\_

Is (check one): ☐ the Seller's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

Buyer's Brokerage Firm DO NOT COMPLETE, SAMPLE ONLY License Number \_\_\_\_\_

Is the broker of (check one): ☐ the buyer; or ☐ both the buyer and seller. (dual agent)

Buyer's Agent DO NOT COMPLETE, SAMPLE ONLY License Number \_\_\_\_\_

Is (check one): ☐ the Buyer's Agent. (salesperson or broker associate); or ☐ both the Buyer's Agent and the Seller's Agent. (dual agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14. An agent's duty to provide disclosure and confirmation of representation in this section may be performed by a real estate salesperson or broker associate affiliated with that broker.

**2079.18** (Repealed pursuant to AB-1289, 2017-18 California Legislative session)

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically

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prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21** (a) A dual agent may not, without the express permission of the seller, disclose to the buyer any confidential information obtained from the seller. (b) A dual agent may not, without the express permission of the buyer, disclose to the seller any confidential information obtained from the buyer. (c) "Confidential information" means facts relating to the client's financial position, motivations, bargaining position, or other personal information that may impact price, such as the seller is willing to accept a price less than the listing price or the buyer is willing to pay a price greater than the price offered. (d) This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a seller's agent from also being a buyer's agent. If a seller or buyer in a transaction chooses to not be represented by an agent, that does not, of itself, make that agent a dual agent.

**2079.23** (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship. (b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Joe Ames, Public Works Director/City Engineer  
**Issue:** Safe Streets for All Grant for the Development of the Laguna Hills Safety Action Plan

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**Recommendation:** That the City Council: 1) Approve the Agreement between the United States Department of Transportation's Federal Highway Administration and the City of Laguna Hills to receive a Safe Streets and Roads for All (SS4A) Grant for the Laguna Hills Citywide Safety Action Plan; 2) Authorize the City Manager to execute the Agreement; and 3) Authorize the Finance Director to amend the budget by allocating an expenditure of \$250,000 in Professional Services (General Fund 100-355-700000), recognize grant revenue of \$200,000, and transfer \$50,000 from City Engineer Services (General Fund 100-355-700100) to fund the City's matching cost share.

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### Background:

On July 10, 2023, City staff made an application under the latest call for applications for Safe Streets and Roads for All (SS4A) grant funds to fund the development of a new Laguna Hills Citywide Safety Action Plan (Plan).

The proposed Plan will focus the development of recommended vehicular, pedestrian, and bicyclist safety improvement actions to reduce and prevent serious injuries and fatalities on the City's roads. Development and acceptance of such a Plan is a pre-requisite for being able to apply for Federal Highway Safety Improvement Program (HSIP) grant funds. Over the past few years, approximately \$200 million in HSIP grant funds have been made available to cities and counties in California for roadway safety improvement projects during each call for projects.

The Bipartisan Infrastructure Law (BIL) established the separate Safe Streets and Roads

for All discretionary program with \$5 billion in appropriated funds over 5 years, 2022-2026. The SS4A program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries, and is administered by the United States Department of Transportation's Federal Highway Administration (FHWA). SS4A grants are divided into two categories: Planning and Demonstration Grant awards and Implementation Grant awards.

City staff applied for a \$200,000 SS4A Planning and Demonstration Grant to help fund the proposed Plan. The SS4A Grant requires a 20% match of \$50,000 for a total estimated cost of \$250,000 to develop the Plan.

On December 20, 2023, the Division Office of the Federal Highway Administration, which supports the Office of the Secretary of Transportation in administering the SS4A Grant Program, notified the City of the award of the requested grant funding to the City, subject to the execution of an Agreement with the FHWA.

Since January 2024, City staff and one of the City's on-call consultants, W.G. Zimmerman Engineering, Inc., worked with FHWA staff to develop and approve the required National Environmental Policy Act clearance document for the project. The next step is the execution of an Agreement between FHWA and the City to receive the SS4A grant funds. Subsequently, City staff and W.G. Zimmerman Engineering, Inc. will develop and release a Request for Proposals from qualified consultants to develop the Citywide Safety Action Plan.

#### **CEQA Findings:**

The development of the proposed Citywide Safety Action Plan is exempt from the California Environmental Quality Act (CEQA) under subdivision (b)(3) of State CEQA Guidelines Section 15061 ("common sense" exemption). The activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

#### **Fiscal Impact:**

The estimated cost of developing the Citywide Safety Action Plan is \$250,000. Of this estimated cost, 80% (\$200,000) will be funded by the SS4A Grant and 20% (\$50,000) will cost shared by the City. Funds for the City's cost share are available in the Public Works Operating Budget (City Engineer Services).

Therefore, City staff is recommending that City Council authorize the Finance Director to amend the budget by allocating an expenditure of \$250,000 in Professional Services (General Fund 100-355-700000), recognize grant revenue of \$200,000, and transfer \$50,000 from City Engineer Services (General Fund 100-355-700100) to fund the City's matching cost share.

**Attachments:**

1. Proposed Grant Agreement

1. Federal Award No.

693JJ32540334

2. Effective Date

See No. 16 Below

3. Assistance Listings No.

20.939
4. Award To

CITY OF LAGUNA HILLS

24035 El Toro RD

Laguna Hills, California

92653-3103, United States

5. Sponsoring Office

U.S. Department of Transportation

Federal Highway Administration

Office of Safety

1200 New Jersey Avenue, SE

HSSA-1, Mail Drop E71-117

Washington, DC 20590
- Unique Entity Id.: VLC8GAPU9KF4

TIN No.: 33-0490460

6. Period of Performance

Effective Date of Award – 24 months

7. Total Amount

|                      |           |
|----------------------|-----------|
| Federal Share:       | \$200,000 |
| Recipient Share:     | \$50,000  |
| Other Federal Funds: | \$0       |
| Other Funds:         | \$0       |
| Total:               | \$250,000 |
8. Type of Agreement

Grant

9. Authority

Section 24112 of the Infrastructure Investment and Jobs Act (Pub. L. 117–58, November 15, 2021; also referred to as the “Bipartisan Infrastructure Law” or “BIL”)
10. Procurement Request No.

HSA240347PR

11. Federal Funds Obligated

\$200,000
12. Submit Payment Requests To

See Article 5.

14. Accounting and Appropriations Data

15X0173E50.0000.055SR10500.5592000000.41010.61006600
13. Description of the Project:

Development of a Laguna Hills Citywide Action Plan to identify needed local street and transportation safety improvements.

RECIPIENT

15. Signature of Person Authorized to Sign

Signature

Date

Name: Jarad Hildenbrand

Title: City Manager

FEDERAL HIGHWAY ADMINISTRATION

16. Signature of Agreement Officer

Signature

Date

Name: Jessica Prutz

Title: Agreement Officer

1 of 13

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**U.S. DEPARTMENT OF TRANSPORTATION**

**GRANT AGREEMENT UNDER THE  
FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL GRANT PROGRAM**

This agreement is between the United States Department of Transportation's (the "USDOT") Federal Highway Administration (the "FHWA") and the City of Laguna Hills (the "Recipient").

This agreement reflects the selection of the Recipient to receive a Safe Streets and Roads for All ("SS4A") Grant for the Laguna Hills Citywide Safety Action Plan.

The parties therefore agree to the following:

**ARTICLE 1  
GENERAL TERMS AND CONDITIONS**

**1.1 General Terms and Conditions.**

- (a) In this agreement, "General Terms and Conditions" means the content of the document titled "General Terms and Conditions Under the Fiscal Year 2023 Safe Streets and Roads for All ("SS4A") Grant Program," which is available at <https://www.transportation.gov/grants/ss4a/grant-agreements> under "Fiscal Year 2023." Articles 7–30 are in the General Terms and Conditions. The General Terms and Conditions are part of this agreement.
- (b) The Recipient acknowledges that it has knowledge of the General Terms and Conditions. Recipient also states that it is required to comply with all applicable Federal laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200); National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.); and Build America, Buy America Act (BIL, div. G §§ 70901-27).
- (c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient's non-compliance with the General Terms and Conditions may result in remedial action, termination of the SS4A Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to the FHWA the SS4A Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

**ARTICLE 2  
APPLICATION, PROJECT, AND AWARD**

**2.1 Application.**

Application Title: Laguna Hills Citywide Safety Action Plan

Application Date: 07/10/2023

**2.2 Award Amount.**

SS4A Grant Amount: \$200,000

**2.3 Federal Obligation Information.**

Federal Obligation Type: Single

**2.4 Budget Period.**

Budget Period: See Block 6 of Page 1

**2.5 Grant Designation.**

Designation: Planning and Demonstration

**ARTICLE 3**  
**SUMMARY PROJECT INFORMATION**

**3.1 Summary of Project's Statement of Work.**

The *Laguna Hills Citywide Safety Action Plan* will identify methods to reduce and prevent serious injuries and fatalities on the local roads. It will use data and observations to identify, analyze, and prioritize the best solutions for improving transportation safety for all users - drivers, transit riders, cyclists, and pedestrians. It will also address any specific traffic safety issues of the designated disadvantaged area.

The project will be completed in one phase as follows:

Base Phase: Pre-NEPA: Action Plan

**3.2 Project's Estimated Schedule.**

**Action Plan Schedule**

| <b>Milestone</b>                    | <b>Schedule Date</b> |
|-------------------------------------|----------------------|
| Planned NEPA Completion Date:       | June 5, 2024         |
| Planned Draft Plan Completion Date: | November 3, 2025     |
| Planned Final Plan Completion Date: | January 3, 2026      |
| Planned Final Plan Adoption Date:   | February 1, 2026     |
| Planned SS4A Final Report Date:     | December 1, 2026     |

**3.3 Project's Estimated Costs.**

(a) Eligible Project Costs

| <b>Eligible Project Costs</b> |           |
|-------------------------------|-----------|
| SS4A Grant Amount:            | \$200,000 |
| Other Federal Funds:          | \$0       |
| State Funds:                  | \$0       |
| Local Funds:                  | \$50,000  |
| In-Kind Match:                | \$0       |
| Other Funds:                  | \$0       |
| Total Eligible Project Cost:  | \$250,000 |

**ARTICLE 4**  
**RECIPIENT INFORMATION**

**4.1 Recipient Contact(s).**

Mr. Joe Ames, P.E.  
Public Works Director/City Engineer  
City of Laguna Hills  
24035 El Toro Road, Laguna Hills, CA 92653-3103  
(949) 707-2655  
james@lagunahillsca.gov



#### 4.2 Recipient Key Personnel.

| Name                                                                                                                      | Title or Position                                    |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Willam Zimmerman, P.E.<br>(714)799-1700 ext 100<br><a href="mailto:wgzimmerman@wgze.com">wgzimmerman@wgze.com</a>         | Project Manager<br>W.G. Zimmerman Engineering (WGZE) |
| Shirley Land<br>(949)933-3561<br><a href="mailto:shirley@landcmgroup.com">shirley@landcmgroup.com</a>                     | Assistant Project Manager<br>Subconsultant (WGZE)    |
| Jarad Hildenbrand<br>(949) 707-2615<br><a href="mailto:jhildenbrand@lagunahillsca.gov">jhildenbrand@lagunahillsca.gov</a> | City Manager<br>City of Laguna Hills                 |
| Eric Hendrickson<br>(949) 707-2623<br><a href="mailto:ehendrickson@lagunahillsca.gov">ehendrickson@lagunahillsca.gov</a>  | Finance Director<br>City of Laguna Hills             |
| Julie Comella<br>(949) 707-2651<br><a href="mailto:jcomella@lagunahillsca.gov">jcomella@lagunahillsca.gov</a>             | Administrative Assistant<br>City of Laguna Hills     |

#### 4.3 USDOT Project Contact(s).

Safe Streets and Roads for All Program Manager  
Federal Highway Administration  
Office of Safety  
HSSA-1, Mail Stop: E71-117  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590  
202-366-2822  
[SS4A.FHWA@dot.gov](mailto:SS4A.FHWA@dot.gov)

and

Agreement Officer (AO)  
Federal Highway Administration  
Office of Acquisition and Grants Management  
HCFA-33, Mail Stop E62-310  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590  
202-493-2402  
[HCFASS4A@dot.gov](mailto:HCFASS4A@dot.gov)

and

Elissa Konove  
Division Administrator – California  
Agreement Officer's Representative (AOR)  
Federal Highway Administration  
650 Capitol Mall, Suite 4-100  
Sacramento, California  
916-498-5001  
[hdaca@dot.gov](mailto:hdaca@dot.gov)

and

Daniel Hawk  
Local Programs Manager  
California Division  
Federal Highway Administration  
650 Capitol Mall, Suite 4-100  
Sacramento, California  
916-498-5849  
[daniel.hawk@dot.gov](mailto:daniel.hawk@dot.gov)

## ARTICLE 5 USDOT ADMINISTRATIVE INFORMATION

### 5.1 Office for Subaward and Contract Authorization.

USDOT Office for Subaward and Contract Authorization: FHWA Office of Acquisition and Grants Management

#### SUBAWARDS AND CONTRACTS APPROVAL

Note: See 2 CFR § 200.331, Subrecipient and contractor determinations, for definitions of subrecipient (who is awarded a subaward) versus contractor (who is awarded a contract).

Note: Recipients with a procurement system deemed approved and accepted by the Government or by the Agreement Officer (the “AO”) are exempt from the requirements of this clause. See 2 CFR 200.317 through 200.327. Note: This clause is only applicable to grants that do not include construction.

In accordance with 2 CFR 200.308(f)(6), the recipient or subrecipient shall obtain prior written approval from the USDOT agreement officer for the subaward, if the subaward activities were not proposed in the application or approved in the Federal award. This provision is in accordance with 2 CFR 200.308(f) (6) and does not apply to procurement transactions for goods and services. Approval will be issued through written notification from the AO or a formal amendment to the Agreement.

The following subawards and contracts are currently approved under the Agreement by the AO. This list does not include supplies, material, equipment, or general support services which are exempt from the pre-approval requirements of this clause.

### 5.2 Reimbursement Requests

- (a) The Recipient may request reimbursement of costs incurred within the budget period of this agreement if those costs do not exceed the amount of funds obligated and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.
- (b) The Recipient shall use the DELPHI iSupplier System to submit requests for reimbursement to the payment office. When requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit supporting cost detail with the SF-270 (Request for Advance or Reimbursement) or SF-271 (Outlay Report and Request for Reimbursement for Construction Programs) to clearly document all costs incurred.
- (c) The Recipient’s supporting cost detail shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, travel, etc., and the Recipient shall identify the Federal share and the Recipient’s share of costs. If the Recipient does not provide sufficient detail in a request for reimbursement, the Agreement Officer’s Representative (the “AOR”) may withhold processing that request until the Recipient provides sufficient detail.
- (d) The USDOT shall not reimburse costs unless the AOR reviews and approves the costs to ensure that progress on this agreement is sufficient to substantiate payment.
- (e) In the rare instance the Recipient is unable to receive electronic funds transfers (EFT), payment by EFT would impose a hardship on the Recipient because of their inability to manage an account at a financial institution, and/or the

Recipient is unable to use the DELPHI iSupplier System to submit their requests for disbursement, the FHWA may waive the requirement that the Recipient use the DELPHI iSupplier System. The Recipient shall contact the Division Office Lead Point of Contact for instructions on and requirements related to pursuing a waiver.

- (f) The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for Recipients.

## **ARTICLE 6**

### **SPECIAL GRANT TERMS**

- 6.1** SS4A funds must be expended within five years after the grant agreement is executed and DOT obligates the funds, which is the budget period end date in section 10.3 of the Terms and Conditions and section 2.4 in this agreement.
- 6.2.** The Recipient demonstrates compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of Federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.
- 6.3** SS4A Funds will be allocated to the Recipient and made available to the Recipient in accordance with FHWA procedures.
- 6.4** The Recipient of a Planning and Demonstration Grant acknowledges that the Action Plan will be made publicly available and agrees that it will publish the final Action Plan on a publicly available website.
- 6.5** There are no other special grant requirements.

**ATTACHMENT A**  
**PERFORMANCE MEASUREMENT INFORMATION**

**Study Area:** City of Laguna Hills

**Baseline Measurement Date:** April 6, 2025

**Baseline Report Date:** January 31, 2026

**Table 1: Performance Measure Table**

| <b>Measure</b>                      | <b>Category and Description</b>                                                                                                                                                                 | <b>Measurement Frequency and Reporting Deadline</b>        |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Equity                              | Percent of Funds to Underserved Communities: Funding amount (of total project amount) benefitting underserved communities, as defined by USDOT                                                  | Within 120 days after the end of the period of performance |
| Costs                               | Project Costs: Quantification of the cost of each eligible project carried out using the grant                                                                                                  | Within 120 days after the end of the period of performance |
| Lessons Learned and Recommendations | Lessons Learned and Recommendations: Description of lessons learned and any recommendations relating to future projects or strategies to prevent death and serious injury on roads and streets. | Within 120 days after the end of the period of performance |

## ATTACHMENT B CHANGES FROM APPLICATION

Describe all material differences between the scope, schedule, and budget described in the application and the scope, schedule, and budget described in Article 3. The purpose of Attachment B is to clearly and accurately document any differences in scope, schedule, and budget to establish the parties' knowledge and acceptance of those differences. See Article 11 for the Statement of Work, Schedule, and Budget Changes. If there are no changes, please insert "N/A" in Section 3.3 of the table.

**Scope:** N/A

**Schedule:** N/A

**Budget:** N/A

The table below provides a summary comparison of the project budget.

| Fund Source                                                   | Application |   | Section 3.3 |   |
|---------------------------------------------------------------|-------------|---|-------------|---|
|                                                               | \$          | % | \$          | % |
| <b>Previously Incurred Costs (Non-Eligible Project Costs)</b> |             |   |             |   |
| Federal Funds                                                 |             |   |             |   |
| Non-Federal Funds                                             |             |   |             |   |
| Total Previously Incurred Costs                               |             |   |             |   |
| <b>Future Eligible Project Costs</b>                          |             |   |             |   |
| SS4AFunds                                                     |             |   |             |   |
| Other Federal Funds                                           |             |   |             |   |
| Non-Federal Funds                                             |             |   |             |   |
| Total Future Eligible Project Costs                           |             |   |             |   |
| Total Project Costs                                           |             |   |             |   |

**ATTACHMENT C**  
**RACIAL EQUITY AND BARRIERS TO OPPORTUNITY**

1. Efforts to Improve Racial Equity and Reduce Barriers to Opportunity.

The Recipient states that rows marked with “X” in the following table align with the application:

|   |                                                                                                                                                                                                                                                                                                                                              |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | A racial equity impact analysis has been completed for the Project.                                                                                                                                                                                                                                                                          |
| X | The Recipient or a project partner has adopted an equity and inclusion program/plan or has otherwise instituted equity-focused policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure racial equity in the overall delivery and implementation of the Project. |
|   | The Project includes physical-barrier-mitigating land bridges, caps, lids, linear parks, and multimodal mobility investments that either redress past barriers to opportunity or that proactively create new connections and opportunities for underserved communities that are underserved by transportation.                               |
|   | The Project includes new or improved walking, biking, and rolling access for individuals with disabilities, especially access that reverses the disproportional impacts of crashes on people of color and mitigates neighborhood bifurcation.                                                                                                |
|   | The Project includes new or improved freight access to underserved communities to increase access to goods and job opportunities for those underserved communities.                                                                                                                                                                          |
|   | The Recipient has taken other actions related to the Project to improve racial equity and reduce barriers to opportunity, as described in the supporting narrative below.                                                                                                                                                                    |
|   | The Recipient has not yet taken actions related to the Project to improve racial equity and reduce barriers to opportunity but intends to take relevant actions described in the supporting narrative below.                                                                                                                                 |
|   | The Recipient has not taken actions related to the Project to improve racial equity and reduce barriers to opportunity and will not take those actions under this award.                                                                                                                                                                     |

2. **Supporting Narrative.**

The City of Laguna Hills complies with the California Public Contract Code (PCC) and other related policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure equity in the overall delivery and implementation of a city project. The City’s purchasing policies in 3-08.100 Best Qualified Vendor that is race neutral and the Professional Services Agreement includes a Non-discrimination Clause and Statement of Compliance.

Specific to the SS4A Action Plan process, the scope of work for the Laguna Hills Citywide Action Plan will include engagement, collaboration, and equity considerations. The City will identify key stakeholder groups to actively participate in the planning process, ensuring that diverse perspectives, including those of the elderly community and others with specific mobility needs, are represented in the SS4A program. The funded Laguna Hills Citywide Action Plan will provide a thorough assessment of transportation needs, enabling Laguna Hills to implement strategies that enhance equitable access and address social and environmental challenges impacting disadvantaged communities. This inclusive approach is designed to foster a safer, more accessible environment for all residents.

## CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE IMPACTS

## 1. Consideration of Climate Change and Environmental Justice Impacts.

The Recipient states that rows marked with “X” in the following table align with the application:

|   |                                                                                                                                                                                                                                                                    |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | The Project directly supports a Local/Regional/State Climate Action Plan that results in lower greenhouse gas emissions.                                                                                                                                           |
| X | The Project directly supports a Local/Regional/State Equitable Development Plan that results in lower greenhouse gas emissions.                                                                                                                                    |
|   | The Project directly supports a Local/Regional/State Energy Baseline Study that results in lower greenhouse gas emissions.                                                                                                                                         |
|   | The Recipient or a project partner used environmental justice tools, such as the EJScreen, to minimize adverse impacts of the Project on environmental justice communities.                                                                                        |
|   | The Project supports a modal shift in freight or passenger movement to reduce emissions or reduce induced travel demand.                                                                                                                                           |
|   | The Project utilizes demand management strategies to reduce congestion, induced travel demand, and greenhouse gas emissions.                                                                                                                                       |
|   | The Project incorporates electrification infrastructure, zero-emission vehicle infrastructure, or both.                                                                                                                                                            |
|   | The Project supports the installation of electric vehicle charging stations.                                                                                                                                                                                       |
|   | The Project promotes energy efficiency.                                                                                                                                                                                                                            |
|   | The Project serves the renewable energy supply chain.                                                                                                                                                                                                              |
|   | The Project improves disaster preparedness and resiliency.                                                                                                                                                                                                         |
|   | The Project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, such as through reduction in Clean Air Act criteria pollutants and greenhouse gases, improved stormwater management, or improved habitat connectivity. |
|   | The Project repairs existing dilapidated or idle infrastructure that is currently causing environmental harm.                                                                                                                                                      |
|   | The Project supports or incorporates the construction of energy- and location-efficient buildings.                                                                                                                                                                 |
|   | The Project includes recycling of materials, use of materials known to reduce or reverse carbon emissions, or both.                                                                                                                                                |
| X | The Recipient has taken other actions to consider climate change and environmental justice impacts of the Project, as described in the supporting narrative below.                                                                                                 |
|   | The Recipient has not yet taken actions to consider climate change and environmental justice impacts of the Project but will take relevant actions described in the supporting narrative below.                                                                    |
|   | The Recipient has not taken actions to consider climate change and environmental justice impacts of the Project and will not take those actions under this award.                                                                                                  |

## 2. Supporting Narrative.

The City of Laguna Hills has proactively integrated climate change resilience and environmental justice principles into its General Plan, which guides ongoing and future projects, including the forthcoming Citywide Safety Action Plan. Recognizing that 13% of the City's population resides in disadvantaged census tracts with a 69% environmental burden index, Laguna Hills has adopted policies under its Conservation and Open Space Element (July 14, 2009) that prioritize low-impact development, water conservation, and emissions reduction, particularly benefiting high-need areas.

In collaboration with regional agencies like OCTA, SCAG, and Caltrans, the City actively aligns its mobility and safety initiatives with state and federal climate goals. These adopted policies support the Citywide Safety Action Plan's objectives by providing a framework that emphasizes equitable access, safer streets, and sustainable transportation, ensuring that future infrastructure improvements address both environmental and social equity needs.



**ATTACHMENT E  
LABOR AND WORKFORCE**

**1. Efforts to Support Good-Paying Jobs and Strong Labor Standards**

The Recipient states that rows marked with “X” in the following table align with the application:

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   | The Recipient demonstrate, to the full extent possible consistent with the law, an effort to create good-paying jobs with the free and fair choice to join a union and incorporation of high labor standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| X | The Recipient or a project partner has adopted the use of local and economic hiring preferences in the overall delivery and implementation of the Project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|   | The Recipient or a project partner has adopted the use of registered apprenticeships in the overall delivery and implementation of the Project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|   | The Recipient or a project partner will provide training and placement programs for underrepresented workers in the overall delivery and implementation of the Project.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|   | The Recipient or a project partner will support free and fair choice to join a union in the overall delivery and implementation of the Project by investing in workforce development services offered by labor-management training partnerships or setting expectations for contractors to develop labor-management training programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|   | The Recipient or a project partner will provide supportive services and cash assistance to address systemic barriers to employment to be able to participate and thrive in training and employment, including childcare, emergency cash assistance for items such as tools, work clothing, application fees and other costs of apprenticeship or required pre-employment training, transportation and travel to training and work sites, and services aimed at helping to retain underrepresented groups like mentoring, support groups, and peer networking.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|   | The Recipient or a project partner has documented agreements or ordinances in place to hire from certain workforce programs that serve underrepresented groups.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|   | <p>The Recipient or a project partner participates in a State/Regional/Local comprehensive plan to promote equal opportunity, including removing barriers to hire and preventing harassment on work sites, and that plan demonstrates action to create an inclusive environment with a commitment to equal opportunity, including:</p> <ol style="list-style-type: none"> <li>affirmative efforts to remove barriers to equal employment opportunity above and beyond complying with Federal law;</li> <li>proactive partnerships with the U.S. Department of Labor’s Office of Federal Contract Compliance Programs to promote compliance with EO 11246 Equal Employment Opportunity requirements and meet the requirements as outlined in the Notice of Funding Opportunity to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women and goals that vary based on geography for construction work hours and for work being performed by people of color;</li> <li>no discriminatory use of criminal background screens and affirmative steps to recruit and include those with former justice involvement, in accordance with the Fair Chance Act and equal opportunity requirements;</li> <li>efforts to prevent harassment based on race, color, religion, sex, sexual orientation, gender identity, and national origin;</li> <li>training on anti-harassment and third-party reporting procedures covering employees and contractors; and</li> <li>maintaining robust anti-retaliation measures covering employees and contractors.</li> </ol> |
|   | The Recipient has taken other actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|   | The Recipient has not yet taken actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards but, before beginning construction of the project, will take relevant actions described in the supporting narrative below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|   | The Recipient has not taken actions related to the Project to improving good-paying jobs and strong labor standards and will not take those actions under this award.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

**2. Supporting Narrative.**

The City of Laguna Hills is committed to meeting the requirements of the SS4A grant program and supports the creation of good-paying jobs that uphold workers' rights and high labor standards. These values are

reflected in the adopted Laguna Hills City Employees Association Memorandum of Understanding (July 1, 2023), which establishes policies supporting these goals. The City also participates in the Disadvantaged Business Enterprise (DBE) program and is dedicated to fostering a diverse and inclusive workforce. Additionally, the City's Municipal Code (Section 3-08.040) prioritizes local businesses in procurement where other factors are equal, further supporting the local economy and workforce.



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Joe Ames, Public Works Director/City Engineer  
**Issue:** Side Street Stop Sign Installation on Luna Bonita Drive at La Serra

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**Recommendation:** That the City Council: 1) Find and determine that the proposed stop control intersection is not subject to the California Environmental Quality Act pursuant to Section 15301(c) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3 (the operation and maintenance of existing highways and streets is categorically exempt); and 2) Adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, designating the intersection of Luna Bonita Drive and La Serra as a stop intersection and authorizing the installation of a one-way side street stop sign on Luna Bonita Drive at La Serra."

---

### **Background:**

City staff received a request from a resident of the community to evaluate the need for stop sign control facing Luna Bonita traffic at the intersection of Luna Bonita and La Serra to enhance safety. The resident was concerned about oncoming vehicles from Luna Bonita potentially colliding with vehicles on La Serra.

Luna Bonita Drive and La Serra are both local residential streets and do not have a posted speed limit. Both streets are two-lane residential roadways with an applicable prima facie local speed limit of 25 MPH. The intersection is currently uncontrolled, has no marked crosswalks on any leg, and meets in a T-intersection. Please see the attached Vicinity Map.

Upon receiving the request, City staff contacted Hartzog and Crabill, Inc. (HCI), the City's traffic engineering consultant, to perform a sight distance evaluation and five (5) year accident history review of the intersection.

Based on the guidelines of the California Manual on Uniform Traffic Control Devices (MUTCD), stop sign installations should meet certain sets of criteria, called warrants, so there is uniformity in their application around the nation. One of the warrants, the collision warrant, requires a minimum of five (5) reported, correctable accidents within a 12-month period. Another warrant evaluates sight distance at the intersection. Accordingly, HCI reviewed the accident history and sight distance visibility at the intersection.

An accident history review from the California Highway Patrol (CHP) Statewide Integrated Traffic Records System (SWITRS) from January 2019 through June 2024 revealed no reported collisions; therefore, the collision warrant was not met.

The applicable sight distance was derived from the stopping sight distance guidelines found in the California MUTCD. In this reference, a 25 MPH roadway speed recommends a minimum Stopping Sight Distance of 155 feet. For a more conservative approach, a 30 MPH speed limit was utilized for analysis which has a minimum sight distance of 200 feet. The sight distance analysis found that a stopped driver's perspective from the minor street of Luna Bonita Drive was sufficient in the northerly direction but insufficient in the southerly direction due to on-street parked vehicles near the intersection.

While the collision history alone does not indicate the need for installation of a stop sign at the intersection of Luna Bonita Drive and La Serra, due to limited visibility and to better assign right-of-way, City staff recommended at the November 20, 2024, Traffic Commission meeting that the Traffic Commission recommend to City Council the installation of a one-way stop sign on Luna Bonita Drive at La Serra. The Traffic Commission approved the recommendation.

Therefore, the City staff recommends that the City Council adopt a Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, designating the intersection of Luna Bonita Drive and La Serra as a stop intersection and authorizing the installation of a one-way side street stop sign on Luna Bonita Drive at La Serra."

If the Resolution is adopted, the stop sign installation work would include the installation of applicable STOP pavement markings and a limit line. This may include the installation of certain on-street parking restrictions near the intersection as determined by the City Engineer, to increase the visibility of the one-way stop control.

**CEQA Findings:**

The operation and maintenance of existing highways and streets is categorically exempt under the California Environmental Quality Act pursuant to Section 15301(c) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3.

**Fiscal Impact:**

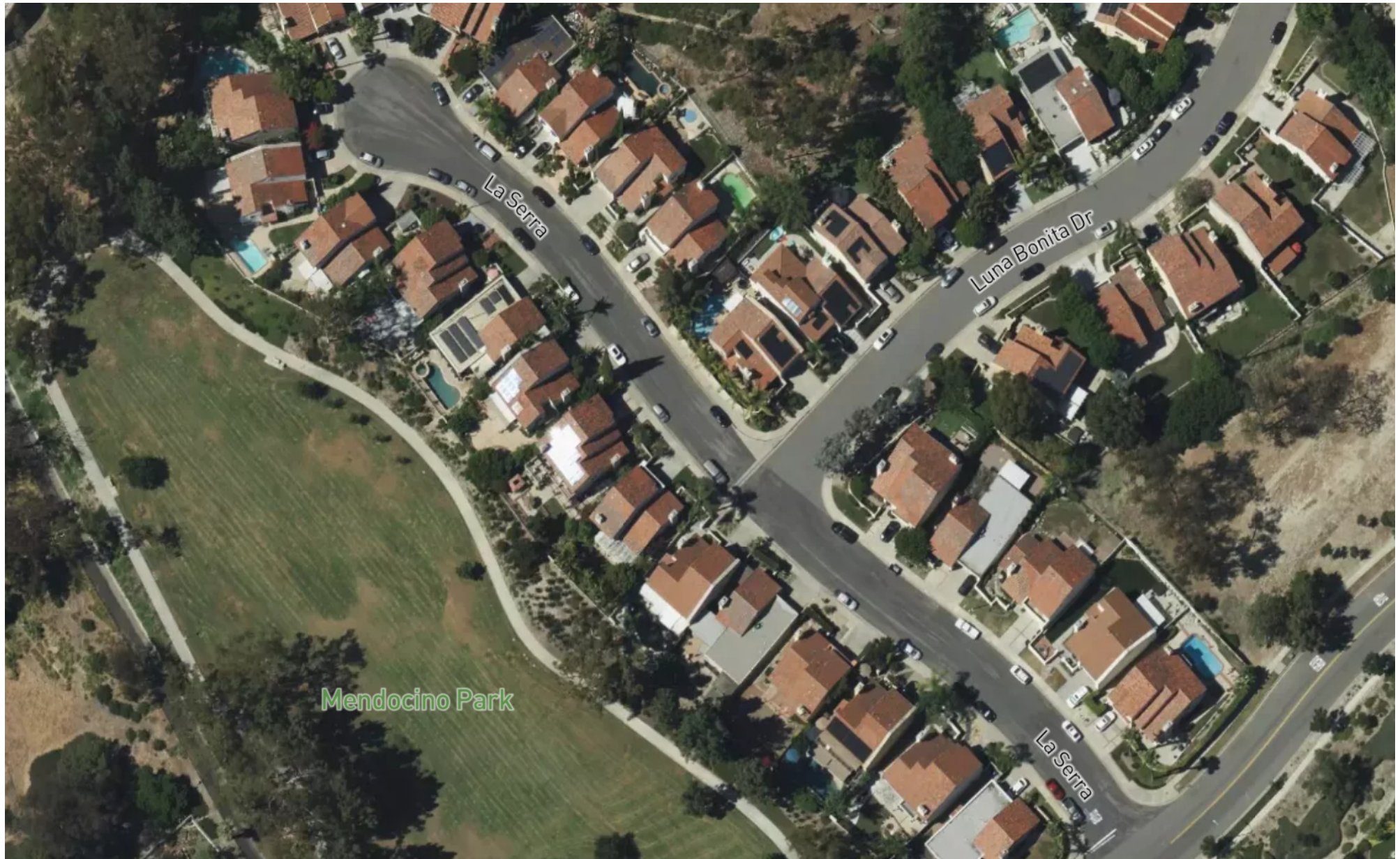
The anticipated installation cost of the required signing and striping is \$1,000.00. Funds are available for this work in the 2024-25 Fiscal Year Public Works Maintenance Budget (Fund No. 212-355-720.400).

**Attachments:**

1. Vicinity Map
2. Proposed Resolution
3. Hartzog & Crabill, Inc. Recommendation Letter – Sight Distance Evaluation for the Intersection of Luna Bonita Drive at La Serra, dated October 28, 202



# VICINITY MAP



1" = 90 ft

Luna Bonita Drive at La  
Serra

11/14/2024



This map may represents a visual display of related geographic information. Data provided here on is not guarantee of actual field conditions. To be sure of complete accuracy, please contact the responsible staff for most up-to-date information.

RESOLUTION NO. 2024-12-10-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DESIGNATING THE INTERSECTION OF LUNA BONITA DRIVE AND LA SERRA AS A STOP INTERSECTION AND AUTHORIZING THE INSTALLATION OF A ONE-WAY SIDE STREET STOP SIGN ON LUNA BONITA DRIVE AT LA SERRA

The City Council of the City of Laguna Hills, California, hereby finds, determines, declares, and resolves as follows:

WHEREAS, the intersection of Luna Bonita Drive at La Serra is a “T” intersection of two residential streets; and

WHEREAS, it has been determined by City staff that installation of a side street stop sign control on Luna Bonita Drive at La Serra will improve right-of-way assignment; and

WHEREAS, the Traffic Commission, at its regularly scheduled meeting of November 20, 2024, recommended to the City Council the installation of a one-way stop sign on Luna Bonita Drive at La Serra; and

WHEREAS, California Vehicle Code Section 21354 authorizes the City to designate any intersection under its exclusive jurisdiction as a stop intersection and erect stop signs at one or more entrances thereto.

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. The intersection of Luna Bonita Drive and La Serra is hereby designated as a stop intersection.

SECTION 3. The City Engineer is hereby directed to and shall cause the installation of a side street stop sign and necessary pavement legends on Luna Bonita Drive at La Serra established herein.

SECTION 4. The stop sign control authorized in this resolution shall become effective upon posting of the required signage in accordance with California Vehicle Code Section 21354.

SECTION 5. The City Council finds and determines that the stop intersection control hereby established is not subject to the California Environmental Quality Act pursuant to Section 15301(c) of the CEQA Guidelines, Cal. Code of Regs, Title 14, Chapter 3 because the operation and maintenance of existing highways and streets is categorically exempt.

PASSED, APPROVED AND ADOPTED this 10<sup>th</sup> day of December 2024.

\_\_\_\_\_, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2024-12-10-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 10th day of December, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK





Gerald J. Stock, PE, TE,  
Executive Vice President

17821 E. 17<sup>th</sup> Street  
Suite 245  
Tustin, CA 92780

Phone: (714) 731-9455  
FAX: (714) 731-9498

www.hartzog-crabill.com

October 28, 2024

Mr. Joe Ames, P.E., T.E.,  
Public Works Director/City Engineer  
**City of Laguna Hills**  
24035 El Toro Road  
Laguna Hills, CA 92653

**Subject: Recommendation Letter - Sight Distance Evaluation for the  
Intersection of Luna Bonita Drive at La Serra**

Dear Mr. Ames:

Hartzog & Crabill, Inc. (HCI) has completed the preparation of a 5-year SWITRS collision report for the residential intersection of Luna Bonita Drive and La Serra. As you will see in the attached report (*see Appendix A*), there were zero (0) collisions reported during the past five (5) years. Based on the intersection collision history alone, there is no indication to support the need for installation of STOP signs at this intersection. However, in regards to driver visibility, HCI performed a sight distance assessment in the field.

**SIGHT DISTANCE EVALUATION:**

In brief summary, La Serra and Luna Bonita Drive do not have a posted speed limit. Both streets are two-lane residential roadways with an applicable *prima facie* local speed limit of 25 MPH (and do not require posting). The applicable sight distance was derived from the stopping sight distance guidelines found in the California MUTCD (*see Appendix B*). In this reference, a 25 MPH roadway speed recommends a minimum Stopping Sight Distance of 155 feet. However, it is likely that the overall speeds on these roads typically exceed the local 25 MPH speed limit. Therefore, a 30 MPH speed limit was used as a more conservative measure, which has a minimum sight distance of 200 feet.

HCI prepared the attached Sight Distance exhibit (*see Appendix C*), which shows a stopped driver's perspective from the minor street of Luna Bonita Drive looking for oncoming traffic on La Serra. As shown, when looking in the northerly direction there is sufficient sight distance to the 200-foot orange cone. However, when the same driver is looking in the southerly direction, there is not sufficient sight distance to the 200-foot orange cone due to on-street parked vehicles near the intersection.

**SIGHT DISTANCE EVALUATION: (continued)**

Table 1 below summarizes our findings based on the sight distance (visibility) of the orange cone at the applicable stopping sight distance.

**TABLE 1**

| <b>Intersection</b>                       | <b><i>Prima<br/>Facie</i><br/>Speed<br/>Limit<br/><br/>(MPH)</b> | <b>'Design'<br/>Speed =<br/>Speed<br/>Limit<br/>+ 5 MPH<br/><br/>(MPH)</b> | <b>California<br/>Stopping Sight<br/>Distance for 85<sup>th</sup><br/>Percentile<br/>Speeds<br/><br/>(feet)</b> | <b>Stopping<br/>Sight<br/>Distance<br/>Satisfied?<br/><br/>(Yes or No)</b>                                                | <b>Comments</b>                                                                                                                                                                                                         |
|-------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>La Serra and Luna<br/>Bonita Drive</b> | 25                                                               | 30                                                                         | 200                                                                                                             | No. When a side-street driver looks southerly, on-street parked vehicles block visibility to the stopping sight distance. | Since visibility may be blocked by on-street parked vehicles at/near the intersection, it is recommended to prohibit at least the first available parking space (25') from the corner, along the east-side of La Serra. |

**CONCLUSION / RECOMMENDATIONS:**

Based on review of the 5-year intersection collision history alone, it does not indicate the need for installation of a Stop sign(s) at the intersection of La Serra and Luna Bonita Drive.

However, since it has been verified that visibility may be blocked by on-street parked vehicles at/near the intersection, it is recommended to prohibit at least the first available parking space (25') from each corner curb return along the east-side of La Serra.

Lastly, in order to better assign right-of-way at this intersection, the installation of a STOP sign, STOP pavement marking, and limit line is recommended for the side-street approach of Luna Bonita Drive.

Mr. Joe Ames, P.E., T.E.

October 28, 2024

Page 3

We look forward to your review and acceptance of our recommendations and to any additional services the City of Laguna Hills may request. If you may have any questions or need further information, please feel free to call our office at (714) 731-9455. Thank you again for the opportunity to serve your community.

Sincerely,

***Hartzog & Crabill, Inc.***

A handwritten signature in blue ink that reads "Scott Ma".

Scott Ma, P.E., T.E.

Senior Engineer

Attachments: 5-Year SWITRS Intersection Collision History Report  
Stopping Sight Distance as a Function of Speed Table (*California MUTCD*)  
Sight Distance Photo Exhibit

## **APPENDIX A**

### **5-YEAR SWITRS INTERSECTION COLLISION HISTORY**

**CITY OF LAGUNA HILLS  
INTERSECTION OF LA SERRA AND LUNA BONITA DRIVE  
5-YEAR SWITRS COLLISION DATABASE  
JAN. 1, 2019 - JUN. 30, 2024**

| CASE ID | COLL. DATE | COLL. TIME | PRIMARY ROAD | SECONDARY ROAD | DIST. | DIR. | INTERS. | WEATH. 1 | COLL. SEVERITY | PRIM. COLL. FACT. | PCF VIOL. CAT. | HIT AND RUN | TYPE OF COLL. | MOTOR VEHICLE INVOLVED WITH | ROAD SURF. |
|---------|------------|------------|--------------|----------------|-------|------|---------|----------|----------------|-------------------|----------------|-------------|---------------|-----------------------------|------------|
|---------|------------|------------|--------------|----------------|-------|------|---------|----------|----------------|-------------------|----------------|-------------|---------------|-----------------------------|------------|

**NO COLLISIONS REPORTED.**

**NOTES:**

**Weather 1**

A - Clear  
B - Cloudy  
C - Raining  
D - Snowing  
E - Fog  
F - Other  
G - Wind  
-- Not Stated

**Collision Severity**

1 - Fatal  
2 - Injury (Severe)  
3 - Injury (Other Visible)  
4 - Injury (Complaint of Pain)  
0 - PDO (Property Damage Only)

**Primary Collision Factor**

A - (Vehicle) Code Violation  
B - Other Improper Driving  
C - Other Than Driver  
D - Unknown  
E - Fell Asleep  
-- Not Stated

**PCF Violation Category**

01 - Driving or Bicycling Under Influence  
02 - Impeding Traffic  
03 - Unsafe Speed  
04 - Following Too Closely  
05 - Wrong Side of Road  
06 - Improper Passing  
07 - Unsafe Lane Change  
08 - Improper Turning  
09 - Automobile ROW  
10 - Pedestrian ROW  
11 - Pedestrian Violation  
12 - Traffic Signals and Signs  
13 - Hazardous Parking  
14 - Lights  
15 - Brakes  
16 - Other Equipment  
17 - Other Hazardous Violation  
18 - Other Than Driver (or Ped)  
19 -  
20 -  
21 - Unsafe Starting or Backing  
22 - Other Improper Driving  
23 - Pedestrian or "Other" Under the Influence  
24 - Fell Asleep  
00 - Unknown  
-- Not Stated

**Hit and Run**

F - Felony  
M - Misdemeanor  
N - Not Hit & Run

**Type of Collision**

A - Head-On  
B - Sideswipe  
C - Rear-End  
D - Broadside  
E - Hit Object  
F - Overturned  
G - Vehicle/Pedestrian  
H - Other  
-- Not Stated

**Motor Vehicle Involved With:**

A - Non-Collision  
B - Pedestrian  
C - Other Motor Vehicle  
D - Motor Vehicle on Other Roadway  
E - Parked Motor Vehicle  
F - Train  
G - Bicycle  
H - Animal  
I - Fixed Object  
J - Other Object  
-- Not Stated

**Road Surface**

A - Dry  
B - Wet  
C - Snowy or Icy  
D - Slippery  
-- Not Stated

## **APPENDIX B**

### **CA MUTCD STOPPING SIGHT DISTANCE AS A FUNCTION OF SPEED**

**Table 6C-1. Recommended Advance Warning Sign ~~Minimum~~ Spacing**

| Road Type                                       | Distance Between Signs* |            |            |
|-------------------------------------------------|-------------------------|------------|------------|
|                                                 | A                       | B          | C          |
| Urban (low speed) - 25 mph or less              | 100 feet                | 100 feet   | 100 feet   |
| Urban (high speed) - more than 25 mph to 40 mph | 250 feet                | 250 feet   | 250 feet   |
| Urban (high speed) - more than 40 mph           | 350 feet                | 350 feet   | 350 feet   |
| Rural                                           | 500 feet                | 500 feet   | 500 feet   |
| Expressway / Freeway                            | 1,000 feet              | 1,500 feet | 2,640 feet |

\* ~~Speed category to be determined by the highway agency.~~

\*\* The column headings A, B, and C are the dimensions shown in Figures 6H-1 through 6H-46. The A dimension is the distance from the transition or point of restriction to the first sign. The B dimension is the distance between the first and second signs. The C dimension is the distance between the second and third signs. (The "first sign" is the sign in a three-sign series that is closest to the TTC zone. The "third sign" is the sign that is furthest upstream from the TTC zone.)

**Table 6C-2. Stopping Sight Distance as a Function of Speed**

| Speed* | Distance |
|--------|----------|
| 20 mph | 115 feet |
| 25 mph | 155 feet |
| 30 mph | 200 feet |
| 35 mph | 250 feet |
| 40 mph | 305 feet |
| 45 mph | 360 feet |
| 50 mph | 425 feet |
| 55 mph | 495 feet |
| 60 mph | 570 feet |
| 65 mph | 645 feet |
| 70 mph | 730 feet |
| 75 mph | 820 feet |

\* Posted speed, off-peak 85th-percentile speed prior to work starting, or the anticipated operating speed.

Can also be used as Stopping Sight Distance as suggested buffer space length or location for flagger station.

**Table 6C-3. Taper Length Criteria for Temporary Traffic Control Zones**

| Type of Taper                   | Taper Length                      |
|---------------------------------|-----------------------------------|
| Merging Taper                   | at least L                        |
| Shifting Taper                  | at least 0.5 L                    |
| Shoulder Taper                  | at least 0.33 L                   |
| One-Lane, Two-Way Traffic Taper | 50 feet minimum, 100 feet maximum |
| Downstream Taper                | 50 feet minimum, 100 feet maximum |

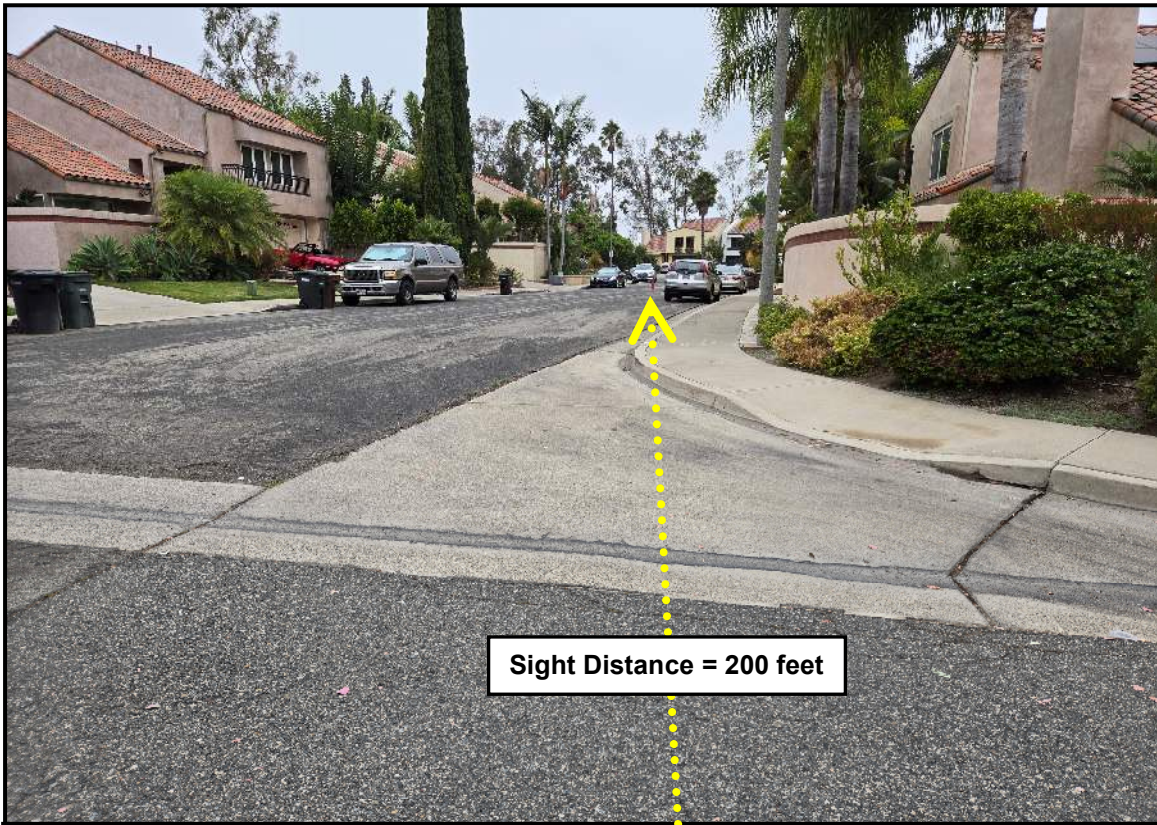
Note: Use Table 6C-4 to calculate L

## **APPENDIX C**

### **SIGHT DISTANCE EXHIBIT**



## SIGHT DISTANCE EXHIBIT



WB LUNA BONITA DRIVE (LOOKING NORTH) AT SB ONCOMING TRAFFIC ALONG LA SERRA



WB LUNA BONITA DRIVE (LOOKING SOUTH) AT NB ONCOMING TRAFFIC ALONG LA SERRA



## City of Laguna Hills City Council / Planning Agency Staff Report

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**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lowe, Community Development Director  
**Issue:** Development Application Status Report

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

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### Background:

The purpose of this Status Report is to identify new and pending development applications in process with the City's Community Development Department which will require a public hearing. Links to project documents are available on the City's website at: <https://lagunahillscsca.gov/PlanningProjects>.

|                            |                                                                                                                                                                             |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case Number</b>         | N/A                                                                                                                                                                         |
| <b>Project Location</b>    | 23272, 23282, 23422, 23382, 23332 Mill Creek Drive; 24461, 24411 Ridge Route Drive                                                                                          |
| <b>Project Description</b> | Request to construct 464 residential units.                                                                                                                                 |
| <b>Applicant</b>           | John Stack, on behalf of Ridge Route LLC, KB Mill Creek DST, KB Spectrum Summit Plaza, LLC                                                                                  |
| <b>Project Planner</b>     | TBD                                                                                                                                                                         |
| <b>Status</b>              | On October 29, 2024, an SB330 Preliminary Application was submitted. Staff is currently reviewing the application materials and awaiting submittal of a Formal Application. |



|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case Number</b>         | USE-0166-2023 (SDP/TPM/PUP/PP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Project Location</b>    | 24422 Avenida de la Carlota, Oakbrook Plaza                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Project Description</b> | A request to construct a new 240-unit senior living apartment complex in a 7-story, podium-style development with four residential levels located above four parking levels, including one subterranean parking level. The existing office building on site will remain, with parking for the office building provided in the new parking structure.                                                                                                                                                                                                                |
| <b>Applicant</b>           | Matt Haugen, BSP Oakbrook LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Project Planner</b>     | Adam Pisarkiewicz, Contract Planner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Status</b>              | On April 11, 2024, a letter was sent to the Applicant deeming the Application complete. On June 10, 2024, a letter was sent to the Applicant identifying reasons the proposed Project is, or potentially is, inconsistent, not in compliance, or not in conformity with City plans, programs, policies, ordinances, standards, and requirements. On July 30, 2024, a letter was sent to the Applicant identifying additional technical review comments. Staff is currently awaiting resubmittal of plans; the item will be scheduled for public hearing when ready. |

|                            |                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case Number</b>         | USE-0147-2023 (SDP)                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Project Location</b>    | 25254 La Paz Road                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Project Description</b> | Request to construct 180 age-restricted, multiple-family dwelling units within an approximately 61-foot-tall, six-story building, including two parking levels (one subterranean) with 250 parking spaces.                                                                                                                                                                                     |
| <b>Applicant</b>           | Nick Buchanan                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Project Planner</b>     | Jay Wu, Senior Planner                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Status</b>              | On April 18, 2024, a letter was sent to the Applicant deeming the Application complete. On June 17, 2024, a letter was sent to the Applicant identifying reasons the proposed Project is, or potentially is, inconsistent, not in compliance, or not in conformity with City plans, programs, policies, ordinances, standards, and requirements. Staff is currently conducting CEQA review and |

|  |                                                                                                                |
|--|----------------------------------------------------------------------------------------------------------------|
|  | additional technical review of the proposed Project. The item will be scheduled for public hearing when ready. |
|--|----------------------------------------------------------------------------------------------------------------|

|                            |                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case Number</b>         | USE-0165-2023 (ZTA/TTM/SDP)                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Project Location</b>    | 23272 – 23282 Mill Creek Drive                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Project Description</b> | Request to construct 48 detached residential condominium units.                                                                                                                                                                                                                                                                                                                                         |
| <b>Applicant</b>           | John Stack, on behalf of KB Spectrum Summit Plaza, LLC                                                                                                                                                                                                                                                                                                                                                  |
| <b>Project Planner</b>     | Jay Wu, Senior Planner                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Status</b>              | On May 3, 2024, a letter was sent to the Applicant deeming the Application complete. On August 28, 2024, a letter was sent to the Applicant identifying additional technical review comments and informing the Applicant of significant design concerns. Staff is currently awaiting a withdrawal of the Application or resubmittal of plans; the item will be scheduled for public hearing when ready. |

|                            |                                                                                                                                                                                                       |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case Number</b>         | USE-0172-2024 (CPMA)                                                                                                                                                                                  |
| <b>Project Location</b>    | 23521 Paseo de Valencia                                                                                                                                                                               |
| <b>Project Description</b> | Request to construct carports in the Taj Mahal parking lot to accommodate solar panels.                                                                                                               |
| <b>Applicant</b>           | Alisha Cosio, on behalf of Valta Energy                                                                                                                                                               |
| <b>Project Planner</b>     | Jennifer Ash, Assistant Planner                                                                                                                                                                       |
| <b>Status</b>              | On March 29, 2024, a letter was sent to the Applicant deeming the Application incomplete. Staff is currently awaiting resubmittal of plans; the item will be scheduled for public hearing when ready. |

|                            |                                                                   |
|----------------------------|-------------------------------------------------------------------|
| <b>Case Number</b>         | USE-0195-2024 (SDPM)                                              |
| <b>Project Location</b>    | 24795 Alicia Parkway                                              |
| <b>Project Description</b> | Converting an existing full service carwash to an express carwash |

|                        |                                                                             |
|------------------------|-----------------------------------------------------------------------------|
| <b>Applicant</b>       | A&S Engineering, on behalf of Southland Property Investments, LLC           |
| <b>Project Planner</b> | Jennifer Ash, Assistant Planner                                             |
| <b>Status</b>          | Application intake was on November 12, 2024, and is currently under review. |

**Fiscal Impact:**

None.

**Attachments:**

None



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Introduction and First Reading of an Ordinance Relating to Electronic and Digital Signatures

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**Recommendation:** That the City Council introduce for first reading, read by title only, and waive further reading of an Ordinance entitled: “An Ordinance of the City of Laguna Hills, California, Adding Chapter 1-14 (Electronic and Digital Signatures) to Title 1 (General Provisions) of the Laguna Hills Municipal Code Relating to the Authorized Use of Electronic and Digital Signatures.”

---

### Background:

The City of Laguna Hills has traditionally used “wet” signatures for documents between the City and external parties. The process takes from days to weeks, and involves cost incurring steps like printing, scanning, mailing. Under California law, digital signatures can now be used for many different types of written transactions that would otherwise require a handwritten signature.

The general legal framework for the use of electronic signatures on electronic records has been in place for a considerable period of time. In 1999, the State of California adopted a version of the Uniform Electronic Transactions Act (UETA), guaranteeing that electronic signatures would have the same legal effect as a “wet” or manual signature. (Civ. Code §§ 1633.1-1633.17.) In 2000, Congress passed the Electronic Signatures in Global and National Commerce Act (E-SIGN Act), which mandated the same treatment of electronic signatures in interstate or foreign commerce. (15 U.S.C. 7001.)

Additionally, in 1995, five years before the UETA and E-SIGN Act were adopted, the California Legislature passed a statute authorizing public entities to accept “digital

signatures” if and only if they comply with stringent verification procedures established by the Secretary of State (Gov. Code § 16.5). The Secretary of State adopted regulations in 1998 approving the use of digital signatures only if they could be verified using Public Key Cryptology (PKI) or Signature Dynamics technologies. (2 C.C.R. § 22003).

The proposed Ordinance adds Chapter 1-14 (Electronic and Digital Signatures) to Title 1 of the Laguna Hills Municipal Code authorizing the use of electronic and digital signatures allowing the City to streamline current practices to improve productivity and save resources. The attached Ordinance also excludes those transactions for which digital or electronic signatures are not authorized by law.

**Fiscal Impact:**

There is minimal fiscal impact associated with the adoption of the proposed Ordinance. There may be costs associated with procuring and implementing an electronic signature software program that is compliant with the UETA and the proposed Ordinance. However, the proposed Ordinance simply authorizes the City to use electronic signatures on official documents rather than mandate the use of electronic signatures. The ultimate fiscal impact will be dependent on the extent to which electronic signatures are used by the City.

**Attachments:**

1. Proposed Ordinance

ORDINANCE NO. 2025-X

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,  
CALIFORNIA, ADDING CHAPTER 1-14 (ELECTRONIC AND  
DIGITAL SIGNATURES) TO TITLE 1 (GENERAL  
PROVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE  
RELATING TO THE AUTHORIZED USE OF ELECTRONIC  
AND DIGITAL SIGNATURES

WHEREAS, the use of electronic and digital signatures, in lieu of manual signatures, has increased efficiencies and overall customer service in the private sector; and

WHEREAS, under California law, the use of electronic signatures is at the option of the parties, including public agencies, involved in a transaction; and

WHEREAS, the Uniform Electronic Transactions Act ("UETA" codified at Civil Code section 1633.1 *et seq.*) generally governs the use of "electronic signatures" by parties to a transaction, and Government Code section 16.5 governs the specific use of "digital signatures" (a type of electronic signature) by and in transactions with public entities; and

WHEREAS, the City of Laguna Hills (the "City") wishes to authorize the use of digital and electronic signatures for certain situations in order to increase customer service and efficiencies within the City's contracting practices; and

WHEREAS, the City intends to authorize the use digital and electronic signatures to the fullest extent allowed by law.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein.

SECTION 2. Chapter 1-14 (Electronic and Digital Signatures) is hereby added to Title 1 (General Provisions) to the Laguna Hills Municipal Code to read in its entirety as follows:

**Chapter 1-14**

**ELECTRONIC AND DIGITAL SIGNATURES**

**Sections:**

**1-14.010 Electronic and Digital Signatures.**

- A. Whenever a signature is required, the City may agree that an electronic signature, which includes, but is not limited to, a digital signature, satisfies that requirement, provided it is in accordance with the Uniform Electronic Transaction Act ("UETA" codified at Civil Code section 1633.1 *et seq.*) as the same may be amended from time to time.



- B. The City Manager shall determine the documents for which the City will accept electronic signatures, as well as the type(s) of acceptable electronic signatures the City will accept.
- C. The authorization conferred under this chapter, shall not apply where the use of digital signatures or electronic signature is prohibited by law.

**1-14.020 Policies.**

The City Manager or their designee, in consultation with the City Attorney, may establish and from time to time amend such policies as they deem necessary or desirable to implement and expand upon the provisions of this chapter.

SECTION 3. This ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to state CEQA guidelines because there is no possibility that this ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)) City staff shall cause a Notice of Exemption to be filed as authorized by CEQA and state CEQA guidelines.

SECTION 4. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 5. The City Clerk shall certify to the adoption of this ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five days prior to the date of adoption of this ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published the aforementioned summary and shall post a certified copy of this ordinance, together with the vote for and against the same, in the office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this X day of X 2025.

\_\_\_\_\_  
X, MAYOR

ATTEST:

\_\_\_\_\_  
JENNIFER LEE, CITY CLERK

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

I, Jennifer Lee, Interim City Clerk of the City of Laguna Hills, California, DO  
HEREBY CERTIFY that the foregoing Ordinance No. 2025-X was duly introduced and  
placed upon its first reading at a Regular Meeting of the City Council on the X day of  
X 2025, and that thereafter, said ordinance was duly adopted and passed at a Regular  
Meeting of the City Council held on the X day of X 2025, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

---

JENNIFER LEE, CITY CLERK

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

AFFIDAVIT OF POSTING  
AND PUBLICATION

JENNIFER LEE, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California,  
ORDINANCE NO. 2025-x, being:

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,  
CALIFORNIA, ADDING CHAPTER 1-14 (ELECTRONIC AND  
DIGITAL SIGNATURES) TO TITLE 1 (GENERAL  
PROVISIONS) OF THE LAGUNA HILLS MUNICIPAL CODE  
RELATING TO THE AUTHORIZED USE OF ELECTRONIC  
AND DIGITAL SIGNATURES

on the X day of X 2025, and on the X day of X 2025, was published in summary in the  
Saddleback Valley News; and was, in compliance with City Resolution  
No. 2004-05-25-2, by the X day of X 2025, and the X day of X 2025, caused to be posted  
in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall  
Laguna Hills Community Center  
La Paz Center

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JENNIFER LEE, CITY CLERK  
Laguna Hills, California



## City of Laguna Hills City Council / Planning Agency Staff Report

---

**Date:** December 10, 2024  
**To:** Mayor and Council Members  
**From:** Jennifer Lee, City Clerk  
**Issue:** Committee Assignment Reports

---

**Recommendation:** That the City Council receive reports from City Council Members on the City Council Committee Assignments listed in the staff report.

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### **Background:**

The following are recent meetings and events attended by the City Council for their City Council Committee Assignments.

#### [Orange County Mosquito and Vector Control District \(OCMVCD\)](#)

##### [Board of Trustees](#)

Council Member Pezold

November 21, Regular Meeting

#### [Orange County Fire Authority \(OCFA\)](#)

##### [Board of Directors](#)

Council Member Sweeney

November 21, Regular Meeting

#### [Association of California Cities - Orange County \(ACC-OC\)](#)

##### [Legislative & Regulatory Committee](#)

Council Member Wheeler

November 28, Regular Meeting

[Southern California Association of Governments \(SCAG\)](#)  
[Community, Economic and Human Development Committee \(CEHD\)](#)

Council Member Caskey

December 5, Regular Meeting

**Fiscal Impact:**

The City does not provide any additional compensation to City Council Members for serving on outside agency boards or committees.

**Attachments:**

None