



**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING AGENDA
SEPTEMBER 10, 2013
Closed Session at 6:00 PM (*when scheduled*)
General Business Session at 7:00 PM**

Barbara D. Kogerman, Mayor

**Andrew Blount, Mayor Pro Tempore
Randal Bressette, Council Member**

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

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

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

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

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER GILBERT

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

THERE WAS NO CLOSED SESSION SCHEDULED.

1. PRESENTATIONS AND PROCLAMATIONS

- 1.1 CERTIFICATE OF RECOGNITION FOR ARNEL CORPORATION AND MANAGEMENT STAFF FROM THE ALICIA APARTMENT COMMUNITIES FOR DROWNING AWARENESS AND FIRE PREVENTION

RECOMMENDATION: THAT ORANGE COUNTY FIRE AUTHORITY PRESENT A CERTIFICATE OF RECOGNITION AND PLAQUE TO ARNEL CORPORATION AND MANAGEMENT STAFF FROM THE ALICIA APARTMENT COMMUNITIES FOR THEIR ASSISTANCE TOWARD DROWNING AWARENESS AND FIRE PREVENTION.

- 1.2 LETTER OF SUPPORT FOR THE PROPOSED RENOVATION OF THE SADDLEBACK COLLEGE ATHLETIC STADIUM

RECOMMENDATION: THAT THE CITY COUNCIL SEND A LETTER OF SUPPORT TO DR. TOD A. BURNETT, SADDLEBACK COLLEGE PRESIDENT, AND NANCY PADBERG, PRESIDENT, SOCCCD BOARD OF TRUSTEES, FOR THE PROPOSED RENOVATION OF THE SADDLEBACK COLLEGE ATHLETIC STADIUM.

- 1.3 APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON KERSTYN GONZALES FOR THE 2013 FALL SEMESTER

RECOMMENDATION: THAT MAYOR KOGERMAN PRESENT THE CERTIFICATE OF APPOINTMENT TO STUDENT LIAISON KERSTYN GONZALES.

- 1.4 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN ORAL REPORT FROM LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON KERSTYN GONZALES.

2. PUBLIC COMMENTS

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

3. MINUTES

3.1 REGULAR MEETING, AUGUST 27, 2013

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE MINUTES OF THE AUGUST 27, 2013, REGULAR MEETING.

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 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 WARRANT REGISTER FOR PERIOD ENDED SEPTEMBER 10, 2013

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$220,045.78.

4.3 TWO YEAR EVENT MANAGEMENT AGREEMENT WITH RENEGADE RACING FOR THE 2014 AND 2015 RACE EVENTS

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE EVENT MANAGEMENT PROFESSIONAL SERVICES AGREEMENT BETWEEN MAKE-U-FIT PRODUCTIONS, LLC, DBA RENEGADE RACING, AND THE CITY OF LAGUNA HILLS FOR EVENT MANAGEMENT SERVICES FOR THE 2014 AND 2015 MEMORIAL DAY RACE EVENTS, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT.

- 4.4 PROPOSED AMENDMENT NO. 2 TO CONTRACT BETWEEN COUNTY OF ORANGE AND CITY OF LAGUNA HILLS FOR HOUSING REHABILITATION PROJECT (CDBG - CFDA NO. 14.218) (CONTRACT NO. 12-613031) AUTHORIZING A ONE YEAR CONTRACT TERM EXTENSION FOR FISCAL YEAR 2013-14 AND APPROVING AND AUTHORIZING AN ADDITIONAL \$80,000 ALLOCATION IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE ALISO MEADOWS REHABILITATION PROJECT.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED SECOND AMENDMENT TO CONTRACT BETWEEN COUNTY OF ORANGE AND CITY OF LAGUNA HILLS FOR HOUSING REHABILITATION ALISO MEADOWS REHABILITATION PROJECT (CDBG-CFDA NO. 14.218) (CONTRACT NO. 12-613031), AUTHORIZING A ONE YEAR CONTRACT TERM EXTENSION FOR FISCAL YEAR 2013-14 AND APPROVING AND AUTHORIZING AN ADDITIONAL \$80,000 ALLOCATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE ALISO MEADOWS REHABILITATION PROJECT, AND AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE SECOND AMENDMENT.

ITEMS REMOVED FROM THE CONSENT CALENDAR

5. PLANNING AGENCY

- 5.1 ROLL CALL OF PLANNING AGENCY MEMBERS
- 5.2 PUBLIC COMMENTS

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

- 5.3 MINUTES

- 5.3.1 REGULAR MEETING, AUGUST 27, 2013

RECOMMENDATION: THAT THE PLANNING AGENCY APPROVE THE MINUTES OF THE AUGUST 27, 2013, REGULAR MEETING.

- 5.4 ADMINISTRATIVE REPORTS
- 5.5 PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

6. CITY COUNCIL PUBLIC HEARINGS

7. ADMINISTRATIVE REPORTS

7.1 City Manager

7.1.1 EMPLOYMENT CLASSIFICATIONS, SALARY RANGES AND
BENEFITS FOR MANAGEMENT, CONFIDENTIAL AND
PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION
ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND
ESTABLISHING SALARY RANGES AND BENEFITS FOR MANAGEMENT,
CONFIDENTIAL, AND PART-TIME CLASSES OF EMPLOYMENT WITH THE
CITY AND RESCINDING RESOLUTION NO. 2011-07-12-2."

7.2 Assistant City Manager

7.2.1 PRESENTATION OF MOBILE APPLICATION

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE
REPORT.

7.3 Public Services Director/City Engineer

7.3.1 HIGHWOOD CIRCLE STREET LIGHTING

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE
REPORT.

7.3.2 REQUEST FOR STREET TREE REMOVAL AT 25252
MAWSON DRIVE

RECOMMENDATION: THAT THE CITY COUNCIL RECIEVE AND FILE THE
REPORT.

**8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS
AND MAYOR**

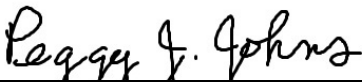
9. CITY COUNCIL MEMBER COMMENTS

ADJOURNMENT

The next Regular Meeting of the City Council will be September 24, 2013, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, PEGGY J. JOHNS, 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 La Paz Center by September 6, 2013, at 5:00 PM.



PEGGY J. JOHNS, CITY CLERK

September 6, 2013

DATE

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

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

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



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: PEGGY J. JOHNS
CITY CLERK**

**ISSUE: CERTIFICATE OF RECOGNITION FOR ARNEL CORPORATION AND
MANAGEMENT STAFF FROM THE ALICIA APARTMENT COMMUNITIES
FOR DROWNING AWARENESS AND FIRE PREVENTION**

**RECOMMENDATION: THAT ORANGE COUNTY FIRE AUTHORITY PRESENT A
CERTIFICATE OF RECOGNITION AND PLAQUE TO ARNEL CORPORATION AND
MANAGEMENT STAFF FROM THE ALICIA APARTMENT COMMUNITIES FOR THEIR
ASSISTANCE TOWARD DROWNING AWARENESS AND FIRE PREVENTION.**

SUMMARY:

Tonight the Orange County Fire Authority would like to recognize Arnel Corporation and management staff from the Alicia Apartment Communities for their commitment to the safety of their residents. This summer during the months of June and July, Arnel Corporation representatives and management staff from the Alicia Apartment Communities assisted the crew of Orange County Fire Authority Station 22 to develop and promote two important community safety programs throughout their properties. The two programs targeted Drowning Prevention and Cooking Safety in the Home. It is because of their efforts and commitment to safety that the City of Laguna Hills is now a safer community.

Orange County Fire Authority Battalion Chief Michael Contreras, and Division Chief Bryan Brice, will be presenting a certificate of recognition and plaque to Arnel Corporation representative Sarah Chance, and management staff from the Alicia Apartment Communities for their efforts.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

**ISSUE: LETTER OF SUPPORT FOR THE PROPOSED RENOVATION OF THE
SADDLEBACK COLLEGE ATHLETIC STADIUM**

**RECOMMENDATION: THAT THE CITY COUNCIL SEND A LETTER OF SUPPORT
TO DR. TOD A. BURNETT, SADDLEBACK COLLEGE PRESIDENT, AND NANCY
PADBERG, PRESIDENT, SOCCCD BOARD OF TRUSTEES, FOR THE PROPOSED
RENOVATION OF THE SADDLEBACK COLLEGE ATHLETIC STADIUM.**

SUMMARY:

Jim Leach, President, Saddleback College Foundation Board of Governors; Gary Capata, 1st Vice President, Board of Governors; and Donald Rickner, Executive Director, Saddleback College Foundation, will be speaking before the City Council at this meeting to request a Letter of Support for the proposed renovation of the Saddleback College Athletic Stadium. It is proposed that these renovations will make the Athletic Stadium an even more valuable community resource for athletics, graduations, cultural and other community events. It is noted that no City funds are being requested at this time.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: PEGGY J. JOHNS
CITY CLERK

ISSUE: APPOINTMENT OF LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON
KERSTYN GONZALES FOR THE 2013 FALL SEMESTER

RECOMMENDATION: THAT MAYOR KOGERMAN PRESENT THE CERTIFICATE
OF APPOINTMENT TO STUDENT LIAISON KERSTYN GONZALES.

SUMMARY:

The Laguna Hills High School Liaison Program is set up to provide for the Student Liaison Alternate to assume the position of Student Liaison after serving as the Alternate for one semester. Kerstyn Gonzales served as the Student Liaison Alternate for the spring 2013 semester, and it is in order for Kerstyn to now become the Student Liaison for the Fall 2013 semester.

Interviews are usually conducted each May to select the Liaison and Alternate for the next year. However, this year interviews at Laguna Hills High School, due to scheduling conflicts, were not held in May, but instead would be conducted in October 2013. As soon as the Alternate is selected for the fall, he/she will be sworn in.

The City Clerk met with Kerstyn Gonzales in early September and administered the oath of office.

ATTACHMENTS:

- Certificate of Appointment

CERTIFICATE OF APPOINTMENT

be it known that

KERYSTEN GONZALES

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

STUDENT LIAISON

for the City of Laguna Hills

Dated this 10th day of September 2013.

BARBARA D. KOGERMAN, MAYOR

**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL REGULAR MEETING
MINUTES
AUGUST 27, 2013**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Mayor Kogerman called the Regular Meeting of the City Council of the City of Laguna Hills, California, to order at 7:00 PM in the Laguna Hills City Council Chamber, 24305 El Toro Road, Laguna Hills, California.

PLEDGE OF ALLEGIANCE: Council Member Carruth

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Mayor Kogerman, Mayor Pro Tempore Blount, Council Member Bressette, Council Member Carruth, and Council Member Gilbert.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 TEN YEAR ANNIVERSARY AWARD

MAYOR KOGERMAN RECOGNIZED NANCY GAGGIOLI, RECEPTIONIST/CASHIER, FOR TEN YEARS OF SERVICE TO THE CITY OF LAGUNA HILLS AND PRESENTED A CERTIFICATE OF RECOGNITION AND GIFT.

1.2 CERTIFICATE OF RECOGNITION FOR KIDS KONNECTED, A NON-PROFIT ORGANIZATION, FOR 20 YEARS OF SERVICE TO THE COMMUNITY

MAYOR KOGERMAN PRESENTED A CERTIFICATE OF RECOGNITION TO REPRESENTATIVES OF KIDS KONNECTED RECOGNIZING THEIR SERVICE TO THE COMMUNITY.

1.3 CERTIFICATE OF RECOGNITION FOR CROSSLINE COMMUNITY CHURCH

MAYOR KOGERMAN PRESENTED A CERTIFICATE OF RECOGNITION TO EXECUTIVE PASTOR GREG MUNCK, OF CROSSLINE COMMUNITY CHURCH, FOR THEIR SERVICE TO THE COMMUNITY.

1.4 SDG&E SUMMER READINESS PROGRAM

THE CITY COUNCIL RECEIVED AN ORAL PRESENTATION FROM DUANE CAVE, EXTERNAL RELATIONS MANAGER - SOUTH ORANGE COUNTY, ON SDG&E'S SUMMER READINESS PROGRAM.

2. PUBLIC COMMENTSTREE REMOVAL

Steve Epstein, Laguna Hills, requested removal of a city-owned tree located at 25252 Mawson Drive.

MOULTON NIGUEL WATER DISTRICT

Joone Lopez, General Manager for Moulton Niguel Water District, thanked the City Council for their help with the water line break that occurred in the City in July 2013.

EQUESTRIAN CROSSINGS

Cheree Behringer, Laguna Hills, inquired on the status of the LED lights to be installed on Nellie Gail Road and Empty Saddle Drive and Nellie Gail Road and Lost Colt Drive. Ms. Behringer also inquired on the status of the 3-way stop sign that was to be installed on Nellie Gail Road and Gallup Circle.

Public Services Director Rosenfield indicated that the project should be complete within the next few weeks.

3. MINUTES

3.1 REGULAR MEETING, JULY 9, 2013

MOTION TO APPROVE THE MINUTES OF THE JULY 9, 2013, REGULAR MEETING, BY M/COUNCIL MEMBER GILBERT, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

4. CONSENT CALENDAR

MOTION TO APPROVE THE CONSENT CALENDAR, WITH COUNCIL MEMBER BRESSETTE REMOVING ITEM NOS. 4.2, 4.9, AND 4.11, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

4.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTION ON THE AGENDA

THE CITY COUNCIL WAIVED READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA AND DECLARED THAT SAID TITLES WHICH APPEARED ON THE PUBLIC AGENDA SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED.

4.3 PROGRESS PAYMENT NO. 1, FINAL, FOR CIVIC CENTER IMPROVEMENTS - CARPETING & FLOORING

THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 1, FINAL, IN THE NET AMOUNT OF \$104,985.82, TO G & S CARPET MILLS, INC., FOR

CIVIC CENTER IMPROVEMENTS - CARPETING & FLOORING, AUTHORIZED THE FILING OF THE NOTICE OF COMPLETION AND SUBSEQUENT RELEASE OF RETENTION IN 35 DAYS, IF NO LIENS HAVE BEEN FILED.

- 4.4 PROGRESS PAYMENT NO. 5, FINAL, AND CONTRACT CHANGE ORDER NO. 1, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-H

THE CITY COUNCIL APPROVED CONTRACT CHANGE ORDER NO. 1 AND PROGRESS PAYMENT NO. 5, FINAL, IN THE NET AMOUNT OF \$17,166.25, TO ALL AMERICAN ASPHALT, FOR CITYWIDE PAVEMENT REHABILITATION PROJECT, CIP NO. 101-H, AND AUTHORIZED THE FILING OF THE NOTICE OF COMPLETION AND SUBSEQUENT RELEASE OF RETENTION IN 35 DAYS, IF NO LIENS HAVE BEEN FILED.

- 4.5 APPROVE PROPOSED LEASE AGREEMENT FOR 24031 EL TORO ROAD, SUITE 220, LAGUNA HILLS, CALIFORNIA, WITH DONALD C. LEWELLEN

THE CITY COUNCIL APPROVED THE PROPOSED AMENDED LEASE AGREEMENT FOR 24031 EL TORO ROAD, SUITE 220, LAGUNA HILLS, CALIFORNIA WITH DONALD C. LEWELLEN AND AUTHORIZED THE CITY MANAGER TO EXECUTE THE PROPOSED LEASE AGREEMENT.

- 4.6 ACCEPTANCE AND ADOPTION OF THE 2013 SOUTH ORANGE COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN

THE CITY COUNCIL ADOPTED RESOLUTION NO. 2013-08-27-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ACCEPTING AND ADOPTING THE 2013 SOUTH ORANGE COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN.

- 4.7 17TH ANNUAL INNER-COASTAL AND WATERSHED CLEANUP DAY

THE CITY COUNCIL DECLARED SEPTEMBER 21, 2013, AS INNER-COASTAL AND WATERSHED CLEANUP DAY AND ENCOURAGED VOLUNTEER PARTICIPATION IN THIS EVENT.

- 4.8 GOVERNMENT CODE SECTION 66006 - DEVELOPMENT IMPACT FEES

THE CITY COUNCIL APPROVED THE DEVELOPMENT IMPACT FEES ANNUAL REPORT PURSUANT TO GOVERNMENT CODE SECTION 66006.

- 4.10 FIRST AND FINAL PAYMENT TO G2 CONSTRUCTION, INC., FOR THE WATER QUALITY IMPROVEMENT CATCH BASIN DEBRIS GATE PROJECT, CIP NO. 412B

THE CITY COUNCIL APPROVED THE FIRST AND FINAL PAYMENT TO G2 CONSTRUCTION, INC., IN THE NET AMOUNT OF \$66,832.50, AND

AUTHORIZED THE FILING OF THE NOTICE OF COMPLETION AND RELEASE OF RETENTION IN 35-DAYS, IF NO LIENS HAVE BEEN FILED, FOR THE WATER QUALITY IMPROVEMENT CATCH BASIN DEBRIS GATE PROJECT, CIP NO. 412B.

- 4.12 RESPONSE TO THE ORANGE COUNTY GRAND JURY REPORT DATED JUNE 27, 2013, ENTITLED "THE GOAL OF EQUAL EMPLOYMENT OPPORTUNITY: NO VICTIMS"

THE CITY COUNCIL AUTHORIZED THE MAYOR TO SIGN THE LETTER OF RESPONSE TO THE ORANGE COUNTY GRAND JURY REPORT ENTITLED "THE GOAL OF EQUAL EMPLOYMENT OPPORTUNITY: NO VICTIMS."

ITEMS REMOVED FROM THE CONSENT CALENDAR

- 4.2 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED AUGUST 27, 2013

Council Member Bressette removed this item from the Consent Calendar to ask about the two payments to the Orange County Treasurer for animal care services; his recollection was that the County would not bill the City for animal care services. Mr. White stated the City did not make payments in the first two quarters from last fiscal year. A check for \$10,547 was issued for January – March, third quarter, and a check was issued for \$35,570 for April - June, fourth quarter of FY 12-13. Council Member Bressette questioned the significant difference in the two amounts.

THERE WAS CONSENSUS BY THE CITY COUNCIL TO DIRECT STAFF TO BRING BACK A REPORT FOR CLARIFICATION ON THIS ISSUE.

Mayor Pro Tempore Blount questioned the payment to Moulton Niguel Water District for water useage for June and July and asked Public Services Director Rosenfield to explain the tier useage system.

MOTION TO APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$2,292,471.20, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

- 4.9 APPROVAL AND IMPLEMENTATION OF THE DESIGN OF A "50/70" LITTLE LEAGUE BASEBALL FIELD AT CABOT PARK

Council Member Bressette inquired if the Laguna Hills Little League had received notification on this subject and if they were in agreement with the proposal. Public Services Director Rosenfield indicated that it was the Laguna Hills Little League that brought this issue forward at a City Council budget study session, and the issue was forwarded to the Parks and Recreation Commission in which Laguna Hills Little League did offer support and testimony at that time. The Parks and Recreation Commission reviewed all City parks with baseball

fields, and it was a collective decision that Cabot Park was the best location. Fortunately the design landscape architect agreed, and the City Council adopted this as a major plan for this fiscal biennial budget period.

THE CITY COUNCIL APPROVED THE DESIGN OF THE "50/70" LITTLE LEAGUE BASEBALL FIELD FOR THE LOWER FIELD OF CABOT PARK AS PREPARED BY RICHARD FISHER ASSOCIATES AND DIRECTED STAFF TO IMPLEMENT THE DESIGN, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

4.11 2013 FOURTH OF JULY POST EVENT REPORT

Council Member Bressette stated that he appreciated the report and the fact that staff would be soliciting proposals from firework vendors. Council Member Bressette suggested that another great source of information would be the Orange County Fire Authority who was working with CalFire to get a feel for what occurred statewide on July fourth of this year.

THE CITY COUNCIL RECEIVED AND FILED THE REPORT, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

5. PLANNING AGENCY

Mayor Kogerman recessed the City Council meeting and acting in the capacity of Chair, called the regular meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:56 PM.

5.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Kogerman, Vice Chair Blount, Agency Member Bressette, Agency Member Carruth, and Agency Member Gilbert.

5.2 PUBLIC COMMENTS

There were no Public Comments.

5.3 MINUTES

5.3.1 REGULAR MEETING, JULY 9, 2013

MOTION TO APPROVE THE MINUTES OF THE JULY 9, 2013, REGULAR MEETING, BY M/AGENCY MEMBER BRESSETTE, S/VICE CHAIR BLOUNT.

APPROVED BY A VOTE OF 5-0.

5.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

5.5 PLANNING AGENCY PUBLIC HEARINGS

5.5.1 CONDITIONAL USE PERMIT NO. 08-13-2636, A REQUEST TO OPERATE A PET GROOMING BUSINESS AT 27001 MOULTON PARKWAY, SUITE A116, IN THE (CC) COMMUNITY COMMERCIAL ZONING DISTRICT

Chair Kogerman opened the Public Hearing and upon seeing no one rise, closed the Public Hearing.

THE PLANNING AGENCY ADOPTED RESOLUTION NO. PA2013-08-27-1, A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 08-13-2636, A REQUEST TO OPERATE A PET GROOMING BUSINESS AT 27001 MOULTON PARKWAY, SUITE A116, IN THE (CC) COMMUNITY COMMERCIAL ZONING DISTRICT, BY M/AGENCY MEMBER BRESSETTE, S/AGENCY MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

PLANNING AGENCY ADJOURNMENT

Mayor Kogerman reconvened the City Council Meeting at 8:00 PM. All Council Members were present.

6. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

7. ADMINISTRATIVE REPORTS

7.1 City Manager

7.1.1 EMPLOYMENT CLASSIFICATIONS, SALARY RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL AND PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY

RECESS AND RECONVENE

Mayor Kogerman recessed the meeting at 9:55 PM and reconvened the meeting at 10:01 PM. All Council Members were present.

THE CITY COUNCIL APPROVED STAFF'S RECOMMENDED SCENARIO 4 APPROACH WITH REGARD TO ESTABLISHING THE NEW SALARY RANGES AND EMPLOYEE CONTRIBUTIONS TO PERS AND HEALTH CARE PREMIUMS, BUT ONLY FOR ONE-YEAR (FY 2013-14); AND TO BRING ALL MANAGEMENT AND CONFIDENTIAL POSITION RANGES UP TO 5% ABOVE THE COUNTY AVERAGE; TO THEN ADD A 1.4 % COST OF LIVING INCREASE FOR ALL FULL TIME EMPLOYEES; TO DELETE THE PARAGRAPH AT THE BOTTOM OF PAGE 1 AND TOP OF PAGE 2 OF THE PROPOSED SALARY RESOLUTION, AND TO BRING BACK A REVISED RESOLUTION AT THE SEPTEMBER 10, 2013, CITY COUNCIL MEETING THAT REFLECTS THESE CHANGES, BY

**M/MAYOR PRO TEMPORE BLOUNT, S/COUNCIL MEMBER GILBERT.
APPROVED BY A VOTE OF 3-2 (COUNCIL MEMBERS BRESSETTE AND
CARRUTH VOTING NO).**

7.2 Assistant City Manager

**7.2.1 POLICE SERVICES STUDY - AUTHORIZATION TO ISSUE
REQUEST FOR PROPOSALS FOR CONSULTANT SERVICES AND
APPOINTMENT OF AN AD HOC ADVISORY COMMITTEE**

**THE CITY COUNCIL AUTHORIZED STAFF TO ISSUE A CONSULTANT
SERVICES REQUEST FOR PROPOSALS FOR A POLICE SERVICES STUDY
AND APPOINTED AN AD HOC ADVISORY COMMITTEE COMPOSED SOLELY
OF TWO MEMBERS OF THE CITY COUNCIL, MAYOR KOGERMAN AND
MAYOR PRO TEMPORE BLOUNT, TO EVALUATE PROPOSALS AND TO MAKE
FINAL RECOMMENDATION TO THE CITY COUNCIL REGARDING
CONSULTANT SELECTION, BY M/MAYOR KOGERMAN, S/COUNCIL MEMBER
CARRUTH.**

APPROVED BY A VOTE OF 5-0.

7.3 Public Services Director/City Engineer

7.3.1 EVALUATION OF THE HOLIDAY BANNER PROGRAM

**THE CITY COUNCIL REFERRED THE EVALUATION OF THE HOLIDAY
BANNER PROGRAM TO THE PARKS AND RECREATION COMMISSION WITH
DIRECTION TO RETURN THEIR RECOMMENDATIONS TO THE CITY COUNCIL
WITHIN SIX MONTHS, BY/COUNCIL MEMBER BRESSETTE, S/COUNCIL
MEMBER GILBERT.**

APPROVED BY A VOTE OF 5-0.

7.4 Deputy City Manager/Community Services

**7.4.1 2013 MEMORIAL DAY RACE POST EVENT REPORT AND A
RESOLUTION AUTHORIZING COMMUNITY ASSISTANCE
FUNDING FOR THE 3/5 MARINE SUPPORT COMMITTEE**

**THE CITY COUNCIL ADOPTED RESOLUTION NO. 2013-08-27-2, A
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS,
CALIFORNIA, AUTHORIZING COMMUNITY ASSISTANCE FUNDING FOR THE
3RD BATTALION, 5TH MARINES, 1ST DIVISION SUPPORT COMMITTEE, A
CALIFORNIA NONPROFIT CORPORATION.**

APPROVED BY A VOTE OF 5-0.

**8. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND
MAYOR**

There were no matters agendized and presented by City Council Members.

9. CITY COUNCIL MEMBER COMMENTS**MAYOR PRO TEMPORE BLOUNT**

Mayor Pro Tempore Blount had concerns regarding the access to the new trail adjacent to the Shops at Nellie Gail.

THERE WAS CONSENSUS BY THE CITY COUNCIL TO DIRECT STAFF TO BRING BACK A REPORT ON THIS ITEM.

MAYOR KOGERMAN

Mayor Kogerman reported that OCTA asked that a City-elected official attend two meetings, September 25, 2013, and March 19, 2014, in the City of Tustin for the Long Range Transportation Plan. Council Member Carruth volunteered to attend the meetings.

Mayor Kogerman indicated that she was installing solar at her residence and was impressed with the routine follow-up letter sent out by Community Development Director Chantarangsu for permitted work within the City.

Mayor Kogerman was not able to attend the National Night Out event.

Mayor Kogerman reported on her attendance at the Nellie Gail Emergency Preparedness Expo on Saturday, August 24, 2013.

COUNCIL MEMBER CARRUTH

Council Member Carruth also reported on her attendance at the Nellie Gail Emergency Preparedness Expo.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Kogerman declared the meeting adjourned at 11:10 PM.

PEGGY J. JOHNS, CITY CLERK

ATTEST:

BARBARA D. KOGERMAN, MAYOR

APPROVED AT MEETING OF _____.



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: SEPTEMBER 10, 2013
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED
SEPTEMBER 10, 2013.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$220,045.78.

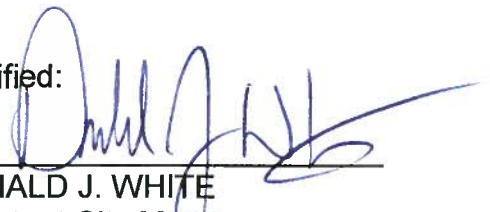
SUMMARY:

In accordance with Government Code Section 37202, the attached Warrant Register reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager certifies and attests to its accuracy and the availability of funds for the payment thereof. These warrants are hereby submitted to the City Council for approval of payment.

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:


DONALD J. WHITE
Assistant City Manager

9-4-13

DATE

FISCAL IMPACT:

The warrant register total is \$220,045.78.

ATTACHMENTS:

- 1. Warrant Register**

CITY OF LAGUNA HILLS
WARRANT REGISTER
September 10, 2013

VENDOR	DESCRIPTION	CHECK NO.	AMOUNT
PREPAID WARRANTS:			
ACADEMIC BRIDGE ACADEMY, INC.	Contract Instructor Fee, Tutoring Classes Summer Session, Community Services	8805934	\$ 1,925.00
ALISO MEADOWS CONDOMINIUM ASN.	Progress Payment #4 12/13, Aliso Meadows Rehabilitation Project, CDBG, Aug '13	8805945	12,686.00
AT&T	Communication Expense, Administrative Services Fax Line, Aug '13	8805946	73.78
AT&T- CALNET 2	Communication Expense, Alarm System, 2-Way Line, Switchboard, Modem, T-1 Line and Traffic Control, Aug '13	8805949	2,259.03
AT&T MOBILITY	Wireless Service, Aug '13	8805947	60.92
COX COMMUNICATION	Wi-Fi Service, City Hall, Sep '13	8805963	130.00
CREATIVE KIDS PLAYHOUSE	Contract Instructor Fee, Music Summer Session, Community Services	8805935	2,654.40
EL TORO WATER DISTRICT	Water Usage, Parks, Jul '13	8805969	18,054.06
EVERBANK COMMERCIAL FINANCE	Lease - Copier, City Hall, Aug '13	8805936	221.55
IRVINE RANCH WATER DISTRICT	Water Usage, Parks, Jul '13	8805937	169.83
MAASS, MATT	Mileage Reimbursement, Community Services, Jul - Aug '13	8805979	28.25
SAN DIEGO GAS & ELECTRIC	Electric Usage, Community Center, Traffic Control and Street Lights, Jul '13	8805938	22,032.55
SHEUERMAN, DEVANN	Mileage Reimbursement, Community Services, Aug '13	8805939	2.83
SOUTHERN CALIFORNIA EDISON	Electric Usage, Traffic Control, Jul '13	8805940	570.42
SOUTHERN CALIFORNIA EDISON	Electric Usage, Street Lights and Traffic Control, Aug '13	8805992	1,483.70
TOTALFUNDS BY HASLER	Postage, Meter Replenishment, Jul '13	8805941	1,000.00
U.S. POSTAL SERVICE	Postage, Combined Issue City Views/Community Services Fall 2013 Activity Guide	8805943	2,500.00
Total Prepaid Warrants:			\$ 65,852.32

REGULAR WARRANTS:

A. C. LANDSCAPE, INC.	Water Management Services, Irrigation Repairs, Aug '13	8805944	\$ 3,066.84
ANDERSON AUDIO VISUAL - L. P.	Audio Visual System Update, Council Chambers, Aug '13	8806001	1,255.00
BUILD A FORT VOLUNTEEN	R. Harris, Community Services, Aug '13	8805950	75.00
BUILD A FORT VOLUNTEEN	K. Johnson, Community Services, Aug '13	8805951	75.00

CITY OF LAGUNA HILLS
WARRANT REGISTER
September 10, 2013

VENDOR	DESCRIPTION	CHECK NO.	AMOUNT
BUILD A FORT VOLUNTEEN	E. Kosmos, Community Services, Aug '13	8805952	75.00
BUILD A FORT VOLUNTEEN	K. Kosmos, Community Services, Aug '13	8805953	75.00
BUILD A FORT VOLUNTEEN	N. Williams, Community Services, Aug '13	8805954	150.00
BUILD A FORT VOLUNTEEN	G. Harris, Community Services, Aug '13	8805955	150.00
BUILD A FORT VOLUNTEEN	J. Sichley, Community Services, Aug '13	8805956	150.00
BUREAU VERITAS NORTH AMERICA	Professional Services, Community Center Renovation CIP # 513	8806002	665.00
C&D ELECTRIC, INC.	Lighting Repairs, Parks, Aug '13	8805957	360.40
C2 REPROGRAPHICS	Printing, Engineering and La Paz Open Space Riparian Habitat CIP # 615	8805958	286.46
CALIFORNIA OFFICE SYSTEMS	Usage - Copier, City Hall, Jul '13	8805959	171.17
CHARLES ABBOTT ASSOCIATES, INC	Professional Services, Plan Checking and Building & Safety Services, Jul '13	8805960	16,602.21
COAST 2 COAST COACHING	Contract Instructor Fee, Soccer Camp Summer Session, Community Services	8805961	1,147.30
COMPLETE OFFICE OF CALIFORNIA	Office Supplies, Community Center, Aug '13	8805962	183.40
DATA TICKET, INC.	Parking Citation Processing Fee, Jul '13	8805964	465.43
DELL COMPUTER CORPORATION	Computer Supplies, Aug '13	8805965	350.28
DUNBAR ARMORED, INC.	Courier Fee, Armored Transport, Aug '13	8805966	114.07
EASI FILE	Office Equipment, Document Storage, Public Works, Aug '13	8805967	2,150.60
EISENBERG, DALE	Contract Instructor Fee, Aikido Summer Session, Community Services	8805968	665.00
ELKINS, CHRISTINA	Contract Instructor Fee, Dancing Summer Session, Community Services	8805970	1,904.70
GORMAN, RON	Contract Instructor Fee, Guitar Summer Session, Community Services	8805971	441.00
GOVPARTNER	Hosting Fees, Request Partner, Aug '13	8805972	500.00
GREENSPAN, FRANCES	Contract Instructor Fee, How to Sell on eBay Summer Session, Community Services	8805973	247.80
HARTZOG & CRABILL, INC.	Professional Services, Traffic Signal Improvement Coordination CIP # 168 and Traffic Engineering, Jul '13	8805974	10,648.36
IRON MOUNTAIN OFFSITE	Off Site Data Storage, Jul '13	8805975	220.89
IRV SEAVER MOTORCYCLES	Motorcycle Maintenance, Police Services, Jul '13	8805976	26.94
JAMEY CLARK, INC.	Park Repairs and Graffiti Removal, Aug '13	8805977	5,068.45

CITY OF LAGUNA HILLS
WARRANT REGISTER
September 10, 2013

9/10/2013 ITEM NO. 4.2

VENDOR	DESCRIPTION	CHECK	
		NO.	AMOUNT
JOE A. GONSALVES & SON	Professional Services, Legislative Services, Sep '13	8805978	2,900.00
MARTIN-RUSK, DINA	Contract Instructor Fee, Zumba Summer Session, Community Services	8805980	1,038.80
MEDLOCK, GEORGE	Contract Instructor Fee, Drumming Summer Session, Community Services	8805981	202.30
NIEVES LANDSCAPE, INC.	Infield Conversion and Field Renovation Services, General Park Renovations CIP # 241	8805982	7,228.16
OFFICE SOLUTIONS	Office and Operating Supplies, Aug '13	8805984	172.94
ORANGE COUNTY REGISTER	Subscription, Community Center, 8/22/13 - 10/17/13	8805985	101.95
ORANGE COUNTY REGISTER-FREEDOM	Legal Advertising, City Clerk, Jul '13	8805986	455.40
ORANGE COUNTY TRANSIT AUTHORITY	Annual Encroachment Fee, Cabot Road	8805983	501.00
ORANGE COUNTY TREASURER	Parking Fee Surcharge, Jul '13	8805987	1,037.50
ORANGE COUNTY TREASURER	Road Maintenance, Jul '13	8805989	10,330.72
RICHARD FISHER ASSOCIATES	Professional Services, Plan Checking and On-Call Inspections, Aug '13	8805988	8,342.43
SAFECHECKS	Printing Expense, Aug '13	8805990	280.48
SKYHAWK ACADEMY	Contract Instructor Fee, Sports Camp Summer Session, Community Services	8805991	1,362.20
SPECTRUM SPECIALTIES & AWARDS	Operating Supplies, Aug '13	8805993	86.89
SPORTS FIELD SERVICES	Infield Conversion and Field Renovation Services, General Park Renovations CIP # 241	8805994	7,200.00
STAPLETON, VIVIAN	Contract Instructor Fee, Early Childhood Music Summer Session, Community Services	8805995	395.50
STV INCORPORATED	Professional Services, Paseo de Valencia Widening CIP # 145	8805996	27,219.16
WEST COAST TURF	Infield Conversion and Field Renovation Services, General Park Renovations CIP # 241	8805997	3,148.21
WEST PUBLISHING CORPORATION	Subscription, City Clerk, Jul '13	8805998	285.12
WOODRUFF, SPRADLIN & SMART	Professional Services, Legal, Jul '13	8805999	33,882.71
XEROX CORPORATION	Lease and Usage - Copier, City Hall, Jul - Aug '13	8806000	730.69
Total Regular Warrants:			\$ 154,193.46
**WARRANT REGISTER TOTAL **			\$ 220,045.78



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID REYNOLDS
DEPUTY CITY MANAGER/COMMUNITY SERVICES**

**ISSUE: TWO YEAR EVENT MANAGEMENT AGREEMENT WITH RENEGADE
RACING FOR THE 2014 AND 2015 RACE EVENTS**

**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE EVENT
MANAGEMENT PROFESSIONAL SERVICES AGREEMENT BETWEEN MAKE-U-FIT
PRODUCTIONS, LLC, DBA RENEGADE RACING, AND THE CITY OF LAGUNA HILLS
FOR EVENT MANAGEMENT SERVICES FOR THE 2014 AND 2015 MEMORIAL DAY
RACE EVENTS, AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE
AGREEMENT.**

SUMMARY:

Event management services for the Memorial Day Half Marathon, 5K, 10K Honoring the United States Marine Corps Dark Horse Battalion ("Memorial Day Race") has been provided by Renegade Racing since 2008. Staff is recommending for the City Council's approval a two year professional services Agreement with Renegade Racing to continue as the event manager for the 2014 and 2015 Memorial Day Race events. Renegade Racing has a successful performance history with the City in managing and operating the Memorial Day Race events since 2008. The Purchasing Officer has determined that, due to Renegade Racing's unique qualifications, that a competitive solicitation process is not necessary at this time.

BACKGROUND:

In accordance with the City's purchasing Ordinance, the procurement of professional services requires the issuance of a request for proposals. However, an exception can be made to this rule when it is determined that a vendor is uniquely qualified to perform a service due to a vendor's performance history, expertise, and reputation (LHMC Section 3-08.110 I). In this case, it is staff's opinion that Renegade Racing has a proven track record of success in producing the City's Memorial Day Race. Renegade Racing took over the event management services of the Memorial Day Race in 2008, and since that

time its performance history has been exceptional in providing event management services for this very important City event. Moreover, in the several years that Renegade Racing has provided event management services for this event, it has developed expertise in managing and operating the City's Memorial Day Race which staff believes cannot be matched by other vendors at this time. Also, Renegade has a good reputation as a race event manager and has not only developed a good rapport with staff, but also the 3/5 Support Committee, and local businesses. For instance, Renegade Racing secured a local business, Road Runners, to host the pre-packet pickup for race participants prior to the race and to also provide a monetary sponsorship. BJ's restaurant has been a donator of food and beer to the Beer Garden, and another Laguna Hills' business, JCTees, provided the race shirts as a result of Renegade Racing's efforts. In addition, for this year's race, Renegade Racing increased total event sponsorship by securing Fladeboe as another title sponsor.

The Purchasing Officer has determined, pursuant to LHMC Section 3-08.110 I, that due to the unique qualifications of Renegade Racing for the reasons stated above, the requirements of a competitive solicitation for professional services are not necessary. Therefore, staff is recommending that the City Council approve the attached professional services Agreement with Renegade Racing to serve as the event manager for the 2014 and 2015 events.

The Scope of Work for the proposed Event Management Services Agreement includes obtaining race sponsors, filing all permits, providing a stage, start and finish line equipment, and arranging for all necessary fencing, etc. (see Exhibit A). Volunteers will be recruited through contacts with local civic organizations and schools. Renegade Racing will also work with Orange County Sheriff's personnel to secure the course and to coordinate emergency services.

FISCAL IMPACT:

Under the proposed terms of the attached Agreement, Renegade Racing will receive a base fee of \$46,000 per year to manage the 2014 and the 2015 race events. Renegade Racing has not increased this fee since 2010. In addition, Renegade Racing will receive \$2.00 per participant in excess of 3,250 runners, along with a 20% commission on any cash donations received as a result of their efforts to obtain sponsorship revenues. Expenses for Renegade Racing's services are accounted for in the City's two-year budget.

ATTACHMENTS:

- Event Management Services Agreement

EVENT MANAGEMENT PROFESSIONAL SERVICES AGREEMENT

**By and Between
The City of Laguna Hills and
Make-U-Fit Productions, LLC, dba Renegade Racing
for the
2014 and 2015 Memorial Day Half Marathon, 10K and 5K Events**

THIS PROFESSIONAL SERVICES AGREEMENT FOR EVENT MANAGEMENT SERVICES (the "Agreement") is made, entered into, and effective this ____ day of _____, 2013, ("Effective Date") by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California ("City"), and MAKE-U-FIT PRODUCTIONS, LLC, DBA RENEGADE RACING, a California limited liability company, with its principle place of business located at 17835 Sky Park Circle, Suite F, Irvine, California, 92614 ("Consultant").

RECITALS

A. City requires the continued services of a qualified, professional sports event management firm for the management and operation of the City of Laguna Hills Memorial Day Half Marathon, 10K and 5K, which will be held on May 26, 2014 ("2014 Event"), and May 25, 2015 ("2015 Event"), collectively referred to hereinafter as the "Events".

B. Based on its experience, education, training, and reputation, Consultant is qualified to provide the necessary specialized sports event management services to City for the Events and desires to provide such specialized sports event management services.

C. City desires to retain the professional services of Consultant for the Events.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, City agrees to retain and does hereby retain Consultant and Consultant agrees to provide services to the City as follows:

AGREEMENT

1. CONSULTANT SERVICES

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide professional special sports event management services to City for the Events as set forth and described in the Scope of Services/Work attached to this Agreement as Exhibit "A" and incorporated herein by reference (hereinafter, the "services" or "work"). Consultant represents and warrants that all services and work provided for the Events under this Agreement by Consultant shall be performed in a competent, professional, and satisfactory manner in accordance with all standards prevalent in the specialized sports event planning and event management industry. In the event of any inconsistency between the terms contained in the Scope of Services/Work and the terms set forth in the main body of this Agreement, the terms set forth in the main body of this Agreement shall govern.

1.2 Compliance with Law. All services rendered under this Agreement shall be provided by Consultant in accordance with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder.

1.3 Licenses and Permits. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by this Agreement.

1.4 Familiarity with Work. By executing this Agreement, Consultant warrants that it has carefully considered how the work should be performed and fully understands the facilities, difficulties, and restrictions attending performance of the work under this Agreement.

2. TIME FOR COMPLETION.

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 set forth in Exhibit "A". Consultant shall not be accountable for delays in the progress of its work caused by any condition beyond its control and without the fault or negligence of Consultant. Delays shall not entitle Consultant to any additional compensation regardless of the party responsible for the delay.

3. COMPENSATION OF CONSULTANT

3.1 Compensation of Consultant. For the event management services rendered pursuant to this Agreement, Consultant shall be compensated as follows:

- A. Base Fee. Consultant shall receive an event management base fee not to exceed forty six thousand dollars (\$46,000) ("Base Fee") per year for each of the Events, which shall be paid by City to Consultant according to the Schedule of Payments set forth in Exhibit "B". The Base Fee for the term of this Agreement shall not exceed ninety-two thousand dollars (\$92,000).
- B. Participant Fee. Consultant shall receive a fee of two dollars (\$2.00) per event participant for registered participants in excess of three thousand two hundred and fifty (3,250) participants for the 2014 Event and in excess of three thousand two hundred and fifty (3,250) for the 2015 Event (the "Participant Fee"). Following each Event each year, Consultant shall submit to the City an invoice in a form approved by the City's Finance Manager for the Participant Fee. Payment of the Participant Fee owed to Consultant shall be made by City within thirty (30) days of the later of: (a) City receipt of Consultant's invoice, or (b) City receipt of all Race Entry Fees.
- C. Commission. Consultant may be entitled to receive commission ("Commission") from City not to exceed twenty percent (20%) of cash donation/sponsorship contributions made by event sponsors that are solely and exclusively generated by Consultant ("Sponsorship Contributions"). An event donor/sponsor will be

considered to be solely and exclusively generated by Consultant only if the sponsor is recruited, confirmed, and serviced by Consultant and Consultant submits to City a completed sponsorship form for that sponsor prior to the Events. Consultant shall not be entitled to any Commission for any donations or sponsorship contributions made by Saddleback Memorial Medical Center.

1. Commission Invoice. Following each Event, Consultant shall submit to the City an itemized invoice in a form approved by the City's Finance Manager for Commission owed to Consultant under this Agreement.
 2. Commission Payment. All requests for reimbursement must be submitted to City no later than June 30, 2014 for the 2014 Event and no later than June 30, 2015 for the 2015 Event. Payment of the Commission owed to Consultant by City shall be made within thirty (30) days of the latter of: (a) City receipt of Consultant's invoice, or (b) City receipt of all Sponsorship Contributions.
- D. Cancellation. Should the Events be cancelled by the City more than thirty (30) days prior to the date of each Event, Consultant shall return fifty percent (50%) of the amount received for the Base Fee within thirty (30) days of said cancellation or termination minus any Budgeted Expenses as defined below. Should an Event be cancelled by the City less than thirty (30) days prior to the date of each Event, Consultant shall be paid the entire Base Fee.
- E. Additional Services. At any time during this Agreement, City may request that Consultant perform Additional Services. As used herein, "Additional Services" means any work which is determined by City to be necessary for the proper completion of the Events, but which the parties did not reasonably anticipate would be necessary at the time of execution of this Agreement. Consultant shall not perform, nor be compensated for, Additional Services without advance written authorization from the Contract Officer.
- F. Event Expenses. Consultant shall be authorized to incur expenses ("Budgeted Expenses") on behalf of the City that are budgeted for in the Events Budget, attached hereto as Exhibit "C" (the "Events Budget"), except that Budgeted Expenses that exceed the budgeted amount provided for in the Events Budget by more than three hundred dollars (\$300.00) shall be approved in writing and in advance by the Contract Officer. All invoices for Budgeted Expenses shall be submitted by Consultant to the Contract Officer upon receipt. In the event it is necessary for Consultant to pay for Budgeted Expenses, Consultant shall submit an invoice to the City following payment of the Budgeted Expense, and the City shall reimburse Consultant within thirty (30) days of City receipt of the invoice. All invoices or requests for reimbursement must be submitted to City no later than June 30, 2014 for the 2014 Event and no later than June 30, 2015 for the 2015 Event. The City will not pay any invoices received by Consultant for Budgeted Expenses after June 30, 2014 for the 2014 Event and after June 30, 2015 for the

2015 Event. Consultant shall provide the Contract Officer with a written monthly expense report detailing the expenses incurred for the Events.

- G. Entire Compensation. The compensation provided for in this Section 3.1 shall constitute Consultant's entire compensation for all event management services rendered by Consultant pursuant to this Agreement.

3.2 Participant Registration. Participant registration for the Events, including the collection of all race entry fees ("Race Entry Fees") shall take place both before and during the Events. Participant registration prior to the Events is to be conducted by Consultant under subcontract with The Active Network, a Delaware Corporation, and Time Management, a California corporation (the "Registration Companies"). The City must approve in advance in writing any requested changes to the "Registration Companies." Consultant shall be responsible for ensuring that the Registration Companies provide City with direct payments of all Race Entry Fees collected once per month. At no time shall Consultant be in possession of, or make any deposit of, any Race Entry Fees. Participant registration during the Events, including the collection of Race Entry Fees, shall be conducted exclusively by authorized City staff.

3.3 Method of Payment. In any month in which Consultant wishes to receive payment, Consultant shall no later than the first working day of such month submit to City in the form approved by City's finance manager, an invoice for services rendered prior to the date of the invoice. Payments shall be based on payment schedule set forth in Exhibit "B" attached hereto for the Base Fees. City shall pay Consultant for all expenses stated thereon, which are approved by City consistent with this Agreement, within thirty (30) days of receipt of Consultant's invoice.

3.4 Changes. In the event any change or changes in the Scope of Services is requested by City, the parties hereto shall execute a written amendment to this Agreement, setting forth with particularity all terms of such amendment, including, but not limited to, any additional fees. An amendment may be entered into to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession. The City Manager shall be authorized to execute such amendment(s).

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

4. PERFORMANCE SCHEDULE

4.1 Time of Essence. Time is of the essence in the performance of this Agreement.

4.2 Schedule of Performance. All services rendered pursuant to this Agreement shall be performed pursuant to the agreed upon Schedule of Performance set forth in Exhibit "A". The extension of any time period must be approved in writing by the Contract Officer.

4.3 Force Majeure. The time for performance of services to be rendered pursuant to this Agreement may be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of Consultant, including, but not limited to, acts of God or of a public enemy, acts of the government, fires, earthquakes, floods, epidemic, quarantine restrictions, riots, strikes, freight embargoes, and unusually severe weather if Consultant shall within ten (10) days of the commencement of such condition notify the Contract Officer who shall thereupon ascertain the facts and the extent of any necessary delay, and extend the time for performing the services for the period of the enforced delay when and if in the Contract Officer's judgment such delay is justified, and the Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

4.4 Term. Unless earlier terminated in accordance with Section 8.5 of this Agreement, this Agreement shall continue in full force and effect commencing on the Effective Date and ending on July 30, 2015, unless extended by mutual written agreement of the parties.

5. COORDINATION OF WORK

5.1 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 and work specified herein and make all decisions in connection therewith: Jonathan Pauley, Managing Partner. It is expressly understood that the experience, knowledge, education, capability, 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 event management services hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

5.2 Contract Officer. The Contract Officer shall be the City Manager, or his/her designee. It shall be the Consultant's responsibility to keep the Contract Officer fully informed of the progress of the performance of the services and work and Consultant shall refer any decisions that 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.

5.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, education, capability, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not contract with any other individual or entity to perform in whole or in part the services required hereunder without the express written approval of the Contract Officer. In addition, neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of the City Manager.

5.4 Independent Contractor.

A. The legal relationship between the parties hereto is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, and agents shall act in an

independent capacity and shall not act as City officers or employees. The personnel performing the services and work under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, or agents shall not maintain an office or any other type of fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Contractor's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. Contractor shall pay all wages, salaries, and other amounts due its employees in connection with 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 Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

B. Contractor 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 Contractor, its officers, employees, or agents in connection with any performance under this Agreement. Except for fees paid to Contractor as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Contractor for the performance of services and work performed by Contractor under this Agreement. City shall not be liable for compensation or indemnification to Contractor, its officers, employees, or agents, for injury or sickness arising out of performing services and work hereunder. If for any reason any court or governmental agency determines that the City has financial obligations, other than pursuant to Section 3, of any nature relating to salary, taxes, or benefits of Contractor's officers, employees, servants, representatives, subcontractors, or agents, Contractor shall defend, indemnify, and hold harmless the City from and against all such financial obligations.

5.5 Personnel. Consultant agrees to assign the following individuals to perform the services set forth herein. Consultant shall not alter the assignment of the following personnel without the prior written approval of the Contract Officer. Acting through the City Manager, the City shall have the unrestricted right to order the removal of any personnel assigned by Consultant by providing written notice to Consultant.

Name:

Title:

Jonathan Pauley

Managing Partner, Race Director

In addition, Consultant shall provide a course director, a volunteer director, a fluid station coordinator, and two (2) zone captains and an athlete gear coordinator. The individuals to fulfill these positions shall be determined at least three (3) weeks before each Event and are subject to the approval of the City.

6. INSURANCE AND INDEMNIFICATION

6.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, and submit concurrently with its execution of this Agreement, in a form and content satisfactory to City, public liability and property damage insurance against all claims for injuries against persons or damages to property resulting from Consultant's performance under this Agreement. Consultant shall also carry workers' compensation insurance in accordance with California workers' compensation laws. Such insurance shall be kept in full force and effect during the term of this Agreement, including any extension thereof, and shall not be cancelable without thirty (30) days written notice to City of any proposed cancellation. Certificates of insurance evidencing the foregoing and designating the City, its elected officials, officers, employees, agents, and volunteers as additional insureds by original endorsement shall be delivered to and approved by City prior to commencement of services. The procuring of such insurance and the delivery of policies, certificates, and endorsements evidencing the same shall not be construed as a limitation of Consultant's obligation to indemnify City, its elected officials, officers, agents, employees, and volunteers.

In addition, Consultant shall be responsible for obtaining an official sanction for the Events from USA Track and Field ("USATF"), and shall ensure that the City and Consultant are named insureds under USATF's general liability insurance (USATF Insurance") for purposes of the Events. At least thirty (30) days before the Events, certificates of insurance and endorsements evidencing coverage under the USATF Insurance and designating the City, its elected officials, officers, employees, agents, and volunteers, and Consultant as named insureds shall be delivered to City. At least thirty (30) days before the Events, a fully executed "USATF Approved Sanction Form", evidencing official USATF sanctioning for the Events and USATF Insurance coverage for the Events, shall be delivered to City.

6.1.1 Minimum Scope of Insurance. The minimum amount of insurance required hereunder shall be as follows:

A. Comprehensive general liability and personal injury 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; the commercial general liability policy shall name the City of Laguna Hills as an additional insured in accordance with standard ISO additional insured endorsement form CG2010(1185) or equivalent language;

B. Automobile liability insurance with limits of at least one million dollars (\$1,000,000.00) per occurrence;

C. Workers' Compensation insurance in the statutory amount as required by the State of California and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000.00) per occurrence.

D. USATF Insurance with limits of at least three million dollars (\$3,000,000.00) per occurrence.

For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance as respect to City and its respective elected officials, officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by City and its respective elected officials, officers, employees, agents, and volunteers shall be in excess of Consultant's insurance and shall not contribute with it. For Workers' Compensation and Employer's Liability Insurance only, the insurer shall waive all rights of subrogation and contribution it may have against City, its elected officials, officers, employees, agents, and volunteers.

6.1.2 Sufficiency of Insurers. Insurance required herein shall be provided 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 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 Eligible Surplus Lines Insurers (LESLI), 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.

6.1.3 Verification of Coverage. Consultant shall furnish City with both certificates of insurance and endorsements, including additional insured endorsements, effecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City before work commences. City reserves the right to require Consultant's insurers to provide complete, certified copies of all required insurance policies at any time. Additional insured endorsements are not required for Workers' Compensation policies.

6.1.4 Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its elected officials, officers, employees, agents, and volunteers; or, Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

6.1.5 Separation of Insured; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the City, its directors, officials, employees, agents, and volunteers.

6.2 Indemnification. To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its elected officials, officers, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to Consultant's performance under this Agreement, but excluding

such Claims arising from the sole negligence or willful misconduct of the City, its elected or appointed officers and officials, employees, agents, and volunteers. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder.

7. RECORDS AND REPORTS

7.1 Reports. Consultant shall provide a monthly report to the Contract Officer concerning the performance of the services and work required by this Agreement as the Contract Officer shall require.

7.2 Records. Consultant shall keep such books and records as shall be necessary to properly perform the services required by this Agreement and 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.

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of this Agreement shall be the property of City and shall be 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 or 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.

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.

7.5 Cost Records. Consultant shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred while performing under this Agreement and shall make such materials available at its offices at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment for inspection by City and copies thereof shall be promptly furnished to City upon request.

8. ENFORCEMENT OF AGREEMENT

8.1 California Law. This Agreement shall be construed and interpreted both as to validity and 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 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver.

No consent or approval of City shall be deemed to waive or render unnecessary City's consent to or approval of any subsequent act of Consultant. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.3 Rights and Remedies are 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.

8.4 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 injunctive relief, a declaratory judgment, or any other remedy consistent with the purposes of this Agreement.

8.5 Termination Prior to Expiration of Term. City reserves the right to terminate this Agreement at any time, with or without cause, upon ten (10) days written notice to Consultant, except that where termination is due to the fault of Consultant and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon receipt of the notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Consultant shall be entitled to compensation for all services rendered prior to receipt of the notice of termination and for any services authorized by the Contract Officer thereafter.

8.6 Attorneys' Fees. In the event of 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 attorney fees, expert consultant fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding.

9. CITY OFFICERS AND EMPLOYEES; NON-DISCRIMINATION

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

9.2 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, national origin, or ancestry.

10. **MISCELLANEOUS PROVISIONS**

10.1 Notice. Any notice, demand, request, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by pre-paid, first-class mail to the address set forth below. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

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

To Consultant: Make-U-Fit Productions, LLC
d/b/a Renegade Racing
Attn.: Jonathan Pauley, Managing Partner
17835 Sky Park Circle, Suite F
Irvine, California, 92614

10.2 Integrated Agreement. This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement.

10.3 Amendment. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

10.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the parties hereunder.

10.5 Authority. The persons executing this Agreement on behalf of the parties hereto represent and warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

“CITY”
City of Laguna Hills

Date: _____

By: _____
Bruce E. Channing,
City Manager

APPROVED AS TO FORM:

ATTEST

By: _____
Gregory E. Simonian,
City Attorney

By: _____
Peggy J. Johns,
City Clerk

“CONSULTANT”
Make-U-Fit Productions, LLC
d/b/a Renegade Racing

Date: _____

By : _____
Jonathan Pauley,
Managing Partner

EXHIBIT A

SCOPE OF SERVICES / WORK SCHEDULE OF PERFORMANCE



**17835 Sky Park Circle Suite F, Irvine CA 92614
(949) 975-1812 Office, (949) 975-1814 FAX**

Scope of Services for the 2014 and 2015 Events.

Renegade Racing will provide race managements services:

1. File the permits with local and city offices, County of Orange, OCFA, OC Transit.
2. Provide course design services if necessary including working with USATF.
3. File USATF insurance/sanctioning paperwork.
4. Create a production schedule that will outline: production schedules, signage plan, volunteer positions and needs, event equipment, sanitation and vendors.
5. Perform race management duties via phone, email, and in person as dictated by Contract Officer.
6. Attend all necessary meetings with City staff as deemed necessary by Contract Officer.
7. Work with local law enforcement to secure course and coordinate emergency services.
8. Work with a traffic control company to secure the event course.
9. Work with local civic organization and schools to recruit volunteers.
10. Deliver and set up necessary equipment for running event. Those items include: Start/Finish Truss, Small Stage, Public Address System, Fencing panels for Start and Finish Line and water station tables. Renegade Racing is not financially responsible to provide items it doesn't previously own.
11. Arrange for event sanitation (portable restroom, trash boxes and dumpsters).
12. Arrange for necessary rental items (communications, buses, expo items).
13. Coordinate with Timing Company.
14. Arrange for professional event photography for event. Photographs will be made available to event participants for purchase. City will be provided with event photographs at no charge.
15. Coordinate race announcers, event sound and electrical.
16. Coordinate event-day expo and pre-event packet pickup.
17. Set up any sponsor or promotional banners in the banner plan.
18. Provide experience race crew including:
 - Race Director
 - Assistant Race Director
 - Course Director, (Including Zone Captains 1, 2 and 3)
 - Parking Coordinator
 - Volunteer Director
 - Athlete Gear Bag Coordinator
 - Start Line Coordinator
 - Finish Line Coordinator
 - Floater/Worker

Renegade Racing will provide event promotional services:

1. Work with graphic design company to design event post cards, brochure and entry form.
2. Work with website design company to coordinate event website.

3. Work with Active.com to set up registration services.
4. Work with on-line advertisers (Active.com, Competitor, Race Place, Runners Image).
5. Work with local printed publications (Competitor Magazine, Race Place, LASF).
6. Work with flyer distribution companies (direct mail, Runners Image, LA Weekly).
7. Set up event link on Renegaderaceseries.com.
8. Include LH ½ Marathon, 10K and 5K in Renegade Racing's e-newsletter with links to event site and registration.
9. Coordinate sponsorship recruitment and fulfillment. All expo vendor payments will be collected prior to the events.

The City of Laguna Hills will:

1. Provide adequate resources for the event including monetary, legal and human to fulfill their agreed upon items.
2. Pay for event insurance.
3. Pay for timing and registration services.
4. Pay for any pre-approved expenses for Renegade Racing.
5. Have Laguna Hills staff on race day to handle VIP and media relations.
6. Pay for race items that include but not limited to: permit fees, insurance, sanitation, barricade services, bus rentals, expo items, food/water, T-shirts, awards and volunteer donations.
7. Pay for graphic design, advertisement inserts and event collateral distribution costs.
8. Work with local and civic municipal agencies to assure a successful event.

EXHIBIT B

2014-2015 Schedule of Payments

Except as otherwise provided in this Agreement, Consultant shall be entitled to receive payments according to the following payment schedule:

Base Fee

Payments made by City to Consultant for Consultant's Base Fee of \$46,000 for the 2014 Event and \$46,000 for the 2015 Event will be made according to the following schedule:

2014 Event

Aug 1, 2013	\$5,000
November 1, 2013	\$5,000
January 1, 2014	\$10,000
March 1, 2014	\$10,000
April 1, 2014	\$6,000
June 1, 2014	\$10,000

2015 Event

Aug 1, 2014	\$5,000
November 1, 2014	\$5,000
January 1, 2015	\$10,000
March 1, 2015	\$10,000
April 1, 2015	\$6,000
June 1, 2015	\$10,000

All payments are subject to the requirements contained in the Agreement. This Schedule of Payments shall in no way be construed to require City to provide Consultant with payment if the requirements for payment contained in the Agreement have not been fully satisfied.

EXHIBIT C

2014-2015 Event Budgets

Event Budget for 2014-2015 Half Marathon, 10K & 5k

Expenses

	Estimated
Total Expenses	\$157,517.00

	Estimated		Estimated
Pemits		Race Expenses	
Laguna Hills High School	\$115.00	Food/Water/Cups	\$600.00
Aliso Viejo	\$0.00	Course Cert.	\$1,200.00
Mission Viejo	\$0.00	Awards Div/Kids Medals	\$1,600.00
ABC Permit	\$25.00	Medals or Drinking Glasses	\$8,000.00
Laguna Niguel	\$0.00	Busses	\$1,500.00
OC Permits	\$1,100.00	T-Shirts	\$17,975.00
OCFA	\$210.00	Walkie Talkies	\$600.00
Police-OCSD	\$9,500.00	Bibs	\$1,797.50
Totals	\$9,356.00	Totals	\$32,075.00

Advertising		Services	
Competitor	\$4,000.00	Timing Services base	\$800.00
Facebook	\$900.00	Timing Services \$3 per registered	\$10,785.00
Race Place	\$850.00	Electrical & sound	\$1,600.00
OC Register	\$0.00	Ambulance Service	\$500.00
Postage	\$2,000.00	Portable Restrooms	\$2,400.00
Booth w/PCRF	\$500.00	Announcer	\$400.00
Misc event reimb.	\$1,200.00	American Barr./Traffic Plan	\$15,000.00
Runners Image	\$800.00	Renegade Racing	\$46,000.00
Active.com web/e-news	\$1,700.00	RR over 3500 part. Bonus \$2	\$0.00
Totals	\$11,950.00	Totals	\$76,885.00

Graphics		Expo	
Website	\$800.00	Bounce Houses	\$950.00
Post card printing 20K	\$1,000.00	Balloons	\$1,200.00
Postcard printing 5K	\$568.00	tents, tables, chairs	\$5,250.00
Postcard printing 7,500	\$400.00		
Race Posters	\$200.00	Totals	\$7,400.00
Flyer Distribution	\$1,400.00		
Domain Fees	\$65.00		
Web Hosting	\$103.00		
Mail Fee-Custom Quick	\$2,300.00		
Sponsor materials	\$250.00		

Totals **\$7,086.00**

Miscellaneous	
Insurance	\$1,420.00
Ritz Day Porter	\$300.00
Mail Scantrons	\$50.00
Trucks	\$1,500.00
Labor Ready	\$500.00
Lost Chip Fee	\$0.00
CC Machines/Shipping	\$0.00
Traffic Control	\$500.00
Ads (Kirk Fitzek)	\$2,000.00
Goodie Bags SLDC	\$0.00
EMT Services	\$600.00
Linda Weuste	\$250.00
Security-Expo	\$500.00
Security-Beer Garden	\$145.00
Comm./sponsors 20%	\$5,000.00
Totals	\$ 12,765.00

Event Budget for 2014-2015 Half Marathon, 10K & 5k

Income

	Estimated
Total income	\$174,215.00

Admissions	Estimated	Actual	Fee	Fee late	Estimated
1/2 marathon	1400		55	60	77000
5K	1300		25	30	32500
10K	500		35	40	18500
Kids Run	350		15	20	5250
Diaper Dash	45		12	15	540
Total	3595				
Total race registration, including early-bird, team discounts, and race day registration:					133,790

Sponsors	Amount	Number of	Totals	Estimated
SMMC/Presenting*	\$1,5000.0	1	\$15,000.00	\$15,000.00
Road Runner	\$2,500.00	1	\$2,500.00	\$2,500.00
Fladeboe Automotive	\$15,000.0	1	\$2,000.00	\$15,000.00
Bib	\$1,500.00	1	\$1,500.00	\$1,500.00
Red	\$7,500.00	1	\$7,500.00	
White	\$5,000.00	1	\$5,000.00	
Blue	\$2,500.00	2	\$5,000.00	
Stars and Strips	\$1,500.00	2	\$3,000.00	
Total			\$41,500.00	\$33,500.00

Exhibitors/vendors				
Digestive Disease Ctr.*		Large booths @	\$425.00	\$425.00
Wyndham Vacation*		Large booths @	\$350.00	\$350.00
Vesalus*		Large booths @	\$350.00	\$350.00
Power Balance*		Large booths @	\$350.00	\$350.00
Irvine Chiropractic*		Large booths @	\$350.00	\$350.00
Rundle Chiropractic*		Large booths @	\$350.00	\$350.00
Pac. Monarch Resorts*		Large booths @	\$350.00	\$350.00
Classic Engravers*		Large booths @	\$350.00	\$350.00
Core Chiropractic*		Large booths @	\$350.00	\$350.00
Gypsy Runner*		Large booths @	\$350.00	\$350.00
Back to Basics Chiro*		Large booths @	\$350.00	\$350.00
Hands for Africa*		Large booths @	\$150.00	\$150.00
Mix 1*		Booth @	\$150.00	\$150.00
Borgardt Chiro*		Booth & Goodie Bag	\$500.00	\$500.00
Power Balance*		Booth Only @	\$350.00	\$350.00
Dippin Dots*		Booth Only @	\$350.00	\$350.00
Sassy Girls Running Club*		Booth Only @	\$200.00	\$250.00
NuVision FCU*		Booth & Goodie Bag	\$500.00	\$500.00
Souplantation*		Canopy @	\$75.00	\$75.00
3/5 Support Committee*		goodie bags@	\$200.00	\$200.00
Strong Tower Ministries*		goodie bags@	\$200.00	\$200.00
Run Racing*		goodie bags@	\$200.00	\$200.00

Ignited*	
Courtyard Marriott	

Canopy @	\$150.00
Hotel Sponsor @	\$0.00

\$75.00
\$0.00
\$6,925.00

Event Budget for 2014-2015 Half Marathon, 10K & 5k

Profit - (Loss) Summary

	Estimated
Total income	\$174,215.00
Total expenses	\$157,517.00
Total profit (or loss)	\$16,698.00



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DAVID CHANTARANGSU, AICP
DIRECTOR OF COMMUNITY DEVELOPMENT**

ISSUE: PROPOSED AMENDMENT NO. 2 TO CONTRACT BETWEEN COUNTY OF ORANGE AND CITY OF LAGUNA HILLS FOR HOUSING REHABILITATION PROJECT (CDBG - CFDA NO. 14.218) (CONTRACT NO. 12-613031) AUTHORIZING A ONE YEAR CONTRACT TERM EXTENSION FOR FISCAL YEAR 2013-14 AND APPROVING AND AUTHORIZING AN ADDITIONAL \$80,000 ALLOCATION IN COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE ALISO MEADOWS REHABILITATION PROJECT.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED SECOND AMENDMENT TO CONTRACT BETWEEN COUNTY OF ORANGE AND CITY OF LAGUNA HILLS FOR HOUSING REHABILITATION ALISO MEADOWS REHABILITATION PROJECT (CDBG-CFDA NO. 14.218) (CONTRACT NO. 12-613031), AUTHORIZING A ONE YEAR CONTRACT TERM EXTENSION FOR FISCAL YEAR 2013-14 AND APPROVING AND AUTHORIZING AN ADDITIONAL \$80,000 ALLOCATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR THE ALISO MEADOWS REHABILITATION PROJECT, AND AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE SECOND AMENDMENT.

SUMMARY:

The City was recently awarded an additional \$80,000 in Community Development Block Grant (CDBG) Funds from the County of Orange for the on-going rehabilitation work at the condominium residences in the Aliso Meadows community located near the intersection of Moulton and Alicia Parkways. The grant funds cover the 2013-14 Fiscal Year and will be used by the Aliso Meadows Condominium Association to complete exterior renovations to residences in the complex. The activities contemplated include roof replacement, painting and repair of exterior siding, patio fencing, water heater closet repairs, and heating and ventilation repairs. The continued use of CDBG funds from the County for this project ensures that the Aliso Meadows community is maintained in accordance with expected community standards.

BACKGROUND:

The City of Laguna Hills has been a recipient of CDBG funds from the County of Orange since 2004. To date the City has been able to direct over \$2 million dollars of County CDBG money to Aliso Meadows to assist the Aliso Meadows Condominium Association (the "Association") with repairs that otherwise may have been deferred and never completed. The program has resulted in work on 168 units since the City began the program in 2004. In Fiscal Year 2012-13, the City received \$162,000 in CDBG funds and repairs were completed on 16 units.

To receive CDBG funds for FY2013-14, the County of Orange proposes to amend the City's FY2012-13 contract (the "Contract") by adding an additional year to the term of the Contract and allocating an additional \$80,000 to the City for the program. This has the effect of increasing the original contract amount in FY2012-13 from \$162,000 to \$242,000 which is reflected in the attached documents which the County identifies as the "Second Amendment" (staff notes a "First Amendment" was made to extend the FY2012-13 contract by an additional six months). The Second Amendment would also include the following attachments (Attachment A-1 through E-1) which indicate the following:

Attachment A-1: Revises the project scope of work to indicate the project will result in the rehabilitation of 6 additional housing units;

Attachment B-1: Adds an additional \$80,000 to the Contract amount;

Attachment C-1: Updates the program costs to reflect that the additional \$80,000 is being used to complete the rehabilitation work;

Attachment D-1: Updates the project's staffing plan to reflect the City staff responsible for carrying out the project; and

Attachment E-1: Updates the project schedule to reflect FY2013-14 milestones.

Lastly, the County proposes to update its Contract Reimbursement Policy as a result of changes that occurred to its policies and procedures in February, 2013. These changes are not material to the City's project. These changes are identified in Exhibit B-1.

FISCAL IMPACT:

Approval of the contract amendment enables the City to direct County CDBG funds to the Aliso Meadows Condominium Association for on-going rehabilitation work. There is no fiscal impact on the City's General Fund.

CEQA FINDINGS:

The City's agreement to accept these funds from the County does not meet the definition of a "project" pursuant to section 21065 of the Public Resources Code or Sections 15060(c)(2), 15060(c)(3), and 15378 of the CEQA Guidelines, California Code of Regulations Title 14, Chapter 3.

ATTACHMENTS:

- FY2012-13 Contract Between the County of Orange and City of Laguna Hills for Housing Rehabilitation.
- Second Amendment with Attachments A-1 through E-1, and Exhibit B-1.

Attachment 1

- FY2012-13 CDBG CONTRACT -



CONTRACT
BETWEEN
COUNTY OF ORANGE
AND
CITY OF LAGUNA HILLS
FOR
HOUSING REHABILITATION
ALISO MEADOWS REHABILITATION PROJECT
CDBG – CFDA NUMBER 14.218



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ATTACHMENTS / EXHIBITS

Attachment A – Scope of Services
 Attachment B – Compensation/Payment
 Attachment C – SUBRECIPIENT's Cost Proposal
 Attachment D – Staffing Plan
 Attachment E – Project Schedule
 Exhibit A – County of Orange Child Support Enforcement Certification
 Exhibit B – OC Community Resources Contract Reimbursement Policy
 Exhibit C – Drug-Free Workplace
 Exhibit D – Lobbying Form LLL

AGREEMENT

This Agreement, hereinafter referred to as "CONTRACT" is made between the County of Orange, a political subdivision of the State of California and recognized Urban County under the Federal Housing and Community Development Act of 1974 (Public Law 93-383), as amended, with a place of business at 1770 North Broadway, Santa Ana, CA 92706-2642; hereinafter referred to as "COUNTY," and City of Laguna Hills, a municipal corporation, in the State of California with a place of business at 24035 El Toro Road, Laguna Hills, CA 92653, hereinafter referred to as "SUBRECIPIENT," with COUNTY and SUBRECIPIENT sometimes referred to as "PARTY", or collectively as "PARTIES."

This Agreement, hereinafter referred to as CONTRACT, is entered into on 8/15/12.

RECITALS

This CONTRACT is made with reference to the following facts, among others:

WHEREAS, COUNTY has applied for and anticipates receiving funds from the United States Department of Housing and Urban Development, hereinafter referred to as "HUD", under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383, as amended) for the purpose of funding programs meeting one of the HUD national objectives; and

WHEREAS, a Grant Agreement between HUD and the County of Orange has been entered; and

WHEREAS, COUNTY and Participating Cities previously entered into a Cooperation Agreement dated July 1, 2012 as amended, in which both parties agreed to cooperate in the undertaking, or assist in the undertaking, of community development and housing assistance activity; and

WHEREAS, SUBRECIPIENT has submitted to COUNTY an application for funding of a housing and community development activity; and

WHEREAS, COUNTY adopted its FY 2012-13 Annual Action Plan, (hereinafter referred to as "Annual Action Plan"), including any substantial amendments, which sets forth the PROGRAM described herein; and

WHEREAS, HUD, in accordance with 24 CFR Part 570 Subpart O, 570.902, will annually review the performance of COUNTY to determine whether COUNTY has carried out its Community Development Block Grant (CDBG) assisted activities in a timely manner and has significantly disbursed CDBG funds and met the mandated "1.5 ratio" threshold; and

WHEREAS, COUNTY approved an allocation of \$162,000.00 (One Hundred Sixty-Two Thousand Dollars and 00 Cents) in program funding to SUBRECIPIENT for the Fiscal Year 2012-13; and

WHEREAS, HUD has accepted and certified the aforementioned ANNUAL ACTION PLAN; and

WHEREAS, COUNTY engages SUBRECIPIENT to assist COUNTY in utilizing aforesaid funds:

NOW, THEREFORE, the PARTIES mutually agree as follows:

DEFINITIONS

For the purposes of this CONTRACT the following definitions shall apply:

1. HUD: United States Department of Housing and Urban Development.
2. OC COMMUNITY RESOURCES (OCCR): Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.
3. DIRECTOR: DIRECTOR of OC Community Resources, or designee.
4. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.
5. GRANTEE PERFORMANCE REPORT (GPR) INFORMATION FORM: A PROGRAM activity data document provided by COUNTY to SUBRECIPIENT used to monitor and track the performance of SUBRECIPIENT.
6. OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY: A COUNTY document setting policies regarding types of documentation required to support the costs incurred and paid (including but not limited to copies of paid invoices, certified payroll registers, bank statements, etc.)
7. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.
8. OMB: Federal Office of Management and Budget.
9. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.
10. CDBG: 24 CFR Part 570 - Community Development Block Grant – the CDBG regulations set forth eligible activities and the national objectives that each activity must meet. The Catalog of Federal Domestic Assistance (CFDA) # 14.218 distributes formula grants (CDBG) to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.
11. CONTINUUM OF CARE: An Orange County group composed of representatives of relevant organizations that serve homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of services to address the various needs of homeless persons and persons at risk of homelessness.
12. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS): The information system designated by the Continuum of Care to comply with HUD's data collection, management, and reporting standards and used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness. (24 CFR Part 580)
13. EQUIPMENT: Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

14. **SUBSTANTIAL AMENDMENT:** The following criteria will be used by the COUNTY – if any one criteria applies, a substantial amendment will be required:
- 14.1 A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;
 - 14.2 When a proposal is made to amend the description of an existing activity in such a way that the newly described purpose, scope, or beneficiaries differ significantly from the original activity's purpose, scope, or beneficiaries; or
 - 14.3 An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:
 - 14.3.1 An increase in funding for a public service activity in an amount greater than a 50% increase over the current funded amount.
 - 14.3.2 An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.
15. **CONSTRUCTION BID PACKAGE:** A package of bidding documents which includes the proposal, bidding instructions, CONTRACT documents, detailed estimated costs, and plans and specifications for a construction project, all prepared in accordance with applicable Federal regulations.
16. **PROGRAM ADMINISTRATION:** An activity relating to the general management, oversight and coordination of community development programs. Costs directly related to carrying out eligible activities are not included.

ARTICLES

General Terms and Conditions:

- A. **Governing Law and Venue:** This CONTRACT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this CONTRACT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange COUNTY, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another COUNTY.
- B. **Entire CONTRACT:** This CONTRACT, including Attachments A, B, C, D and E and Exhibits A, B, C and D which are attached hereto and incorporated herein by this reference, when accepted by the SUBRECIPIENT either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire CONTRACT between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing. Electronic acceptance of any additional terms, conditions or supplemental CONTRACTs by any COUNTY

employee or agent, including but not limited to installers of software, shall not be valid or binding on COUNTY unless accepted in writing by COUNTY's Purchasing Agent or his designee, hereinafter "Purchasing Agent."

- C. **Amendments:** No alteration or variation of the terms of this CONTRACT shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on COUNTY unless authorized by COUNTY in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
- E. **Delivery:** Time of delivery of services is of the essence in this CONTRACT. COUNTY reserves the right to refuse any services and to cancel all or any part of the descriptions or services that do not conform to the prescribed scope of services. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by COUNTY.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by the COUNTY, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of COUNTY, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Warranty:** SUBRECIPIENT expressly warrants that the services covered by this CONTRACT are fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon SUBRECIPIENT's part to indemnify, defend and hold COUNTY and its indemnities as identified in paragraph "P" below, and as more fully described in paragraph "P", harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by COUNTY by reason of the failure of the services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this CONTRACT, SUBRECIPIENT shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this CONTRACT. SUBRECIPIENT warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. SUBRECIPIENT agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold COUNTY and COUNTY Indemnities harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.
- I. **Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this CONTRACT nor any portion thereof may be assigned or sub-contracted by SUBRECIPIENT without the express written consent of COUNTY. Any attempt by SUBRECIPIENT to assign or sub-

contract the performance or any portion thereof of this CONTRACT without the express written consent of COUNTY shall be invalid and shall constitute a breach of this CONTRACT.

- J. Non-Discrimination:** In the performance of this CONTRACT, SUBRECIPIENT agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any sub-SUBRECIPIENTs to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. SUBRECIPIENT acknowledges that a violation of this provision shall subject SUBRECIPIENT to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.
- K. Termination:** In addition to any other remedies or rights it may have by law, COUNTY has the right to terminate this CONTRACT without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of CONTRACT, any misrepresentation or fraud on the part of the SUBRECIPIENT. Exercise by COUNTY of its right to terminate the CONTRACT shall relieve COUNTY of all further obligations.
- L. Consent to Breach Not Waiver:** No term or provision of this CONTRACT shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. Remedies Not Exclusive:** The remedies for breach set forth in this CONTRACT are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this CONTRACT does not preclude resort by either party to any other remedies provided by law.
- N. Independent Contractor:** SUBRECIPIENT shall be considered an independent CONTRACTOR and neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall be considered an agent or an employee of COUNTY. Neither SUBRECIPIENT nor its employees; nor anyone working under SUBRECIPIENT shall qualify for workers' compensation or other fringe benefits of any kind through COUNTY.
- O. Performance:** SUBRECIPIENT shall perform all work under this CONTRACT, taking necessary steps and precautions to perform the work to COUNTY's satisfaction. SUBRECIPIENT shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the SUBRECIPIENT under this CONTRACT. SUBRECIPIENT shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of COUNTY required in its governmental capacity, in connection with performance of the work; and, if permitted to sub-contract, shall be fully responsible for all work performed by sub-SUBRECIPIENTs.
- P. Insurance:**
- Insurance Provisions**
- Prior to the provision of services under this CONTRACT, the SUBRECIPIENT agrees to purchase all required insurance at SUBRECIPIENT's expense and to deposit with the COUNTY Certificates of Insurance, including all endorsements required herein,

necessary to satisfy the COUNTY that the insurance provisions of this CONTRACT have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the COUNTY during the entire term of this CONTRACT. In addition, all sub-SUBRECIPIENTS performing work on behalf of SUBRECIPIENT pursuant to this CONTRACT shall obtain insurance subject to the same terms and conditions as set forth herein for SUBRECIPIENT.

All self-insured retentions (SIRs) and deductibles shall be clearly stated on the Certificate of Insurance. If no SIRs or deductibles apply, indicate this on the Certificate of Insurance with a 0 by the appropriate line of coverage. Any self-insured retention (SIR) or deductible in an amount in excess of \$25,000 (\$5,000 for automobile liability), shall specifically be approved by the COUNTY Executive Office (CEO)/Office of Risk Management.

If the SUBRECIPIENT fails to maintain insurance acceptable to the COUNTY for the full term of this CONTRACT, the COUNTY may terminate this CONTRACT.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier) or have a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com

If the insurance carrier is not an admitted carrier in the state of California and does not have an A.M. Best rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the SUBRECIPIENT shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability	\$1,000,000 per occurrence; \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	\$1,000,000 per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence
Sexual Misconduct Liability	\$1,000,000 per occurrence

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COUNTY of Orange, its elected and appointed officials, officers, employees, agents as Additional Insureds.
- 2) A primary non-contributing endorsement evidencing that the SUBRECIPIENT's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

All insurance policies required by this CONTRACT shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the County of Orange, and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees.

All insurance policies required by this CONTRACT shall give the County of Orange 30 day notice in the event of cancellation and 10 days for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the Certificate of Insurance.

If SUBRECIPIENT's Professional Liability policy is a "claims made" policy, SUBRECIPIENT shall agree to maintain professional liability coverage for two years following completion of CONTRACT.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the SUBRECIPIENT fails to provide the insurance certificates and endorsements within seven (7) days of notification to OC Community Resources/Contract Development and Management, award may be made to the next qualified vendor.

COUNTY expressly retains the right to require SUBRECIPIENT to increase or decrease insurance of any of the above insurance types throughout the term of this CONTRACT. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect COUNTY.

COUNTY shall notify SUBRECIPIENT in writing of changes in the insurance requirements. If SUBRECIPIENT does not deposit copies of acceptable certificates of insurance and endorsements with COUNTY incorporating such changes within thirty days of receipt of such notice, this CONTRACT may be in breach without further notice to SUBRECIPIENT, and COUNTY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit SUBRECIPIENT's liability hereunder nor to fulfill the indemnification provisions and requirements of this CONTRACT, nor act in any way to reduce the policy coverage and limits available from the insurer.

- Q. Bills and Liens:** SUBRECIPIENT shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. SUBRECIPIENT shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, SUBRECIPIENT shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold COUNTY harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.
- R. Changes:** SUBRECIPIENT shall make no changes in the work or perform any additional work without the COUNTY's specific written approval.
- S. Change of Ownership:** SUBRECIPIENT agrees that if there is a change or transfer in ownership of SUBRECIPIENT's business prior to completion of this CONTRACT, the new owners shall be required under terms of sale or other transfer to assume SUBRECIPIENT's duties and obligations contained in this CONTRACT and complete them to the satisfaction of COUNTY.
- T. Force Majeure:** SUBRECIPIENT shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this CONTRACT caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided SUBRECIPIENT gives written notice of the cause of the delay to COUNTY within thirty-six (36) hours of the start of the delay and SUBRECIPIENT avails himself of any available remedies.
- U. Confidentiality:** SUBRECIPIENT agrees to maintain the confidentiality of all COUNTY and COUNTY-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this CONTRACT. All such records and information shall be considered confidential and kept confidential by SUBRECIPIENT and SUBRECIPIENT's staff, agents and employees.
- V. Compliance with Laws:** SUBRECIPIENT represents and warrants that services to be provided under this CONTRACT shall fully comply, at SUBRECIPIENT's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by COUNTY in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by COUNTY. SUBRECIPIENT acknowledges that COUNTY is relying on SUBRECIPIENT to ensure such compliance, and pursuant to the requirements of paragraph "P" above, SUBRECIPIENT agrees that it shall defend, indemnify and hold COUNTY and COUNTY Indemnities harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.

- W. Freight (F.O.B. Destination):** SUBRECIPIENT assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this CONTRACT.
- X. Pricing:** The CONTRACT bid price shall include full compensation for providing all required goods in accordance with required specifications, or services as specified herein or when applicable, in the scope of services attached to this CONTRACT, and no additional compensation will be allowed therefore, unless otherwise provided for in this CONTRACT.
- Y. Waiver of Jury Trial:** Each Party acknowledges that it is aware of and has had the opportunity to seek advise of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this CONTRACT and /or any other claim of injury or damage.
- Z. Terms and Conditions:** SUBRECIPIENT acknowledges that it has read and agrees to all terms and conditions included in this CONTRACT.
- AA. Headings:** The various headings and numbers herein, the grouping of provisions of this CONTRACT into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- BB. Severability:** If any term, covenant, condition, or provision of this CONTRACT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- CC. Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- DD. Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this CONTRACT, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.
- EE. Interpretation:** This CONTRACT has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this CONTRACT. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this CONTRACT by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this CONTRACT against the party that has drafted it is not applicable and is waived. The provisions of this CONTRACT shall be interpreted in a reasonable manner to affect the purpose of the parties and this CONTRACT.
- FF. Authority:** The Parties to this CONTRACT represent and warrant that this CONTRACT has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

GG. Employee Eligibility Verification: The SUBRECIPIENT warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this CONTRACT meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The SUBRECIPIENT shall obtain, from all employees, consultants and sub-SUBRECIPIENTS performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The SUBRECIPIENT shall retain all such documentation for all covered employee, consultants and sub-SUBRECIPIENTS for the period prescribed by the law. The SUBRECIPIENT shall indemnify, defend with counsel approved in writing by COUNTY, and hold harmless, the COUNTY, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the SUBRECIPIENT or the COUNTY or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this CONTRACT.

HH. Indemnification: SUBRECIPIENT agrees to indemnify, defend with counsel approved in writing by COUNTY, and hold COUNTY, its elected and appointed officials, officers, employees, agents and those special districts and agencies which COUNTY's Board of Supervisors acts as the governing Board ("COUNTY INDEMNITEES") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by SUBRECIPIENT pursuant to this CONTRACT. If judgment is entered against SUBRECIPIENT and COUNTY by a court of competent jurisdiction because of the concurrent active negligence of COUNTY or COUNTY INDEMNITEES, SUBRECIPIENT and COUNTY agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

Additional Terms and Conditions:

1. **Scope of Services:** This CONTRACT specifies the Contractual terms and conditions by which the COUNTY will procure services from SUBRECIPIENT as further detailed in the Scope of Services, identified and incorporated herein by this reference as "Attachment A".
2. **Term of CONTRACT:** This CONTRACT shall be effective from July 1, 2012 through June 30, 2013, unless otherwise terminated by the COUNTY. The term of this CONTRACT may be extended upon mutual agreement of the parties in writing in accordance with paragraph 2.2.
 - 2.1 Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2012. The Project shall be completed and all funds provided through this CONTRACT shall be expended on eligible Project activities through and including June 30, 2013.
 - 2.2 Housing Rehabilitation CONTRACTS and Public Facilities & Improvement CONTRACTS.
 - 2.2.1 SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2012-13 Annual Action Plan if SUBRECIPIENT meets or exceeds any one of the Required Expenditure Thresholds at 50%, 70% or 80% on or prior to the milestone date as set forth in paragraph 24.3.3.
 - 2.2.2 If additional funding is available for allocation to SUBRECIPIENT, SUBRECIPIENT and COUNTY shall first amend the SUBRECIPIENT

SCOPE OF SERVICES component of this CONTRACT. Furthermore, SUBRECIPIENT shall demonstrate, to the satisfaction of DIRECTOR, that the required Performance Expenditure and Accomplishment Thresholds set forth in paragraph 26.3., will continue to be met before such extension and additional allocation shall be granted.

2.2.3 CONTRACT Extension

2.2.3.1 The term of this CONTRACT and the provisions herein may be extended to cover an additional time period as specified herein.

2.2.3.2 The date for PROJECT completion and expenditure of all funds may be extended by the DIRECTOR without further action by the BOARD for a period not to exceed six (6) months from June 30, 2013. For all extensions, the deadline for submittal of invoices shall be forty-five (45) days after the new expiration date.

2.2.3.3 CONTRACT extension provisions are not applicable to PROGRAM ADMINISTRATION activities.

2.3 Housing Rehabilitation CONTRACTS and Public Services CONTRACTS may be renewed on the same terms, conditions, and scope of services for up to two (2) individual consecutive one-year periods upon mutual written agreement by the COUNTY and SUBRECIPIENT.

3. Contingency of Funds: SUBRECIPIENT acknowledges that funding or portions of funding for this CONTRACT may also be contingent upon the receipt of funds from, and/or appropriation of funds by Federal, State of California or local Government funds to COUNTY. If such funding and/or appropriations are not forthcoming, or are otherwise limited, COUNTY may immediately terminate or modify this CONTRACT without penalty.

3.1 If funding levels are significantly affected by Federal budget and funds are not allocated and available for the continuance of the function performed by SUBRECIPIENT, the CONTRACT may be terminated by the COUNTY at the end of the period for which funds are available. The COUNTY shall notify SUBRECIPIENT at the earliest possible time of any service, which will or may be affected by a shortage of funds. No penalty shall accrue to the COUNTY in the event this provision is exercised and the COUNTY shall not be obligated nor liable for any damages as a result of termination under this provision of this CONTRACT, and nothing herein shall be construed as obligating the COUNTY to expend or as involving the COUNTY in any CONTRACT or other obligation for future payment of money in excess of appropriations authorized by law.

4. Fiscal Appropriations: This CONTRACT is subject to and contingent upon applicable budgetary appropriations being approved by the County of Orange Board of Supervisors for each fiscal year during the term of this CONTRACT. If such appropriations are not approved, the CONTRACT will be terminated without penalty to the COUNTY.

5. Adjustments – Scope of Services: No adjustments made to the scope of services will be authorized without prior written approval of the COUNTY assigned Purchasing Agent.

6. Changes/Extra Work: The SUBRECIPIENT shall make no changes to this CONTRACT without the COUNTY's written consent. In the event that there are new or unforeseen requirements, the COUNTY with the SUBRECIPIENT's concurrence has the discretion to request official changes at any time without changing the intent of this CONTRACT.

If COUNTY-initiated changes or changes in laws or government regulations affect price, the SUBRECIPIENT's ability to deliver services, or the program schedule, the SUBRECIPIENT shall give the COUNTY written notice no later than seven calendar days from the date the law or regulation went into effect or the date the change was proposed by the COUNTY and the SUBRECIPIENT was notified of the change. Such changes shall be agreed to in writing and incorporated into a CONTRACT Amendment; said Amendment shall be issued by the COUNTY-assigned Purchasing Agent, shall require the mutual consent of all Parties, and may prohibit the SUBRECIPIENT from proceeding with the work as set forth in this CONTRACT.

7. **Breach of CONTRACT:** The failure of the SUBRECIPIENT to comply with any of the provisions, covenants or conditions of this CONTRACT shall be a material breach of this CONTRACT. In such event the COUNTY may, and in addition to any other remedies available at law, in equity, or otherwise specified in this CONTRACT:

Terminate the CONTRACT immediately, pursuant to paragraph K and paragraphs 30 through 32 herein;

Afford the SUBRECIPIENT written notice of the breach and ten calendar days or such shorter time that may be specified in this CONTRACT within which to cure the breach;

Discontinue payment to the SUBRECIPIENT for and during the period in which the SUBRECIPIENT is in breach; and

Offset against any monies billed by the SUBRECIPIENT but yet unpaid by the COUNTY those monies disallowed pursuant to the above.

8. **Conditions Affecting Work:** The SUBRECIPIENT shall be responsible for taking all steps reasonably necessary, to ascertain the nature and location of the work to be performed under this CONTRACT; and to know the general conditions which can affect the work or the cost thereof. Any failure by the SUBRECIPIENT to do so will not relieve SUBRECIPIENT from responsibility for successfully performing the work without additional cost to the COUNTY. The COUNTY assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this CONTRACT, unless such understanding or representations by the COUNTY are expressly stated in the CONTRACT.

9. **Conflict of Interest – SUBRECIPIENT's Personnel:** The SUBRECIPIENT shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the COUNTY. This obligation shall apply to the SUBRECIPIENT; the SUBRECIPIENT's employees, agents, and relatives; sub-tier SUBRECIPIENTS; and third Parties associated with accomplishing work and services hereunder. The SUBRECIPIENT's efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the COUNTY.

SUBRECIPIENT agrees to abide by the provisions of OMB Circulars 102 and 110, as applicable, 24 CFR 570.611 with respect to conflicts of interest, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this CONTRACT.

SUBRECIPIENT further covenants that in the performance of this CONTRACT no person having such a financial interest shall be employed or retained by SUBRECIPIENT hereunder. These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of COUNTY or SUBRECIPIENT, or any designated public agencies which are receiving funds under the CDBG Entitlement Program.

10. **Conflict of Interest – COUNTY Personnel:** The County of Orange Board of Supervisors' policy prohibits its employees from engaging in activities involving a conflict of interest. The SUBRECIPIENT shall not, during the period of this CONTRACT, employ any COUNTY employee for any purpose.
11. **Consulting Contract – Follow-On Work:** No person or firm or subsidiary thereof who has been awarded a consulting services contract or a contract which includes a consulting component may be awarded a CONTRACT for the provision of services, the delivery of goods or supplies, or the provision of any other related action which is required, suggested, or otherwise deemed appropriate as an end product of the consulting services contract. Therefore, any consultant that contracts with a COUNTY agency/department to develop a feasibility study or to provide formal recommendations is precluded from contracting for any work recommended in the study or included in the recommendations.
12. **Contingent Fees:** The SUBRECIPIENT warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees of the SUBRECIPIENT or bona fide established commercial or selling agencies maintained by the SUBRECIPIENT for the purpose of securing business.

For breach or violation of this warranty, the COUNTY shall have the right to terminate this CONTRACT in accordance with the termination clause and at its sole discretion to deduct from the CONTRACT price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee from the SUBRECIPIENT.
13. **Bankruptcy/Insolvency:** If the SUBRECIPIENT should be adjudged bankrupt or should have a general assignment for the benefit of its creditors or if a receiver should be appointed on account of the SUBRECIPIENT's insolvency, the COUNTY may terminate this CONTRACT.
14. **SUBRECIPIENT Personnel – Reference Checks:** The SUBRECIPIENT warrants that all persons employed to provide service under this CONTRACT have satisfactory past work records indicating their ability to accept the kind of responsibility anticipated under this CONTRACT. SUBRECIPIENT's employees assigned to this program must meet character standards as demonstrated by reference checks, coordinated by the agency/department issuing this CONTRACT.
15. **SUBRECIPIENT's Project Manager and Key Personnel:** SUBRECIPIENT shall appoint a Project Manager to direct the SUBRECIPIENT's efforts in fulfilling SUBRECIPIENT's obligations under this CONTRACT. This Project Manager shall be subject to approval by the COUNTY and shall not be changed without the written consent of the COUNTY's Project Manager, which consent shall not be unreasonably withheld.

The SUBRECIPIENT's Project Manager shall be assigned to this project for the duration of this CONTRACT and shall diligently pursue all work and services to meet the program time lines. The COUNTY's Project Manager shall have the right to require the removal

and replacement of the SUBRECIPIENT's Project Manager from providing services to the COUNTY under this CONTRACT. The COUNTY's Project Manager shall notify the SUBRECIPIENT in writing of such action. The SUBRECIPIENT shall accomplish the removal within three (3) business days after written notice by the COUNTY's Project Manager. The COUNTY's Project Manager shall review and approve the appointment of the replacement for the SUBRECIPIENT's Project Manager. The COUNTY is not required to provide any additional information, reason or rationale in the event it elects to request the removal of SUBRECIPIENT's Project Manager from providing services to the COUNTY under this CONTRACT.

16. **Data – Title To:** All materials, documents, data or information obtained from the COUNTY data files or any COUNTY medium furnished to the SUBRECIPIENT in the performance of this CONTRACT will at all times remain the property of the COUNTY. Such data or information may not be used or copied for direct or indirect use by the SUBRECIPIENT after completion or termination of this CONTRACT without the express written consent of the COUNTY. All materials, documents, data or information, including copies, must be returned to the COUNTY at the end of this CONTRACT.
17. **County Of Orange Child Support Enforcement:** In order to comply with the child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the selected SUBRECIPIENT agrees to furnish to the CONTRACT administrator, the Purchasing Agent, or the agency/department deputy purchasing agent:
 - 17.1 In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;
 - 17.2 In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity;
 - 17.3 A certification that the SUBRECIPIENT has fully complied with all applicable federal and State reporting requirements regarding its employees; and
 - 17.4 A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required may result in the CONTRACT being awarded to another SUBRECIPIENT. In the event a CONTRACT has been issued, failure of the SUBRECIPIENT to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

18. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file federal Form 1099-Misc for services received from a "service provider" to whom the COUNTY pays \$600 or more or with whom the COUNTY enters into a CONTRACT for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations as set forth in Exhibit A., attached hereto and incorporated herein by reference.

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a CONTRACT for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent contractors. An independent contractor is defined as "an individual who is not an employee of the government entity for California purposes and who receives compensation or executes a CONTRACT for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at www.edd.ca.gov/txcr.htm.

19. **Appointment and Acceptance:** The COUNTY designates the SUBRECIPIENT as the exclusive SUBRECIPIENT for the management of the Program, and the SUBRECIPIENT accepts the appointment, subject to the terms and conditions set forth in this CONTRACT. SUBRECIPIENT hereby agrees to manage the Program in an efficient and satisfactory manner to the best of its ability.
20. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the COUNTY, state or federal government, this CONTRACT may be subjected to unusual usage. The SUBRECIPIENT shall service the COUNTY during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the SUBRECIPIENT shall apply to serving the COUNTY's needs regardless of the circumstances. If the SUBRECIPIENT is unable to supply the goods/services under the terms of the CONTRACT, then the SUBRECIPIENT shall provide proof of such disruption and a copy of the invoice for the goods/services from the SUBRECIPIENT's supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the SUBRECIPIENT shall show both the emergency purchase order number and the CONTRACT number.
21. **SUBRECIPIENT's Responsibilities:** The SUBRECIPIENT shall:
 - 21.1 Operate and manage the Project and provide Services/Activities as set forth herein. In this regard the SUBRECIPIENT will assess current services being provided, assess what Services/Activities are needed, or have been requested, and structure the Services/Activities accordingly.
22. **Business License:** At its own expense, SUBRECIPIENT shall qualify to do business and obtain and maintain such licenses as may be required for the performance by SUBRECIPIENT of its services under this CONTRACT.
23. **Substantial Amendments:**
 - 23.1 If any amendment results in a change in the funding amount, that does not trigger a SUBSTANTIAL AMENDMENT, as defined, SUBRECIPIENT SCOPE OF SERVICES, threshold and milestone dates or schedule of activities to be undertaken as part of this CONTRACT, such modifications will be incorporated only by written amendment executed by Director and SUBRECIPIENT.

- 23.2 In an effort to efficiently utilize CDBG funds within timeframes required by HUD, the COUNTY will consider the reprogramming of unspent CDBG balances from completed and cancelled CDBG-funded activities to other eligible activities as a "Non-Substantial Amendment".
- In the event that any of these "administrative" reprogramming actions fall under the "Substantial Amendment" criteria, the proposed actions to the Citizen Participating process, requires formal action by the Board of Supervisors, and subsequent approval by HUD.

24. Payment Requirements:

- 24.1 **CONTRACT Amount:** It is expressly agreed and understood that the total amount to be paid by COUNTY under this CONTRACT shall not exceed the total COUNTY funding as set forth in Attachment B., - Compensation to SUBRECIPIENT attached hereto and incorporated herein by reference.

- 24.2 COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.

24.3 **Payment of Project Activities:**

- 24.3.1 **Payment of Project Activities:** COUNTY will reimburse SUBRECIPIENT for eligible project-related costs only. SUBRECIPIENT shall submit requests for reimbursement to COUNTY on a monthly basis beginning on July 1, 2012, and must provide adequate documentation as required by COUNTY in accordance with the *OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY*, as set forth in Exhibit B., attached hereto and incorporated herein by reference. In addition, SUBRECIPIENT will provide a progress performance report ("GPR INFORMATION FORM") for the time period covered, as prescribed by COUNTY. Failure to provide any of the required documentation and reporting will cause COUNTY to withhold all or a portion of a request for reimbursement, or return the entire reimbursement package to SUBRECIPIENT, until such documentation and reporting has been received and approved by COUNTY.

- 24.3.2 If SUBRECIPIENT has no request for reimbursement during any quarter during the term of this CONTRACT, a GPR Information Form, including and explanation as to why no invoices were being processed, shall be required in lieu of a request for reimbursement.

- 24.3.3 The following "Required Expenditure Threshold" criteria have been established to guide the SUBRECIPIENT in structuring and scheduling their expenditure of funds received through this CONTRACT, through term of CONTRACT. The criteria thresholds are consistent with the criteria used by OC Community Resources to determine performance including, but not limited to, determinations of future award of funds, additional funding requests and/or determinations for the recapture of funding.

<u>Milestone Date</u>	<u>Minimum Required Expenditure Threshold</u>
December 15 th	50% of Contracted Amount Expended
January 15 th	70% of Contracted Amount Expended
March 15 th	80% of Contracted Amount Expended

- 24.3.4 SUBRECIPIENT will have forty-five (45) days following the expiration of the CONTRACT to submit outstanding invoices for reimbursement of eligible costs incurred during the CONTRACT period. After the forty-five (45) day period for submitting invoices has expired, COUNTY shall

reallocate the remaining balance under this CONTRACT for other program purposes and SUBRECIPIENT shall be ineligible for any further reimbursement.

- 24.4 Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and HUD of Certificate(s) of Insurance and environmental compliance as further defined in paragraph P and paragraph 34 of this CONTRACT. Additionally, no funds shall be disbursed prior to submittal of certified payroll documentation to COUNTY with each invoice package/request for payment, as further defined in paragraph 33.
- 24.5 Readiness – for Housing Rehabilitation and Public Facilities & Improvement Projects:
SUBRECIPIENT shall be required to demonstrate to COUNTY its readiness to immediately initiate its Project upon execution of this CONTRACT by providing to the COUNTY documentation including, but not limited to, the following: Board or Council Minutes/Resolution; Awarded bid documents with timeline requirements; and, executed Architect and Engineer (hereafter referred to as "A&E") contracts with specific project timelines consistent with funding. By September 30 of contract term, SUBRECIPIENT shall provide COUNTY a Project Readiness Checklist incorporating the status of all Project-phasing milestones. In the case of milestones not yet reached, SUBRECIPIENT shall provide projected target dates for when said milestones would be met. The Project Readiness Checklist shall clearly demonstrate that SUBRECIPIENT will meet the "Required Expenditure Thresholds" as set forth in paragraph 24.3.3. SUBRECIPIENT acknowledges that said Project Readiness Checklist may be considered to evaluate the performance of the SUBRECIPIENT.
25. Program Income
- 25.1 SUBRECIPIENT shall comply with regulations set forth in 24 CFR 570.504, as well as all applicable State or COUNTY regulations concerning the reporting and payment procedures for program income.
- 25.2 All Program Income accrued shall be returned to COUNTY on a quarterly basis prior to SUBRECIPIENT receiving any reimbursement from grant funds provided under this CONTRACT.
- 25.3 SUBRECIPIENT shall provide information of the receipt of Program Income by SUBRECIPIENT related to Program on all GPR INFORMATION FORMS submitted with requests for reimbursement.
- 25.4 SUBRECIPIENT shall complete and submit a Year-End Program Income letter, indicating amount of Program Income and include any reimbursement remittance necessitated therein, by July 15, after the close of the CONTRACT fiscal year.
26. Performance:
- 26.1 SUBRECIPIENT shall provide the oversight, administration, and project management necessary to accomplish all contracted activities in a timely manner. SUBRECIPIENT also agrees to comply with all applicable Federal, State, and local laws and regulations governing the funds provided under this CONTRACT.
- 26.2 SUBRECIPIENT shall comply with all applicable HUD regulations, as described in paragraph 35 General Administration of this CONTRACT, concerning administrative requirements and maintain records as to services provided and total number of persons served through the project, including but not limited to, population-served analysis (i.e., extremely-low income persons, very-low income persons, and low-income persons as defined by HUD). Such information shall

be available for periodic monitoring by representatives of COUNTY or HUD and shall be submitted by SUBRECIPIENT in report form to COUNTY by dates specified by COUNTY.

- 26.3 The following "Performance Threshold" criteria shall be used to assess the level of performance of the SUBRECIPIENT, including Attachment A. - Scope of Services, attached hereto and incorporated herein by reference. Furthermore, the criteria will be considered by OC Community Resources when determining future funding. In order to be considered in compliance with the performance threshold criteria, the SUBRECIPIENT must, on or before the required milestone date, submit to OC Community Resources a request for reimbursement which demonstrates that SUBRECIPIENT has expended funds and met their proposed accomplishment goals at the required levels, unless exempted in writing by the DIRECTOR.

<u>Milestone Date</u>	<u>Minimum Required Expenditure Threshold</u>
December 15 th	50% of Contracted Amount Expended 50% of Proposed Accomplishments Met
January 15 th	70% of Contracted Amount Expended 70% of Proposed Accomplishments Met
March 15 th	80% of Contracted Amount Expended 80% of Proposed Accomplishments Met

Failure to achieve at least the aforementioned 50% drawdown, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will negatively affect future funding to SUBRECIPIENT. Failure to achieve the aforementioned 80% drawdown goal, without written exception approved by the DIRECTOR, may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will impact future funding to SUBRECIPIENT.

- 26.4 SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, after the close of the CONTRACT fiscal year.
- 26.5 Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in paragraph 2. Additional Terms and Conditions, SUBRECIPIENT shall complete and submit a Mid-Year GPR INFORMATION FORM at the time of the completion, cancellation or termination. Said GPR INFORMATION FORM shall consist of a cumulative reporting of project-related expenditures and accomplishments relative to the SCOPE OF SERVICES, as set forth in Attachment A., attached hereto and incorporated herein by reference. If activity funded through this CONTRACT is completed, or if funds allocated through this CONTRACT are fully expended, prior to end of CONTRACT term, SUBRECIPIENT must continue to serve its clients for the entire term of this CONTRACT.
- 26.6 SUBRECIPIENT shall complete and submit a GPR INFORMATION FORM in support of all requests for reimbursement. Said GPR INFORMATION FORM shall consist of a cumulative report of project related accomplishments as set forth in Attachment A., SCOPE OF SERVICES, attached hereto and incorporated herein by reference, for the subject quarter. If at any time during the term of this CONTRACT SUBRECIPIENT has no activity occur during any quarter, SUBRECIPIENT shall prepare and submit to COUNTY a Quarterly GPR INFORMATION FORM, regardless of actual activity.

- 26.7 SUBRECIPIENT acknowledges that the GPR INFORMATION FORM is a monitoring tool that will be reviewed and evaluated to determine SUBRECIPIENT's level of performance relative to this CONTRACT.
- 26.8 SUBRECIPIENT shall submit all requested data necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER), and monitor program accountability and progress in accordance with HUD requirements, in the format and at the time designated by COUNTY.
- 27. Performance Monitoring:**
- 27.1 Performance Monitoring of SUBRECIPIENT by COUNTY and/or HUD shall consist of requested and/or required written reporting, as well as onsite monitoring by COUNTY or HUD representatives.
- 27.2 COUNTY shall periodically evaluate SUBRECIPIENT's progress in complying with the terms of this CONTRACT. SUBRECIPIENT shall cooperate fully during such monitoring. COUNTY shall report the findings of each monitoring to SUBRECIPIENT.
- 27.3 COUNTY shall monitor the performance of SUBRECIPIENT against the goals, outcomes, milestones and performance standards required herein. Substandard performance, as determined by COUNTY, will constitute non-compliance with this CONTRACT for which COUNTY may immediately terminate the CONTRACT. If action to correct such substandard performance is not taken by SUBRECIPIENT within the time period specified by COUNTY, payment(s) will be denied in accordance with the provisions contained in paragraph 41 of this CONTRACT.
- 28. Disputes – CONTRACT:**
- 28.1 The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this CONTRACT is not disposed of in a reasonable period of time by the SUBRECIPIENT's Project Manager and the COUNTY's Project Manager, such matter shall be brought to the attention of the Purchasing Agent by way of the following process:
- 28.1.1 The SUBRECIPIENT shall submit to the agency/department assigned COUNTY Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this CONTRACT, unless the COUNTY, on its own initiative, has already rendered such a final decision.
- 28.1.2 The SUBRECIPIENT's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the CONTRACT, the SUBRECIPIENT shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the CONTRACT adjustment for which the SUBRECIPIENT believes the COUNTY is liable.
- 28.2 Pending the final resolution of any dispute arising under, related to, or involving this CONTRACT, the SUBRECIPIENT agrees to diligently proceed with the provision of services under this CONTRACT. The SUBRECIPIENT's failure to diligently proceed shall be considered a material breach of this CONTRACT.

Any final decision of the COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by the COUNTY Purchasing Agent or his designee. If the COUNTY fails to render a decision within ninety (90) days after receipt of the SUBRECIPIENT's demand, it shall be deemed a final decision adverse to the SUBRECIPIENT's contentions. Nothing in this section shall be construed as affecting the COUNTY's right to terminate the CONTRACT for Cause as stated in paragraph K herein.

29. **Gratuities:** The SUBRECIPIENT warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the SUBRECIPIENT or any agent or representative of the SUBRECIPIENT to any officer or employee of the COUNTY with a view toward securing the CONTRACT or securing favorable treatment with respect to any determinations concerning the performance of the CONTRACT. For breach or violation of this warranty, the COUNTY shall have the right to terminate the CONTRACT, either in whole or in part, and any loss or damage sustained by the COUNTY in procuring on the open market any services which the SUBRECIPIENT agreed to supply shall be borne and paid for by the SUBRECIPIENT. The rights and remedies of the COUNTY provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the CONTRACT.
30. **Termination – Convenience of the COUNTY:** The COUNTY may terminate performance of work under this CONTRACT for its convenience in whole, or, from time to time, in part if the user agency/department determines that a termination is in the COUNTY's interest. The agency/department assigned buyer shall terminate the CONTRACT by delivering to the SUBRECIPIENT a written notice of termination specifying the extent of the termination and the effective date thereof. The parties agree that, as to the terminated portion of the CONTRACT, the CONTRACT shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the CONTRACT shall not be void.
- After receipt of a notice of termination and, except as directed by the assigned buyer, the SUBRECIPIENT shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The SUBRECIPIENT shall:
- 30.1 Stop work as specified in the notice of termination;
 - 30.2 Place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the CONTRACT;
 - 30.3 Terminate all orders and subcontracts to the extent they relate to the work terminated;
 - 30.4 Settle all outstanding liabilities and termination settlement proposals arising from the termination of any subcontracts, the approval or ratification of which will be final for purposes of this clause;
 - 30.5 As directed by the assigned buyer transfer title and deliver to the COUNTY (a) fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (b) completed or partially completed plans, drawings, information, and other property that, if the CONTRACT had been completed, would be required to be furnished to the COUNTY;
 - 30.6 Complete performance of the work not terminated; and
 - 30.7 Take any action that may be necessary or as the COUNTY may direct for the protection and preservation of the property related to this CONTRACT that is in the possession of the SUBRECIPIENT and in which the COUNTY has or may

acquire an interest and to mitigate any potential damages or requests for CONTRACT adjustment or termination settlement to the maximum practical extent.

At the completion of the SUBRECIPIENT's termination efforts, the SUBRECIPIENT may submit to the assigned buyer a list indicating quantity and quality of termination inventory not previously disposed of and request instructions for disposition of the residual termination inventory.

After termination the SUBRECIPIENT shall submit a final termination settlement proposal to the user agency/department in a format acceptable to the COUNTY.

The SUBRECIPIENT shall submit the proposal promptly, but no later than 60 days from the effective date of the termination, unless extended in writing by the COUNTY upon written request of the SUBRECIPIENT within the ninety-day (90-day) period. However, if the agency/department determines that the facts justify it, a termination settlement proposal may be received and acted on after the expiration of the filing period or any extension. The SUBRECIPIENT and the COUNTY may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done, including a reasonable amount for accounting, legal, clerical and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data, and storage, transportation and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. However, the agreed amount may not exceed the total CONTRACT price as reduced by (a) the amount of payment previously made and (b) the CONTRACT price of work not terminated. The CONTRACT shall be amended and the SUBRECIPIENT paid the agreed amount.

If the SUBRECIPIENT and the COUNTY fail to agree on the whole amount to be paid because of the termination of work, the COUNTY shall pay the SUBRECIPIENT the amounts determined by the COUNTY as follows, but without duplication of any amounts agreed on as set forth above:

30.8 The CONTRACT price for completed supplies or services accepted by the COUNTY (or sold or acquired) not previously paid for, adjusted for any savings of freight and other charges; and

30.9 Except for normal spoiling and except to the extent that the COUNTY expressly assumes the risk of loss, the COUNTY shall exclude from the amounts payable to the SUBRECIPIENT the fair value, as determined by the agency/department, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the COUNTY.

The SUBRECIPIENT shall use generally accepted accounting principles and sound business practices in determining all costs claimed, agreed to, or determined under this clause. Such costs shall be allocable to the terminated CONTRACT or portion thereof, allowable under applicable laws, regulations, generally accepted accounting principles and good business judgment and objectively reasonable.

The SUBRECIPIENT shall have the right to appeal, under the COUNTY's protest procedure, any determination made by the COUNTY, except that if the SUBRECIPIENT failed to submit the termination settlement proposal within the time provided and failed to request a time extension, there is no right of appeal.

In arriving at the amount due the SUBRECIPIENT under this clause, there shall be deducted:

30.10 All payment to the SUBRECIPIENT under the terminated portion of this CONTRACT;

- 30.11 Any claim which the COUNTY has against the SUBRECIPIENT under this or any other CONTRACT; and
- 30.12 The agreed price for or proceeds of sale of materials, supplies, or other things acquired by the SUBRECIPIENT or sold under the provisions of this clause and not recovered by or credited to the COUNTY.
If the termination is partial, the SUBRECIPIENT may file a proposal with the agency/department for an equitable adjustment of the price(s) of the continued portion of the CONTRACT. The agency/department shall make any equitable adjustment agreed upon. Any proposal by the SUBRECIPIENT for an equitable adjustment under this clause shall be requested within thirty (30) days from the effective date of termination unless extended in writing by agency/department. The COUNTY may:
- 30.13 Under the terms and conditions it prescribes, make partial payment and payments against costs incurred by the SUBRECIPIENT for their terminated portion of the CONTRACT, if the COUNTY believes that the total of these payments will not exceed the amount to which the contractor will be entitled; and
- 30.14 If the total payments exceed the amount finally determined to be due, the SUBRECIPIENT shall repay the excess to the COUNTY upon demand.
In determining the amount payable to the SUBRECIPIENT and notwithstanding any other provision, if it appears that the SUBRECIPIENT would have sustained a loss on the entire CONTRACT had it been completed, the COUNTY shall allow no profit and shall reduce the settlement to reflect the indicated rate of loss. Unless otherwise provided in this CONTRACT or by statute, the SUBRECIPIENT shall maintain all records and documents relating to the terminated portion of this CONTRACT for five (5) years after final settlement. This includes all books and other evidence bearing on the SUBRECIPIENT's costs and expenses under this CONTRACT. The SUBRECIPIENT shall make these records and documents available to the COUNTY, at the SUBRECIPIENT's office, at all reasonable times, without any direct charge. If approved by the COUNTY, photographs, microphotographs, electronic storage, or other authentic reproductions may be maintained instead of original records and documents.
31. **Termination – Orderly:** After receipt of a termination notice from the County of Orange, the SUBRECIPIENT shall submit to the COUNTY a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the COUNTY upon written request of the SUBRECIPIENT. Upon termination COUNTY agrees to pay the SUBRECIPIENT for all services performed prior to termination which meet the requirements of the CONTRACT, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the CONTRACT. Upon termination or other expiration of this CONTRACT, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the CONTRACT. In addition, each Party will assist the other Party in orderly termination of this CONTRACT and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.
32. **Stop Work:** The COUNTY may, at any time, by written stop work order to the SUBRECIPIENT, require the SUBRECIPIENT to stop all or any part of the work called for by this CONTRACT for a period of 90 days after the stop work order is delivered to the SUBRECIPIENT and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate it is issued under this

clause. Upon receipt of the stop work order, the SUBRECIPIENT shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within a period of 90 days after a stop work order is delivered to the SUBRECIPIENT or within any extension of that period to which the parties shall have agreed, the COUNTY shall either:

32.1 Cancel the stop work order; or

32.2 Terminate work covered by the stop work order as provided for in the termination for default or the termination for convenience clause of this CONTRACT.

If a stop work order issued under this clause is canceled or the period of the stop work order or any extension thereof expires, the SUBRECIPIENT shall resume work. The COUNTY shall make an equitable adjustment in the delivery schedule, the CONTRACT price, or both, and the CONTRACT shall be modified in writing accordingly if:

32.3 The stop work order results in an increase in the time required or in the SUBRECIPIENT's cost properly allocable to the performance of any part of this CONTRACT; and

32.4 The SUBRECIPIENT asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage, provided that if the COUNTY decides the facts justify the action, the COUNTY may receive and act upon a proposal submitted at any time before final payment under this CONTRACT.

If a stop work order is not canceled and the work covered by the stop work order is terminated in accordance with the provision entitled, "Termination - Convenience of COUNTY," the COUNTY shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement.

If a stop work order is not canceled and the work covered by the stop work order is terminated for default, the COUNTY shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related CONTRACT of the SUBRECIPIENT that provides for adjustment and is affected by any stop work order under this clause. The COUNTY shall not be liable to the SUBRECIPIENT for loss of profits because of a stop work order issued under this clause.

If any provisions of this agreement are invalid under any applicable statute or rule of law, they are, to that extent, omitted, but the remainder of this agreement shall continue to be binding upon the parties hereto.

33. Federal Administrative Requirements:

33.1 Financial Management:

33.1.1 Accounting Standards: SUBRECIPIENT agrees to comply with 24 CFR 84.21-28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

33.1.2 Cost Principles: SUBRECIPIENT shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," or A-87, "Cost Principles for State and Local Governments" (and if SUBRECIPIENT is a governmental or quasi-governmental agency, the applicable sections of 24 CFR 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,") as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

33.2 Civil Rights Compliance

33.2.1 SUBRECIPIENT agrees to comply with California Civil Rights Act Ordinances and Title VI of the Civil Rights Act of 1964, as amended, Title VIII of the Civil Rights Act of 1968, as amended, Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and with Executive Order 11246, as amended by Executive Orders 11375, 11478, 12107 and 12086.

33.2.2 Rehabilitation Act

SUBRECIPIENT agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. 706) which prohibits discrimination against the handicapped in any federally assisted program. COUNTY shall provide SUBRECIPIENT with any guidelines necessary for compliance with that portion of the regulations in force during the term of this CONTRACT.

33.2.3 Nondiscrimination in Employment and Contracting

SUBRECIPIENT agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279, including 24 CFR Part 8, 24 CFR 570.602 and Section 504 of Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, Executive Order 11063. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act (HCDA) are still applicable.

33.3 Drug-Free Workplace:

The SUBRECIPIENT hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace as set forth in Exhibit C., attached hereto and incorporated herein by reference. The SUBRECIPIENT will:

33.3.1 Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

33.3.2 Establish a drug-free awareness program as required by Government Code Section 8355(b) to inform employees about all of the following:

33.3.2.1 The dangers of drug abuse in the workplace;

33.3.2.2 The SUBRECIPIENT's policy of maintaining a drug free workplace;

33.3.2.3 Any available counseling, rehabilitation, and employee assistance programs; and

33.3.2.4 Penalties that may be imposed upon employees for drug abuse violations.

33.3.3 Provide as required by Government Code Section 8355(c) that every employee who works under this CONTRACT:

33.3.3.1 Will receive a copy of the company's drug-free policy statement; and

33.3.3.2 Will agree to abide by the terms of the company's statement as a condition of employment under this CONTRACT.

Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both, and the SUBRECIPIENT may be ineligible for award of any future COUNTY contracts if the COUNTY determines that any of the following has occurred:

33.3.3.3 The SUBRECIPIENT has made false certification, or

33.3.3.4 The SUBRECIPIENT violates the certification by failing to carry out the requirements as noted above.

33.4 **Affirmative Action:** SUBRECIPIENT agrees that it shall be committed to carry out an Affirmative Action Program that encompasses that principals provided in President's Executive Order 11246, as revised on January 4, 2002.

33.5 **Americans with Disabilities Act:** SUBRECIPIENT agrees to comply with Section 504 of the Rehabilitation Act of 1973 as amended; Title VI and VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act, 42 USC 12101; California Code of Regulations, Title 2, Title 22: California Government Code, Sections 11135, et seq; and other federal and state laws and executive orders prohibit discrimination. All programs, activities, employment opportunities, and services must be made available to all persons, including persons with disabilities.

33.6 **Employment Restrictions:**

33.6.1 **Prohibited Activity:** SUBRECIPIENT is prohibited from using funds provided herein, or personnel employed in the administration of the program, for: political activities, sectarian or religious activities, lobbying, political patronage, and nepotism activities.

33.6.2 **OSHA:** Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety.

33.6.3 **Employee Rights**
Federal Minimum Wage

33.6.3.1 SUBRECIPIENT must follow the Fair Labor Standards Act (FLSA), as it currently exists and it may be amended, which sets basic minimum wage and overtime pay standards. These standards are enforced by The United States Department of Wage and Hour Division under Department's Wage and Hour Division. The Federal minimum wage provisions are contained in the FLSA. Many states also have minimum wage laws. In cases where an employee is subject to both state and federal minimum wage laws, the employee is entitled to the higher minimum wage.

33.6.4 **California Minimum Wage**

33.6.4.1 SUBRECIPIENT must follow the California enacted legislation signed by the Governor of California, raising the minimum wage for all industries (MW-2007). (AB 1835, CH230, Stats of 2006, adding sections 1182.12 and 1182.13 to the California Labor Code.) Pursuant to its authority under Labor Code section 1182.13, the Department of Industrial Relations amends and republishes Sections, 1, 2, 3, and 5 of the General Minimum Wage Order. MW-2001, Section 4, Separability,

has not been changed. Consistent with this enactment, amendments are made to the minimum wage, and the meals and lodging credits sections of all of the IWC's industry and occupation orders. This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained by ordering on-line at www.dir.ca.gov/WP.asp or by contacting your local Division of Labor Standards Enforcement office.

- 33.7 **Hatch Act:** SUBRECIPIENT agrees that no funds provided, nor personnel employed under this CONTRACT, shall be in any way or to any extent engaged in the conduct of political activities in violation of the Hatch Act, 5 U.S.C. Section 1501 et seq. and Chapter 15 of Title V of the U.S.C.
- 33.8 **Religious Organization/Activities:** In accordance with 24 CFR 570.200(j), SUBRECIPIENT shall not discriminate against faith-based organizations in administering its federal HUD activities. However, SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for inherently religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with 24 CFR 570.200 (j)(2).
- 33.9 **Anti-Lobbying:** SUBRECIPIENT certifies that:
- 33.9.1 No Federal appropriated funds will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of any Federal CONTRACT, the making of any Federal grant, the making of any Federal loan, the entering into of any Cooperative Agreement, and the extension, continuation, renewal, amendment, or modification of any Federal CONTRACT, grant, loan, or Cooperative Agreement; and
- 33.9.2 SUBRECIPIENT will complete and submit Standard Form-LLL "Disclosure of Lobbying Activities," if any funds other than Federal appropriated funds have been paid, in accordance with its instructions; and
- 33.9.3 SUBRECIPIENT shall include subject anti-lobbying certification in award documents for all sub-SUBRECIPIENTs at all tiers (including sub-subcontracts, sub-subgrants, and CONTRACT under grants, loans, and Cooperative Agreements) and that all sub-SUBRECIPIENTs shall certify and disclose accordingly.
- 33.10 **Audits:** If SUBRECIPIENT expends Federal funds in a fiscal year which equal or exceed \$500,000 (Five hundred thousand dollars and no cents) as specified in OMB Circular A-133-Revised, SUBRECIPIENT shall cause an audit to be prepared by a Certified Public Accountant (CPA) who is a member in good standing with the American Institute of Certified Public Accountants (AICPA) of the California Society of CPA's. The audit must be performed annually in accordance with Generally Accepted Auditing Standards (GAAS) authorized by the AICPA and Federal laws and regulations governing the programs in which it participates.
- Furthermore, COUNTY retains the authority to require SUBRECIPIENT to submit similarly prepared audit at SUBRECIPIENT's expense even in instances when SUBRECIPIENT's expenditure is less than \$500,000. SUBRECIPIENT will be required to identify corrective action taken in response to any findings identified by CPA related to their funded activity or program.

SUBRECIPIENT will ensure an annual financial audit is performed in compliance with the Federal Single Audit Act and will submit two (2) copies of such audit report, including a copy of the management letter, to COUNTY within six (6) months of the end of each CONTRACT year in which SUBRECIPIENT has received federal funding (i.e., July 1 – June 30). Failure to meet this requirement may result in COUNTY denying reimbursement of funds to SUBRECIPIENT, as well as future funding qualification. SUBRECIPIENTS, which are exempt from statutory audit requirements, shall maintain records, which are available for review by COUNTY or Federal officials. SUBRECIPIENT acknowledges that any and all "Financial Statements" submitted to COUNTY pursuant to this COUNTY become Public Records and are subject to public inspection pursuant to Sec. 6250 et seq. of the California Government Code.

33.11 Modifications/Transfers of Real Property:

33.11.1 Any proposed modification or change in use of real property acquired or improved, in whole or in part, by CDBG funds from the use planned at the time of the acquisition or improvement, including disposition, is prohibited.

33.11.2 SUBRECIPIENT shall ensure that any real property under SUBRECIPIENT's control that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000 is either:

33.11.2.1 Used to meet one of the national objectives contained in 24 CFR 570.208 for a period not less than five years, or for such period of time as determined to be appropriate by COUNTY, after expiration of the CONTRACT and close-out of SUBRECIPIENT's participation in the CDBG Program, or, until five years after the close-out of the grant from which the assistance to the property, whichever occurs first; or,

33.11.2.2 Disposed of in a manner which results in COUNTY being reimbursed in an amount equal to the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with paragraph 33.11.2.1 above.

33.12 Labor Standards

33.12.1 SUBRECIPIENT agrees to contact COUNTY no less than fourteen (14) days prior to the Pre-Construction Meeting date to seek consultation regarding application of requirements per federal labor standards regulations or Davis-Bacon related Acts.

33.12.2 SUBRECIPIENT will comply with Davis-Bacon Act and/or State Prevailing Wage requirements, when applicable.

33.12.3 SUBRECIPIENT agrees to comply with all applicable requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, the provisions of CONTRACT work Hours and Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276, 327-333), and all other applicable Federal, State and local laws and regulations pertaining to labor standards. SUBRECIPIENT shall maintain all applicable documentation, which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to COUNTY for review upon request.

- 33.12.4 SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of residential property designed for residential use for less than eight (8) units, all contractors engaged in contracts of \$2,000.00 or more for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this CONTRACT, shall comply with all applicable federal requirements including Department of Labor regulations, under 29 CFR, Parts 3, 1, 5, 7 and 1926 governing the payment of wages and ratio of apprentices and trainees to journeymen. Nothing hereunder is intended to relieve SUBRECIPIENT of its obligation, if any, to require payment of the higher rate under state or local laws SUBRECIPIENT shall insert provisions meeting the requirements of this paragraph in all such CONTRACTS.
- 33.12.5 In case where the Davis-Bacon Act applies, SUBRECIPIENT agrees to submit the Construction Bid Package for this project to DIRECTOR for modification, SUBRECIPIENT shall construct project in accordance with the approved Construction Bid Package.
- 33.13 **California Labor Code Compliance**
- 33.13.1 If Prevailing Wage laws apply, SUBRECIPIENT hereby agrees to pay, or cause its subcontractors to pay, Prevailing Wage rates at all times for all construction, improvements, or modifications to be completed for COUNTY under this CONTRACT. SUBRECIPIENT herein agrees that SUBRECIPIENT shall post, or cause to be posted, a copy of the most current, applicable Prevailing Wage rates at the site where the construction, improvements, or modifications are performed.
- 33.13.2 **Payroll Records**
SUBRECIPIENT agrees that:
Certified copies of all payroll records for this project shall be required pursuant to the provisions of California Labor Code "Section 1776". The reporting format and words of certification shall be as indicated in Title 8 of the California Code of Regulations, Section 16401.
Certified copies of the payroll records of all subcontractors working on this project are required. It shall be the responsibility of the prime contractor to ensure subcontractor compliance.
Certified copies of all payroll records shall be submitted on a weekly basis to COUNTY through the duration of this CONTRACT.
SUBRECIPIENT acknowledges that failure to comply with Section 1776 may result in a forfeiture of twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated, and it should be recognized that a contractor or subcontractor, or agent or representative thereof who neglects to comply is guilty of a misdemeanor pursuant to California Labor Code Section 1777.
- 33.14 **Economic Opportunities**
- 33.14.1 **Compliance**
This Contract is subject to the requirements of 12 USC 1701u, the HUD regulations issued pursuant thereto at 24 CFR, 135.1 et seq., and any applicable rules and orders of HUD issued Federal financial assistance shall be conditioned upon compliance with 12 USC 1701u. Failure to fulfill these requirements shall subject SUBRECIPIENT and

any sub-subrecipients, their successors and assigns, to those remedies specified herein. SUBRECIPIENT certifies and agrees that no conflict exists which would prevent compliance with requirements.

The Contractor agrees to abide by 24 CFR, 135.38, below and will insert the following clause in any subcontracts executed with third parties for work covered by this Contract:

"The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The contractor agree to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts. With respect to work

performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (1) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."

34. Environmental Conditions:

- 34.1 SUBRECIPIENT shall comply with HUD Environmental Review under HUD regulations at 24 CFR 58 et seq., which implement the National Environmental Policy Act (NEPA); and, the California Environmental Quality Act (CEQA). No costs shall be incurred and no funds shall be disbursed prior to certification by COUNTY and/or HUD of environmental compliance.
- 34.2 SUBRECIPIENT shall incur no costs for any project-related activity defined in SUBRECIPIENT SCOPE OF SERVICES and COUNTY shall not disburse funds prior to certification by COUNTY and/or HUD for environmental compliance.
- 34.3 SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.
- 34.4 **Air and Water:** SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:
 - 34.4.1 Clean Air Act, 42 U.S.C., 1857, et seq.
 - 34.4.2 Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.
 - 34.4.3 Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.
- 34.5 **Flood Disaster Protection:** SUBRECIPIENT agrees to comply with the requirements of the Flood Disaster Protection Act of 1973, including as applicable any regulations set forth in 24 CFR 55, (implementing Executive Order 11988) in regard to the sale, lease or other transfer of land acquired, cleared, or improved under the terms of this CONTRACT, as it may apply to the provisions of this CONTRACT.
- 34.6 **Lead-Based Paint:** SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this CONTRACT shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35, particularly, 24 CFR 35.100 through 35.175. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified with the "Protect Your Family From Lead In Your Home" publication, found at <http://www.epa.gov/lead> that such properties may include lead-based paint.
- 34.7 **Historic Preservation:** SUBRECIPIENT agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR 800, Protection of Historic Properties, insofar as they apply to the performance of this CONTRACT.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.

- 34.8 **Energy Efficiency Standards:** SUBRECIPIENT agrees to comply with the California Energy Commission Assembly Bill 970, Title 24, Part I of the California Code of Regulations (AB970: Building Efficiency Energy Standards), in regard to construction and property development, when applicable.

35. General Administration:

- 35.1 **Fair Housing:** SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 570.904.

- 35.2 **Grantor Recognition:** SUBRECIPIENT shall insure recognition of the role of the COUNTY in providing services through this CONTRACT. All activities, facilities and items utilized pursuant to this CONTRACT shall be prominently labeled as to funding source. In addition, SUBRECIPIENT will include a reference to the support provided herein in all publications made possible with funds made available under this CONTRACT. SUBRECIPIENT will retain documentation of such recognition, which shall be available for periodic monitoring by representatives of COUNTY or HUD.

- 35.3 **Records to be Maintained:** SUBRECIPIENT shall maintain all records required by the Federal regulations specified in 24 CFR 570.503(b)(2), 570.506, 570.507, 570.508 that are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but not be limited to:

- 35.3.1 Records providing a full description of each activity undertaken;
- 35.3.2 Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- 35.3.3 Records required to determine the eligibility of activities;
- 35.3.4 Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
- 35.3.5 Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- 35.3.6 Financial records as required by 24 CFR 570.502, and OMB Circular A-87; and
- 35.3.7 Other records necessary to document compliance with Subpart K of 24 CFR 570.
- 35.3.8 **Retention:** SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this CONTRACT for a period of five (5) years after the termination of all activities funded under this CONTRACT, or after the resolution of all Federal audit finding, whichever occurs later. Records for non-expendable property acquired with funds under this CONTRACT shall be retained for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after s/he has received final payment.

35.4 Client Data

- 35.4.1 SUBRECIPIENT shall maintain client data demonstrating client Eligibility for services provided for a period of five (5) years after the termination of all activities funded under this CONTRACT, or after the resolution of all Federal audit finding, whichever occurs later. Such data shall be consistent and include, but not limited to, client name,

address, verifiable income level (as documented by income tax returns, employee payroll records, retirement statements, etc. or other third party documentation acceptable to COUNTY, for determining eligibility), and description of service provided. Such information shall be made available to HUD representatives, COUNTY monitors, or their designees, for review upon request.

- 35.4.2 SUBRECIPIENT shall develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the subject program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.
- 35.5 **Property Records:** SUBRECIPIENT shall maintain real property inventory records, which clearly identify properties purchased, improved, or sold. Properties retained shall continue to meet eligibility criteria, rental limitations, health, safety and building codes, etc., and shall conform to 24 CFR 570.505.
- 35.6 **Close-Out:** SUBRECIPIENT's obligation to COUNTY shall not end until all close-out requirements are completed. Activities during this close-out period shall be completed in accordance with 24 CFR 570.509 and shall include, but are not limited to: making final payments; submitting final invoice(s), report(s), in accordance with the requirements of paragraph 24.3.4 above, and documentation; disposing of program assets (including the return to COUNTY of all unused materials and equipment); remitting any program income balances and receivable accounts to COUNTY, and determining the custodianship of records.
- 35.7 **Equipment:** SUBRECIPIENT shall use, manage and dispose of equipment in accordance with 24 CFR 85.32 and 24 CFR 570.502.
- 35.8 **Subcontracts:**
 - 35.8.1 SUBRECIPIENT shall submit all subcontract agreements to COUNTY for review and consent prior to entering into such subcontracts. For construction subcontracts, SUBRECIPIENT shall submit the Construction Bid Package to COUNTY for review and written approval by DIRECTOR or designee prior to advertising for bids and award for the construction contract. SUBRECIPIENT shall construct Project in accordance with the Construction Bid Package, which DIRECTOR approved, unless prior written approval is received from DIRECTOR for modification thereof.
 - 35.8.2 SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.
 - 35.8.3 SUBRECIPIENT shall cause all of the provisions of this CONTRACT in entirety to be included in and made a part of any subcontract executed in the performance of this CONTRACT.
 - 35.8.4 SUBRECIPIENT shall monitor all subcontracted services on a quarterly basis to assure CONTRACT compliance. Results of said monitoring efforts shall be summarized in written form, and supported with documented evidence of follow-up actions(s) to correct any area(s) of CONTRACT non-compliance. Documentation shall be made available for periodic monitoring by representatives of COUNTY and/or HUD.

35.9 Relocation:

SUBRECIPIENT shall, in all matters relating to the project:

- 35.9.1** Take all reasonable steps to minimize displacement by providing tenants reasonable opportunity to lease and occupy dwelling units in the project being improved; and,
- 35.9.2** Submit to COUNTY a Plan outlining financial and advisory assistance in securing temporary housing for any eligible tenant who is temporarily or permanently relocated due to the project.
- 35.9.3** Comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act/URA, 49 CFR Part 24 and 24 CFR 570.606 for persons displaced by the project; and
- 35.9.4** Have in effect and follow a residential anti-displacement and relocation plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in conjunction with any activity assisted with funding under the subject project.

36. News/Information Release: The SUBRECIPIENT agrees that it will not issue any news releases in connection with either the award of this CONTRACT or any subsequent amendment of or effort under this agreement without first obtaining review and written approval of said news releases from the COUNTY through the COUNTY's Project Manager.

37. Notices: Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the parties' Project Managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

For COUNTY:

County of Orange
OC Community Services
Housing Community Development
1770 North Broadway
Santa Ana, CA 92706-2642

For SUBRECIPIENT:

Bruce Channing, City Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653-3103

38. Ownership of Documents: The COUNTY has permanent ownership of all directly connected and derivative materials produced under this CONTRACT by the SUBRECIPIENT. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the COUNTY and may be used by the COUNTY as it may require without additional cost to

the COUNTY. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the SUBRECIPIENT without the express written consent of the COUNTY.

39. **Precedence:** The CONTRACT documents consist of this CONTRACT and its attachments and exhibits. In the event of a conflict between or among the CONTRACT documents, the order of precedence shall be the provisions of the main body of this CONTRACT, i.e., those provisions set forth in the articles of this CONTRACT, and then the exhibits and attachments.
40. **Project Manager, COUNTY:** The COUNTY shall appoint a Project Manager to act as liaison between the COUNTY and the SUBRECIPIENT during the term of this CONTRACT. The COUNTY's Project Manager shall coordinate the activities of the COUNTY staff assigned to work with the SUBRECIPIENT.
- The COUNTY's Project Manager shall have the right to require the removal and replacement of the SUBRECIPIENT's Project Manager and key personnel. The COUNTY's Project Manager shall notify the SUBRECIPIENT in writing of such action. The SUBRECIPIENT shall accomplish the removal within 14 calendar days after written notice by the COUNTY's Project Manager. The COUNTY's Project Manager shall review and approve the appointment of the replacement for the SUBRECIPIENT's Project Manager and key personnel. Said approval shall not be unreasonably withheld.
41. **Errors and Omissions:** All reports, files and other documents prepared and submitted by SUBRECIPIENT shall be complete and shall be carefully checked by the professional(s) identified by SUBRECIPIENT as Project Manager and key personnel attached hereto, prior to submission to the COUNTY. SUBRECIPIENT agrees that COUNTY review is discretionary and SUBRECIPIENT shall not assume that the COUNTY will discover errors and/or omissions. If the COUNTY discovers any errors or omissions prior to approving SUBRECIPIENT's reports, files and other written documents, the reports, files or documents will be returned to SUBRECIPIENT for correction. Should the COUNTY or others discover errors or omissions in the reports, files or other written documents submitted by SUBRECIPIENT after COUNTY approval thereof, COUNTY approval of SUBRECIPIENT's reports, files or documents shall not be used as a defense by SUBRECIPIENT in any action between the COUNTY and SUBRECIPIENT, and the reports, files or documents will be returned to SUBRECIPIENT for correction.

CONTRACT SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto certify that they have read and understand all the terms and conditions contained herein and have hereby cause this CONTRACT to be executed.

***City of Laguna Hills**

By: 

Title: MAYOR

Dated: May 8, 2012

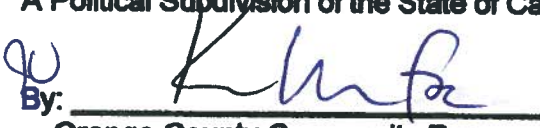
By: 

Title: CITY MANAGER

Dated: May 8, 2012

COUNTY OF ORANGE

A Political Subdivision of the State of California

By: 
Orange County Community Resources

Dated: 8/15/12

**APPROVED AS TO FORM:
COUNTY COUNSEL,**

By: _____
Jacqueline Guzman, DEPUTY

*For SUBRECIPIENTS that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For SUBRECIPIENTS that are not corporations, the person who has authority to bind the SUBRECIPIENT to a CONTRACT, must sign on one of the lines above.



ATTACHMENT A

1. Scope of Services

A. Project Title:

Aliso Meadows Rehabilitation Project

B. HUD Matrix Code / Activity:

14 B Rehab: Multi-Unit Residential / 570.202 (a) (1)

C. Program Description:

The City of Laguna Hills will use CDBG funds to implement its Aliso Meadows Rehabilitation Project. The City project will rehabilitate nine (9) of the 248 units located within the complex that are occupied by very low income households. The rehabilitation will include but not be limited to: a) Exterior wood repairs, b) Heating system repairs, c) Water heaters replacement, d) Water closets repairs, e) Roof replacement/repairs, f) Furnigation, and g) Exterior preparation and painting.

D. Project Need:

The City of Laguna Hills has identified more than \$2,750,000 in needed rehabilitation work at the Aliso Meadows development. The project is more than 30 years old and is pre-fabricated housing that has original, problematic design issued that have generated problems preserving and maintaining this housing stock.

E. Low/Mod Neighborhood Preservation:

This project helps to preserve and maintain affordable housing within the City and allows homeownership for those of extremely-low and low income levels.

The Homeowners' Association (HOA) is unable to fund the large amount of repairs needed to keep this housing stock from being neglected and falling in to a state of disrepair. These repairs are needed to provide safe and healthy living conditions. The HOA has been and continues to be unable to fund many of these needed repairs.

- F. Program Objectives and Outcomes Chart: describe to what extent this activity delivers the desired outcomes in the community or in the lives of the persons assisted.

G.	<u>Activity</u>	<u>Outputs</u>
	1. Rehabilitation	Housing Unit
	<u>Performance Objectives</u>	<u>Performance Outcomes</u>
	1. Decent Housing	Affordable

CDBG National Objective: LMH 570.208 (a)(3)

<u>Outcomes</u>	<u>Job Number</u>
9 Housing Units	KC12024 / 2024



ATTACHMENT B

Compensation/Payment

1. COMPENSATION:

This is a fixed fee price CONTRACT between the COUNTY and the SUBRECIPIENT for \$162,000 as set forth in Attachment A. Scope of Services attached hereto and incorporated herein by reference. The SUBRECIPIENT agrees to accept the specified compensation as set forth in this CONTRACT as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the SUBRECIPIENT of all its duties and obligations hereunder. The COUNTY shall have no obligation to pay any sum in excess of the total CONTRACT amount specified unless authorized by an amendment in accordance with paragraphs C and R of the COUNTY's General Terms and Conditions.

2. FIRM DISCOUNT AND PRICING STRUCTURE:

SUBRECIPIENT guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. SUBRECIPIENT agrees that no price increases shall be passed along to the COUNTY during the term of this CONTRACT not otherwise specified and provided for within this CONTRACT.

3. PAYMENT TERMS:

An invoice for the fixed cost of the services shall be submitted to the address specified below upon the completion of the engagement and approval of the COUNTY Project Manager. SUBRECIPIENT shall reference CONTRACT number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the COUNTY of Orange and verified and approved by OC Community Services and subject to routine processing requirements of the COUNTY. The responsibility for providing an acceptable invoice rests with the SUBRECIPIENT.

Billing shall cover services not previously invoiced. The SUBRECIPIENT shall reimburse the COUNTY of Orange for any monies paid to the SUBRECIPIENT for services not provided or when services do not meet the CONTRACT requirements.

Payments made by the COUNTY shall not preclude the right of the COUNTY from thereafter disputing any items or services involved or billed under this CONTRACT and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

OC Community Resources

1300 S. Grand

Santa Ana, CA 92705,

Attention: Accounts Payable

4. INVOICING INSTRUCTIONS:

The SUBRECIPIENT will provide an invoice on SUBRECIPIENT's letterhead for services rendered. Each invoice will have a number and will include the following information:

1. SUBRECIPIENT's name and address
2. SUBRECIPIENT's remittance address (if different from 1 above)
3. Name of COUNTY Agency Department
4. COUNTY CONTRACT/MASTER AGREEMENT number
5. Service date(s) – Month of Service
6. Rate
7. Delivery Order (DO) / Subordinate Agreement Number
8. Deliverables / Service description (in accordance with Attachment C)
9. SUBRECIPIENT's Federal I. D. number
10. Total

The responsibility for providing an acceptable invoice to the COUNTY for payment rests with the SUBRECIPIENT. Incomplete or incorrect invoices are not acceptable and will be returned to the SUBRECIPIENT for correction. The COUNTY's Project Manager, or designee, is responsible for approval of invoices and subsequent submittal of invoices to the Auditor-Controller for processing of payment.

5. OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY:

Further instructions regarding invoicing/reimbursements as set forth in Exhibit B – OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.



ATTACHMENT C

1. SUBRECIPIENT's Cost Proposal

A. Administration and Program Cost Proposal

Project Cost Budget Chart City of Laguna Hills – Aliso Meadows Rehabilitation Project			
Project Costs/Activity	Urban County Funds	Leveraged Resources	Total
Design/Project Development	N/A	N/A	N/A
Acquisition	N/A	N/A	N/A
Construction	N/A	N/A	N/A
Rehabilitation (9 units)	\$162,000	\$40,000	\$202,000
Total Project Cost	\$162,000	\$40,000	\$202,000

B. Detailed Project Cost Budget Description

Aliso Meadows is a 248 unit condominium complex, approved in 1980 by the County of Orange, providing low and moderate income households an opportunity for ownership. The Aliso Meadows Condominiums stretch along both sides of Via Lomas midway between Moulton Parkway and Alicia Parkway. The repairs need to preserve and maintain this affordable housing are extensive and include the following improvements: repair ducting, wood repairs, painting, install new (30 year) asphalt shingles on roof, replace fencing, bringing water heater closets up to building code and fumigation for termites and rodents.



ATTACHMENT D

1. Staffing Plan

Project Title: Aliso Meadows Rehabilitation Project

**Complete and Submit -- Initial Report due on or before July 1.
(Include name and classification).**

	Name/Staff	Classification/Title
1	David Chantarangsu	Project Manager: Community Development Director
2		
3		
4		
5		
6		
7		
8		
9		
10		

The substitution or addition of other key individuals in any given category or classification shall be allowed only with prior written approval of the COUNTY Project Manager.

The CONTRACTOR may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and time of the service/class required. Assignment of additional key personnel shall be subject to COUNTY approval.

2. Project Administration

The staff members, consultants and vendors have a wealth of municipal experience, including planning, construction/engineering activities, public administration, public finance, and personnel. In addition, the City of Laguna Hills will provide on-going training and staff development relative to customer driven programs and services that

are outcome based. Staff and/or vendors must demonstrate knowledge as well as the skills to provide services that are collaborative and outcome based that build and expands community capacity and civic engagement. Overall, the experience of the principal staff for this project includes the following: over 25 years of Land Use Planning, 25 years of Building and Construction, 20 years of Engineering, 15 years of Public Finance, and 17 years of Public Administration.

3. Project Experience

The City has been awarded CDBG funds for the rehabilitation of Aliso Meadows condos for the past eight years. During this time the city has made positive steps towards maintaining and preserving this affordable housing stock.



ATTACHMENT E

1. **Project Schedule**
July 1 – CONTRACT Start Date
2. **Tools to Measure Project's Effect – Aliso Meadows Rehabilitation Project**

Milestone Date	Minimum Required Expenditure/ Accomplishment Threshold	Activity Results Achieved
December 15th	50% of Contracted Amount Expended	\$81,000.00
	50% of Proposed Accomplishments Achieved	4 Housing Units
January 15th	70% of Contracted Amount Expended	\$113,400.00
	70% of Proposed Accomplishments Achieved	6 Housing Units
March 15th	80% of Contracted Amount Expended	\$129,600.00
	80% of Proposed Accomplishments Achieved	7 Housing Units

3. **Performance can easily be measured by the number of units rehabilitated and the schedule of performance. This rehabilitation will take between 90-120 days for construction.**

EXHIBIT A

County of Orange Child Support Enforcement Certification Requirements

In order to comply with child support enforcement requirements of the County of Orange, within ten (10) days of award of CONTRACT, the successful SUBRECIPIENT must furnish to the CONTRACT Administrator, Purchasing Agent or the agency/department Deputy Purchasing Agent:

1. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address;
2. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity; A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and
3. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

The certifications will be stated as follows:

"I certify that City of Laguna Hills is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT # 613031 with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the SUBRECIPIENT to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the CONTRACT. Failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.

The successful SUBRECIPIENT may use the forms supplied herein, to furnish required information listed above.

County of Orange Child Support Enforcement
Certification Requirements
(blank form)

- A. In the case of an individual SUBRECIPIENT, his/her name, date of birth, Social Security number, and residence address:

Name: _____

D.O.B: _____

Social Security No: _____

Residence Address: _____

- B. In the case of a SUBRECIPIENT doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity:

Name: _____

D.O.B: _____

Social Security No: _____

Residence Address: _____

Name: _____

D.O.B: _____

Social Security No: _____

Residence Address: _____

Name: _____

D.O.B: _____

Social Security No: _____

Residence Address: _____

(Additional sheets may be used if necessary)

- C. A certification that the SUBRECIPIENT has fully complied with all applicable federal and state reporting requirements regarding its employees; and
- D. A certification that the SUBRECIPIENT has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

"I certify that City of Laguna Hills is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of CONTRACT # 613031 with the County of Orange. I understand that failure to comply shall constitute a material breach of the CONTRACT and that failure to cure such breach within ten (10) calendar days of notice from the COUNTY shall constitute grounds for termination of the CONTRACT.



Bruce E. Channing

City Manager

Authorized Signature

Print Name

Title

EXHIBIT B

 ORANGE COUNTY
Community Resources
Our Community. Our Commitment.

**Subject: OC Community Resources
Contract Reimbursement Policy**

**Effective: July 1, 2010
Revised: April 13, 2012**

PURPOSE:

This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services. The procedures provide instructions for submitting reimbursement demand letter or invoice.

EFFECTIVE DATE:

July 1, 2010

REVISION DATE:

April 13, 2012

REFERENCES:

Executed Board of Supervisors approved contract
Budget included in contract or presented as an exhibit
OMB Circular A-21 Cost Principles for Educational Institutions
OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-122 Cost Principles for Non-Profit Organizations
48 CFR Part 31 Contract Cost Principles and Procedures
24 CFR Parts 85, 570.502, 570.201, 576.21, 576.51 and 576.61: For Housing & Community Development and Homeless Prevention Contracts only.

BACKGROUND:

The executed Board of Supervisors approved contract is the authorization for all aspects of payment, including the maximum amount to be paid, the payee, and the scope of services and work. Payments are made in strict accordance with the contract terms. Allowable costs are identified in referenced OMB Circulars and Code of Federal Regulations (CFR).

ATTACHMENTS:

Reimbursement Policy Status Form (RPS-1)

POLICY:

Contractor is responsible for the submission of accurate claims. This reimbursement policy is intended to ensure that the Contractor is reimbursed based on the code or codes that correctly describe the services provided. This information is intended to serve only as a general reference resource regarding OC Community Services' reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services may use reasonable discretion in interpreting and applying this policy to services provided in a particular case. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates and County directives. OC Community Services may modify this reimbursement policy at any time by publishing a new version of the policy. However, the information presented in this policy is accurate and current as of the date of publication.

Cost incurred by contractor must be substantiated and incurred during the contract period. Total of all reimbursements cannot exceed the amount of the contract. Cost must be allowable under applicable OMB Circular or CFR. All supporting documentation for reimbursement must be submitted with demand letter or invoice. If contract requires matching

contribution, documentation substantiating contribution match must be submitted with demand letter or invoice.

At any time, based on County's business needs and/or Contractor's performance, the County may designate Contractor to submit abbreviated or comprehensive documentation, as identified in the respective sections. Upon designation, Contractor will be notified, in writing via Reimbursement Policy Status Form, of which requirements are in full force. When Contractor is required to submit comprehensive documentation, in addition to the items identified in the Abbreviated Documentation Requirements Section, Contractor must also provide the documentation identified in the Comprehensive Documentation Requirements Section.

PROCEDURES:

Abbreviated Documentation Requirements

Compile and submit:

1. Supporting documentation includes, but is not limited to:
 - a. General ledger/expense transaction report
 - b. Payroll register or labor distribution report
 - c. Payroll allocation plan
 - d. Personnel Documentation
 - e. Benefit plan and calculation of benefit
 - f. Employer-employee contract for non-customary benefits (if applicable)
 - g. Pre-approval documentation for equipment purchases equal to or greater than \$5,000
2. The following is required with the first month's invoice only:
 - a. Cost allocation plan for rent, utilities, etc.
 - b. Indirect rate approved by cognizant agency (if applicable)
3. Summary of leveraged resources (if applicable)
4. Demand letters must contain the following certification (if required by Contract):
"I certify under the penalty of perjury that this claim is true and correct and that the requested payments have been made. I also certify that this claim agrees with our official payroll and financial records and that these amounts have not been, or will not be claimed from any other funding source"
5. Grantee Performance Report (if required by Contract)
6. Supporting documentation shall be on single-sided sheets
7. Please redact employees' Social Security numbers from payroll reports
8. Demand letter or invoice, along with supporting documentation shall be submitted to:
OC Community Resources Accounting
1300 S. Grand, Building B, 2nd Floor
Santa Ana, CA 92705

Comprehensive Documentation Requirements

In addition to abbreviated documentation, compile and submit:

9. Purchase orders, invoices, and receipts
10. Cashed checks
11. Check register
12. Consultant/sub-contractor invoices (with description of services)
13. Travel expense documentation: mileage reimbursement, hotel bill, meal reimbursement

ACTION:

Distribute this policy to all appropriate staff

INQUIRIES:

Inquiries may be directed to the following:

- Win Swe: 714-480-6532 or win.swe@occr.ocgov.com
- Cathy Tran: 714-480-6531 or cathy.tran@occr.ocgov.com

Certification for a Drug-Free Workplace

Exhibit C

U.S. Department of Housing
and Urban Development

Applicant Name _____

Program/Activity Receiving Federal Grant Funding _____

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees —

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will —

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted —

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. Sites for Work Performance. The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☒ if there are workplaces on file that are not identified on the attached sheets

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.
(18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Bruce E. Channing

Title

City Manager

Signature

Date

X

May 8, 2012

form HUD-50070 (3/98)
ref. Handbooks 7417.1, 7475.13, 7485.1 & 3

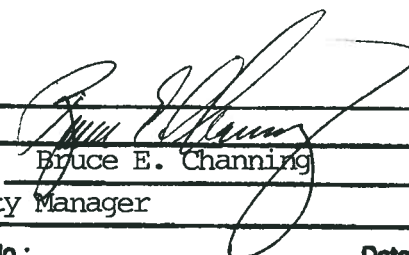
EXHIBIT D

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB
0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: ☐ a. contract ☐ b. grant ☐ c. cooperative agreement ☐ d. loan ☐ e. loan guarantee ☐ f. loan insurance		2. Status of Federal Action: ☐ a. bid/offer/application ☐ b. initial award ☐ c. post-award		3. Report Type: ☐ a. initial filing ☐ b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: ☐ Prime ☐ Subawardee Tier _____ if known: Congressional District, if known: 4c			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:		
6. Federal Department/Agency:			7. Federal Program Name/Description: CFDA Number, if applicable: _____		
8. Federal Action Number, if known:			9. Award Amount, if known: \$ _____		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):		
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature:  Print Name: Bruce E. Channing Title: City Manager Telephone No.: _____ Date: 5/8/2012		
Federal Use Only:				Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-00-001 -"
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0048. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0048), Washington, DC 20503.





**SECOND AMENDMENT
TO CONTRACT
BETWEEN THE
COUNTY OF ORANGE
AND
CITY OF LAGUNA HILLS
FOR
THE PROVISION OF COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
(CFDA Number 14.218)
HOUSING REHABILITATION**

This AMENDMENT to Contract #12-613031, hereinafter referred to as "Second Amendment," is made and entered into or upon execution of all necessary signatures between the County of Orange, a political subdivision of the State of California, hereinafter referred to as "COUNTY" and City of Laguna Hills, a municipal corporation in the State of California, hereinafter referred to as "SUBRECIPIENT," which are sometimes individually referred to as "PARTY," or collectively referred to as "PARTIES."

RECITALS:

WHEREAS, COUNTY and SUBRECIPIENT entered into Contract Number 12-613031 (Job Number KC12024 – IDIS Number 2024) (hereinafter referred to as "Original Contract"), for the Aliso Meadows Rehabilitation Project, commencing on July 1, 2012 and ending on June 30, 2013 in the amount of \$162,000.00; and

WHEREAS, on May 24, 2013, the PARTIES authorized execution of the First Amendment to the amended Contract to extend the term of the CONTRACT for an additional six (6) months, beginning July 1, 2013 and ending December 31, 2013; to amend Section 24.3.3 "Payment Requirements" to include revised Milestone Dates; and amend Section 26.3 "Performance" to include revised Milestone Dates; and

WHEREAS, COUNTY desires to renew the term of the CONTRACT for an additional one year term commencing July 1, 2013 and ending June 30, 2014; and provide additional compensation to SUBRECIPIENT in an amount of \$80,000.00 (Job Number KC13056 – IDIS Number 2056) up to a maximum obligation of \$242,000; and

WHEREAS, PARTIES desire to amend Section 24.3.3 "Payment Requirements" to include revised Milestone Dates; and

WHEREAS, PARTIES desire to amend Section 26.3 "Performance" to include revised Milestone Dates; and

WHEREAS, PARTIES desire to revise Attachment A, Scope of Services with Attachment A-1 attached hereto and incorporated herein by this reference; and

WHEREAS, PARTIES desire to revise Attachment B, Compensation/Payment with Attachment B-1 attached hereto and incorporated herein by this reference; and

WHEREAS, PARTIES desire to revise Attachment C, SUBRECIPIENT's Cost Proposal with Attachment C-1 attached hereto and incorporated herein by this reference; and

WHEREAS, PARTIES desire to revise Attachment D, Staffing Plan with Attachment D-1 attached hereto and incorporated herein by this reference; and

WHEREAS, PARTIES desire to revise Attachment E, Project Schedule with Attachment E-1 attached hereto and incorporated herein by this reference; and

WHEREAS, COUNTY replaces Exhibit B "OC Community Resources Contract Reimbursement Policy" with Exhibit B-1 attached hereto and incorporated herein by reference:

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, both PARTIES mutually agree to amend as follows:

1. The CONTRACT is amended to renew the term of the CONTRACT beginning July 1, 2013 and ending June 30, 2014.
2. The CONTRACT is amended to revise FY 2013-14 Milestone Dates to:

January 15, 2014	50% of Contracted Amount Expended
March 15, 2014	70% of Contracted Amount Expended
April 15, 2014	80% of Contracted Amount Expended
3. The CONTRACT is amended to revise FY 2013-14 Milestone Dates to:

January 15, 2014	50% of Proposed Accomplishments Met
March 15, 2014	70% of Contracted Amount Expended
April 15, 2014	80% of Proposed Accomplishments Met
4. The attached Attachment A-1 replaces Attachment A.
5. The attached Attachment B-1 replaces Attachment B.
6. The attached Attachment C-1 replaces Attachment C.
7. The attached Attachment D-1 replaces Attachment D.

8. The attached Attachment E-1 replaces Attachment E.
9. The attached Exhibit B-1 replaces Exhibit B.

Except as otherwise expressly set forth herein, all terms and conditions contained in the Original Contract, including any amendments/modifications, are hereby incorporated herein by this reference as if fully set forth herein and shall remain in full force and effect.

THE REMAINDER OF THE PAGE WAS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the PARTIES hereto have executed this Second Amendment on the dates below their respective signatures:

***CITY OF LAGUNA HILLS**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

*For Contractors that are corporations, signature requirements are as follows: 1) One signature by the Chairman of the Board, the President or any Vice President; and 2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.

For Contractors that are not corporations, the person who has authority to bind the contractor to a contract, must sign on one of the lines above.

COUNTY OF ORANGE

A Political Subdivision of the State of California

By: _____

Dated: _____

Steve Franks, Director
OC Community Resources



ATTACHMENT A-1

1. **Scope of Services**

A. HUD Matrix Code / Activity

14b-Rehab; Multi-Unit Residential / 570.202 (a)(1)

B. Project Title:

Aliso Meadows Rehabilitation Project City of Laguna Hills

C. Program Description:

The City of Laguna Hills will use CDBG funds to Aliso Meadows Rehabilitation project. The city project will rehabilitate six (6) of the 248 units located within the complex that is occupied by very low income households. Rehabilitation will include but not limited to exterior wood repairs, heating system repairs, water heater replacement, water closet repairs, roof replacements/repairs, fumigation, exterior preparation and painting.

D. Project Need:

The City of Laguna Hills has identified more than \$2,750,000 in needed rehabilitation work at the Aliso Meadows development. The project is more than 30 years old and is pre-fabricated housing that has original, problematic design issues that have generated problems preserving and maintaining this housing stock.

E. Low/Mod Neighborhood Preservation:

This project helps preserve and maintain affordable housing within the City and allows homeownership for those of extremely-low and low income levels. The Homeowners Association (HOA) is unable to fund the large amount of repairs

needed to keep this housing stock from being neglected and falling in to a state of disrepair. These repairs are needed to provide safe and healthy living conditions. The HOA has been and continues to be unable to fund many of these needed repairs.

F. Program Objectives and Outcomes Chart:

G.	<u>Activity</u>	<u>Outputs</u>
	1. Rehabilitation	Housing Units
	<u>Performance Objectives</u>	<u>Performance Outcomes</u>
	1. Decent Housing	Affordable

CDBG National Objective LMH 570.208(a)(3)

<u>Outcomes</u>	<u>Job Number</u>
6 Housing Units	KC13041 / 2041



ATTACHMENT B-1

Compensation/Payment

1. **COMPENSATION:**

This is a fixed fee price CONTRACT between the COUNTY and the SUBRECIPIENT for **\$80,000** as set forth in Attachment A-1. Scope of Services attached hereto and incorporated herein by reference. The SUBRECIPIENT agrees to accept the specified compensation as set forth in this CONTRACT as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the SUBRECIPIENT of all its duties and obligations hereunder. The COUNTY shall have no obligation to pay any sum in excess of the total CONTRACT amount specified unless authorized by an amendment in accordance with paragraphs C and R of the COUNTY's General Terms and Conditions.

2. **FIRM DISCOUNT AND PRICING STRUCTURE:**

SUBRECIPIENT guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. SUBRECIPIENT agrees that no price increases shall be passed along to the COUNTY during the term of this CONTRACT not otherwise specified and provided for within this CONTRACT.

3. **PAYMENT TERMS:**

An invoice for the fixed cost of the services shall be submitted to the address specified below upon the completion of the engagement and approval of the COUNTY Project Manager. SUBRECIPIENT shall reference CONTRACT number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the COUNTY of Orange and verified and approved by OC Community Services and subject to routine processing requirements of the COUNTY. The responsibility for providing an acceptable invoice rests with the SUBRECIPIENT.

Billing shall cover services not previously invoiced. The SUBRECIPIENT shall reimburse the COUNTY of Orange for any monies paid to the SUBRECIPIENT for services not provided or when services do not meet the CONTRACT requirements.

Payments made by the COUNTY shall not preclude the right of the COUNTY from thereafter disputing any items or services involved or billed under this CONTRACT and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

OC Community Resources

1300 S. Grand

Santa Ana, CA 92705,

Attention: Accounts Payable

4. **INVOICING INSTRUCTIONS:**

Further instructions regarding invoicing/reimbursement as set forth in Exhibit B-1, OC Community Resources CONTRACT Reimbursement Policy, are attached hereto and incorporated herein by reference.

The CONTRACTOR will provide an invoice on CONTRACTOR's letterhead for services rendered. Each invoice will have a number and will include the following information:

The Demand Letter/Invoice must include Delivery Order (DO) Number, Contract Number, Service date(s) – Month of Service along with other required documentation (See Exhibit B-1).

5. **OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY:**

Further instructions regarding invoicing/reimbursements as set forth in Exhibit B-1, —OC Community Resources Contract Reimbursement Policy, are attached hereto and incorporated herein by reference.



ATTACHMENT C-1

1. SUBRECIPIENT's Cost Proposal

A. Administration and Program Cost Proposal

Project Cost Budget Chart City of Laguna Hills – Aliso Meadows Rehabilitation			
Project Costs/Activity	Urban County Funds	Leveraged Resources	Total
Design/Project Development		\$10,000.00	\$10,000.00
Acquisition	N/A	N/A	N/A
Construction/Rehabilitation	\$ 80,000.00	N/A	\$80,000.00
Project Management / Inspections		\$25,000.00	\$25,000.00
Total Project Cost	\$80,000.00	\$35,000.00	\$115,000.00

B. Detailed Project Cost Budget Description

Aliso Meadows is a 248 unit condominium complex. The Aliso Meadows Condominiums stretch along both sides of Via Lomas midway between Moulton Parkway and Alicia Parkway. The repairs need to preserve and maintain this affordable housing are extensive and include the following improvements: repair ducting, wood repairs, painting, install new (30 year) asphalt shingles on roof, replace fencing, bringing water heater closets up to building code and fumigation for termites and rodents.



ATTACHMENT D-1

1. Staffing Plan

Project Title: Aliso Meadows Rehabilitation Project

Complete and Submit – Initial Report due on or before July 1.

(Include name and classification).

	Name/Staff	Classification/Title
1	David Chantarangsu	Project Manager: Community Development Director
2		
3		
4		
5		
6		
7		
8		
9		
10		

The substitution or addition of other key individuals in any given category or classification shall be allowed only with prior written approval of the COUNTY Project Manager.

The CONTRACTOR may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and time of the service/class required. Assignment of additional key personnel shall be subject to COUNTY approval.

2. Project Administration

The staff members, consultants and vendors have a wealth of municipal experience, including planning, construction/engineering activities, public administration, public finance, and personnel. In addition, the City of Laguna Hills will provide on-going training and staff development relative to customer driven programs and services that

are outcome based. Staff and/or vendors must demonstrate knowledge as well as the skills to provide services that are collaborative and outcome based that build and expands community capacity and civic engagement. Overall, the experience of the principal staff for this project includes the following: over 25 years of Land Use Planning, 25 years of Building and Construction, 20 years of Engineering, 15 years of Public Finance, and 17 years of Public Administration.

3. Project Experience

The City has been awarded CDBG funds for the rehabilitation of Aliso Meadows condos for the past eight years. During this time the city has made positive steps towards maintaining and preserving this affordable housing stock.



ATTACHMENT E-1

1. Project Schedule

July 1, 2013 – CONTRACT Start Date

2. Tools to Measure Project's Effect – Aliso Meadows Rehabilitation Project

Milestone Date	Minimum Required Expenditure/ Accomplishment Threshold	Activity Results Achieved
January 15th, <u>2014</u>	50% of Contracted Amount Expended	\$40,000.00
	50% of Proposed Accomplishments Achieved	3 Housing Units
March 15th, <u>2014</u>	70% of Contracted Amount Expended	\$56,000.00
	70% of Proposed Accomplishments Achieved	4 Housing Units
April 15th, <u>2014</u>	80% of Contracted Amount Expended	\$64,000.00
	80% of Proposed Accomplishments Achieved	5 Housing Units

3. Performance can easily be measured by the number of units rehabilitated and the schedule of performance. This rehabilitation will take between 90-120 days for construction.



**Subject: OC Community Resources
Contract Reimbursement Policy**

Effective: July 1, 2010
Revised: February 26, 2013

PURPOSE:

This policy contains updated fiscal documentation requirements for contract reimbursement for OC Community Services. The procedures provide instructions for submitting reimbursement demand letter or invoice.

EFFECTIVE DATE:

July 1, 2010

REVISION DATE:

April 13, 2012

REFERENCES:

Executed Board of Supervisors approved contract
Budget included in contract or presented as an exhibit
OMB Circular A-21 Cost Principles for Educational Institutions
OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
OMB Circular A-122 Cost Principles for Non-Profit Organizations
48 CFR Part 31 Contract Cost Principles and Procedures
24 CFR Parts 85, 570.502, 570.201, 576.21, 576.51 and 576.61: For Housing & Community Development and Homeless Prevention Contracts only.

BACKGROUND:

The executed Board of Supervisors approved contract is the authorization for all aspects of payment, including the maximum amount to be paid, the payee, and the scope of services and work. Payments are made in strict accordance with the contract terms. Allowable costs are identified in referenced OMB Circulars and Code of Federal Regulations (CFR).

ATTACHMENTS:

Reimbursement Policy Status Form (RPS-1)

POLICY:

Contractor is responsible for the submission of accurate claims. This reimbursement policy is intended to ensure that the Contractor is reimbursed based on the code or codes that correctly describe the services provided. This information is intended to serve only as a general reference resource regarding OC Community Services' reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, OC Community Services may use reasonable discretion in interpreting and applying this policy to services provided in a particular case. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates and County directives. OC Community Services may modify this reimbursement policy at any time by publishing a new version of the policy. However, the information presented in this policy is accurate and current as of the date of publication.

Cost incurred by contractor must be substantiated and incurred during the contract period.

Total of all reimbursements cannot exceed the amount of the contract. Cost must be allowable under applicable OMB Circular or CFR. All supporting documentation for reimbursement must be submitted with demand letter or invoice. If contract requires matching

contribution, documentation substantiating contribution match must be submitted with demand letter or invoice.

At any time, based on County's business needs and/or Contractor's performance, the County may designate Contractor to submit abbreviated or comprehensive documentation, as identified in the respective sections. Upon designation, Contractor will be notified, in writing via Reimbursement Policy Status Form, of which requirements are in full force. When Contractor is required to submit comprehensive documentation, in addition to the items identified in the Abbreviated Documentation Requirements Section, Contractor must also provide the documentation identified in the Comprehensive Documentation Requirements Section.

PROCEDURES:

Abbreviated Documentation Requirements

Compile and submit:

1. Supporting documentation includes, but is not limited to:
 - a. General ledger/expense transaction report
 - b. Payroll register or labor distribution report
 - c. Payroll allocation plan
 - d. Personnel Documentation
 - e. Benefit plan and calculation of benefit
 - f. Employer-employee contract for non-customary benefits (if applicable)
 - g. Pre-approval documentation for equipment purchases equal to or greater than \$5,000
2. The following is required with the first month's invoice only:
 - a. Cost allocation plan for rent, utilities, etc.
 - b. Indirect rate approved by cognizant agency (if applicable)
3. Summary of leveraged resources (if applicable)
4. Demand letters must contain the following certification (if required by Contract):
"I certify under the penalty of perjury that this claim is true and correct and that the requested payments have been made. I also certify that this claim agrees with our official payroll and financial records and that these amounts have not been, or will not be claimed from any other funding source"
5. Grantee Performance Report (if required by Contract)
6. Supporting documentation shall be on single-sided sheets
7. Please redact employees' Social Security numbers from payroll reports
8. Demand letter or invoice, along with supporting documentation shall be submitted to:
OC Community Resources Accounting
1300 S. Grand, Building B, 2nd Floor
Santa Ana, CA 92705

Comprehensive Documentation Requirements

In addition to abbreviated documentation, compile and submit:

9. Purchase orders, invoices, and receipts
10. Cashed checks
11. Check register
12. Consultant/sub-contractor invoices (with description of services)
13. Travel expense documentation: mileage reimbursement, hotel bill, meal reimbursement

ACTION:

Distribute this policy to all appropriate staff

INQUIRIES:

Inquiries may be directed to the following:

- Win Swe: 714-480-6532 or win.swe@occr.ocgov.com
- Jenny Cao: 714-480-6531 or jenny.coa@occr.ocgov.com

fields, and it was a collective decision that Cabot Park was the best location. Fortunately the design landscape architect agreed, and the City Council adopted this as a major plan for this fiscal biennial budget period.

THE CITY COUNCIL APPROVED THE DESIGN OF THE "50/70" LITTLE LEAGUE BASEBALL FIELD FOR THE LOWER FIELD OF CABOT PARK AS PREPARED BY RICHARD FISHER ASSOCIATES AND DIRECTED STAFF TO IMPLEMENT THE DESIGN, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

4.11 2013 FOURTH OF JULY POST EVENT REPORT

Council Member Bressette stated that he appreciated the report and the fact that staff would be soliciting proposals from firework vendors. Council Member Bressette suggested that another great source of information would be the Orange County Fire Authority who was working with CalFire to get a feel for what occurred statewide on July fourth of this year.

THE CITY COUNCIL RECEIVED AND FILED THE REPORT, BY M/COUNCIL MEMBER BRESSETTE, S/COUNCIL MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

5. PLANNING AGENCY

Mayor Kogerman recessed the City Council meeting and acting in the capacity of Chair, called the regular meeting of the Planning Agency of the City of Laguna Hills, California, to order at 7:56 PM.

5.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Kogerman, Vice Chair Blount, Agency Member Bressette, Agency Member Carruth, and Agency Member Gilbert.

5.2 PUBLIC COMMENTS

There were no Public Comments.

5.3 MINUTES

5.3.1 REGULAR MEETING, JULY 9, 2013

MOTION TO APPROVE THE MINUTES OF THE JULY 9, 2013, REGULAR MEETING, BY M/AGENCY MEMBER BRESSETTE, S/VICE CHAIR BLOUNT.

APPROVED BY A VOTE OF 5-0.

5.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

5.5 PLANNING AGENCY PUBLIC HEARINGS**5.5.1 CONDITIONAL USE PERMIT NO. 08-13-2636, A REQUEST TO OPERATE A PET GROOMING BUSINESS AT 27001 MOULTON PARKWAY, SUITE A116, IN THE (CC) COMMUNITY COMMERCIAL ZONING DISTRICT**

Chair Kogerman opened the Public Hearing and upon seeing no one rise, closed the Public Hearing.

THE PLANNING AGENCY ADOPTED RESOLUTION NO. PA2013-08-27-1, A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 08-13-2636, A REQUEST TO OPERATE A PET GROOMING BUSINESS AT 27001 MOULTON PARKWAY, SUITE A116, IN THE (CC) COMMUNITY COMMERCIAL ZONING DISTRICT, BY M/AGENCY MEMBER BRESSETTE, S/AGENCY MEMBER CARRUTH.

APPROVED BY A VOTE OF 5-0.

PLANNING AGENCY ADJOURNMENT

Mayor Kogerman reconvened the City Council Meeting at 8:00 PM. All Council Members were present.

6. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

7. ADMINISTRATIVE REPORTS**7.1 City Manager****7.1.1 EMPLOYMENT CLASSIFICATIONS, SALARY RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL AND PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY****RECESS AND RECONVENE**

Mayor Kogerman recessed the meeting at 9:55 PM and reconvened the meeting at 10:01 PM. All Council Members were present.

THE CITY COUNCIL APPROVED STAFF'S RECOMMENDED SCENARIO 4 APPROACH WITH REGARD TO ESTABLISHING THE NEW SALARY RANGES AND EMPLOYEE CONTRIBUTIONS TO PERS AND HEALTH CARE PREMIUMS, BUT ONLY FOR ONE-YEAR (FY 2013-14); AND TO BRING ALL MANAGEMENT AND CONFIDENTIAL POSITION RANGES UP TO 5% ABOVE THE COUNTY AVERAGE; TO THEN ADD A 1.4 % COST OF LIVING INCREASE FOR ALL FULL TIME EMPLOYEES; TO DELETE THE PARAGRAPH AT THE BOTTOM OF PAGE 1 AND TOP OF PAGE 2 OF THE PROPOSED SALARY RESOLUTION, AND TO BRING BACK A REVISED RESOLUTION AT THE SEPTEMBER 10, 2013, CITY COUNCIL MEETING THAT REFLECTS THESE CHANGES, BY



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: BRUCE E. CHANNING
CITY MANAGER**

**ISSUE: EMPLOYMENT CLASSIFICATIONS, SALARY RANGES AND BENEFITS
FOR MANAGEMENT, CONFIDENTIAL AND PART-TIME CLASSES OF
EMPLOYMENT WITH THE CITY**

**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION
ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA
HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND ESTABLISHING SALARY
RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL, AND PART-TIME
CLASSES OF EMPLOYMENT WITH THE CITY AND RESCINDING RESOLUTION
NO. 2011-07-12-2."**

SUMMARY:

It has been the City's practice to adopt a Salary and Benefits Resolution in conjunction with the adoption of the Biennial Budget to govern salary and benefits for the two year budget cycle in a manner consistent with the adopted budget. This time around, the proposed Resolution is different in that it doesn't cover full-time and extended part-time employees who are members of the Laguna Hills City Employees Association (Association). Those employees are covered by the three-year Memorandum of Understanding (MOU) entered into between the City and the Association. It is nevertheless necessary for the City Council to adopt a Salary and Benefits Resolution that will establish salary ranges and benefits for management, confidential and part-time classes of employment (i.e., the employees not covered by the MOU). Staff prepared such a Resolution for the City Council's consideration at the July 9, 2013 and the August 27, 2013 meetings. At the August 27, 2013 meeting, the City Council discussed the proposed Resolution at length and by majority vote, directed staff to bring back a revised Resolution that sets forth the salary and benefits for Fiscal Year 2013-2014.

BACKGROUND:

Prior to November 27, 2012, all employment classifications, positions, salaries and benefits were governed by a Salary and Benefits Resolution that was typically adopted biennially in conjunction with the City's Biennial Budget cycle. However, on November 27, 2012, the City Council approved a Memorandum of Understanding (MOU) with Laguna Hills City Employees Association (Association); the exclusive bargaining representative for all regular full-time, and extended part-time non-management and non-confidential employees. All issues related to employment, including salary and benefits, as they pertain to represented employees, are exclusively governed by the terms of the MOU. The City's current Salary and Benefits Resolution No. 2011-07-12-2 no longer applies to represented employees. It does continue to apply to all unrepresented (management, confidential and part-time) employees. It has therefore become necessary for the City Council to rescind Resolution No. 2011-07-12-2 and adopt a new resolution that eliminates all references to represented full-time and extended part-time employees and to make other appropriate changes to salaries, pay and benefits.

At the August 27, 2013 meeting, the City Council discussed the proposed Resolution at length. A copy of the August 27, 2013, staff report is attached to this report for easy reference. The City Council approved the following motion, which provided direction to staff regarding a revised Resolution:

"That the City Council approve staff's recommended scenario 4 approach with regard to establishing the new salary ranges and employee contributions to PERS and health care premiums, but only for one-year (FY2013-14); and to bring all management and confidential employee position ranges up to 5% above the County average; to then add a 1.4% cost of living increase for all full time employees; to delete the paragraph at the bottom of page 1 and top of page 2 of the proposed salary Resolution, and to bring back a revised Resolution at the September 10, 2013, City Council meeting that reflects these changes."

Staff has revised the August 27, 2013, proposed Resolution accordingly; a red-line version of which is attached to this report. Also, attached to this report is the proposed final Resolution for the City Council's approval.

FISCAL IMPACT:

For the City, the proposed Resolution represents a 1.48% cost increase (\$22,038) in affected management costs (salaries, PERS Employer Contribution, PARS, Medicare, PERS Employee Contribution, and Health Insurance Premiums) over the actual costs incurred in FY 2012-13. Total personnel costs budgeted for FY 2013-14 are \$4,681,742. Staff has analyzed the fiscal impact of the proposed Resolution, along with known salary adjustments for all employees, and insurance premium changes. With the adoption of the

attached Resolution, the total projected personnel costs for the City for FY 2013-14 is \$4,672,000, which is almost \$10,000 below budget.

ATTACHMENTS:

- August 27, 2013 Staff Report regarding Employment Classifications, Salary Ranges and Benefits for Management, Confidential and Part-time Classes of Employment with the City.
- Proposed Salary and Benefits Resolution Redline Version from the August 27, 2013 agenda.
- Final Resolution



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: AUGUST 27, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: BRUCE E. CHANNING
CITY MANAGER**

**ISSUE: EMPLOYMENT CLASSIFICATIONS, SALARY RANGES AND BENEFITS
FOR MANAGEMENT, CONFIDENTIAL AND PART-TIME CLASSES OF
EMPLOYMENT WITH THE CITY**

**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION
ENTITLED, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA
HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND ESTABLISHING SALARY
RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL, AND PART-TIME
CLASSES OF EMPLOYMENT WITH THE CITY AND RESCINDING RESOLUTION NO.
2011-07-12-2."**

SUMMARY:

It has been the City's practice to adopt a Salary and Benefits Resolution in conjunction with the adoption of the Biennial Budget to govern salary and benefits for the two year budget cycle in a manner consistent with the adopted budget. This time around, the proposed Resolution is different in that it doesn't cover full-time and extended part-time employees who are members of the Laguna Hills City Employees Association (Association). Those employees are covered by the three-year Memorandum of Understanding (MOU) entered into between the City and the Association. It is nevertheless necessary for the City Council to adopt a Salary and Benefits Resolution that will establish salary ranges and benefits for management, confidential and part-time classes of employment (i.e., the employees not covered by the MOU). Staff prepared such a Resolution for the City Council's consideration at the July 9, 2013 meeting. The City Council discussed the proposed Resolution at length, provided comments and directed staff to return to this meeting with options and a new recommended Resolution based on those comments.

BACKGROUND:

Prior to November 27, 2012, all employment classifications, positions, salaries and benefits were governed by a Salary and Benefits Resolution that was typically adopted biennially in conjunction with the City's Biennial Budget cycle. However, on November 27, 2012, the City Council approved a Memorandum of Understanding (MOU) with Laguna Hills City Employees Association (Association); the exclusive bargaining representative for all regular full-time, and extended part-time non-management and non-confidential employees. All issues related to employment, including salary and benefits, as they pertain to represented employees, are exclusively governed by the terms of the MOU. The City's current Salary and Benefits Resolution No. 2011-07-12-2 no longer applies to represented employees. It does continue to apply to all unrepresented (management, confidential and part-time) employees. It has therefore become necessary for the City Council to rescind Resolution No. 2011-07-12-2 and adopt a new resolution that eliminates all references to represented full-time and extended part-time employees and to make other changes to salaries, pay and benefits as deemed appropriate.

Salaries and Compensation History

Since February of 2011, management compensation has been available for the public's inspection on the City's web site. There are three years of compensation data on the web site: 2010, 2011 and 2012. The compensation report is updated annually by the end of February of each year. Staff has performed an analysis of this data and included compensation from calendar year 2009. Using total regular compensation as listed in the online compensation report, comparisons reveal that overall management compensation has decreased significantly. Using 2009 as a base year and adjusting for inflation, overall management compensation was reduced by about \$39,000 in 2010, \$125,000 in 2011, and \$184,000 in 2012. Over the past three years, reductions in management compensation have saved the City a total of \$347,000. These savings are primarily the result of the following factors:

- Since July 1, 2008, there has been only one cost-of-living adjustment (COLA) in management salary ranges. Pursuant to Resolution No. 2011-07-12-2, management, along with all other non-management and extended part-time employees, received a 1.3% COLA on July 1, 2012.
- The City Manager has not received a bonus since 2009.
- In 2011, the City Council defunded the City's Management Incentive Program whereby managers could earn up to 10% performance pay.
- The City changed medical insurance programs effective July 1, 2011 which yielded significant savings in medical insurance premiums.
- The former Community Development Director retired in December of 2011 after 11 years of service. The new Community Development Director started at a lower

place in the salary range and doesn't receive certain benefits afforded to employees with longer tenure.

Clearly, the City Council and the City Manager have taken a number of measures to reduce total management costs. Attachment A to this report shows total personnel costs from fiscal year 2005-06 through fiscal year 2015-16. Management costs as a percentage of total personnel costs will decline from a high of 41% in 2005-06 to a projected low of 32% in 2015-16. Attachment B to this report focuses exclusively on total management costs and shows that, after adjusting for inflation, management costs have decreased by 17.79% from 2005-06 through the end of 2012-13, the most recently completed fiscal year. By the end of 2015-16, management costs are projected to decrease over \$500,000, or 24.21% when compared to the 2005-06 base year. As a percentage of the total budget appropriations, management costs for the 2013-15 Biennial Budget cycle represent 7%.

Salary Comparisons with other Orange County Cities

Staff performed an analysis of management salaries (which included the salary of the City's only designated confidential employee, the Administrative Assistant to the City Manager). At the July 9th meeting, the maximum point in the City's monthly salary range was compared to the maximum average monthly salary among the City's list of comparator agencies. The table below shows the results:

	Laguna Hills 2012-13 Maximum <u>Monthly Salary</u>	Comparator Agencies 2012-13 Maximum Average <u>Monthly Salary</u>	Laguna Hills as a % of Comparator Agencies' <u>Average</u>
Admin. Asst. - City Manager	\$6,387.00	\$6,098.00	104.74%
Assistant City Manager	\$16,317.00	\$15,873.00	102.80%
City Clerk	\$10,312.00	\$10,344.00	99.69%
City Engineer/Public Works Director	\$14,325.00	\$14,414.00	99.38%
City Manager	\$19,719.00	\$18,864.00	104.53%
Community Development Director	\$13,722.00	\$13,919.00	98.58%
Deputy CM/Community Services Dir.	\$11,478.00	\$13,150.00	87.29%

The City Council directed staff to make a comparison with all Orange County cities. The table below shows those results:

	Laguna Hills 2012-13 Maximum <u>Monthly Salary</u>	Orange County Cities 2012-13 Maximum Average <u>Monthly Salary</u>	Laguna Hills as a % of OC Cities' <u>Average</u>
Admin. Asst. - City Manager	\$6,387.00	\$6,134.00	104.12%
Assistant City Manager	\$16,317.00	\$15,883.00	102.73%
City Clerk	\$10,312.00	\$10,497.00	98.24%
City Engineer/Public Works Director	\$14,325.00	\$14,365.00	99.72%
City Manager	\$19,719.00	\$18,383.00	107.30%
Community Development Director	\$13,722.00	\$13,965.00	98.26%
Deputy CM/Community Services Dir.	\$11,478.00	\$13,265.00	86.53%

With the exception of the City Manager, all of the positions in the table above are below the City's traditional practice of paying 5% above the comparator agencies', or the Orange County cities', average. When compared to the Orange County cities' average, the City Manager is 2.16% above the 5% benchmark. However, it should be noted that, historically, the City Manager was paid a salary that was the average of the top quartile of City Managers in Orange County. The average of the top quartile is \$22,717, which is 15.2% higher than his current salary. This does not include any cost-of living or other salary adjustments that were awarded after June 30, 2013 to those city managers. In terms of overall ranking, the City Manager had the ninth highest salary among Orange County cities in 2012-13. The above comparisons demonstrate that without adjustments to salary, management staff in Laguna Hills will continue to lose ground as COLA's and base salary increases are granted throughout cities in Orange County.

Scenarios

Based on the fact that management compensation has been both significantly reduced and contained, especially over the last three years, and given management salaries have generally eroded over the past five years and will continue to erode over the next two years unless salaries are increased, staff made the following proposal at the July 9th meeting. This will be referred to as Scenario 1 (even though it was rejected at the last meeting) for purposes of comparison with the other scenarios.

- Management and confidential employees receive a 3.5% salary increase effective July 1, 2013 and another 3.5% salary increase effective July 1, 2014.
- Management and confidential employees would begin to share in future increases in medical insurance premiums starting January 1, 2014. The cost sharing arrangement is proposed to be identical to the one agreed to in the MOU with the LHCEA with cost increases in premiums being shared 50-50 between the City and

employees, including elected members, up to a maximum of 4% annually for employees and elected members.

- Current management and confidential employees would not participate in any PERS cost sharing, but any newly hired or promoted employee would be required to immediately pay the full 7% employee portion of the PERS contribution.

The City Council discussed this proposal at length and made a number of comments. It should be noted that the only comment about which there appeared to be a consensus of the Council was the desire for management and confidential employees to participate in PERS cost sharing in the same manner as the represented employees.

Staff has incorporated the City Council's collective comments into the following three new scenarios for the Council's consideration.

Scenario 2 essentially treats management and confidential employees the same as represented employees.

- Salary increases shall be based on a market survey of Orange County cities for 2013 and in May of 2014. Employees shall be compensated at 5% above the Orange County cities' average for each classification. Increases shall not be less than 3.5% but may be as high as 5% depending on the results of the survey.
- In 2013-14, employees shall pay 0.75% toward the City's normal cost rate of its pension program with PERS. This amount will increase to 1.5% on July 1, 2014.
- City will pay the lower of the PPO and HMO premiums for employees and dependents and will split cost increases beginning January 1, 2014, 50-50 up to a maximum of 4% for employees in any given year.

Scenario 3 has the same PERS and Medical insurance cost sharing arrangements as Scenario 2, but changes the salary adjustments based on the suggestion made by Mayor Kogerman at the July 9th meeting. All employees covered by the Resolution (including the City Manager and the Assistant City Manager) will receive a 1.4% cost-of-living adjustment effective July 1, 2013 and up to a 3.5% COLA effective July 1, 2014 as determined by the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County area.

Scenario 4 is a hybrid of Scenarios 2 and 3. For fiscal year 2013-2014, those employees earning less than 105% of the Orange County cities' average will have their current salary ranges adjusted to be at 105% of the County average. All employee ranges will then also be adjusted by an additional 1.4% COLA¹ to reach the recommended 2013-14 salary

¹ This is being proposed as an "across the board" increase for all management employees, which would include the City Manager and the Assistant City Manager, because the salary comparisons provided in this staff report do not reflect the COLA's given to individuals in equivalent positions in Orange County.

range. With the exception of the Deputy City Manager/Community Services Director, because all other employees would be limited to a maximum increase of 5%, not all employees would receive an immediate adjustment to the top of their range. The table below shows the changes in the top of salary range. This does not show the increase the employees would actually receive.

	2012-13	2013-14	%
	Top of Range	Top of Range	Increase
City Manager	\$ 19,719	\$ 19,995	1.40%
Assistant City Manager	\$ 16,317	\$ 16,909	3.63%
City Engineer/Public Works Dir.	\$ 14,325	\$ 15,295	6.77%
Community Development Dir.	\$ 13,722	\$ 14,868	8.35%
Deputy C.M./Com Services Dir.	\$ 11,478	\$ 14,123	23.04%
City Clerk	\$ 10,312	\$ 11,175	8.37%
Admin Assist to CM	\$ 6,387	\$ 6,531	2.25%

This table shows the actual salaries for fiscal year 2013-14 if Scenario 4 were adopted by the Council:

	2012-13	2013-14	%
	Actual Salary	Prop. Salary	Increase
City Manager	\$ 19,719	\$ 19,995	1.40%
Assistant City Manager	\$ 16,317	\$ 16,909	3.63%
City Engineer/Public Works Dir.	\$ 14,325	\$ 15,041	5.00%
Community Development Dir.	\$ 12,447	\$ 13,069	5.00%
Deputy C.M./Com Services Dir.	\$ 11,478	\$ 12,201	6.30%
City Clerk	\$ 10,312	\$ 10,828	5.00%
Admin Assist to CM	\$ 6,387	\$ 6,531	2.25%

These percentage increases do not include any deductions for PERS or medical insurance cost sharing.

The next table shows projected salaries for the following fiscal year, 2014-15. Since the City's budget assumes an inflation rate of 2.5% next year, the 2014-15 projected salaries in the table below assume a COLA of 2.5%.²

² The actual increase would be based on the CPI for the Los Angeles-Riverside-Orange County areas.

	2013-14	2014-15	%
	Proposed Salary	Projected Salary	Increase
City Manager	\$ 19,995	\$ 20,495	2.50%
Assistant City Manager	\$ 16,909	\$ 17,332	2.50%
City Engineer/Public Works Dir.	\$ 15,041	\$ 15,688	4.30%
Community Development Dir.	\$ 13,069	\$ 13,723	5.00%
Deputy C.M./Com Services Dir.	\$ 12,201	\$ 13,116	7.50%
City Clerk	\$ 10,828	\$ 11,369	5.00%
Admin Assist to CM	\$ 6,531	\$ 6,694	2.50%

Those positions which did not reach the 105% of the Orange County average in 2013-2014 because of the 5% cap on the increase, (i.e., City Engineer/Public Works Director, Community Development Director and City Clerk) and the Deputy City Manager/Community Services Director may receive an additional increase in 2014-2015 to reach the 105% of the County average for 2013-14. However, even for these positions, any increase awarded in 2014-2015 (beyond the CPI) would be capped at 5%. All increases above the COLA would be subject to a successful performance review.

Fiscal Impact of the Four Scenarios

Staff has analyzed the fiscal impact of all four scenarios on the City and each employee. Again, Scenario 1 is included for comparison purposes. The tables below show the fiscal impact over the next two years on the City:

Scenario 1 - July 9, Proposal	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Salaries	1,083,202	1,125,585	1,154,007
PERS Employer, PARS, Medicare	213,678	190,726	202,414
PERS Employee Component	75,824	78,791	80,780
<u>Health</u>	<u>112,476</u>	<u>112,261</u>	<u>116,014</u>
Total	1,485,180	1,507,363	1,553,215
Annual % Increases		1.49%	3.04%
Annual Cost Increase		\$ 22,183	\$ 45,852

Scenario 2	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Salaries	1,083,202	1,134,363	1,168,271
PERS Employer, PARS, Medicare	213,678	192,232	204,955
PERS Employee Component	75,824	73,634	68,057
<u>Health</u>	<u>112,476</u>	<u>112,261</u>	<u>116,014</u>
Total	1,485,180	1,512,490	1,557,297
Annual % Increases		1.84%	2.96%
Annual Cost Increase		\$ 27,310	\$ 44,807

Scenario 3	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Salaries	1,083,202	1,102,747	1,123,451
PERS Employer, PARS, Medicare	213,678	187,527	197,003
PERS Employee Component	75,824	70,722	65,478
<u>Health</u>	<u>112,476</u>	<u>112,261</u>	<u>116,014</u>
Total	1,485,180	1,473,257	1,501,946
Annual % Increases		-0.80%	1.95%
Annual Cost Increase		\$ (11,923)	\$ 28,689

Scenario 4	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>
Salaries	1,083,202	1,130,863	1,166,250
PERS Employer, PARS, Medicare	213,678	191,634	204,533
PERS Employee Component	75,824	72,460	67,832
<u>Health</u>	<u>112,476</u>	<u>112,261</u>	<u>116,014</u>
Total	1,485,180	1,507,218	1,554,629
Annual % Increases		1.48%	3.15%
Annual Cost Increase		\$ 22,038	\$ 47,411

All four scenarios are within the City's adopted budget and represent minor increases in personnel costs.

Staff also analyzed how each scenario would impact affected employees, after deductions for PERS and medical premium cost sharing. An analysis of the impact on each employee's current, take-home, compensation can be found in Attachment C to this report. The impact shows adjustments to salary under each scenario and deductions based on cost sharing arrangements for retirement and medical insurance. In Attachment C, Column I in each scenario shows the net monthly dollar impact and Column J shows the net effective salary adjustment. The table below shows the average annual net effective salary adjustment for each position for 2013-14 and 2014-15.

	<u>Scenario 1</u>	<u>Scenario 2</u>	<u>Scenario 3</u>	<u>Scenario 4</u>
City Manager	3.50%	3.50%	1.95%	1.95%
Assistant City Manager	3.32%	2.15%	0.62%	1.73%
City Engineer/Public Works Director	1.60%	1.35%	-1.12%	1.59%
Community Development Director	1.31%	1.65%	-1.42%	1.65%
Deputy C.M./Community Services Director	1.13%	1.47%	-1.60%	3.37%
City Clerk	2.03%	3.54%	-1.27%	1.80%
<u>Administrative Assistant to the City Manager</u>	<u>3.09%</u>	<u>3.09%</u>	<u>1.54%</u>	<u>1.97%</u>
Average Annual Net Effective Salary Adjustment	2.28%	2.39%	-0.19%	2.01%

The variations in the above table are based upon the following factors:

- Employees who are below the 105% comparator agency average may receive up to 5% increases in salary in each year under Scenario 2.
- Employees who are below 105% of the County average in Scenario 4 receive varying increases.
- The level of medical cost sharing varies depending on: 1) if coverage is for a single employee, the employee plus one, or family coverage; and 2) if the employee is in the HMO or PPO program. Staff recently received medical insurance rate increases for January 1, 2014. The PPO is scheduled to increase by 4% and the HMO is scheduled to increase by 15.7%. Since beginning on January 1, 2014 the City will only pay for the lower of the two programs (the PPO), those employees in the HMO will experience substantial increases. Those in the PPO will pick up 50% of the 4% increase.
- There are no deductions for PERS cost sharing or medical premium cost sharing for the City Manager pursuant to his employment agreement with the City.

Staff Recommends Scenario 4

Staff is recommending Scenario 4 and the attached Resolution has been prepared to implement it. This recommendation is based on the following:

1. As stated earlier in this report, overall management compensation was reduced by about \$39,000 in 2010, \$125,000 in 2011, and \$184,000 in 2012. Over the past three years, reductions in management compensation have saved the City a total of \$347,000.
2. Management costs as a percentage of total personnel costs will decline from a high of 41% in 2005-06 to a projected low of 32% in 2015-16.
3. Scenario 4 will ultimately bring all management positions to 5% above the County average, which is consistent with the treatment of represented employees.

4. Unlike Scenario 3, on average, Scenario 4 allows employees to almost keep pace with expected inflation.
5. Scenario 4 treats employees (represented and non-represented) essentially the same when it comes to PERS cost sharing and medical insurance cost sharing.
6. Scenario 4 will allow the City to maintain personnel costs at, or below, 27% of the City's operating budget.

Other Changes

The only other substantive change that affects management and confidential employees in the Resolution is to Section IV.A and IV.B where staff is recommending that management and confidential employees be granted an additional 8 hours of holiday time to accommodate the closing of City Hall for Veteran's Day as agreed to in the MOU with the LHCEA.

Over the past few years, Community Services staff has had some difficulty in recruiting and retaining part-time Community Services Leaders. Following a survey of other cities, staff is proposing that the range for the Leader I be changed from \$9.00 - \$11.00 to \$10.00 - \$12.50 and the Leader II range be changed from \$11.50 - \$14.50 to \$12.50 - \$15.00. These ranges have not been changed by the City Council since July 1, 2007.

Conclusion

It is staff's opinion that the salary and benefits embodied in the attached Resolution will allow the City to both retain and attract quality candidates for its management positions. In the event that the City Council cannot reach agreement on adopting the attached Resolution, it is staff's recommendation that the City Council appoint two of its members at the next Council meeting to act as labor negotiators and meet in closed session with the rest of the Council pursuant to Government Code Section 54957.6 to determine its preferred course of action. If this option is selected, negotiations can commence at the next City Council meeting, after appointment of the designated representatives, with the City Manager who will act as negotiator for the management employees over the terms of a new Salary and Benefits Resolution for all management, confidential and part-time classes of employment.

FISCAL IMPACT OF PROPOSED RESOLUTION:

Total personnel costs budgeted for 2013-14 are \$4,681,742. Staff has analyzed the fiscal impact of the proposed Resolution, along with known salary adjustments for all employees, and insurance premium changes. If the City Council votes to support staff's recommendation (Scenario 4), the total projected personnel costs for the City for 2013-14 is \$4,672,000, which is almost \$10,000 below budget. For fiscal year 2014-15, the impact is projected to be about \$25,000 below budget.

ATTACHMENTS:

- Attachment A – Total Personnel Costs: 2005-06 through 2015-16
- Attachment B – Management Costs Adjusted for Inflation
- Attachment C – Fiscal Impact on Individual Employees
- Resolution



ATTACHMENT A

Total Personnel Costs- FY 05/06 Through FY 15/16

FISCAL YEAR	OPERATING BUDGET	PERSONNEL COSTS	% of Total Operating Budget	MANAGEMENT PERSONNEL COSTS	% of PERSONNEL / Costs	NON-MGMT PERSONNEL COSTS	% of PERSONNEL / Costs	Total Personnel Cost Annual Increase
2005-06	15,262,007	4,006,504	26.3%	1,645,283	41%	2,361,221	59%	
2006-07	16,032,718	4,172,589	26.0%	1,652,314	40%	2,520,275	60%	4.15%
2007-08	17,223,854	4,340,258	25.2%	1,737,077	40%	2,603,181	60%	4.02%
2008-09	17,554,792	4,397,332	25.0%	1,629,576	37%	2,767,756	63%	1.31%
2009-10	16,474,969	4,457,968	27.1%	1,661,572	37%	2,796,396	63%	1.38%
2010-11	17,156,944	4,543,284	26.5%	1,647,285	36%	2,895,999	64%	1.91%
2011-12	16,923,152	4,434,067	26.2%	1,534,037	35%	2,900,030	65%	-2.40%
2012-13*	17,464,481	4,562,211	26.1%	1,592,078	35%	2,970,133	65%	2.89%
2013-14*	17,327,545	4,681,742	27.0%	1,585,187	34%	3,096,555	66%	2.62%
2014-15*	17,792,484	4,910,074	27.6%	1,662,367	34%	3,247,707	66%	4.88%
2015-16*	18,412,466	4,903,463	26.6%	1,573,020	32%	3,330,443	68%	-0.13%

*Projected



FY 05/06 Management Costs Adjusted for Inflation

Fiscal Year	Management Costs	CPI	Adjusted for Inflation	Amount Over/(Under)	Percentage Difference
2005-06	1,645,283	3.60%	1,645,283	-	0.00%
2006-07	1,652,314	5.20%	1,730,838	(78,524)	-4.54%
2007-08	1,737,077	2.90%	1,781,032	(43,955)	-2.47%
2008-09	1,629,576	5.40%	1,877,208	(247,632)	-13.19%
2009-10	1,661,572	-2.20%	1,835,909	(174,337)	-9.50%
2010-11	1,647,285	0.90%	1,852,432	(205,147)	-11.07%
2011-12	1,534,037	2.90%	1,906,153	(372,116)	-19.52%
2012-13*	1,592,078	1.60%	1,936,651	(344,573)	-17.79%
2013-14*	1,585,187	2.00%	1,975,384	(390,197)	-19.75%
2014-15*	1,662,367	2.50%	2,024,769	(362,402)	-17.90%
2015-16*	1,573,020	2.50%	2,075,388	(502,368)	-24.21%

*Projected

ATTACHMENT B

Attachment C

Individual Employee Impacts

Administrative Assistant to the City Manager

Scenario 1												
A	B	C	D	E	F	G	H	I	J			
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment			
Base	\$ 6,387											
2013-14	\$ 6,611	3.50%	\$ 224	0.00%	\$ -	\$ 6	\$ 17	\$ 207	3.23%			
2014-15	\$ 6,842	3.50%	\$ 231	0.00%	\$ -	\$ 18	\$ 36	\$ 195	2.96%			

Scenario 2												
A	B	C	D	E	F	G	H	I	J			
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment			
Base	\$ 6,387											
2013-14	\$ 6,611	3.50%	\$ 224	0.75%	\$ 50	\$ 6	\$ 17	\$ 207	3.23%			
2014-15	\$ 6,842	3.50%	\$ 231	1.50%	\$ 103	\$ 18	\$ 36	\$ 195	2.96%			

Scenario 3												
A	B	C	D	E	F	G	H	I	J			
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment			
Base	\$ 6,387											
2013-14	\$ 6,476	1.40%	\$ 89	0.75%	\$ 49	\$ 6	\$ 17	\$ 72	1.13%			
2014-15	\$ 6,638	2.50%	\$ 162	1.50%	\$ 100	\$ 18	\$ 36	\$ 126	1.94%			

Scenario 4												
A	B	C	D	E	F	G	H	I	J			
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment			
Base	\$ 6,387											
2013-14	\$ 6,531	2.25%	\$ 144	0.75%	\$ 49	\$ 6	\$ 17	\$ 127	1.98%			
2014-15	\$ 6,694	2.50%	\$ 163	1.50%	\$ 100	\$ 18	\$ 36	\$ 127	1.95%			

Scenario 1											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 16,317										
2013-14	\$ 16,889	3.50%	\$ 571	0.00%	\$ -	15	\$ 15	\$ 556	3.41%		
2014-15	\$ 17,480	3.50%	\$ 591	0.00%	\$ -	46	\$ 46	\$ 545	3.23%		

Scenario 2											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 16,317										
2013-14	\$ 16,888	3.50%	\$ 571	0.75%	\$ 127	15	\$ 142	\$ 429	2.63%		
2014-15	\$ 17,479	3.50%	\$ 591	1.50%	\$ 262	46	\$ 308	\$ 283	1.68%		

Scenario 3											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 16,317										
2013-14	\$ 16,545	1.40%	\$ 228	0.75%	\$ 124	15	\$ 139	\$ 89	0.55%		
2014-15	\$ 16,959	2.50%	\$ 414	1.50%	\$ 254	46	\$ 300	\$ 113	0.68%		

Scenario 4											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 16,317										
2013-14	\$ 16,909	3.63%	\$ 592	0.75%	\$ 127	15	\$ 142	\$ 450	2.76%		
2014-15	\$ 17,332	2.50%	\$ 423	1.50%	\$ 260	46	\$ 306	\$ 117	0.69%		

City Clerk

Scenario 1									
A	B	C	D	E	F	G	H	I	J
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment
Base	\$ 10,312								
2013-14	\$ 10,673	3.50%	\$ 361	0.00%	\$ -	\$ 133	\$ 133	\$ 228	2.21%
2014-15	\$ 11,047	3.50%	\$ 374	0.00%	\$ -	\$ 298	\$ 177	\$ 197	1.84%

Scenario 2									
A	B	C	D	E	F	G	H	I	J
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment
Base	\$ 10,312								
2013-14	\$ 10,828	5.00%	\$ 516	0.75%	\$ 81	\$ 133	\$ 133	\$ 383	3.71%
2014-15	\$ 11,369	5.00%	\$ 541	1.50%	\$ 171	\$ 298	\$ 177	\$ 364	3.37%

Scenario 3									
A	B	C	D	E	F	G	H	I	J
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment
Base	\$ 10,312								
2013-14	\$ 10,457	1.40%	\$ 144	0.75%	\$ 78	\$ 133	\$ 211	\$ (67)	-0.65%
2014-15	\$ 10,718	2.50%	\$ 261	1.50%	\$ 161	\$ 298	\$ 458	\$ (197)	-1.88%

Scenario 4									
A	B	C	D	E	F	G	H	I	J
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment
Base	\$ 10,312								
2013-14	\$ 10,828	5.00%	\$ 516	0.75%	\$ 81	\$ 133	\$ 214	\$ 301	2.92%
2014-15	\$ 11,369	5.00%	\$ 541	1.50%	\$ 171	\$ 298	\$ 468	\$ 73	0.68%

Scenario 1											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 14,325										
2013-14	\$ 14,826	3.50%	\$ 501	0.00%	\$ -	\$ 172	\$ 172	\$ 329	2.30%		
2014-15	\$ 15,345	3.50%	\$ 519	0.00%	\$ -	\$ 385	\$ 385	\$ 134	0.90%		

Scenario 2											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 14,325										
2013-14	\$ 15,041	5.00%	\$ 716	0.75%	\$ 113	\$ 172	\$ 285	\$ 431	3.01%		
2014-15	\$ 15,613	3.80%	\$ 572	1.50%	\$ 234	\$ 385	\$ 619	\$ (48)	-0.32%		

Scenario 3											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 14,325										
2013-14	\$ 14,525	1.40%	\$ 201	0.75%	\$ 109	\$ 172	\$ 281	\$ (80)	-0.56%		
2014-15	\$ 14,889	2.50%	\$ 363	1.50%	\$ 223	\$ 385	\$ 608	\$ (245)	-1.69%		

Scenario 4											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ \$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 14,325										
2013-14	\$ 15,041	5.00%	\$ 716	0.75%	\$ 113	\$ 172	\$ 285	\$ 431	3.01%		
2014-15	\$ 15,688	4.30%	\$ 647	1.50%	\$ 235	\$ 385	\$ 620	\$ 26	0.18%		

City Manager

Scenario 1										
A	B	C	D	E	F	G	H	I	J	
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment
Base	\$ 19,719									
2013-14	\$ 20,409	3.50%	\$ 690	0.00%	\$ -	-	\$ -	\$ 690	3.50%	
2014-15	\$ 21,124	3.50%	\$ 714	0.00%	\$ -	-	\$ -	\$ 714	3.50%	

Scenario 2										
A	B	C	D	E	F	G	H	I	J	
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment
Base	\$ 19,719									
2013-14	\$ 20,409	3.50%	\$ 690	0.00%	\$ -	-	\$ -	\$ 690	3.50%	
2014-15	\$ 21,123	3.50%	\$ 714	0.00%	\$ -	-	\$ -	\$ 714	3.50%	

Scenario 3										
A	B	C	D	E	F	G	H	I	J	
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment
Base	\$ 19,719									
2013-14	\$ 19,995	1.40%	\$ 276	0.00%	\$ -	-	\$ -	\$ 276	1.40%	
2014-15	\$ 20,495	2.50%	\$ 500	0.00%	\$ -	-	\$ -	\$ 500	2.50%	

Scenario 4										
A	B	C	D	E	F	G	H	I	J	
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$\$ PERS Share	Average Med Share (4% Increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment
Base	\$ 19,719									
2013-14	\$ 19,995	1.40%	\$ 276	0.00%	\$ -	-	\$ -	\$ 276	1.40%	
2014-15	\$ 20,495	2.50%	\$ 500	0.00%	\$ -	-	\$ -	\$ 500	2.50%	

Community Development Director

Scenario 1											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 12,447										
2013-14	\$ 12,883	3.50%	\$ 436	0.00%	\$ -	\$ 172	\$ 172	\$ 264	2.12%		
2014-15	\$ 13,334	3.50%	\$ 451	0.00%	\$ -	\$ 385	\$ 385	\$ 66	0.51%		

Scenario 2											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 12,447										
2013-14	\$ 13,070	5.00%	\$ 622	0.75%	\$ 98	\$ 172	\$ 270	\$ 352	2.83%		
2014-15	\$ 13,723	5.00%	\$ 653	1.50%	\$ 206	\$ 385	\$ 591	\$ 63	0.48%		

Scenario 3											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 12,447										
2013-14	\$ 12,622	1.40%	\$ 174	0.75%	\$ 95	\$ 172	\$ 267	\$ (92)	-0.74%		
2014-15	\$ 12,937	2.50%	\$ 316	1.50%	\$ 194	\$ 385	\$ 579	\$ (264)	-2.09%		

Scenario 4											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary Adjustment		
Base	\$ 12,447										
2013-14	\$ 13,070	5.00%	\$ 622	0.75%	\$ 98	\$ 172	\$ 270	\$ 352	2.83%		
2014-15	\$ 13,723	5.00%	\$ 653	1.50%	\$ 206	\$ 385	\$ 591	\$ 63	0.48%		

Scenario 1											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment	
Base	\$ 11,478										
2013-14	\$ 11,880	3.50%	\$ 402	0.00%	\$ -	\$ 172	\$ 172	\$ 230		2.00%	
2014-15	\$ 12,296	3.50%	\$ 416	0.00%	\$ -	\$ 385	\$ 385	\$ 31		0.26%	

Scenario 2											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment	
Base	\$ 11,478										
2013-14	\$ 12,052	5.00%	\$ 574	0.75%	\$ 90	\$ 172	\$ 262	\$ 312		2.71%	
2014-15	\$ 12,654	5.00%	\$ 603	1.50%	\$ 190	\$ 385	\$ 575	\$ 28		0.23%	

Scenario 3											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment	
Base	\$ 11,478										
2013-14	\$ 11,639	1.40%	\$ 161	0.75%	\$ 87	\$ 172	\$ 259	\$ (99)		-0.86%	
2014-15	\$ 11,930	2.50%	\$ 291	1.50%	\$ 179	\$ 385	\$ 564	\$ (273)		-2.35%	

Scenario 4											
A	B	C	D	E	F	G	H	I	J		
	Monthly Salary	Salary Adjustment	Adjustment Dollar Amount	% PERS Share	\$ PERS Share	Average Med Share (4% increase)	Average Monthly Cost Impact	Monthly Dollar Impact	Net Effective Salary	Adjustment	
Base	\$ 11,478										
2013-14	\$ 12,201	6.30%	\$ 723	0.75%	\$ 92	\$ 172	\$ 264	\$ 460		4.00%	
2014-15	\$ 13,116	7.50%	\$ 915	1.50%	\$ 197	\$ 385	\$ 582	\$ 333		2.73%	

RESOLUTION NO. XXXX-XX-XX-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND ESTABLISHING SALARY RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL, AND PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY AND RESCINDING RESOLUTION NO. 2011-07-12-2.

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

SECTION 1. This Resolution establishes the official plan of compensation for the City for positions defined as management, confidential, and part-time in the Employer-Employee Relations Resolution No. 2012-02-14-3. The plan of compensation for all other employees is set forth in the current Memorandum of Understanding between the City and the Laguna Hills City Employees Association. In addition, insurance benefits for elected officials are established in Section 3, Paragraph II.

SECTION 2. The following salary ranges are assigned to the classes of employment, which are hereby designated as management, confidential, and part-time for fiscal year 2013-2014. Unless specified otherwise herein, the provisions of this Resolution only apply to the following classifications:

FULL-TIME POSITIONS – CONFIDENTIAL	MONTHLY RANGE	
Administrative Assistant –City Manager (1)	\$5,373	\$6,531

FULL-TIME POSITIONS – MANAGEMENT		
Assistant City Manager (1)	\$13,911	\$16,909
City Clerk (1)	\$ 9,193	\$11,175
City Engineer/Public Works Director (1)	\$12,583	\$15,295
City Manager (1)	\$19,995	\$19,995
Community Development Director (1)	\$12,233	\$14,868
Deputy City Manager (1)	\$ 11,619	\$14,123

PART-TIME POSITIONS		
Administrative Intern	\$15.00	\$15.00
Code Enforcement Officer	\$25.00	\$25.00
Community Services Leader I	\$10.00	\$12.50
Community Services Leader II	\$12.50	\$15.00

In May of 2014, the City Manager will conduct a market salary survey of Orange County cities for purposes of determining the level of increases for fiscal year 2014-2015. An

increase in salary shall be awarded by the City Manager based upon the survey. Management and confidential employees shall be compensated at 5% above the Orange County cities' average for each classification. Increases shall not be less than the May 2014 Consumer Price Index as determined by the U.S. Bureau of Labor Statistics for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County area. Increases shall not be greater than 5% for all employees in order for such employees to be compensated at 5% above the Orange County cities' average (except the Deputy City Manager/Community Services Director whose increase shall not be greater than 7.5%) Such salary increases shall take effect on July 1, 2014.

SECTION 3. The City shall provide the following benefits to the categories of employees specified herein:

I. RETIREMENT

- A. The City shall participate in the California Public Employees Retirement System's (Cal PERS). Effective January 1, 2013, the City shall have two tiers of benefits as follows:

1. Tier 1 (Employees hired before July 1, 2013 or individuals hired after July 1, 2013 who have participated in a public retirement system within the six months prior to being hired): 2% @ 60 Program and beginning July 1, 2013, employees shall pay 0.75% toward the City's normal cost rate of its pension program with Cal PERS (as determined by Cal PERS). This amount will increase to 1.5% on July 1, 2014. Additional benefits provided through Cal PERS shall include the following:

One-Year Final Compensation

Post-Retirement Survivor Allowance

Pre-Retirement Survivor Allowance

1959 Survivor Benefits, including Third Level Benefits

2. Tier 2 (Employees hired on or after January 1, 2013 who have not been members of a public retirement system within the six months prior to employment with the City): 2% @ 62 with 3 year Final Compensation and with employee paying 100% of the employees' contribution to PERS.

- B. The City shall provide a supplemental retirement program as established in Resolution No. 99-05-04-1, which affords management employees a defined contribution equal to 6.5% of base salary upon employment with the City and confidential employees a defined contribution equal to 3.0% of base salary after ten years of service with the City.

- C. The City shall provide a retiree health savings plan as established in Resolution No. 2001-12-11-2.
- D. The City shall make available to all management and confidential employees the ICMA Retirement Corporation's Section 457 Deferred Compensation Plan. This is a voluntary program and will be funded at the sole cost of each participating employee. This provision does not apply to the Deferred Compensation provisions found in the Employment Agreements between the City and the City Manager and the Assistant City Manager which provide for the terms and conditions of their participation in the Plan.
- E. The City shall provide to part-time employees an alternative retirement plan as established in Resolution No. 2000-06-27-5.

II. INSURANCE

- A. The City shall pay for the full cost of medical insurance coverage for full-time management, confidential employees, and elected members, including their dependents as defined by the City's medical insurance program. Beginning January 1, 2014, the City will pay the full cost of the lower of either the PPO or HMO program in a given year for full-time employees, including elected members, and their dependents. Beginning January 1, 2014, cost increases in medical insurance premiums will be shared 50-50 between the City and full-time employees, including elected members, up to a maximum of 4% annually for full-time management and confidential employees, including elected members.
- B. The City shall provide and pay for a dental insurance plan for all full-time management, confidential employees, and elected members, including their dependents.
- C. The City shall provide and pay for a vision insurance plan for all full-time management, confidential employees, and elected members, including their dependents.
- D. The City shall provide and pay for a group life and accidental death and dismemberment insurance plan for all full-time management and confidential employees on the basis of 100% of the employee's annual salary to the next highest \$1,000.00 increment up to a maximum of \$200,000.
- E. The City shall provide and pay for a short and long-term disability plan for all full-time management and confidential employees.
- F. Elected members may opt not to participate in the City's medical, dental, and vision insurance plans.

III. VACATION

- A. Full-time non-management, confidential employees accrue vacation leave according to the following schedule:

Years of Service	Rate
0-3	10 days/year or 6.667 hours/month
4-9	15 days/year or 10 hours/month
10+	20 days/year or 13.334 hours/month

- B. Full-time management employees accrue vacation leave according to the following schedule:

Years of Service	Rate
0-3	15 days/year or 10 hours/month
4+	20 days/year or 13.334 hours/month

- C. Upon termination or retirement, all employees shall be compensated at their current pay scale for their accrued vacation leave balance. No employee shall be allowed to carryover more than 320 hours of vacation leave from one fiscal year to the next.
- D. For management employees, upon completion of ten years of full-time employment with the City, the City shall make a one-time allotment of 40 hours of vacation leave to the employee's vacation leave balance.

IV. HOLIDAYS

- A. The City shall provide full-time management and confidential employees 104 paid hours per fiscal year for holidays.
- B. The City shall observe certain fixed holidays during which City Hall will be closed. These include:

New Year's Day
Presidents Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving
Day After Thanksgiving
Christmas Day

- C. Full-time employees shall receive 8 hours pay for these holidays. In order to receive holiday pay, an employee must have received pay for all of both the regularly scheduled work assignment immediately prior to a holiday and the regularly scheduled working assignment immediately after that holiday.
- D. Holidays falling on Sunday shall be observed on the following Monday. Holidays falling on Saturday shall be observed on the preceding Friday unless this, too, is a holiday and then one day sooner.
- E. In lieu of closing City Hall for the observation of Columbus Day, and Martin Luther King Day, employees will be able to use their remaining holiday time from Section IV.A above for discretionary, floating holiday time subject to their supervisor's approval.
- F. Holiday hours must be taken during each fiscal year and cannot be carried over to the succeeding fiscal year.

V. LEAVES OF ABSENCE

- A. All full-time employees shall accrue annual sick leave at a rate of 8 hours per month.
- B. All management and confidential full-time employees prior to completing ten years of service as full-time employees, (hereafter, "ten—year anniversary") shall be eligible, if they so desire, each quarter (October 1, January 1, April 1, and July 1) to convert unused personal sick leave in excess of 160 hours at a rate of 8 hours of vacation for every 24 hours of personal sick leave. Upon retirement or resignation from the City prior to their ten-year anniversary, a full-time employee who has personal sick leave in excess of 160 hours may convert the excess hours to vacation at a rate of eight hours of vacation for every 24 hours of personal sick leave. In this situation, the vacation accrual limits under Section 3, Paragraph III.C above can be exceeded to a maximum of 480 hours.
- C. For all management and confidential full-time employees who have completed their ten-year anniversary, sick leave accumulation and balances will be governed by Resolution No. 2001-12-11-2. As part of the Retirement Health Services (RHS) plan, employees upon ten years of service may convert any vacation hours over 80 hours to sick leave on a 1 to 1 basis.
- D. All full-time management and confidential employees shall receive 3 days bereavement leave for absence necessitated by the death of immediate family members. An immediate family member shall be defined as the spouse, children, parents, brothers, sisters, grandparents, parents-in-law, or

other individuals whose relationship to the employee is that of a dependent or near dependent. Where such death has occurred and upon request of the Assistant City Manager, the employee shall furnish satisfactory evidence of such death.

VI. ADDITIONAL COMPENSATION

- A. The following positions, at the discretion of the City Manager, may be eligible for a monthly automobile allowance in lieu of mileage reimbursement:

City Engineer/Director of Public Services	-	\$ 650
Community Development Director	-	\$ 600
City Clerk	-	\$ 300

All other employees shall be reimbursed at the prevailing standard mileage rates established by the IRS.

- B. The City's Management Incentive Program for management employees has been defunded.

SECTION 4. MISCELLANEOUS PROVISIONS

- I. The City Manager may authorize special adjustments to avoid or eliminate inequities resulting from the strict application of any provision of this Resolution.
- II. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this Resolution.
- III. In the event of any conflict between the provisions of the City Manager's Employment Agreement or the Assistant City Manager's Employment Agreement and this Resolution, the Agreements prevail.

SECTION 5. EFFECTIVE DATE

- I. Except as otherwise specified to the contrary in this Resolution, all provisions set forth herein shall be effective July 1, 2013.

SECTION 6. Resolution No. 2011-07-12-2 is hereby rescinded and replaced with this Resolution.

PASSED, APPROVED, AND ADOPTED this 27th day of August 2013.

BARBARA D. KOGERMAN, MAYOR

Attest:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. XXXX-XX-XX-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 27th day of August 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

RESOLUTION NO. XXXX-XX-XX-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND ESTABLISHING SALARY RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL, AND PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY AND RESCINDING RESOLUTION NO. 2011-07-12-2.

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

SECTION 1. This Resolution establishes the official plan of compensation for the City for positions defined as management, confidential, and part-time in the Employer-Employee Relations Resolution No. 2012-02-14-3. The plan of compensation for all other employees is set forth in the current Memorandum of Understanding between the City and the Laguna Hills City Employees Association. In addition, insurance benefits for elected officials are established in Section 3, Paragraph II.

SECTION 2. The following salary ranges are assigned to the classes of employment, which are hereby designated as management, confidential, and part-time for fiscal year 2013-2014. Unless specified otherwise herein, the provisions of this Resolution only apply to the following classifications:

FULL-TIME POSITIONS – CONFIDENTIAL	MONTHLY RANGE	
Administrative Assistant –City Manager (1)	\$5,373	\$6,531

FULL-TIME POSITIONS – MANAGEMENT		
Assistant City Manager (1)	\$13,911	\$16,909
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Administrative Intern	\$15.00	\$15.00
Code Enforcement Officer	\$25.00	\$25.00
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Community Services Leader II	\$12.50	\$15.00

~~In May of 2014, the City Manager will conduct a market salary survey of Orange County cities for purposes of determining the level of increases for fiscal year 2014 2015. An~~

~~increase in salary shall be awarded by the City Manager based upon the survey. Management and confidential employees shall be compensated at 5% above the Orange County cities' average for each classification. Increases shall not be less than the May 2014 Consumer Price Index as determined by the U.S. Bureau of Labor Statistics for All Urban Consumers (CPI-U) for the Los Angeles Riverside Orange County area. Increases shall not be greater than 5% for all employees in order for such employees to be compensated at 5% above the Orange County cities' average (except the Deputy City Manager/Community Services Director whose increase shall not be greater than 7.5%). Such salary increases shall take effect on July 1, 2014.~~

SECTION 3. The City shall provide the following benefits to the categories of employees specified herein:

I. RETIREMENT

- A. The City shall participate in the California Public Employees Retirement System's (Cal PERS). Effective January 1, 2013, the City shall have two tiers of benefits as follows:

1. Tier 1 (Employees hired before July 1, 2013 or individuals hired after July 1, 2013 who have participated in a public retirement system within the six months prior to being hired): 2% @ 60 Program and beginning July 1, 2013, employees shall pay 0.75% toward the City's normal cost rate of its pension program with Cal PERS (as determined by Cal PERS). ~~This amount will increase to 1.5% on July 1, 2014.~~ Additional benefits provided through Cal PERS shall include the following:

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1959 Survivor Benefits, including Third Level Benefits

2. Tier 2 (Employees hired on or after January 1, 2013 who have not been members of a public retirement system within the six months prior to employment with the City): 2% @ 62 with 3 year Final Compensation and with employee paying 100% of the employees' contribution to PERS.

- B. The City shall provide a supplemental retirement program as established in Resolution No. 99-05-04-1, which affords management employees a defined contribution equal to 6.5% of base salary upon employment with the City and confidential employees a defined contribution equal to 3.0% of base salary after ten years of service with the City.

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- D. The City shall make available to all management and confidential employees the ICMA Retirement Corporation's Section 457 Deferred Compensation Plan. This is a voluntary program and will be funded at the sole cost of each participating employee. This provision does not apply to the Deferred Compensation provisions found in the Employment Agreements between the City and the City Manager and the Assistant City Manager which provide for the terms and conditions of their participation in the Plan.
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II. INSURANCE

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IV. HOLIDAYS

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Veteran's Day
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Christmas Day

- C. Full-time employees shall receive 8 hours pay for these holidays. In order to receive holiday pay, an employee must have received pay for all of both the regularly scheduled work assignment immediately prior to a holiday and the regularly scheduled working assignment immediately after that holiday.
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- A. All full-time employees shall accrue annual sick leave at a rate of 8 hours per month.
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- C. For all management and confidential full-time employees who have completed their ten-year anniversary, sick leave accumulation and balances will be governed by Resolution No. 2001-12-11-2. As part of the Retirement Health Services (RHS) plan, employees upon ten years of service may convert any vacation hours over 80 hours to sick leave on a 1 to 1 basis.
- D. All full-time management and confidential employees shall receive 3 days bereavement leave for absence necessitated by the death of immediate family members. An immediate family member shall be defined as the

spouse, children, parents, brothers, sisters, grandparents, parents-in-law, or other individuals whose relationship to the employee is that of a dependent or near dependent. Where such death has occurred and upon request of the Assistant City Manager, the employee shall furnish satisfactory evidence of such death.

VI. ADDITIONAL COMPENSATION

- A. The following positions, at the discretion of the City Manager, may be eligible for a monthly automobile allowance in lieu of mileage reimbursement:

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Community Development Director	-	\$ 600
City Clerk	-	\$ 300

All other employees shall be reimbursed at the prevailing standard mileage rates established by the IRS.

- B. The City's Management Incentive Program for management employees has been defunded.

SECTION 4. MISCELLANEOUS PROVISIONS

- I. The City Manager may authorize special adjustments to avoid or eliminate inequities resulting from the strict application of any provision of this Resolution.
- II. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this Resolution.
- III. In the event of any conflict between the provisions of the City Manager's Employment Agreement or the Assistant City Manager's Employment Agreement and this Resolution, the Agreements prevail.

SECTION 5. EFFECTIVE DATE

- I. Except as otherwise specified to the contrary in this Resolution, all provisions set forth herein shall be effective July 1, 2013.

SECTION 6. Resolution No. 2011-07-12-2 is hereby rescinded and replaced with this Resolution.

| PASSED, APPROVED, AND ADOPTED this ~~25th~~ 10th -day of ~~July~~September 2013.

BARBARA D. KOGERMAN, MAYOR

Attest:

PEGGY J. JOHNS, CITY CLERK

|

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. XXXX-XX-XX-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 25th 10th-day of ~~June~~September 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK

RESOLUTION NO. XXXX-XX-XX-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, REGARDING EMPLOYMENT AND ESTABLISHING SALARY RANGES AND BENEFITS FOR MANAGEMENT, CONFIDENTIAL, AND PART-TIME CLASSES OF EMPLOYMENT WITH THE CITY AND RESCINDING RESOLUTION NO. 2011-07-12-2.

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

SECTION 1. This Resolution establishes the official plan of compensation for the City for positions defined as management, confidential, and part-time in the Employer-Employee Relations Resolution No. 2012-02-14-3. The plan of compensation for all other employees is set forth in the current Memorandum of Understanding between the City and the Laguna Hills City Employees Association. In addition, insurance benefits for elected officials are established in Section 3, Paragraph II.

SECTION 2. The following salary ranges are assigned to the classes of employment, which are hereby designated as management, confidential, and part-time for fiscal year 2013-2014. Unless specified otherwise herein, the provisions of this Resolution only apply to the following classifications:

FULL-TIME POSITIONS – CONFIDENTIAL	MONTHLY RANGE	
Administrative Assistant –City Manager (1)	\$5,373	\$6,531

FULL-TIME POSITIONS – MANAGEMENT		
Assistant City Manager (1)	\$13,911	\$16,909
City Clerk (1)	\$ 9,193	\$11,175
City Engineer/Public Works Director (1)	\$12,583	\$15,295
City Manager (1)	\$19,995	\$19,995
Community Development Director (1)	\$12,233	\$14,868
Deputy City Manager (1)	\$ 11,619	\$14,123

PART-TIME POSITIONS		
Administrative Intern	\$15.00	\$15.00
Code Enforcement Officer	\$25.00	\$25.00
Community Services Leader I	\$10.00	\$12.50
Community Services Leader II	\$12.50	\$15.00

SECTION 3. The City shall provide the following benefits to the categories of employees specified herein:

I. RETIREMENT

- A. The City shall participate in the California Public Employees Retirement System's (Cal PERS). Effective January 1, 2013, the City shall have two tiers of benefits as follows:

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Pre-Retirement Survivor Allowance

1959 Survivor Benefits, including Third Level Benefits

2. Tier 2 (Employees hired on or after January 1, 2013 who have not been members of a public retirement system within the six months prior to employment with the City): 2% @ 62 with 3 year Final Compensation and with employee paying 100% of the employees' contribution to PERS.

- B. The City shall provide a supplemental retirement program as established in Resolution No. 99-05-04-1, which affords management employees a defined contribution equal to 6.5% of base salary upon employment with the City and confidential employees a defined contribution equal to 3.0% of base salary after ten years of service with the City.
- C. The City shall provide a retiree health savings plan as established in Resolution No. 2001-12-11-2.
- D. The City shall make available to all management and confidential employees the ICMA Retirement Corporation's Section 457 Deferred Compensation Plan. This is a voluntary program and will be funded at the sole cost of each participating employee. This provision does not apply to the Deferred Compensation provisions found in the Employment Agreements between the City and the City Manager and the Assistant City Manager which provide for the terms and conditions of their participation in the Plan.

- E. The City shall provide to part-time employees an alternative retirement plan as established in Resolution No. 2000-06-27-5.

II. INSURANCE

- A. The City shall pay for the full cost of medical insurance coverage for full-time management, confidential employees, and elected members, including their dependents as defined by the City's medical insurance program. Beginning January 1, 2014, the City will pay the full cost of the lower of either the PPO or HMO program in a given year for full-time employees, including elected members, and their dependents. Any cost increases in medical insurance premiums that go into effect on January 1, 2014, will be shared 50-50 between the City and full-time employees, including elected members, up to a maximum of 4% .
- B. The City shall provide and pay for a dental insurance plan for all full-time management, confidential employees, and elected members, including their dependents.
- C. The City shall provide and pay for a vision insurance plan for all full-time management, confidential employees, and elected members, including their dependents.
- D. The City shall provide and pay for a group life and accidental death and dismemberment insurance plan for all full-time management and confidential employees on the basis of 100% of the employee's annual salary to the next highest \$1,000.00 increment up to a maximum of \$200,000.
- E. The City shall provide and pay for a short and long-term disability plan for all full-time management and confidential employees.
- F. Elected members may opt not to participate in the City's medical, dental, and vision insurance plans.

III. VACATION

- A. Full-time non-management, confidential employees accrue vacation leave according to the following schedule:

Years of Service	Rate
0-3	10 days/year or 6.667 hours/month
4-9	15 days/year or 10 hours/month
10+	20 days/year or 13.334 hours/month

- B. Full-time management employees accrue vacation leave according to the following schedule:

Years of Service	Rate
0-3	15 days/year or 10 hours/month
4+	20 days/year or 13.334 hours/month

- C. Upon termination or retirement, all employees shall be compensated at their current pay scale for their accrued vacation leave balance. No employee shall be allowed to carryover more than 320 hours of vacation leave from one fiscal year to the next.
- D. For management employees, upon completion of ten years of full-time employment with the City, the City shall make a one-time allotment of 40 hours of vacation leave to the employee's vacation leave balance.

IV. HOLIDAYS

- A. The City shall provide full-time management and confidential employees 104 paid hours per fiscal year for holidays.
- B. The City shall observe certain fixed holidays during which City Hall will be closed. These include:

New Year's Day
Presidents Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving
Day After Thanksgiving
Christmas Day

- C. Full-time employees shall receive 8 hours pay for these holidays. In order to receive holiday pay, an employee must have received pay for all of both the regularly scheduled work assignment immediately prior to a holiday and the regularly scheduled working assignment immediately after that holiday.
- D. Holidays falling on Sunday shall be observed on the following Monday. Holidays falling on Saturday shall be observed on the preceding Friday unless this, too, is a holiday and then one day sooner.
- E. In lieu of closing City Hall for the observation of Columbus Day, and Martin Luther King Day, employees will be able to use their remaining holiday time

from Section IV.A above for discretionary, floating holiday time subject to their supervisor's approval.

- F. Holiday hours must be taken during each fiscal year and cannot be carried over to the succeeding fiscal year.

V. LEAVES OF ABSENCE

- A. All full-time employees shall accrue annual sick leave at a rate of 8 hours per month.
- B. All management and confidential full-time employees prior to completing ten years of service as full-time employees, (hereafter, "ten-year anniversary") shall be eligible, if they so desire, each quarter (October 1, January 1, April 1, and July 1) to convert unused personal sick leave in excess of 160 hours at a rate of 8 hours of vacation for every 24 hours of personal sick leave. Upon retirement or resignation from the City prior to their ten-year anniversary, a full-time employee who has personal sick leave in excess of 160 hours may convert the excess hours to vacation at a rate of eight hours of vacation for every 24 hours of personal sick leave. In this situation, the vacation accrual limits under Section 3, Paragraph III.C above can be exceeded to a maximum of 480 hours.
- C. For all management and confidential full-time employees who have completed their ten-year anniversary, sick leave accumulation and balances will be governed by Resolution No. 2001-12-11-2. As part of the Retirement Health Services (RHS) plan, employees upon ten years of service may convert any vacation hours over 80 hours to sick leave on a 1 to 1 basis.
- D. All full-time management and confidential employees shall receive 3 days bereavement leave for absence necessitated by the death of immediate family members. An immediate family member shall be defined as the spouse, children, parents, brothers, sisters, grandparents, parents-in-law, or other individuals whose relationship to the employee is that of a dependent or near dependent. Where such death has occurred and upon request of the Assistant City Manager, the employee shall furnish satisfactory evidence of such death.

VI. ADDITIONAL COMPENSATION

- A. The following positions, at the discretion of the City Manager, may be eligible for a monthly automobile allowance in lieu of mileage reimbursement:

City Engineer/Director of Public Services	-	\$ 650
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Community Development Director	-	\$ 600
City Clerk	-	\$ 300

All other employees shall be reimbursed at the prevailing standard mileage rates established by the IRS.

- B. The City's Management Incentive Program for management employees has been defunded.

SECTION 4. MISCELLANEOUS PROVISIONS

- I. The City Manager may authorize special adjustments to avoid or eliminate inequities resulting from the strict application of any provision of this Resolution.
- II. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this Resolution.
- III. In the event of any conflict between the provisions of the City Manager's Employment Agreement or the Assistant City Manager's Employment Agreement and this Resolution, the Agreements prevail.

SECTION 5. EFFECTIVE DATE

- I. Except as otherwise specified to the contrary in this Resolution, all provisions set forth herein shall be effective July 1, 2013.

SECTION 6. Resolution No. 2011-07-12-2 is hereby rescinded and replaced with this Resolution.

PASSED, APPROVED, AND ADOPTED this 10th day of September 2013.

BARBARA D. KOGERMAN, MAYOR

Attest:

PEGGY J. JOHNS, CITY CLERK

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

I, Peggy J. Johns, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. XXXX-XX-XX-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 10th day of September 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

PEGGY J. JOHNS, CITY CLERK



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD J. WHITE
ASSISTANT CITY MANAGER

ISSUE: PRESENTATION OF MOBILE APPLICATION

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE REPORT.

SUMMARY:

At its April 9, 2013, City Council meeting, the City Council directed staff to proceed with the development of a mobile application for the purpose of: providing news, events, and City contact information to residents, businesses, and visitors; promoting the City's many facilities, parks, and trails available to the public; and developing an additional alternative for the public to report an issue or submit specified requests for services.

The mobile application includes the following features:

- News—as released in the City's news updates
- City Hall—contact information for City departments and services
- Places—a full list of City parks, local trails and information on City facilities
- Report An Issue—users can submit requests for street maintenance or other issues, such as graffiti removal and pot hole repairs. This feature also includes the ability to add a picture, voice memo, or video, and can utilize the smartphone's GPS function to automatically provide the location of the issue to be addressed.
- Shop & Dine—provides a categorized listing of businesses throughout Laguna Hills, including restaurants, retail establishments, and professional services
- Calendar—includes City events

The free mobile application is now available for download in both iPhone and Android formats in their respective app stores. Staff will continue to market the mobile application, whenever appropriate, including through the use of City Views and the City website. Staff will make a presentation regarding the mobile application at the City Council meeting.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

FROM: KENNETH H. ROSENFELD
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER

ISSUE: HIGHWOOD CIRCLE STREET LIGHTING

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE REPORT.

SUMMARY:

Staff presented community requests for street lighting additions at three locations during the 2013 Capital Improvement Program (CIP) Budget Study Session. The three locations considered were on Mandeville Drive, Chelsea Lane and Highwood Circle. The City Council did not select this project for funding in the next six-year CIP Budget. However, the City Council did request that additional information on the spacing and costs of installing one or more street lights on Highwood Circle be presented at a future meeting. Staff has worked with the utility provider, SDG&E, to determine the estimated costs of new lighting on Highwood Circle and is presenting this information. As the City Council did not approve this Capital Improvement Project in the current two-year budget, staff recommends the City Council receive and file this report. A budget for this project can be reconsidered in the next budget cycle.

BACKGROUND:

On occasion, residents request that the City consider installing additional street lighting based upon their perspective that additional lighting will improve neighborhood conditions. During consideration of the 2013 Capital Improvement Program (CIP) Budget, staff presented the attached proposed project to add street lighting per resident requests at the following three locations: Mandeville Drive, Chelsea Lane and Highwood Circle. (Please see Exhibit 1). The City Council did not approve the funding of this CIP but did request more information be provided specific to the request for additional street lighting on Highwood Circle.

Street lighting on most City streets was installed as a part of the development process under County regulation prior to the City's incorporation in 1991. The County has a Standard Plan (No. 1411), attached, for street lighting installations which governs this work; the size of the lamps and the spacing of the lights. Please see Exhibit 2. As development occurs, the Developer is required to install the street lighting per these standards in the normal course of constructing subdivision improvements. For residential (local) streets, the County standard recommends one light at intersections and one light per 300' of spacing between street lights.

Highwood Circle was developed as a part of the subdivision known as Tract No. 9292 in 1976. Please see the attached vicinity map, Exhibit 3. This street is a part of the larger area known as "Nellie Gail Ranch" characterized by large single family lots in an equestrian oriented development. The area has a rural character which includes street lighting of a lantern type design at approximately 18' tall (as contrasted with typical mast arm street lighting at 30' tall). The lantern type street lights, by design, cast their lighting to a lesser extent than do typical mast arm street lights. Photographs of both types of street lighting are attached as Exhibit 4.

The existing street light locations on Highwood Circle, and on the immediately adjacent street of Rockinghorse Lane, are shown on the attached Exhibit 5 as red dots which also depicts the spacing between the lights. From a reference point of the street light located at the intersection of Highwood Circle and Rockinghorse Lane, the first street light northerly on Highwood Circle is at a spacing of approximately 370' and the second light near the end of the cul-de-sac is at approximately 390' distant from the first light. Mr. Patric Barry, resident of 26981 Highwood Circle, had addressed the City Council during the 2013 CIP Budget Study Session and expressed his view that the street lighting on Highwood Circle is inadequate and, as well, that the street light on Rockinghorse Lane, located at its intersection with Highwood Circle, is not effective in providing any lighting on Highwood Circle because it is offset to the east of the intersection. Mr. Barry also recommended a new street light be placed on Highwood Circle across from 26981 Highwood Circle.

Staff has worked with SDG&E, the owner of the street lights and electrical system, to determine a potential layout and cost of additional street lighting on Highwood Circle. As shown on the attached Exhibit 5, two street lights on Highwood Circle could potentially be added to improve the overall spacing of the street lighting. Each new street light would be approximately 180' to 200' from an existing street light as is shown on the attached Exhibit 6 as represented by green dots.

The layout of the existing street lighting on Highwood Circle is at greater distances than the 1991 County Standard Plan but staff does not know the context of the street lighting layout performed in 1976. Given the rural nature of the Nellie Gail Ranch, it is feasible, however, that there was a desire to minimize street lighting. If the City adds lighting on Highwood Circle, it is reasonable to expect similar requests will be made for other streets in the area. The City is not legally obligated to provide street lighting.

FISCAL IMPACT:

The cost of street lighting installation is composed of two parts; the cost for SDG&E services for the installation of the street light pole and the cost for the City to retain a contractor to trench and lay conduit to SDG&E standards. The cost for the streetlight opposite 26981 Highwood Circle is estimated to be not more than \$10,000. The cost to add a second street light on Highwood Circle is estimated to cost approximately \$15,000. The cost of the second street light is higher than the first due to the estimated distance of trenching to reach an SDG&E service point.

ATTACHMENTS:

- Exhibit 1 – Capital Improvement Program Budget
- Exhibit 2 – County Standard Plan No. 1411
- Exhibit 3 – Vicinity Map
- Exhibit 4 – Photographs of street lights
- Exhibit 5 – Existing street lighting on Highwood Circle
- Exhibit 6 – Potential street lighting on Highwood Circle

EXHIBIT 1

Capital Improvement Program Budget Street Lighting

**City of Laguna Hills
Capital Improvement Project**

Program: Streets, Signals and Lighting

Project Name: Streetlighting

Project No.: TBD

Description: Augment existing residential street lighting in various locations.

Purpose / Justification: Improve lighting levels on residential streets based upon resident requests.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

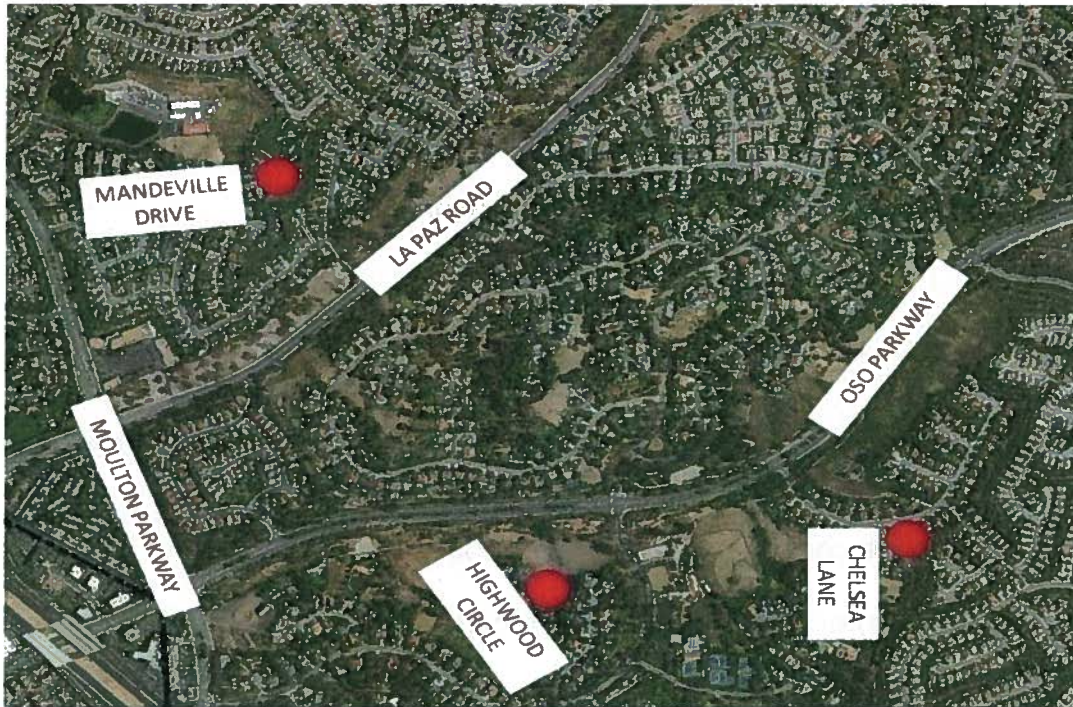
Operating Budget Impact: A small increase in annual electricity costs for street lighting depending upon the number of lights added in any one year.

Source of Cost Estimates: Preliminary ☒ Based on Design ☐ Actual Bid ☐

Schedule: Future

Project Name: Streetlighting
Project Number: TBD

Site Map



Project Costs and Project Funding

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction							50,000	50,000
Equipment								-
Total Cost	-	-	-	-	-	-	50,000	50,000
Project Funding:								
General Fund								-
Gas Tax								-
Measure M2 - Local Fair Share								-
Measure M2 - Competitive								-
CARITS								-
Capital Reserve Funds								-
STIP Federal Grant								-
Other								-
Other - Prop 1B								-
Unfunded							50,000	50,000
Total Funding	-	-	-	-	-	-	50,000	50,000

EXHIBIT 2

County Standard Plan No. 1411

STREET LIGHTING STANDARDS

GENERAL

Safety lighting shall be provided in accordance with SP 1411 at intersections and all other locations where illumination is justified by the need for sight distance, as determined by the Engineer. Residential street lighting when specified shall be provided in accordance with SP 1411.

All street light layouts and lighting designs shall be approved by the Engineer prior to installation.

For the purposes of this plan, a commuter street shall be considered to be a local street.

ELECTROLIERS

Electrolliers shall be of the type provided by the serving utilities, or as approved by the Engineer and the serving utility where aesthetic considerations are warranted.

Electrolliers shall be placed at lot lines whenever practical.

At intersections, where practical, electrolliers shall be placed near the end of the curb return on the far right side of the intersection. At a T intersection, an electrollier shall be placed at the head of the intersection or at alternate locations near the end of curb return on either the far right or the far left side of the intersection.

Electrolliers in median islands shall not be placed closer than 100 feet from an arterial highway or collector street intersection. Electrolliers shall not be placed in median islands less than six (6) feet in width.

Electrolliers shall be placed alternately on each side of the roadway when installed along the sides of a roadway.

Electrolliers shall be spaced in accordance with the following:

ELECTROLIERS

<u>Location</u>	<u>Minimum HPSV Lamp Size (Lumens)</u>	<u>Electrolliers</u>	<u>Spacing (feet)</u>
a. Intersection of two local streets	5,800	1	n/a
b. T Intersection of local street with arterial highway	22,000	1	n/a
c. Full Intersection of local street with arterial	22,000	2	n/a
d. Intersection of two arterial highways	30,000	4	n/a

ORANGE COUNTY ENVIRONMENTAL MANAGEMENT AGENCY

Approved

W.L. Zorn 11-15-91
W.L. Zorn, Director of Public Works

Adopted: Res. 77-92 Revised: Res. 79-1525; 83-1246; 91-1481

STD. PLAN

1411

STREET LIGHTING

9/10/2013 ITEM NO. 4 7/3.1
SHEET 1 OF 4

e. Local streets	5,800	1	300
f. Local street cul-de-sac	5,800	1	n/a
g. Secondary highway	16,000	1	200
h. Primary highway with raised median	9,500 (dbl)	1	200
without raised medians	16,000	1	200
i. Major highway with raised median	9,500 (dbl)	1	180
without raised medians	22,000	1	200

LUMINAIRES AND MAST ARMS

Luminaires shall be of the type used by the serving utility.

Luminaires at signalized intersections shall be equipped with glare shields or have integral cutoff features.

Luminaires shall be mounted on existing wood poles where:

- a. The proximity or number of existing wood poles within the right-of-way precludes the installation of additional poles.
- b. Temporary lighting is to be installed in undeveloped areas.

Mounting height of luminaires shall conform to the following:

- a. 30-foot minimum for greater than 9,500 lumens.
- b. 25-foot minimum for 9,500 lumens or less.

Minimum length of mast arms shall conform to the following:

- a. 6-foot minimum for greater than 9,500 lumens.
- b. 4-foot minimum for 9,500 lumens and less, except for Mission Bell luminaires' installation.

LAMPS

Lamps shall be high pressure sodium vapor (HPSV).

ORANGE COUNTY ENVIRONMENTAL MANAGEMENT AGENCY

Approved

C.R. Nelson
C.R. Nelson, Director of Public Works

Adopted: Res. 77-92

Revised: 79-1525; 83-1246

STD. PLAN

1411

STREET LIGHTING

SHEET 2 OF 4

MISCELLANEOUS MATERIALS AND WORKMANSHIP

Materials and work shall conform to or exceed the applicable requirements of the National Electric Code, the Electrical Safety Orders of the Department of Industrial Safety, State of California, and the American Society for Testing Materials.

In addition to the above, non-utility-owned street lighting installations shall conform to the latest publication of Section 307 of the Southern California Chapter of the American Public Works Association and the Southern California District of Associated General Contractors Standard Specifications for Public Works Construction and this Standard Plan.

The construction practices and materials used for street lights owned by utilities subject to the regulation of the California Public Utilities Commission are specified exclusively by the orders of the Commission. All street lights owned by regulated utilities shall conform to or exceed the requirements of General Orders 95 and 128.

SERVICE AND MAINTENANCE

Services and maintenance shall be the responsibility of the owner of the lighting facility.

DESIGN CRITERIA ILLUMINATION LEVEL

GENERAL

Required spacing and lumen levels may be modified on an exceptional basis for purposes of crime prevention or energy savings. All modifications shall meet the lighting levels specified below and shall be supported by adequate calculations approved by the Engineer. Consistency of electrolier spacing and lamp lumen levels shall be maintained along all highways whenever possible.

Lighting levels shall be in accordance with the following:

ARTERIAL HIGHWAYS:

<u>Description</u>	<u>Average Horizontal</u> <u>Footcandles</u>
Arterial highways	0.40
Sidewalks (roadside)	0.25
On-road bikeways (marked)	0.25
Off-road walkways and bike paths	0.25
Pedestrian tunnels	4.0
Pedestrian overpasses	0.3
Pedestrian stairways	0.6

ORANGE COUNTY ENVIRONMENTAL MANAGEMENT AGENCY

Approved

C.R. Nelson
C.R. Nelson, Director of Public Works

STD. PLAN

Adopted: Res 77-92 Revised: 79-1525; 83-1246

1411

STREET LIGHTING

9/10/2013 ITEM NO. 7.3.1

LOCAL STREETS

Electroliers shall be spaced according to the criteria specified in ELECTROLIERS. The spacing may be modified on an exceptional basis for purposes of crime prevention, but the average lighting level shall not exceed 0.25 horizontal footcandles.

UNIFORMITY

The illumination levels in the above table are minimums and provide effective visibility only when combined with uniformity of illumination. Uniformity may be expressed in several ways. The average level-to-minimum point method uses the average illumination of the roadway design area between two adjacent luminaires divided by the lowest value at any point in the area except on local streets. Under this method the average-to-minimum ratio shall not exceed 6 to 1.

ORANGE COUNTY ENVIRONMENTAL MANAGEMENT AGENCY

Approved

C.R. Nelson
C.R. Nelson, Director of Public Works

STD. PLAN

1411

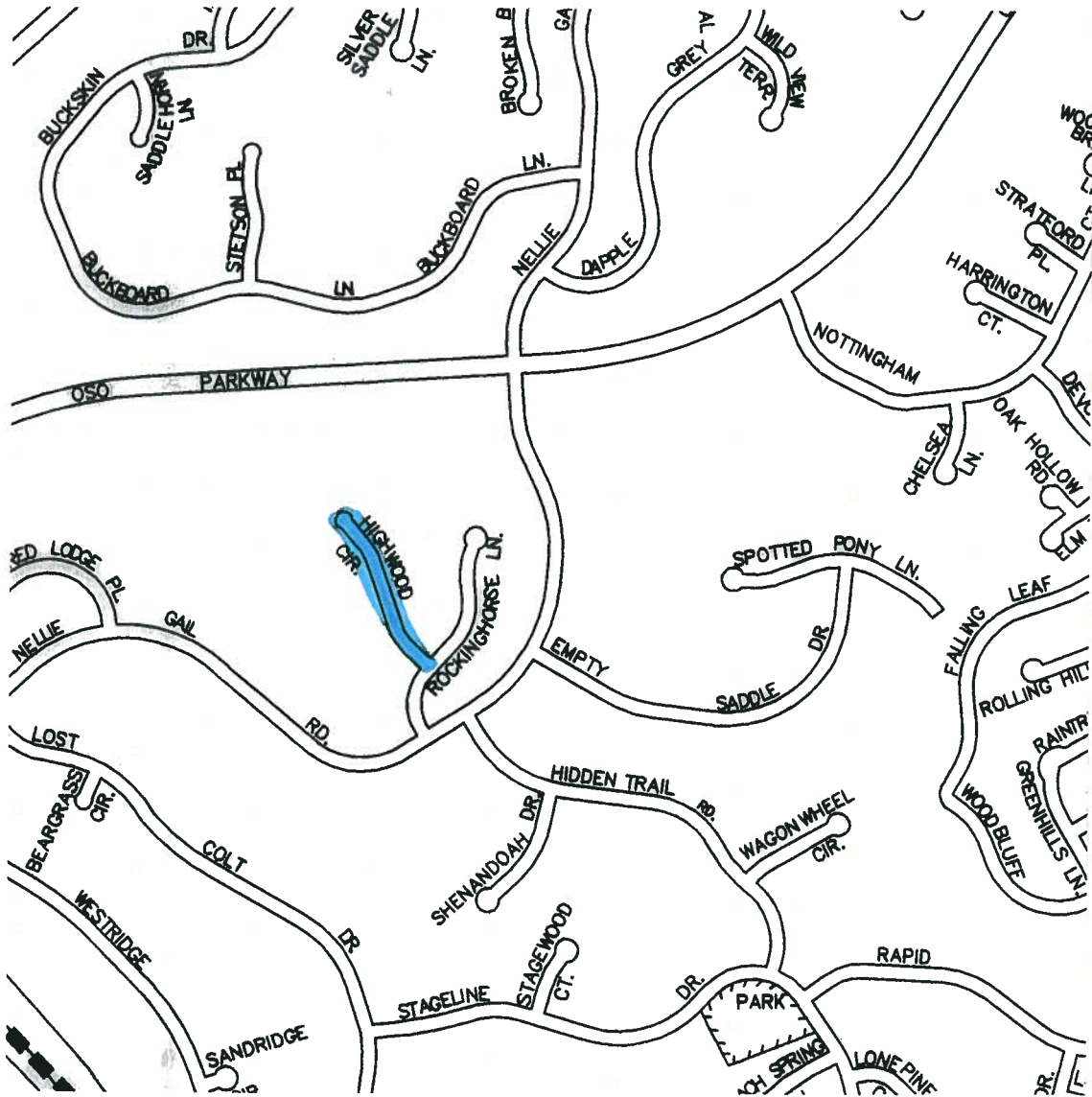
Adopted: Res. 77-92 Revised: 79-1525; 83-1246

STREET LIGHTING

SHEET 4 OF 4

EXHIBIT 3

Vicinity Map



VICINITY MAP

EXHIBIT 4

Photographs of Street Lights



30' Mast Arm Street Light



18' Lantern Street Light

EXHIBIT 5

Existing Street Lights On Highwood Circle

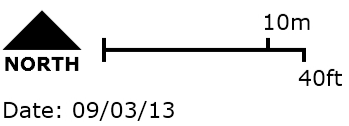
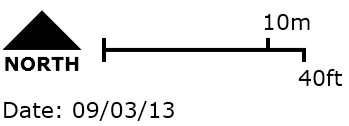


EXHIBIT 6

Potential Street Lights On Highwood Circle





City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: SEPTEMBER 10, 2013

TO: MAYOR AND COUNCIL MEMBERS

**FROM: KENNETH H. ROSENFELD
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER**

ISSUE: REQUEST FOR STREET TREE REMOVAL AT 25252 MAWSON DRIVE

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE REPORT.

SUMMARY:

The resident of 25252 Mawson Drive addressed the City Council at the meeting of August 27, 2013, to request the City remove the street tree located in the parkway in front of this home. Staff reviewed the condition of the California Sycamore tree at this location and determined that the tree should remain in place in accordance with the City Council Tree Preservation Policy No. 315; the tree is not diseased and declining, the tree is currently not damaging public property and the tree is not known to be a threat to private property. It is recommended the City Council receive and file this report.

BACKGROUND:

The City of Laguna Hills is a "Tree City USA" participant and prides itself on the number and types of healthy trees existing within the community. In 1998, the City Council adopted Policy No. 315 regarding Tree Preservation. A copy of this Policy is attached as Exhibit 1. In 2011/12, the City implemented a tree planting program in which approximately 600 new trees were planted in the traditional neighborhood parkway areas. The City maintains an annual budget of \$180,000 for tree trimming, tree planting and tree removal as needed.

The resident of 25252 Mawson Drive, Mr. Steve Epstein, previously contacted staff to request the removal of the California Sycamore that is located in the parkway in front of his home. Staff reviewed the condition of the tree and did not find that it qualified for removal per the Tree Preservation Policy. Please see Exhibit 2 for photographs of the tree. The tree is not diseased and declining, the tree is currently not damaging public property and the tree is not known to be a threat to private property. While it is recognized that this tree is not an appropriate species to fully grow within the existing 3.5' wide parkway, there is no

September 10, 2013

current justification to remove the tree; the tree is healthy and not causing damage. The City does not remove trees due to litter or view obstruction concerns, if any. Mr. Epstein was advised of the staff conclusion regarding the tree and he requested a further review by the City Council through public comments provided at the August 27, 2013, City Council meeting.

The City's tree inventory identifies 42 existing street trees and 16 vacant tree sites on Mawson Drive. The trees consist of the following species:

<u>Number</u>	<u>Tree Type</u>	<u>Common Name</u>
1	Acacia baileyana	Acacia
3	Lagerstroemia indica	Crepe Myrtle
13	Cercis canadensis	Eastern Redbud
3	Jacaranda mimosifolia	Jacaranda
2	Liquidambar styraciflua	Liquidambar/American Sweetgum
4	Magnolia grandiflora	Magnolia
16	Platanus acerifolia	California Sycamore/London Planetree

Of the above species, only the three Crepe Myrtle and 13 Eastern Redbud trees are considered to have the appropriate growth characteristics for the width of the parkway on Mawson Drive. The balance of the trees, at some future time, will likely cause damage to the sidewalk or curbs and may then require root pruning with sidewalk repair or removal of the tree. In the meantime, the trees add to the aesthetic of the street and provide many benefits to the community.

Staff does not recommend the pre-emptive removal of trees on the basis that some day they may cause damage to public property. In the case of Mawson Drive, should the City act in this manner, as many as 26 trees would be removed and, across the City, hundreds of trees would be removed. During the 2012 sidewalk repair project on Mawson Drive, three trees were too large for the parkway space, had damaged public property and did require removal. However, the balance of the trees on this street, with the exception now of one declining Liquidambar, were not and are not proposed to be removed.

FISCAL IMPACT:

The cost for tree removal, depending upon the diameter of the tree, is approximately \$250.

ATTACHMENTS:

- Exhibit 1 – Tree Preservation Policy No. 315
- Exhibit 2 – Photographs of tree at 25252 Mawson Drive

EXHIBIT 1
Tree Preservation Policy

CITY OF LAGUNA HILLS



City Council Policy

Subject: TREE PRESERVATION

Policy No. 315

Effective Date: February 24, 1998

Last Revision: February 24, 1998

PURPOSE

To establish guidelines for public tree trimming and tree removal practices.

BACKGROUND:

Trees are an important asset in the community and their preservation is a goal of the City's General Plan. Maintenance of public trees is performed for the health of the tree, enjoyment of the residents, and for wildlife benefits. As existing trees reach a mature age, the City receives increasing requests for tree trimming and tree removal. This policy is provided to clarify the conditions which the City will utilize to evaluate such requests.

The City of Laguna Hills has an estimated 5,000 public trees located in its parks and open spaces and along the public streets. Unfortunately, some poor choices were made in the past as to the selection of tree types, locations of planting and maintenance practices, particularly in narrow residential parkway areas. Many tree species have grown or will grow too large for their settings. The root systems of some trees have caused sidewalks, curbs, and gutters to become damaged or infringed upon private properties. Other species have not thrived well in their Laguna Hills environment and are not healthy specimens.

As a result of these tree growth problems and normal tree maintenance practices, the City's Public Works Department has prepared the Tree Preservation Policy to provide guidance to mitigate the problems and expenses to the community caused by trees while preserving as many trees as possible.

POLICY:

Authorized Tree Trimming:

Laguna Hills is currently on a three year trimming cycle. Trees are pruned for the following reasons: (1) health maintenance, structural form and safety; (2) to provide vertical clearances in the public right-of-way (trees are raised to 9 feet over sidewalks and 16 feet over streets) for pedestrians and vehicles, and (3) to address trees which become larger than is desirable or safe for given site constraints.

**City Council Policy
No. 315
Tree Preservation**

Tree trimming involves thinning and raising branches. Thinning out can reduce the height and spread of a tree while retaining its natural shape and is the practice preferred rather than topping. Topping adversely impacts tree structure. Trees will not be topped. Trees will not be trimmed solely for the benefit of views or for litter control.

The appropriate time to fully trim a tree will depend on the type of tree, its condition, and the results desired. Light pruning can be done any time. Broken, dead, weak, or individual branches can be removed with little or no effect on a tree, no matter what time of the year. Generally, however, tree trimming will be scheduled in the Fall/Winter months.

No person, other than the City, is authorized to trim public trees without an appropriate permit. A tree trimming permit may be issued for the trimming or thinning of a tree only in accordance with guidelines established by the City. If a permit is issued and granted for a private entity to trim a tree, the permit shall be available on-site at all times during trimming activity.

Authorized Tree Removal

Upon request, and for the criteria described below, public trees will be inspected and authorized for removal:

1. Tree is diseased and declining.
2. Tree is damaging the sidewalk, curb or gutter, and is not receptive to preventative root pruning.
3. The tree and/or its roots are a threat to private property.

No person, other than the City, is authorized to remove public trees without a permit. Trees will not be removed solely for view enhancement. Tree removal includes stump and root removals in a manner meeting the approval of the City.

For the preservation of these assets, a resident requesting removal of a street tree, that has been justified for removal by the City, will be requested to donate and plant another tree in its place. The size, species type, and location will be specified by the Director of Public Works or his designee. If the resident will not replace the tree, the City will do so provided the tree is determined by the Director of Public Works to enhance the tree preservation goals.

Unauthorized Tree Removal or Trimming

Any person identified as having removed or trimmed a tree, so as to cause damage to the tree will be responsible for the full cost of replacement of the tree.

**City Council Policy
No. 315
Tree Preservation**

Street Tree List

The following list of tree species shall be used by the Director of Public Works or his designee when selecting a replacement tree for street parkways.

Species for 2-3 Foot Parkways, or 2'X2' Cut-Outs

Expected root flair diameter 1' to 1.5 ft. at 40 years

- Lagerstoemia indica "fauriei" (mildew resistant)
- Crape Myrtle
- Tristania laurina
- Brisbane Box
- Pyrus calleryana "Aristocrat"
- Aristocrat Pear
- Cercis occidentalis
- Western Redbud

Species for 3-5 Foot Parkways, or 4'X4' Cut-Outs

Expected root flair diameter 1.5' to 2 ft. at 40 years

- Pyrus calleryana "Bradford"
Bradford Pear
- Archontophoenix cunninghamiana
Queen Palm
- Metrosideros excelsus
New Zealand Christmas Tree
- Pistachia chinensis
Chinese Pistache
- Hymenosporum flavum
Sweetshade

Species for 5-6' Ft. Parkways or 5'X5' Cut-Outs

Expected root flair diameter 2' to 4 ft. at 40 years

- Melaleuca uuinquenervia
Paperbark; cajeput tree
- Geijera parviflora
Australian Willow
- Ulmus parvifolia
Chinese Elm
- Jacaranda acutifolia
Jacaranda
- Brachychiton populneus
Bottle Tree

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- Ginkgo biloba (grafted male only)
Ginkgo
- Bauhinia variegata
Purple Orchid Tree
- Pinus eldarica
Mondale Pine

ATTACHMENTS:

- None

EXHIBIT 2
Photographs of tree at 25252 Mawson Drive

Tree at 25252 Mawson Drive, Laguna Hills, CA



