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**CITY COUNCIL  
REGULAR  
MEETING**



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**AUGUST 23, 2011  
7:00 PM**

**AGENDA**

**L. Allan Songstad, Jr., Mayor**

**Melody Carruth, Mayor Pro Tempore  
Randal Bressette, Council Member**

**Barbara Kogerman, Council Member  
Joel Lautenschleger, Council Member**

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

**CALL TO ORDER**

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

**PLEDGE OF ALLEGIANCE: COUNCIL MEMBER KOGERMAN**

**ROLL CALL OF CITY COUNCIL MEMBERS**

- 1. PRESENTATIONS AND PROCLAMATIONS**
- 2. PUBLIC COMMENTS**

This is the appropriate time for members of the public to make comments regarding items listed on the Consent Calendar and issues not listed on the Agenda. Any person wishing to address the City Council on any matter, whether or not it appears on this Agenda, is asked to complete a "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. No action will be taken on any items not on the Agenda unless the City Council makes a determination that an emergency exists or that the need to take action on the item arose subsequent to posting of the Agenda.

There will be a time limitation of three minutes per person, an overall time limit of ten minutes for any one subject, and a time limit of thirty minutes for the Public Comments portion of the Agenda.

**3. MINUTES****3.1 REGULAR MEETING JULY 12, 2011 (0410-50)**

RECOMMENDATION: That the City Council approve the minutes of the July 12, 2011, 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 MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS, SAID TITLES, WHICH APPEAR ON THE PUBLIC AGENDA, SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED**

RECOMMENDATION: That the City Council waive reading of Ordinances and Resolutions.

**4.2 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED AUGUST 23, 2011 (0300-30)**

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$2,787,439.68.

**4.3 FY 2011-2012 SCHOOL CROSSING GUARD AGREEMENT (0400-10)**

RECOMMENDATION: That the City Council authorize the Mayor to execute the Crossing Guard Services Agreement between All City Management Services and the City of Laguna Hills for school crossing guard services for FY 2011-2012.

**4.4 2011 MEMORIAL DAY HALF MARATHON AND 5K POST EVENT REPORT AND TWO YEAR EVENT MANAGEMENT AGREEMENT WITH RENEGADE RACING FOR THE 2012 AND 2013 RACE EVENTS (0400-10)**

RECOMMENDATION: That the City Council:

1. Receive and file the 2011 Memorial Day Half Marathon and 5K post event report; and
2. Authorize the City Manager to execute an Event Management Services Agreement, approved as to form by the City Attorney, with Renegade Racing for the 2012 and 2013 race events.

4.5 2011 FOURTH OF JULY POST EVENT REPORT (0400-10)

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

4.6 PROGRESS PAYMENT NO. 4 FOR LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT PROJECT, CIP NO. 159 (0400-10)

RECOMMENDATION: That the City Council approve Contract Change Order No. 3 and Progress Payment No. 4, in the net amount of \$417,141.49, to SEMA Construction, Inc., for the La Paz Road Widening at I-5 Improvement Project, CIP No. 159.

4.7 PROGRESS PAYMENT NO. 5 FOR LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT PROJECT, CIP NO. 159 (0400-10)

RECOMMENDATION: That the City Council approve Progress Payment No. 5, in the net amount of \$207,486.96, to SEMA Construction, Inc., for the La Paz Road Widening at I-5 Improvement Project, CIP No. 159.

4.8 PROGRESS PAYMENT NO. 4 FOR COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239 (0400-10)

RECOMMENDATION: That the City Council approve Contract Change Order No. 2 and Progress Payment No. 4, in the net amount of \$24,311.00, to Signature Contractors, for Community Center & Sports Complex Playground Renovations and Light Refurbishment, CIP No. 514, and Costeau Park Playground Renovations, CIP No. 239.

4.9 PROGRESS PAYMENT NO. 1 FOR ENERGY EFFICIENCY PROJECT, CIP NO. 515 (0400-10)

RECOMMENDATION: That the City Council approve Progress Payment No. 1, in the net amount of \$34,603.20, to Robert D. Gosney Construction, for Energy Efficiency Project, CIP No. 515.

4.10 MASTER FUNDING AGREEMENT NO. C-1-2770 WITH ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) AND LETTER AGREEMENT NO. 1 FOR THE PASEO DE VALENCIA IMPROVEMENT PROJECT, CIP NO. 145 (0400-10)

RECOMMENDATION: That the City Council:

1. Approve Master Funding Agreement No. C-1-2770 with the Orange County Transportation Authority;

2. Approve Letter Agreement No. 1 for the Paseo de Valencia Improvement Project; and

3. Authorize the Mayor to sign the Master Funding Agreement and Letter Agreement No. 1 and authorize the City Clerk to attest thereto.

4.11 PUBLIC OUTREACH FOR NEIGHBORHOOD TREE PLANTING PROGRAM (0820-25)

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

4.12 STOCKPORT PARK RENOVATION, CIP NO. 239-B (0730-60)

RECOMMENDATION: That the City Council authorize the City Manager to issue a task order to Richard Fisher Associates for the design of the Stockport Park Renovation Project, CIP No. 239-B, including the playground renovation and the slope renovation.

4.13 CONTRACT WITH COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FISCAL YEAR 2011-2012 (0400-10)

RECOMMENDATION: That the City Council approve a contract with the County of Orange for Community Development Block Grant (CDBG) Funds for the 2011-2012 Fiscal Year and authorize the Mayor and City Manager to execute the contract.

4.14 CONTRACT WITH ALISO MEADOWS CONDOMINIUM ASSOCIATION REGARDING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FISCAL YEAR 2011-2012 (0400-10)

RECOMMENDATION: That the City Council approve a contract with the Aliso Meadows Condominium Association for Community Development Block Grant (CDBG) funds for the 2011-2012 Fiscal Year and authorize the Mayor to execute the contract.

4.15 CONSULTING SERVICES AGREEMENT FOR PLANNING AND HOUSING SERVICES WITH GRC ASSOCIATES (0400-10)

RECOMMENDATION: That the City Council approve the Consulting Services Agreement with GRC Associates and authorize the City Manager to sign the Agreement, subject to approval of the Agreement as to form by the City Attorney and the City Clerk to attest thereto.

- 4.16 ESTABLISHMENT OF A NO STOPPING ANYTIME ZONE AT VALENCIA ELEMENTARY SCHOOL ON THE EAST SIDE OF PASEO DE VALENCIA (0860-50)

RECOMMENDATION: That the City Council adopt a Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO STOPPING ANYTIME ZONE ON THE EAST SIDE OF PASEO DE VALENCIA FROM THE NORTHERLY EXIT DRIVEWAY OF THE VALENCIA ELEMENTARY SCHOOL PARKING LOT TO 160 FEET NORTHERLY THEREOF.

- 4.17 15TH ANNUAL INNER-COASTAL WATERSHED CLEANUP DAY (0950-25)

RECOMMENDATION: That the City Council declare September 17, 2011, as Inner-Coastal Watershed Cleanup Day and encourage volunteer participation in this event.

- 4.18 ESTABLISHMENT OF NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY (0860-50)

RECOMMENDATION: That the City Council adopt a Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY THEREOF.

## **ITEMS REMOVED FROM THE CONSENT CALENDAR**

### **5. PLANNING AGENCY**

- 5.1 ROLL CALL OF PLANNING AGENCY MEMBERS

- 5.2 PUBLIC COMMENTS

This is the appropriate time for members of the public to make comments regarding issues not listed on the Agenda. Any person wishing to address the Planning Agency on any matter, whether or not it appears on this Agenda, is asked to complete a "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 Planning Agency.

### 5.3 MINUTES OF THE REGULAR MEETING OF JULY 12, 2011 (0120-10)

RECOMMENDATION: That the Planning Agency approve the minutes of the July 12, 2011, regular meeting as referenced in Item 3.1 beginning on Page 4.

### 5.4 ADMINISTRATIVE REPORTS

#### 5.4.1 CHANGED PLAN APPLICATION NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT (0610-55)

RECOMMENDATION: That the Planning Agency:

1. Conduct a review of Changed Plan No. 06-11-1985; and
2. Adopt a Resolution entitled:

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CHANGED PLAN NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT.

### 5.5 PLANNING AGENCY PUBLIC HEARINGS

#### 5.5.1. CONDITIONAL USE PERMIT APPLICATION NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REPLACE AN EXISTING MONOPINE WITH A MONOEUCALYPTUS FOR CO-LOCATION OF NEW METROPCS ANTENNAS AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT (0610-55)

RECOMMENDATION: That the Planning Agency:

1. Conduct a Public Hearing; and
2. Adopt a Resolution entitled:

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REMOVE THE EXISTING MONOPINE, CONSTRUCT A NEW MONOEUCALYPTUS, CO-LOCATE METROPCS ANTENNAS, AND CONTINUE OPERATION OF AN UNMANNED WIRELESS COMMUNICATIONS FACILITY AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT.

**PLANNING AGENCY ADJOURNMENT****6. CITY COUNCIL PUBLIC HEARINGS****6.1 APPROPRIATION OF CITIZENS' OPTION FOR PUBLIC SAFETY FUNDS (0260-60)**

RECOMMENDATION: That the City Council conduct a Public Hearing and appropriate monies from the Citizens' Option for Public Safety Funds towards the recommendations outlined in this report.

**7. ADMINISTRATIVE REPORTS****7.1 City Manager****7.2 Assistant City Manager****7.2.1. RESPONSE TO GRAND JURY REPORT - COMPENSATION STUDY OF ORANGE COUNTY CITIES (0520-10)**

RECOMMENDATION: That the City Council authorize the Mayor to sign the letter of response to the Grand Jury's report entitled: "Compensation Study of Orange County Cities" and send to the presiding judge of the Superior Court.

**7.3 Public Services Director/City Engineer****7.3.1. ESTABLISHMENT OF A NO PARKING ANYTIME ZONE ON MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE (0860-50)**

RECOMMENDATION: That the City Council adopt a Resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE NORTH SIDE OF MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE.

**8. OTHER BUSINESS****8.1 COUNCIL MEMBER KOGERMAN****8.1.1. COYOTE PROBLEMS THROUGHOUT THE CITY AND REQUEST FOR STAFF REPORT AND RECOMMENDATIONS (0200-10)**

RECOMMENDATION: That the City Council direct staff to:

1. Conduct a study which provides statistical and concrete evidence of encounters with aggressive coyotes throughout the City, reaching out as needed to property managers and homeowner associations throughout the City, the State Department of Fish and Game, and the Orange County Animal Control Services, including relevant information as to time and place and the nature of the encounter; and request any available similar information from neighboring cities; and based on this information to:
2. Compile a report outlining options for public information and outreach, website support, management of aggressive coyotes, and cooperation efforts among contiguous cities directed toward protecting our residents, their children and their pets from coyote habituation and aggression; and
3. Return to City Council not later than the September 27, 2011, City Council meeting with said recommendations.

It is to be understood that nothing in this recommendation should put a halt to on-going measures that are currently being undertaken.

**9. MATTERS PRESENTED BY MAYOR AND COUNCIL MEMBERS**

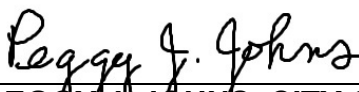
**10. CLOSED SESSION**

**ADJOURNMENT**

The next Regular Meeting of the City Council will be September 13, 2011, at 7:00 PM, 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 August 19, 2011, at 5:00 PM.

  
\_\_\_\_\_  
PEGGY J. JOHNS, CITY CLERK

August 19, 2011  
\_\_\_\_\_  
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.***



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**CITY OF LAGUNA HILLS, CALIFORNIA  
CITY COUNCIL/PLANNING AGENCY REGULAR MEETING  
MINUTES  
JULY 12, 2011**

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**CALL TO ORDER**

Mayor Songstad 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, 24035 El Toro Road, Laguna Hills.

**PLEDGE OF ALLEGIANCE:** Council Member Bressette

**ROLL CALL OF CITY COUNCIL MEMBERS**

Present: Mayor Songstad, Mayor Pro Tempore Carruth, Council Member Bressette, Council Member Kogerman, and Council Member Lautenschleger

STAFF PRESENT: Bruce Channing, City Manager; Donald White, Assistant City Manager; Peggy Johns, City Clerk; Greg Simonian, City Attorney; Ken Rosenfield, Public Services Director/City Engineer; Vern Jones, Community Development Director; Steve Doan, Chief of Police Services; David Reynolds, Deputy City Manager; Ron Roberts, Battalion Chief, Orange County Fire Authority; Melissa Au-Yeung, Senior Management Analyst; Dan Meehan, Community Services Superintendent; and Sandi Mogan, Deputy City Clerk.

**1. PRESENTATIONS AND PROCLAMATIONS**

**1.1 FIFTEEN YEAR ANNIVERSARY AWARDS (0500-25)**

Mayor Songstad recognized Jan Thomas Frainie, Parks Supervisor, and Janice Reyes, Finance Manager, for fifteen years of service to the City of Laguna Hills, and presented Certificates of Recognition and gifts to Jan Thomas Frainie and Janice Reyes.

**2. PUBLIC COMMENTS**

**SPEED SURVEYS (0860-20)**

Allan Cusolito, Laguna Hills, indicated he would like to request a speed survey study at Laguna Hills Drive and Indian Hill Lane.

### **3. MINUTES**

#### **3.1 REGULAR MEETING, JUNE 28, 2011 (0410-50)**

**Motion to approve the minutes of the June 28, 2011, regular meeting, by m/Council Member Kogerman, s/Council Member Lautenschleger. Approved by a vote of 5-0.**

### **4. CONSENT CALENDAR**

**Motion to approve the Consent Calendar with Council Member Bressette removing Item No. 4.5, by m/Council Member Bressette, s/Mayor Pro Tempore Carruth.**

**Approved by a vote of 5-0.**

#### **4.1 MOTION TO APPROVE THE READING BY TITLE OF ALL ORDINANCES AND RESOLUTIONS, SAID TITLES, WHICH APPEAR ON THE PUBLIC AGENDA, SHALL BE DETERMINED TO HAVE BEEN READ BY TITLE AND FURTHER READING WAIVED**

Waived reading of Ordinances and Resolutions.

#### **4.2 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JULY 12, 2011 (0300-30)**

Approved the Warrant Register in the amount of \$551,559.79.

#### **4.3 EXTENSION OF TENTATIVE PARCEL MAP NO. 2009-104 (0600-20)**

Approved an extension of Tentative Parcel Map No. 2009-104 for two (2) years.

#### **4.4 SOLID WASTE AND RECYCLING CONSULTING SERVICES AGREEMENT WITH ECONOMICS, INC. (0400-10)**

Authorized the City Manager to execute the Consulting Services Agreement with EcoNomics, Inc., approved as to form by the City Attorney.

#### **4.6 2011-12 CIVIC CENTER BUDGET (0710-15)**

Approved the 2011-12 Civic Center Budget.

#### 4.7 CLAIM OF RALPH COLOMBO FOR DAMAGES TO REAL PROPERTY (0180-15)

Rejected the claim and directed the City Clerk to send the standard rejection letter.

#### 4.8 CLAIM OF RALPH COLOMBO AND APPLICATION FOR LEAVE TO FILE A LATE CLAIM (0180-15)

Denied the Application for Leave to File a Late Claim submitted by Claimant Ralph Colombo on the grounds that the criteria established in Government Code Section 911.6 for excusing the Late Claim were not met; and directed the City Clerk to provide written notice prior to August 14, 2011, to Claimant Ralph Colombo that his Application was denied and that his underlying claim, to the extent that the Claim was for personal injury, damage to personal property, and/or other non-real property related damage, was again returned as untimely.

### ITEMS REMOVED FROM THE CONSENT CALENDAR

#### 4.5 AMENDMENT NO. 1 TO CITYWIDE LANDSCAPE MAINTENANCE CONTRACT SERVICES AGREEMENT WITH NIEVES LANDSCAPE, INC. (0400-10)

Council Member Bressette removed this item from the Consent Calendar as there was confusion regarding an increase in the Nieves Landscape contract, and asked Public Services Director Rosenfield to explain why the cost increase was negligible. Public Services Director Rosenfield reported that staff identified a potential inconsistency between the original contract and the project specifications and that this was basically an administrative cleanup to clarify the contract and permit Nieves to receive a contract adjustment equal to the annual growth in the April report of the Consumer Price Index.

**Motion to approve Amendment No. 1 to Citywide Landscape Maintenance Contract Services Agreement with Nieves Landscape, Inc., and authorized the Mayor to sign the Amendment and the City Clerk to attest thereto, by m/Council Member Bressette, s/Mayor Pro Tempore Carruth.**

**Approved by a vote of 5-0.**

### 5. PLANNING AGENCY

Mayor Songstad 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 7:11 PM.

**5.1 ROLL CALL OF PLANNING AGENCY MEMBERS**

Present: Chair Songstad, Vice Chair Carruth, Agency Member Bressette, Agency Member Kogerman, and Agency Member Lautenschleger

**5.2 PUBLIC COMMENTS**

There were no Public Comments.

**5.3 PLANNING AGENCY MINUTES**

**Motion to approve the Planning Agency minutes of the June 28, 2011, regular meeting as referenced in Item 3.1 beginning on Page 5, by m/Vice Chair Carruth, s/Agency Member Bressette.**

**Approved by a vote of 5-0.**

**5.4 PLANNING AGENCY PUBLIC HEARINGS**

5.4.1. CONDITIONAL USE PERMIT APPLICATION NO. 3-11-1915, A REQUEST TO ESTABLISH A K - 2ND GRADE CHARTER SCHOOL WITHIN THE ALICIA OFFICE PARK AT 25201 PASEO DE ALICIA IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT (0610-55)

**Motion to approve the applicant's request for withdrawal of Conditional Use Permit No. 3-11-1915, by m/Agency Member Kogerman, s/Vice Chair Carruth.**

**Approved by a vote of 5-0.**

5.4.2. SITE DEVELOPMENT PERMIT/MASTER SIGN PROGRAM/CONDITIONAL USE PERMIT NO. 3-11-1917, A REQUEST BY THE HODGDON GROUP, ON BEHALF OF ASHLEY FURNITURE, TO REDEVELOP THE EXISTING COMMERCIAL PROPERTY, LOCATED AT 24001 EL TORO ROAD IN THE VILLAGE COMMERCIAL (VC) ZONING DISTRICT (0600-30)

Agency Member Bressette stated that one of his clients was associated with the project and it was not appropriate for him to vote on this item. Agency Member Bressette recused himself from the dais and left the meeting.

Chair Songstad opened the Public Hearing.

Aaron Hodgdon, representative of Hodgdon Group, on behalf of Ashley Furniture answered questions from the Planning Agency and agreed with the Conditions of Approval.

Carol Moore, Laguna Woods, spoke on Site Development Permit/Master Sign Program/Conditional Use Permit No. 3-11-1917.

Coralee Newman, Laguna Hills United Mutual and Golden Rain Foundation, spoke on Site Development Permit/Master Sign Program/Conditional Use Permit No. 3-11-1917.

Chair Songstad closed the Public Hearing.

**Motion to adopt Resolution No. PA2011-07-12-1, a Resolution of the Planning Agency of the City of Laguna Hills, California, adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and approving Site Development Permit/Master Sign Program/Conditional Use Permit No. 3-11-1917, a request by Hodgdon Group, on behalf of Ashley Furniture, to redevelop the existing commercial property, located at 24001 El Toro Road in the Village Commercial (VC) Zoning District, to include modified Condition Nos. 23, 31, 38, and 40, eliminating Condition No. 28, and modifying Condition No. 27, directing the applicant to submit plans and a Master Sign Program removing the tower element and signage in favor of a façade and signage more consistent with the design and signage of the major tenant space, by m/Vice Chair Carruth, s/Agency Member Kogerman.  
Approved by a vote of 4-0-1 (Agency Member Bressette absent).**

Agency Member Bressette returned to the meeting.

## **PLANNING AGENCY ADJOURNMENT**

Mayor Songstad reconvened the City Council meeting at 8:59 PM. All Council Members were present.

## **6. CITY COUNCIL PUBLIC HEARINGS**

### **6.1 CONFIRMATION OF 2011 WEED ABATEMENT COST REPORT (0240-50)**

Mayor Songstad opened the Public Hearing upon seeing no one rise, closed the Public Hearing.

**Motion to adopt Resolution No. 2011-07-12-1, a Resolution of the City Council of the City of Laguna Hills, California, confirming the 2011 Weed Abatement Cost report and providing for the collection of weed abatement assessments on the next regular tax bill levied against the subject parcel for municipal purposes, by m/Council Member Bressette, s/Mayor Pro Tempore Carruth.**

**Approved by a vote of 5-0.**

**7. ADMINISTRATIVE REPORTS**

7.1 City Manager

The City Manager made no reports.

7.2 Assistant City Manager

7.2.1. 2011-13 SALARY AND BENEFITS RESOLUTION (0520-10)

**Motion to adopt Resolution No. 2011-07-2, A Resolution of the City Council of the City of Laguna Hills, California, regarding employment and establishing salary ranges and benefits for classes of employment with the City and rescinding Resolution No. 2009-06-23-2, by Council Member Lautenschleger, s/Mayor Pro Tempore Carruth.**

**Approved by a vote of 3-2 (Council Member Bressette and Council Member Kogerman voting no).**

7.3 City Clerk

7.3.1. DESIGNATION OF VOTING DELEGATE FOR LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE (0140-10)

**Motion to appoint Mayor Songstad as the voting delegate and appoint Council Member Lautenschleger as the voting alternate for the League of California Cities Annual Conference, by m/Mayor Pro Tempore Carruth, s/Council Member Bressette.**

**Approved by a vote of 5-0.**

**8. OTHER BUSINESS**

8.1 APPOINTMENT OF LABOR NEGOTIATOR (0400-10)

**Motion to retain Dan Cassidy as the City Council designated representative for purposes of conducting a Closed Session regarding the compensation of the City Manager, an unrepresented employee, and directed the City Attorney to execute a Retainer Agreement with the understanding that the City Council would meet with Dan Cassidy at the first meeting in September, by m/Mayor Pro Tempore Carruth, s/Council Member Kogerman.**

**Approved by a vote of 3-2 (Council Member Lautenschleger and Mayor Songstad voting no.).**

**9. MATTERS PRESENTED BY MAYOR AND COUNCIL MEMBERS**

There were no matters presented by Mayor and/or City Council Members.

**10. CLOSED SESSION**

Mayor Songstad recessed the meeting into Closed Session at 10:00 PM.

**10.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: (1 potential case).

Mayor Songstad reconvened the meeting at 10:10 PM. All Council Members were present.

City Attorney Simonian announced the following action taken by the City Council in Closed Session.

**10.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code: (1 potential case).

**Motion to approve the following: (1) Authority given to Special Counsel to file unlawful detainer action re: Llorente, Suite 301; (2) Authority given to City Manager to enter into settlement Agreement per terms of Llorente's June 29, 2011, letter (settlement offer); and (3) Authority given to City Manager to execute Retainer Agreement with Special Counsel Rick Seide, esq., by m/Mayor Songstad, s/Council Member Kogerman.**  
**Approved by a 5-0 vote.**

**ADJOURNMENT**

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

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PEGGY J. JOHNS, CITY CLERK

ATTEST:

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L. ALLAN SONGSTAD, JR., MAYOR

APPROVED AT MEETING OF \_\_\_\_\_



**CITY OF LAGUNA HILLS**  
**AGENDA REPORT**  
**ADMINISTRATIVE SERVICES DEPARTMENT**

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**ISSUE:        APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED**  
**AUGUST 23, 2011.**

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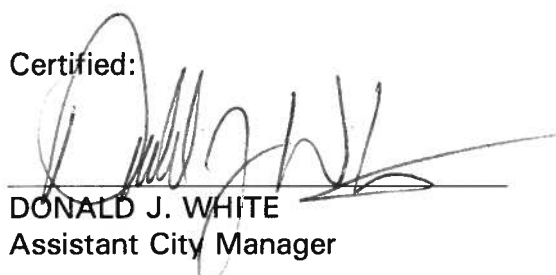
**SUMMARY:**

In accordance with Government Code Section 37202, the Finance Manager prepares the attached warrant register, which reflects the disbursements of the City of Laguna Hills for the period reported thereon. The Assistant City Manager certifies that funds are available 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

8-17-11  
DATE

**FISCAL IMPACT:**

The warrant register total is \$ 2,787,439.68

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER**  
**IN THE AMOUNT OF \$ 2,787,439.68.**

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**ATTACHMENTS:**

1.     **Warrant Register**

8/23/2011

**CITY OF LAGUNA HILLS  
WARRANT REGISTER  
August 23, 2011**

| ITEM NO.                | VENDOR                            | DESCRIPTION                                                                                                | CHECK NO. | AMOUNT      |
|-------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------|-----------|-------------|
| <b>UNPAID WARRANTS:</b> |                                   |                                                                                                            |           |             |
| 46                      | A.C. LANDSCAPE, INC.              | Water Management Services, Irrigation Repairs, Jul '11                                                     | 8801729   | \$ 6,194.91 |
| 47                      | ADVANCED APPLIED ENGINEERING      | Professional Fees, GIS System Upgrade, Jun '11                                                             | 8801634   | 20,000.00   |
|                         | ALBERT, SOPHI                     | Contract Instructor Fee, Piano/Keyboard Summer Session, Community Services                                 | 8801730   | 798.00      |
|                         | ALICEA, MIA                       | Contract Instructor Fee, Dancing Summer Session, Community Services                                        | 8801731   | 2,902.90    |
|                         | ALISO CREEK PRINTING              | Printing, Public Works, Aug '11                                                                            | 8801635   | 1,381.13    |
|                         | ALL AROUND LIGHTING, INC.         | Facility Maintenance, Lighting Supplies, Community Center, Jul '11                                         | 8801732   | 488.28      |
|                         | ALL CITY MANAGEMENT, INC.         | Crossing Guard Services, 06/19/11 - 07/02/11                                                               | 8801636   | 684.00      |
|                         | AMBIUS INC                        | Facility Maintenance, Plant Service, Community Center, Jul - Sep '11                                       | 8801683   | 554.85      |
|                         | AN, HYUNG BAE                     | Refund, SDPA-6-11-1983, CR# 42570                                                                          | 8801813   | 50.00       |
|                         | AQUA CHILL OF MISSION VIEJO, INC. | Facility Maintenance, Water Filtration System, Community Center, Jul '11                                   | 8801684   | 81.89       |
|                         | ASSOCIATION OF CA CITIES -OC      | Meeting Expense, Administrative Services, Jul '11                                                          | 8801733   | 100.00      |
|                         | AT&T                              | Communication Expense, Administrative Services Fax Line, Jul '11                                           | 8801734   | 83.50       |
|                         | AT&T-CALNET 2                     | Communication Expense, Alarm System, 2-Way Line, Switchboard, Modem, T-1 Line and Traffic Control, Jul '11 | 8801815   | 1,199.66    |
|                         | AT&T MOBILITY                     | Wireless Access, Jun '11                                                                                   | 8801613   | 54.57       |
|                         | A-THRONE CO., INC.                | Program Expense, 4th of July Event, Community Services                                                     | 8801682   | 2,557.09    |
|                         | A-THRONE CO., INC.                | Program Expense, Community Services, Jul '11                                                               | 8801728   | 129.77      |
|                         | AU-YEUNG, MELISSA                 | Mileage Reimbursement, Administrative Services, Jan - May '11                                              | 8801614   | 77.92       |
|                         | BALL, DAVID                       | Refund, CUP EXTM-5-11-1971                                                                                 | 8801685   | 100.00      |
|                         | BANK OF AMERICA                   | Departmental Operating Expenditures, Jun '11                                                               | 8801637   | 9,095.21    |
|                         | BANK OF AMERICA                   | Departmental Operating Expenditures, Jul '11                                                               | 8801817   | 8,848.26    |
|                         | BEE MAN, THE                      | Bee Removal, Parks, Jun '11                                                                                | 8801638   | 165.00      |
|                         | BEE MAN, THE                      | Bee Removal, Parks, Jun '11                                                                                | 8801735   | 190.00      |
|                         | BIG TOP RENTALS                   | Program Expense, 4th of July Event, Community Services                                                     | 8801736   | 49.40       |
|                         | BILL'S SOUND & SECURITY           | Facility Maintenance, Security System, Community Center, Jun '11                                           | 8801639   | 65.00       |

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|                                  |                                                                                   | NO.     | AMOUNT    |
| BILL'S SOUND & SECURITY          | Facility Maintenance, Security and Alarm Systems, Community Center, Jul - Sep '11 | 8801686 | 285.00    |
| BRAME, MARILYN                   | Contract Instructor Fee, Drawing Summer Session, Community Services               | 8801737 | 490.00    |
| BUCKNAM & ASSOCIATES, INC.       | Professional Fees, Pavement Management System Update, Jun '11                     | 8801640 | 13,311.80 |
| BUILD A FORT VOLUNTEEN           | C. Fiedler, Community Services, Jul '11                                           | 8801822 | 75.00     |
| BUILD A FORT VOLUNTEEN           | D. Green, Community Services, Jul '11                                             | 8801823 | 75.00     |
| BUILD A FORT VOLUNTEEN           | D. Kellstrom, Community Services, Jul '11                                         | 8801824 | 75.00     |
| BUILD A FORT VOLUNTEEN           | L. Pickett, Community Services, Jul '11                                           | 8801825 | 75.00     |
| BUILD A FORT VOLUNTEEN           | J. Sichley, Community Services, Jul and Aug '11                                   | 8801826 | 150.00    |
| BUREAU VERITAS NORTH AMERICA     | Professional Fees, On-Call Inspections, Jun '11                                   | 8801738 | 6,375.00  |
| C & A ATHLETICS                  | Program Supplies, Community Services, Jul '11                                     | 8801739 | 926.33    |
| C&D ELECTRIC, INC.               | Lighting Repairs, Parks, Jun '11                                                  | 8801641 | 247.54    |
| C&D ELECTRIC, INC.               | Program Expense, 4th of July Event, Community Services                            | 8801687 | 346.28    |
| C2 REPROGRAPHICS                 | Printing Expense, Engineering, Jul '11                                            | 8801740 | 39.22     |
| CA BUILDINGS STANDARD COMMISSION | Remittance, Building Fees Collected, Apr - Jun '11                                | 8801642 | 537.30    |
| CALIFORNIA OFFICE SYSTEMS        | Usage - Copier, City Hall, Jun '11                                                | 8801832 | 817.49    |
| CALIFORNIA YELLOW CAB            | Dial-a-Taxi, Senior Transportation Program, Jun '11                               | 8801643 | 320.00    |
| CARL WARREN & COMPANY            | Processing Fee, Small Claims, Oct '10 - Jun '11                                   | 8801644 | 782.94    |
| CDW GOVERNMENT, INC.             | Computer Software, City Clerk, Jun '11                                            | 8801645 | 289.23    |
| CERVANTES, EDWARD                | Contract Instructor Fee, Cooking Class Summer Session, Community Services         | 8801688 | 73.50     |
| CHARLES ABBOTT ASSOCIATES, INC   | Professional Fees, Plan Checking Services, Jun '11                                | 8801742 | 4,441.85  |
| CHEVRON                          | Vehicle Fuel, Jul '11                                                             | 8801795 | 1,898.95  |
| COMMUNITY ROOTS ACADEMY          | Refund, CUP-3-11-1915, CR# 42188                                                  | 8801835 | 1,337.50  |
| COMPLETE OFFICE OF CALIFORNIA    | Office, Program and Computer Supplies, Community Center, Jul '11                  | 8801689 | 1,006.04  |
| COMPLETE OFFICE OF CALIFORNIA    | Office Supplies, Community Center, Jul '11                                        | 8801743 | 21.54     |
| COUNTY CLERK-RECORDER            | Recording Fee, Encroachment Agreement, Jun '11                                    | 8801646 | 54.00     |
| CSAC EXCESS INSURANCE AUTHORITY  | Insurance Premium, Excess Workers' Compensation, Jul '11 - Jun '12                | 8801690 | 32,981.00 |

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| ITEM                            | VENDOR | DESCRIPTION                                                                                                                                                                                  | CHECK<br>NO. | AMOUNT    |
|---------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|
| NO DATA TICKET, INC.            |        | Processing Fee, Parking Citations, May '11                                                                                                                                                   | 8801647      | 652.69    |
| DEAN RYAN CONSULTANTS           |        | Professional Fees, Urban Village Traffic Study, Jun '11                                                                                                                                      | 8801648      | 8,280.00  |
| DECISION MANAGEMENT CO, INC.    |        | Software Maintenance, City Clerk, Jul '11 - Jun '12                                                                                                                                          | 8801691      | 3,873.00  |
| DEPARTMENT OF MOTOR VEHICLES    |        | Vehicle Registration Renewal, Jul '11                                                                                                                                                        | 8801692      | 382.00    |
| DUNBAR ARMORED, INC.            |        | Courier Fee, Armored Transport, Jul '11                                                                                                                                                      | 8801693      | 309.10    |
| ECHEVARRIA, LUCY                |        | Mileage Reimbursement, Community Services, Feb - Jun '11                                                                                                                                     | 8801721      | 128.52    |
| ECONOLITE CONTROL PRODUCTS, INC |        | Signal Control Devices, Traffic Management Solutions, El Toro Road @ Carlota Street<br>Improvements CIP # 164                                                                                | 8801649      | 28,359.85 |
| EL TORO WATER DISTRICT          |        | Water Usage, Parks, Jun '11                                                                                                                                                                  | 8801796      | 16,157.28 |
| ELKINS, CHRISTINA               |        | Contract Instructor Fee, Dancing Summer Session, Community Services                                                                                                                          | 8801744      | 2,038.40  |
| ESMOND, KIMBERLY                |        | Contract Instructor Fee, Cheer Camp Summer Session, Community Services                                                                                                                       | 8801694      | 882.00    |
| EVERBANK COMMERCIAL FINANCE     |        | Lease - Copier, City Hall, Jul '11                                                                                                                                                           | 8801722      | 221.04    |
| FARIAS, FIDEL MENDOZA           |        | Refund, Cancelled Permit, EL-6-11-4628                                                                                                                                                       | 8801745      | 150.00    |
| FEDERAL EXPRESS CORPORATION     |        | Delivery Expense, Jun '11                                                                                                                                                                    | 8801650      | 32.10     |
| FUN SERVICES                    |        | Program Expense, 4th of July Event, Community Services                                                                                                                                       | 8801615      | 1,341.50  |
| G. NEIL COMPANIES               |        | Office Supplies, Administrative Services, Jun '11                                                                                                                                            | 8801651      | 59.99     |
| G. NEIL COMPANIES               |        | Office Supplies, Community Services, Mar '11                                                                                                                                                 | 8801746      | 59.99     |
| GORMAN, RON                     |        | Contract Instructor Fee, Guitar Summer Session, Community Services                                                                                                                           | 8801695      | 378.00    |
| GOVPARTNER                      |        | Hosting Fees, Request Partner, Jul '11                                                                                                                                                       | 8801747      | 500.00    |
| GRAHAM COMPANY                  |        | Facility Maintenance, Emergency Lighting System, Community Center, Jul '11                                                                                                                   | 8801748      | 3,116.97  |
| GREEN MART, INC.                |        | Operating Supplies, Parks, Jul '11                                                                                                                                                           | 8801749      | 818.90    |
| HARTZOG & CRABILL, INC.         |        | Professional Fees, La Paz Signal Synchronization CIP # 174, La Paz Widening @ I-5 CIP # 159,<br>El Toro Rd @ Carlota Street Improvements CIP # 164 and Traffic Engineering Services, Jun '11 | 8801750      | 10,285.51 |
| HERNANDEZ, LISA                 |        | Mileage Reimbursement, Administrative Services, Jul '11                                                                                                                                      | 8801797      | 13.28     |
| HOGLE-IRELAND, INC.             |        | Professional Fees, General Planning Services, May '11                                                                                                                                        | 8801652      | 3,600.00  |
| HOGLE-IRELAND, INC.             |        | Professional Fees, General Planning Services, Jun '11                                                                                                                                        | 8801751      | 5,332.50  |

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|                                  |                                                                                  | NO.     | AMOUNT   |
| HOME DEPOT                       | Program Supplies, Build-A-Fort, Community Services, Jul '11                      | 8801752 | 2,132.75 |
| HSBC BUSINESS SOLUTIONS          | Program Supplies, Community Services, Jul '11                                    | 8801798 | 118.72   |
| HYDROPOINT DATA SYSTEMS, INC.    | Subscription, Smart Irrigation Program Solutions, Parks, 2011                    | 8801696 | 360.00   |
| INTEGRATED MEDIA SYSTEMS         | Facility Maintenance, AV System, Community Center, May '11                       | 8801653 | 728.51   |
| IPC INTERNATIONAL CORPORATION    | Program Expense, 4th of July Event, Community Services                           | 8801697 | 573.75   |
| IRON MOUNTAIN OFFSITE            | Off Site Data Storage, Jun '11                                                   | 8801654 | 198.34   |
| IRV SEAVER MOTORCYCLES           | Motorcycle Maintenance, Police Services, Jun - Jul '11                           | 8801753 | 2,814.07 |
| IRVINE RANCH WATER DISTRICT      | Water Usage, Parks, Jun '11                                                      | 8801724 | 178.79   |
| JAMEY CLARK, INC.                | Graffiti Removal, Parks, Jun '11                                                 | 8801655 | 170.63   |
| JAMEY CLARK, INC.                | Miscellaneous Park Repairs, Janitorial Services, Graffiti Removal, Jun - Jul '11 | 8801754 | 4,605.08 |
| JAVED, HUMZA                     | Mileage Reimbursement, Public Works, Jun '11                                     | 8801616 | 75.99    |
| JAVED, HUMZA                     | Mileage Reimbursement, Public Works, Jul '11                                     | 8801799 | 72.42    |
| JOE A. GONSALVES & SON           | Professional Fees, Legislative Services, Aug '11                                 | 8801755 | 2,900.00 |
| KOGERMAN, BARBARA                | Refund, Petition Filing Fee                                                      | 8801617 | 200.00   |
| KUSTOM SIGNALS, INC.             | Operating Supplies, Radar Trailer, Jul '11                                       | 8801756 | 92.00    |
| LABELS AND FOLDERS.COM           | Office Supplies, City Clerk, Jun '11                                             | 8801656 | 138.11   |
| LAGUNA HILLS TEAM DARK HORSE     | Community Assistance, Team Dark Horse 3/5 Support Committee                      | 8801757 | 2,100.00 |
| LAUTENSCHLEGER, JOEL             | Reimbursement, Travel and Meeting Expense, LOCC, Jun '11                         | 8801618 | 35.00    |
| LEAGUE OF CALIFORNIA CITIES      | Meeting Expense, Administrative Services, Jul '11                                | 8801698 | 25.00    |
| OBITCO                           | Operating Supplies, Recycling Program, Jun '11                                   | 8801658 | 1,097.25 |
| MAILFINANCE, INC.                | Lease, Postage Meter, Apr - Jun '11                                              | 8801619 | 339.41   |
| MAIN STREET TOURS                | Program Expense, Deposit, Community Services, Jan '12                            | 8801699 | 500.00   |
| MEDLOCK, GEORGE                  | Contract Instructor Fee, Drumming Summer Session, Community Services             | 8801758 | 790.30   |
| MIDTOWN PLUMBING, INC.           | Facility Maintenance, Plumbing, Community Center, Jun '11                        | 8801659 | 154.67   |
| MITSUBISHI ELECTRIC & ELECTRONIC | Facility Maintenance, Elevator, Community Center, Jul '11                        | 8801700 | 325.75   |
| MOBILE MINI, INC.                | Storage Rental Fee, Community Services, Jul '11                                  | 8801701 | 83.74    |

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|          |                                   |                                                                           | NO.     | AMOUNT     |
| NO. 4    | MOLLOY, JULIE                     | Mileage Reimbursement, Planning, Jul - Aug '11                            | 8801852 | 35.70      |
|          | MONACH, KIMBERLYN                 | Professional Fees, Public Art Civic Center CIP # 510                      | 8801620 | 718.36     |
|          | MOULTON NIGUEL WATER DISTRICT     | Water Usage, Parks and Community Center, May - Jun '11                    | 8801621 | 27,061.95  |
|          | MOULTON NIGUEL WATER DISTRICT     | Water Usage, Parks, Jun - Jul '11                                         | 8801854 | 35,375.87  |
|          | MUSIC MOVES ACADEMY, INC.         | Contract Instructor Fee, Music Classes Summer Session, Community Services | 8801702 | 1,162.00   |
|          | NEXTEL COMMUNICATION              | Communication Expense, Community Services, Jun '11                        | 8801660 | 142.55     |
|          | NIEVES LANDSCAPE, INC.            | Monthly Maintenance and Other Assorted Landscape Services, Apr - Jul '11  | 8801759 | 80,010.47  |
|          | NIMMO, DAVID                      | Contract Instructor Fee, Clog Dancing Summer Session, Community Services  | 8801760 | 637.00     |
|          | OCCMA                             | Annual Fee, Meetings, Jul '11 - Jun '12                                   | 8801703 | 650.00     |
|          | OFFICE SOLUTIONS                  | Computer, Office and Operating Supplies, Jun '11                          | 8801661 | 306.99     |
|          | OFFICE SOLUTIONS                  | Computer, Office and Operating Supplies, Jul '11                          | 8801704 | 669.25     |
|          | OFFICE SOLUTIONS                  | Computer, Office and Operating Supplies, Jul '11                          | 8801762 | 1,019.09   |
|          | ORANGE COUNTY FIRE AUTHORITY      | Remittance, Fire Fees Collected, Jun '11                                  | 8801662 | 1,748.00   |
|          | ORANGE COUNTY REGISTER            | Subscription, City Hall, 05/19/11 - 11/16/11                              | 8801663 | 209.23     |
|          | ORANGE COUNTY REGISTER            | Subscription, Community Center, 7/23/11 - 10/21/11                        | 8801763 | 128.87     |
|          | ORANGE COUNTY REGISTER-FREEDOM    | Legal Advertising, City Clerk, Jun '11                                    | 8801764 | 2,083.32   |
|          | ORANGE COUNTY TREASURER           | Communication Charge, Law Enforcement, 4th Qtr 10/11                      | 8801657 | 1,113.29   |
|          | ORANGE COUNTY TREASURER           | Parking Fee Surcharge, May '11                                            | 8801665 | 2,372.63   |
|          | ORANGE COUNTY TREASURER           | LAFCO, City's Share, Jul '11 - Jun '12                                    | 8801705 | 3,579.11   |
|          | ORANGE COUNTY TREASURER           | Law Enforcement Services, Jul '11                                         | 8801718 | 545,032.08 |
|          | ORANGE COUNTY TREASURER           | Road Maintenance, Jun '11                                                 | 8801778 | 38,332.32  |
|          | OROS CONSULTING SERVICES, LLC     | Professional Fees, Computer Consulting Services, Jul '11                  | 8801800 | 5,167.50   |
|          | PACIFIC PARTY RENTAL              | Program Expense, Community Services, Jul '11                              | 8801765 | 51.25      |
|          | PAPER RECYCLING SPECIALISTS, INC. | Document Recycling Program, Jun '11                                       | 8801664 | 100.00     |
|          | PARSONS, BRINCKERHOFF,QUADE       | Professional Fees, Engineering, La Paz Widening @ I-5 CIP # 159           | 8801766 | 13,590.83  |
|          | PIXELPUSHERS, INC.                | City Website, Hosting Fee Jul - Dec '11 and Maintenance Jul '11 - Jun '12 | 8801706 | 5,160.00   |

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| QUEST DIAGNOSTICS               |  | Pre-employment Drug Testing, Jun '11                | 8801666      | 53.94    |
| QUIKSILVER COURIER              |  | Delivery Expense, Jun '11                           | 8801667      | 29.64    |
| QUIKSILVER COURIER              |  | Delivery Expense, Jul '11                           | 8801767      | 29.64    |
| RALPH ANDERSEN & ASSOCIATES     |  | Professional Fees, Compensation Study, Jun '11      | 8801768      | 1,225.00 |
| RALPHS GROCERY COMPANY          |  | Program Supplies, Community Services, Jun '11       | 8801622      | 151.16   |
| RALPHS GROCERY COMPANY          |  | Program Supplies, Community Services, Jun - Jul '11 | 8801801      | 202.09   |
| REFUND, COMMUNITY SVCS PROGRAM  |  | H. Tong, V# 2002075.002                             | 8801623      | 85.00    |
| REFUND, COMMUNITY SVCS PROGRAM  |  | J. Crane, V# 2002074.002                            | 8801624      | 155.00   |
| REFUND, COMMUNITY SVCS PROGRAM  |  | D. Pham, V# 2002088.002                             | 8801707      | 65.00    |
| REFUND, COMMUNITY SVCS PROGRAM  |  | A. Evans-Smith V# 2002090.002                       | 8801708      | 110.00   |
| REFUND, COMMUNITY SVCS PROGRAM  |  | L. Manion, V# 2002118.002                           | 8801769      | 180.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | Advocates for Language Learning, V# 2002029.002     | 8801625      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | J. Cookson, V# 2002076.002                          | 8801626      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | M. Perkins, V# 2002078.002                          | 8801627      | 282.50   |
| REFUND, FACILITY RENTAL DEPOSIT |  | L. Villa, V# 2002081.002                            | 8801628      | 197.50   |
| REFUND, FACILITY RENTAL DEPOSIT |  | New Vista School, V# 2002082.002                    | 8801629      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | K. Brauer, V# 2002080.002                           | 8801668      | 250.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | J. Almaguer, V# 2002103.002                         | 8801770      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | T. Henderson, V# 2002121.002                        | 8801771      | 250.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | H. Lee, V# 2002114.002                              | 8801772      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | S. Ruiz, V# 2002106.002                             | 8801773      | 281.25   |
| REFUND, FACILITY RENTAL DEPOSIT |  | K. Schremp, V# 2002112.002                          | 8801774      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | N. Diaz, V# 2002102.002                             | 8801775      | 441.25   |
| REFUND, FACILITY RENTAL DEPOSIT |  | R. Rodriguez, V# 2002105.002                        | 8801776      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | Western Youth Services, V# 2002125.002              | 8801802      | 500.00   |
| REFUND, FACILITY RENTAL DEPOSIT |  | B. Hufnagle, CR# 557                                | 8801803      | 500.00   |

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|          |                                 |                                                                                                                                    | NO.     | AMOUNT     |
| 2011-001 | REFUND, FACILITY RENTAL DEPOSIT | P. Worcester, V# 2002126.002                                                                                                       | 8801804 | 250.00     |
| 2011-002 | REFUND, FACILITY RENTAL DEPOSIT | N. Farias, V# 2002127.002                                                                                                          | 8801805 | 500.00     |
| 2011-003 | REFUND, FACILITY RENTAL FEE     | C. Nash, V# 2002091.002                                                                                                            | 8801709 | 300.00     |
| 2011-004 | REYES, JANICE MATEO             | Petty Cash Replenishment, Departmental Operating Expenditures, Jul '11                                                             | 8801806 | 771.70     |
| 2011-005 | REYNOLDS, DAVID                 | Petty Cash Replenishment, Community Services, Jul '11                                                                              | 8801719 | 275.61     |
| 2011-006 | REYNOLDS, DAVID                 | Mileage Reimbursement, Community Services, Mar - Jul '11                                                                           | 8801807 | 137.15     |
| 2011-007 | RICHARD FISHER ASSOCIATES       | Professional Fees, Sports Complex Renovations CIP # 514, Moulton Widening / Santa Maria CIP # 137 and On-Call Inspections, Jun '11 | 8801777 | 5,796.66   |
| 2011-008 | ROBERT D. GOSNEY CONSTRUCTION   | Progress Payment #1, Community Center & Sports Complex Energy Efficient Lights, CIP # 515                                          | 8801779 | 34,603.20  |
| 2011-009 | RPW SERVICES, INC.              | Rodent Control, Parks, Jun '11                                                                                                     | 8801669 | 1,560.00   |
| 2011-010 | SADDLEBACK FAMILY & URGENT CARE | Pre-employment Physicals, Jun '11                                                                                                  | 8801670 | 300.00     |
| 2011-011 | SADDLEBACK VALLEY UNIFIED       | Lighting, Laguna Hills High School Ball Field, Jul '11 - Jun '12                                                                   | 8801780 | 1,840.21   |
| 2011-012 | SAFECHECKS                      | Printing Expense, Jul '11                                                                                                          | 8801781 | 424.79     |
| 2011-013 | SAN DIEGO GAS & ELECTRIC        | Electric Usage, Street Lights, Jun '11                                                                                             | 8801630 | 12,359.16  |
| 2011-014 | SAN DIEGO GAS & ELECTRIC        | Electric Usage, Community Center, Parks and Street Lights, Jun '11                                                                 | 8801725 | 21,796.17  |
| 2011-015 | SAN DIEGO GAS & ELECTRIC        | Electric Usage, Street Lights, Jul '11                                                                                             | 8801865 | 12,359.41  |
| 2011-016 | SCANNING SERVICE CORPORATION    | Document Imaging Services, City Clerk, Jul '11                                                                                     | 8801782 | 2,361.46   |
| 2011-017 | SECURE LIVE SCAN                | Pre-employment Fingerprinting, Jun '11                                                                                             | 8801671 | 45.00      |
| 2011-018 | SEMA CONSTRUCTION, INC.         | Progress Payment #3, La Paz Widening @ I-5 CIP # 159                                                                               | 8801633 | 133,699.74 |
| 2011-019 | SEMA CONSTRUCTION, INC.         | Progress Payment #4, La Paz Widening @ I-5 CIP # 159                                                                               | 8801672 | 417,141.49 |
| 2011-020 | SHIFT BESPOKE AUTOMOTIVE, INC.  | Refund, SDPA-6-11-1990, CR # 42603                                                                                                 | 8801867 | 350.00     |
| 2011-021 | SIRE TECHNOLOGIES               | Employee Training, City Clerk, Jul '11                                                                                             | 8801783 | 50.00      |
| 2011-022 | SMART & FINAL                   | Program Supplies, Community Services, Jun '11                                                                                      | 8801673 | 145.40     |
| 2011-023 | SOUTH COAST OUTREACH            | Remit Proceeds, 1/2 Marathon and 5K Event, Garden Ticket Sales                                                                     | 8801674 | 875.00     |
| 2011-024 | SOUTH COAST WATERS              | Facility Maintenance, Water Feature, Community Center, Jul '11                                                                     | 8801784 | 520.00     |
| 2011-025 | SOUTHERN CALIFORNIA EDISON      | Electric Usage, Street Lights and Parks, Jun '11                                                                                   | 8801631 | 792.68     |

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| SOUTHERN CALIFORNIA EDISON    | Electric Usage, Street Lights and Traffic Control, Jun '11                     | 8801675      | 9,062.58  |
| SOUTHERN CALIFORNIA EDISON    | Electric Usage, Street Lights and Parks, Jun '11                               | 8801726      | 443.55    |
| SOUTHERN CALIFORNIA EDISON    | Electric Usage, Street Lights and Traffic Control, Jul '11                     | 8801785      | 1,604.02  |
| SOUTHERN CALIFORNIA EDISON    | Electric Usage, Street Lights and Traffic Control, Jul '11                     | 8801808      | 831.25    |
| SOUTHERN CALIFORNIA EDISON    | Electric Usage, Parks and Traffic Control, Jul '11                             | 8801871      | 9,434.19  |
| STANDARD TEL NETWORKS, LLC    | Communication Maintenance Agreement, Community Center, Jul '11 - Jun '12       | 8801710      | 2,187.42  |
| STATE CONTROLLER'S OFFICE     | Audit Confirmation Fee, FY10/11                                                | 8801809      | 100.00    |
| STATE DEPARTMENT OF JUSTICE   | Pre-employment Fingerprinting, Jun '11                                         | 8801676      | 96.00     |
| STUDIO TWO BLACK DIAMOND      | Printing Expense, Jul '11                                                      | 8801786      | 199.34    |
| SUNSET PROPERTY SERVICES      | Street Sweeping, Jun '11                                                       | 8801677      | 10,572.00 |
| TAB PRODUCTS COMPANY          | Office Supplies, City Clerk, Jul '11                                           | 8801711      | 1,006.08  |
| TARGET STORES                 | Program Supplies, Community Services, Jul '11                                  | 8801810      | 131.76    |
| TECH WASH SERVICES, INC.      | Graffiti Removal, Jun '11                                                      | 8801678      | 3,500.00  |
| THE GAS COMPANY               | Gas Usage, Community Center, Jun '11                                           | 8801727      | 76.84     |
| THE RITZ COMPANIES            | Janitorial and Day Porter Services, Community Center, Jul '11                  | 8801712      | 5,833.00  |
| TOMARK SPORTS, INC.           | Program Supplies, Community Services, Jun '11                                  | 8801679      | 245.20    |
| TOXCO, INC.                   | Battery Recycling Program, Jun '11                                             | 8801713      | 290.00    |
| TRAUMA INTERVENTION PROGRAMS  | Community Program, TIP, Jul - Sep '11                                          | 8801787      | 910.32    |
| U.S. POSTAL SERVICE           | Bulk Mail Permit, Annual Fee                                                   | 8801811      | 190.00    |
| U.S. POSTAL SERVICE           | Postage, Combined Issue City Views/Community Services Fall 2011 Activity Guide | 8801878      | 2,500.00  |
| U-HAUL                        | Program Expense, Community Services, Jul '11                                   | 8801788      | 120.81    |
| US NIGHT VISION               | Equipment, Thermal Imaging Device, Police Services, Jul '11, JAG ARRA Grant    | 8801714      | 6,073.15  |
| VERIZON WIRELESS              | Communication Expense, Jun '11                                                 | 8801632      | 829.86    |
| WELLS FARGO FINANCIAL LEASING | Lease - Copier, Community Center, Aug '11                                      | 8801715      | 576.90    |
| WELLS FARGO FINANCIAL LEASING | Lease - Copier, Community Center, Sep '11                                      | 8801880      | 571.60    |
| WERKMEISTER, ERIC             | Facility Maintenance, Furniture Refinishing, Community Center, Jun '11         | 8801716      | 1,650.00  |

8/23/2011

**CITY OF LAGUNA HILLS  
WARRANT REGISTER  
August 23, 2011**

| ITEM NO.                       | VENDOR                       | DESCRIPTION                                                              | CHECK   |                        |
|--------------------------------|------------------------------|--------------------------------------------------------------------------|---------|------------------------|
|                                |                              |                                                                          | NO.     | AMOUNT                 |
| 4                              | NOWEST COAST ARBORISTS, INC. | Tree Trimming, Jun '11                                                   | 8801789 | 1,936.00               |
|                                | WEST PUBLISHING CORPORATION  | Subscription, City Clerk, Jul '11                                        | 8801790 | 82.66                  |
|                                | WWEUSTE, LINDA               | Expo Program Design Services, 1/2 Marathon and 5K Event                  | 8801680 | 225.00                 |
|                                | WILLDAN                      | Professional Fees, Plan Checking and Building & Safety Services, Jun '11 | 8801791 | 11,556.02              |
|                                | WOMEN LEADING GOVERNMENT     | Membership, Administrative Services, Jul '11 - Jun '12                   | 8801717 | 50.00                  |
|                                | WOODRUFF, SPRADLIN & SMART   | Professional Fees, Legal Services, Jun '11                               | 8801792 | 27,312.73              |
|                                | XEROX CORPORATION            | Usage - Copier, City Hall, Jun '11                                       | 8801681 | 1,135.24               |
|                                | XEROX CORPORATION            | Lease - Copier, City Hall, Apr '10 and Jul '11                           | 8801793 | 975.52                 |
|                                | YOUNG REMBRANDTS             | Contract Instructor Fee, Drawing Summer Session, Community Services      | 8801794 | 220.50                 |
| <b>Total Prepaid Warrants:</b> |                              |                                                                          |         | <b>\$ 1,757,397.75</b> |

**REGULAR WARRANTS:**

|                                   |                                                                                                                |         |    |           |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------|---------|----|-----------|
| A. C. LANDSCAPE, INC.             | Water Management Services, Irrigation Repairs, Jul '11                                                         | 8801812 | \$ | 856.24    |
| AQUA CHILL OF MISSION VIEJO, INC. | Facility Maintenance, Water Filtration System, Community Center, Aug '11                                       | 8801814 |    | 81.89     |
| ATHALYE CONSULTING ENGINEERING    | Professional Fees, La Paz Widening @ I-5 CIP # 159                                                             | 8801816 |    | 57,510.96 |
| BEE MAN, THE                      | Bee Removal, Parks, Jul '11                                                                                    | 8801818 |    | 165.00    |
| BILL'S SOUND & SECURITY           | Facility Maintenance, Alarm Systems, Community Center, Jul '11                                                 | 8801819 |    | 333.00    |
| BRAME, MARILYN                    | Contract Instructor Fee, Drawing Summer Session, Community Services                                            | 8801820 |    | 980.00    |
| BUCKNAM & ASSOCIATES, INC.        | Professional Fees, Pavement Management System Update, Jul '11                                                  | 8801821 |    | 1,095.00  |
| BUREAU VERITAS NORTH AMERICA      | Professional Fees, Sports Complex Renovations CIP # 514 and El Toro Rd @ Carlota Street Improvements CIP # 164 | 8801827 |    | 7,120.04  |
| C & A ATHLETICS                   | Program Supplies, Community Services, Jul '11                                                                  | 8801828 |    | 990.22    |
| C&D ELECTRIC, INC.                | Lighting Repairs, Parks, Jul '11                                                                               | 8801829 |    | 162.50    |
| C2 REPROGRAPHICS                  | Printing Expense, Engineering, Aug '11                                                                         | 8801830 |    | 39.22     |
| CALIFORNIA OFFICE SYSTEMS         | Operating Supplies and Usage - Copier, City Hall, Jul '11                                                      | 8801831 |    | 1,102.15  |
| CARL WARREN & COMPANY             | Processing Fee, Small Claims, Jun - Jul '11                                                                    | 8801833 |    | 82.40     |

**CITY OF LAGUNA HILLS  
WARRANT REGISTER  
August 23, 2011**

| VENDOR                           | DESCRIPTION                                                                               | CHECK   |            |
|----------------------------------|-------------------------------------------------------------------------------------------|---------|------------|
|                                  |                                                                                           | NO.     | AMOUNT     |
| CDW GOVERNMENT, INC.             | Computer Software, Agenda Management and Audio Web Access, Jul '11                        | 8801834 | 1,765.89   |
| COMPLETE OFFICE OF CALIFORNIA    | Office Supplies, Community Center, Jul '11                                                | 8801836 | 263.72     |
| CYBERSOURCE CORPORATION          | eCommerce Payment Gateway Service, Online Permits, Community Development, Jul '11         | 8801837 | 29.00      |
| DEPARTMENT OF CONSERVATION       | Remittance, SMIP Fees Collected, Apr - Jun '11                                            | 8801838 | 447.75     |
| DUNBAR ARMORED, INC.             | Courier Fee, Armored Transport, Aug '11                                                   | 8801839 | 303.84     |
| FAUBEL PUBLIC AFFAIRS            | Professional Fees, Combined Issue, City Views/Community Services Fall 2011 Activity Guide | 8801840 | 5,712.50   |
| FIRST AMERICAN TITLE COMPANY     | Title Report, Encroachment Agreement                                                      | 8801841 | 750.00     |
| GRC ASSOCIATES, INC.             | Professional Fees, Aliso Meadows Rehabilitation Project, Jun '11                          | 8801842 | 1,100.00   |
| HANSEN, MARIA                    | Contract Instructor Fee, Zumba Summer Session, Community Services                         | 8801843 | 168.00     |
| IRON MOUNTAIN OFFSITE            | Off Site Data Storage, Jul '11                                                            | 8801844 | 198.34     |
| JAMEY CLARK, INC.                | Miscellaneous Park Repairs, Janitorial Services and Graffiti Removal, Jul '11             | 8801845 | 5,693.19   |
| KARLSSON, ALICIA                 | Contract Instructor Fee, Preschool Language Summer Session, Community Services            | 8801846 | 336.00     |
| KNIGHT, LORNA ANGELA             | Contract Instructor Fee, Yoga Summer Session, Community Services                          | 8801847 | 1,729.00   |
| MAYFIELD, ROBERT                 | Contract Instructor Fee, Build-A-Fort Program, Community Services                         | 8801849 | 1,880.00   |
| MITSUBISHI ELECTRIC & ELECTRONIC | Facility Maintenance, Elevator, Community Center, Aug '11                                 | 8801850 | 325.75     |
| MOBILE MINI, INC.                | Storage Rental Fee, Community Services, Aug '11                                           | 8801851 | 82.97      |
| MOSS, LEVY & HARTZHEIM LLP       | Professional Fees, Financial Audit Services, FY 10/11                                     | 8801853 | 10,000.00  |
| NIEVES LANDSCAPE, INC.           | Monthly Landscape Services, Aug '11                                                       | 8801855 | 73,105.47  |
| OC COUNCIL OF GOVERNMENTS        | Membership and Demographic Research, Jul '11 - Jun '12                                    | 8801856 | 4,255.77   |
| OFFICE SOLUTIONS                 | Computer, Office and Operating Supplies, Jul '11                                          | 8801858 | 673.53     |
| ORANGE COUNTY FIRE AUTHORITY     | Remittance, Fire Fees Collected, Jul '11                                                  | 8801859 | 1,384.00   |
| ORANGE COUNTY REGISTER-FREEDOM   | Legal Advertising, City Clerk, Jul '11                                                    | 8801860 | 204.00     |
| ORANGE COUNTY TREASURER          | Law Enforcement Services, Aug '11                                                         | 8801848 | 545,032.08 |
| ORKIN PEST CONTROL               | Facility Maintenance, Pest Control, Community Center, Jul '11                             | 8801861 | 275.42     |
| OVERLAND, PACIFIC & CUTLER, INC. | Professional Fees, Property Valuation Services, Nov '10                                   | 8801862 | 8,940.00   |
| PUBLIC STORAGE                   | Storage Rental Fee, Public Works, Sep '11 - Aug '12                                       | 8801863 | 3,588.00   |

**CITY OF LAGUNA HILLS  
WARRANT REGISTER  
August 23, 2011**

| VENDOR                             |  | DESCRIPTION                                                                                                          | CHECK<br>NO. | AMOUNT                 |
|------------------------------------|--|----------------------------------------------------------------------------------------------------------------------|--------------|------------------------|
| QUEST DIAGNOSTICS                  |  | Pre-employment Drug Testing, Jul '11                                                                                 | 8801864      | 35.96                  |
| SEMA CONSTRUCTION, INC.            |  | Progress Payment #5, La Paz Widening @ I-5 CIP # 159                                                                 | 8801866      | 207,486.96             |
| NSIGNATURE CONTRACTORS             |  | Progress Payment #4, Costeau & Stockport Playground Renovation CIP # 239 and Sports<br>Complex Renovations CIP # 514 | 8801868      | 24,311.00              |
| SKYHAWK ACADEMY                    |  | Contract Instructor Fee, Sports Camp Summer Session, Community Services                                              | 8801869      | 2,919.00               |
| SOUTH COAST WATERS                 |  | Facility Maintenance, Water Feature, Community Center, Aug '11                                                       | 8801870      | 475.00                 |
| SPECTRUM SPECIALTIES & AWARDS      |  | Operating Supplies, Aug '11                                                                                          | 8801872      | 88.49                  |
| SPORTS FIELD SERVICES              |  | Sports Field Renovation, Jul '11                                                                                     | 8801873      | 14,850.00              |
| STUDIO TWO BLACK DIAMOND           |  | Printing Expense, Jul '11                                                                                            | 8801874      | 1,910.37               |
| SUNSET PROPERTY SERVICES           |  | Street Sweeping, Jul '11                                                                                             | 8801875      | 10,555.56              |
| THE RITZ COMPANIES                 |  | Janitorial and Day Porter Services, Community Center, Aug '11                                                        | 8801876      | 5,833.00               |
| U-HAUL                             |  | Program Expense, Community Services, Jul '11                                                                         | 8801877      | 40.27                  |
| UNIVERSITY OF NORTH TEXAS          |  | Citizens Survey                                                                                                      | 8801879      | 8,425.00               |
| WEST COAST TURF                    |  | Sports Field Renovation, Jul '11                                                                                     | 8801881      | 13,650.00              |
| XEROX CORPORATION                  |  | Usage - Copier, City Hall, Jul '11                                                                                   | 8801882      | 698.48                 |
| <b>Total Regular Warrants:</b>     |  |                                                                                                                      |              | <b>\$ 1,030,041.93</b> |
| <b>**WARRANT REGISTER TOTAL **</b> |  |                                                                                                                      |              | <b>\$ 2,787,439.68</b> |

# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT POLICE SERVICES DEPARTMENT**

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**ISSUE:       FY 2011-2012 SCHOOL CROSSING GUARD AGREEMENT**

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### **SUMMARY:**

Since 1994, the City of Laguna Hills has contracted with All City Management Services to provide six (6) crossing guards at five (5) locations throughout the City. All City Management Services has continued to be a reliable and cost effective method of providing this needed service. Staff recommends the City Council continue the current level of service provided in the Agreement for FY 2011-2012.

### **FISCAL IMPACT:**

The projected number of hours for crossing guard services this year, including summer school, is four thousand, three hundred and twenty (4,320) hours. The contract cost for FY 2011-2012 shall not exceed sixty one thousand, five hundred and sixty dollars (\$61,560). The proposal includes no cost increase over the FY 2010-2011 Agreement.

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**RECOMMENDATION: THAT THE CITY COUNCIL AUTHORIZE THE MAYOR TO EXECUTE THE CROSSING GUARD SERVICES AGREEMENT BETWEEN ALL CITY MANAGEMENT SERVICES AND THE CITY OF LAGUNA HILLS FOR SCHOOL CROSSING GUARD SERVICES FOR FY 2011-2012.**

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### **ATTACHMENTS:**

- Crossing Guard Services Agreement



**CROSSING GUARD SERVICES AGREEMENT**  
*(All-City Management Services, Inc.)*

THIS AGREEMENT FOR CROSSING GUARD SERVICES (the "Agreement") is made and entered into this 23rd day of August, 2011, by and between the City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California ("City"), and All-City Management Services, Inc., a California Corporation ("Contractor").

**RECITALS**

A. City requires the services of personnel equipped and trained in appropriate procedures for crossing pedestrians in designated marked crosswalks for general pedestrian safety and school crossing areas in the City ("Project").

B. Contractor has submitted to City a proposal to provide crossing guard services to City pursuant to the terms of this Agreement.

C. Based on its experience, education, training, and reputation, Contractor is qualified to provide the necessary services to City for the Project and desires to provide such services.

D. City desires to retain the services of Contractor for the Project.

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

**AGREEMENT**

**1. CONTRACTOR SERVICES**

**1.1 Scope of Services.** In compliance with all terms and conditions of this Agreement, Contractor shall provide crossing guard services to City as described in the Scope of Services/Work attached to this Agreement as Exhibit "A" and incorporated herein by reference (the "services" or "work"), which includes the agreed upon schedule of performance and the schedule of fees. Contractor warrants that all services and work shall be performed in a competent, professional, and satisfactory manner in accordance with all standards prevalent in the 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 Contractor 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.** Contractor 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, Contractor 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 Contractor is an essential condition of this Agreement. Contractor shall prosecute regularly and diligently the work of this Agreement according to the agreed upon schedule of performance set forth in Exhibit "A". Contractor 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 Contractor. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

## **3. COMPENSATION OF CONTRACTOR**

**3.1 Compensation of Contractor.** For the services rendered pursuant to this Agreement, Contractor shall be compensated and reimbursed in accordance with the schedule of fees set forth in Exhibit "A," which maximum contract amount shall not exceed \$61,560.00.

**3.2 Method of Payment.** In any month in which Contractor wishes to receive payment, Contractor 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 the hourly rates as set forth in Exhibit "A" for authorized services performed. City shall pay Contractor for all expenses stated thereon, which are approved by City consistent with this Agreement, within thirty (30) days of receipt of Contractor's invoice.

**3.3 Changes.** The City shall have the right to determine the hours and locations when and where Crossing Guards shall be furnished by the Contractor. The City Manager, on behalf of the City, shall be authorized with the ability to adjust, modify, delete from, or revise the attached work schedule/locations at any time and shall notify the Contractor in writing of any changes. Such adjustments/modifications shall not be considered a change in the Scope of Services requiring a written amendment.

In the event any change or changes in the Scope of Services/Work 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:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

**3.4 Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to 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 Contractor, 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 Contractor 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 for a period of 12 months, commencing on July 1, 2011, and ending on June 30, 2012, unless extended by mutual written agreement of the parties.

#### **5. COORDINATION OF WORK**

**5.1 Representative of Contractor.** The following principal of Contractor is hereby designated as being the principal and representative of Contractor authorized to act in its behalf with respect to the services and work specified herein and make all decisions in connection therewith: Baron Farwell, General Manager. 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 Contractor and devoting sufficient time to personally supervise the services hereunder. The foregoing principal may not be changed by Contractor 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 Contractor's responsibility to keep the Contract Officer, or his/her designee, fully informed of the progress of the performance of the services and Contractor 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 Contractor, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Contractor 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 City. 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 City.

**5.4 Independent Contractor.** Neither City nor any of its employees shall have any control over the manner, mode, or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. Contractor shall perform all services required herein as an independent contractor of City and shall not be an employee of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role; however, City shall have the right to review Contractor's work product, result, and advice. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

**5.5 Personnel.** Contractor agrees to assign the following individuals to perform the services set forth herein. Contractor 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 Contractor by providing written notice to Contractor.

Name:

Title:

To be determined by Contractor

Crossing Guards

## **6. INSURANCE AND INDEMNIFICATION**

**6.1 Insurance.** Contractor 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 Contractor's performance under this Agreement. Contractor 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 Contractor's obligation to indemnify City, its elected officials, officers, agents, employees, and volunteers.

**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 accident for bodily injury or disease.

For any claims related to this Agreement, Contractor's insurance coverage shall be primary insurance as respects 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 Contractor'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 issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of 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.** Contractor shall furnish City with both original 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 Contractor'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 as respects the City, its elected officials, officers, employees, agents, and volunteers; or, Contractor shall procure a

bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

**6.1.5 Separation of Insureds; 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, officers, employees, agents, and volunteers.

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

## **7. RECORDS AND REPORTS**

**7.1 Reports.** Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

**7.2 Records.** Contractor 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 Contractor 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 Contractor 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. Contractor may retain copies of such documents for its own use. Contractor 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 Contractor 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.** Contractor 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 Contractor 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 Contractor. 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 thirty (30) days written notice to Contractor, except that where termination is due to the fault of Contractor 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, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Contractor 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 Attorney Fees.** In the event any dispute between the parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing party all reasonable costs and expenses, including but not limited to reasonable attorney fees,

expert Contractor 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 Contractor, 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 Contractor or its successor, or for breach of any obligation of the terms of this Agreement.

**9.2 Covenant Against Discrimination.** Contractor 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, CA 92653

To Contractor:

All-City Management Services, Inc.  
Attention: General Manager  
10440 Pioneer Blvd., Suite #5  
Santa Fe Springs, CA 90670

**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 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.

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

**"CITY"**  
**City of Laguna Hills**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
L. Allan Songstad,  
Mayor

**APPROVED AS TO FORM:**

**ATTEST**

By: \_\_\_\_\_  
Gregory E. Simonian,  
City Attorney

By: \_\_\_\_\_  
Peggy J. Johns,  
City Clerk

**"CONTRACTOR"**  
All-City Management Services, Inc.

Date: \_\_\_\_\_

By : \_\_\_\_\_  
Baron Farwell,  
President

Date: \_\_\_\_\_

By : \_\_\_\_\_  
Demetra Farwell,  
Secretary

## **EXHIBIT "A"**

### **CONTRACTOR'S SCOPE OF SERVICES/WORK**

**Including,**

**Schedule of Fees**

**And**

**Schedule of Performance**

**(comprised collectively of three separate documents:**

- 1) a letter from Baron Farwell to Chief Steve Doan, dated July 7, 2011, regarding the proposed billing rate for Fiscal Year 2011-2012;**
- 2) a document entitled "Exhibit 'A' Scope of Services"; and**
- 3) a matrix constituting a schedule of performance. )**



## ALL CITY MANAGEMENT SERVICES

### EXHIBIT "A"

July 7, 2011

Chief Steve Doan  
City of Laguna Hills  
24035 El Toro Rd.  
Laguna Hills, CA 92653

Chief Doan:

As the current contractor for School Crossing Guard services, please allow this letter to serve as confirmation of All City Management Services' interest continuing service with the City of Laguna Hills. We are interested in entering into a new agreement with the City of Laguna Hills beginning July 7, 2011.

The proposed billing rate for the new agreement will remain at \$14.25 per hour, per guard for the approximate 4,320 hours worked during the school year. This yields an estimated total of \$61,560.00 for the Fiscal Year 2011-2012.

Please find the proposed Scope of Services and Matrix (Exhibit "A") attached to this letter. We will continue to honor the provisions and covenants of the original agreement until a proposed new agreement is drafted.

If you have further requests or need additional information please contact the Office Manager Demetra Farwell at (800) 540-9290.

Sincerely,



Demetra Farwell General Manager

*"The Crossing Guard Company"*

10440 Pioneer Blvd., Ste. #5, Santa Fe Springs, CA 90670 • 310-202-8284 • 800-540-9290 • FAX 310-202-8325

8/23/2011 ITEM NO. 4.3

EXHIBIT "A"  
SCOPE OF SERVICES

1. The Contractor will provide personnel equipped and trained in appropriate procedures for crossing pedestrians in marked crosswalks. Such personnel shall be herein referred to as a Crossing Guard. The Contractor is an independent Contractor and the Crossing Guards to be furnished by it shall at all times be its employees and not those of the City.
2. The Contractor shall provide supervisory personnel to see that Crossing Guard activities are taking place at the required places and times, and in accordance with all items of this Agreement.
3. The Contractor shall maintain adequate reserve personnel to be able to furnish alternate Crossing Guards in the event that any person fails to report for work at the assigned time and location.
4. The Contractor shall provide personnel properly trained as herein specified for the performance of duties of Crossing Guards. In the performance of their duties the Contractor and employees of the Contractor shall conduct themselves in accordance with the conditions of this Agreement and the laws and codes of the State of California pertaining to general pedestrian safety and school crossing areas.
5. Crossing Guard Services shall be provided by the Contractor at the designated locations and at the designated hours on all days on which the designated schools in the City of Laguna Hills are in session.
6. The Contractor shall provide all Crossing Guards with apparel by which they are readily visible and easily recognized as Crossing Guards. Such apparel shall be uniform for all persons performing the duties of Crossing Guards and shall be worn at all times while performing said duties. This apparel must be appropriate for weather conditions. The Contractor shall also provide all Crossing Guards with hand held Stop Signs and appropriate safety vest.
7. The City agrees to pay the Contractor for the services rendered pursuant to this Agreement the sum of Fourteen Dollars and Twenty-Five Cents (\$14.25) per hour, with a minimum of 4 hours, per day, per site. It is understood and agreed that contractor's compensation shall not exceed Sixty-One Thousand Five Hundred and Sixty dollars and 00/100 (\$61,560.00).



ALL CITY MANAGEMENT SERVICES

Matrix Last Updated: 07/08/2011

| Payne, Carrie<br>Ph:714.231.9369                                  |                         | 203101 / Laguna Hills   Page 1 of 1 |                                |                                |                                |                                |
|-------------------------------------------------------------------|-------------------------|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                                   |                         | MON                                 | TUE                            | WED                            | THU                            | FRI                            |
| Alicia/Wilkes<br>Lomarena Elem.<br>949.581.1370                   | 1.1<br>Reg:4<br>Other:4 | 07:35 - 08:20<br>02:20 - 03:05      | 07:35 - 08:20<br>02:20 - 03:05 | 07:35 - 08:20<br>01:05 - 01:50 | 07:35 - 08:20<br>02:20 - 03:05 | 07:35 - 08:20<br>02:20 - 03:05 |
| Alicia/Wilkes<br>Lomarena Elem.<br>949.581.1370                   | 1.2<br>Reg:4<br>Other:4 | 07:35 - 08:20<br>02:20 - 03:05      | 07:35 - 08:20<br>02:20 - 03:05 | 07:35 - 08:20<br>01:05 - 01:50 | 07:35 - 08:20<br>02:20 - 03:05 | 07:35 - 08:20<br>02:20 - 03:05 |
| Earhart/Barents<br>Lomarena Elem.<br>949.581.1370                 | 2<br>Reg:4<br>Other:4   | 07:40 - 08:25<br>02:20 - 03:05      | 07:40 - 08:25<br>02:20 - 03:05 | 07:40 - 08:25<br>01:00 - 01:45 | 07:40 - 08:25<br>02:20 - 03:05 | 07:40 - 08:25<br>02:20 - 03:05 |
| Santa<br>Victoria/Barbera<br>San Joaquin<br>Elem.<br>949.581.3450 | 3<br>Reg:4<br>Other:0   | 07:25 - 08:10<br>01:45 - 02:30      | 07:25 - 08:10<br>01:45 - 02:30 | 07:25 - 08:10<br>01:45 - 02:30 | 07:25 - 08:10<br>01:45 - 02:30 | 07:25 - 08:10<br>01:45 - 02:30 |
| La Paz/ Paseo<br>De Valencia<br>Valencia Elem.<br>949.830.3650    | 4.1<br>Reg:4<br>Other:0 | 07:55 - 08:40<br>02:10 - 02:55      | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 |
| La Paz/ Paseo<br>De Valencia<br>Valencia Elem.<br>949.830.3650    | 4.2<br>Reg:4<br>Other:0 | 07:55 - 08:40<br>02:10 - 02:55      | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 | 07:55 - 08:40<br>02:10 - 02:55 |
|                                                                   | ALT<br>Reg:0<br>Other:0 |                                     |                                |                                |                                |                                |
|                                                                   | ALT<br>Reg:0<br>Other:0 |                                     |                                |                                |                                |                                |
|                                                                   | ALT<br>Reg:0<br>Other:0 |                                     |                                |                                |                                |                                |
|                                                                   | ALT<br>Reg:0<br>Other:0 |                                     |                                |                                |                                |                                |



**CITY OF LAGUNA HILLS**  
**CITY COUNCIL**  
**AGENDA REPORT**  
**COMMUNITY SERVICES DEPARTMENT**

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**ISSUE: 2011 MEMORIAL DAY HALF MARATHON AND 5K POST EVENT REPORT  
AND TWO YEAR EVENT MANAGEMENT AGREEMENT WITH RENEGADE  
RACING FOR THE 2012 AND 2013 RACE EVENTS**

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**SUMMARY:**

The 13<sup>th</sup> annual City of Laguna Hills Memorial Day Half Marathon and 5K took place on Monday, May 30, 2011. Two thousand, nine hundred and twenty-four (2,924) participants registered for the event, an increase of three hundred and twenty-four (324) above 2010 event totals. Donations to South County Outreach included 115 pounds of canned goods and \$850 of beer garden ticket sale proceeds. In addition, two hundred and eighty-one (281) participants chose to "Thank a Marine" by donating \$5 to the 3/5 Support Committee. Total 2011 event direct expenditures were \$140,265 and event revenues were \$148,336. Event sponsorships are included in the revenue total and account for the Saddleback Memorial Medical Center's sponsorship contribution of \$15,000. This information was presented to the Parks and Recreation Commission at its August 3, 2011, meeting.

**BACKGROUND:**

2011 Post Race Event Report:

The 13<sup>th</sup> annual City of Laguna Hills Memorial Day Half Marathon and 5K took place on Monday, May 30, 2011. Two thousand, nine hundred and twenty-four (2,924) participants registered for the 2011 event, with sixty percent (60%) utilizing the internet to pre-register. Approximately three hundred and thirty-five (335) registrations were accepted in person during the pre-registration and packet pick-up that took place at Road Runner Sports on Saturday, May 28th and Sunday, May 29th between the hours of 12:00 PM and 4:00 PM. Another three hundred and fifty-eight (358) runners registered in person on the morning of the event.

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**RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE AND FILE THE 2011 MEMORIAL DAY HALF MARATHON AND 5K POST EVENT REPORT; AND (2) AUTHORIZE THE CITY MANAGER TO EXECUTE AN EVENT MANAGEMENT SERVICES AGREEMENT, APPROVED AS TO FORM BY THE CITY ATTORNEY, WITH RENEGADE RACING FOR THE 2012 AND 2013 RACE EVENTS.**

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Agenda Report  
Half Marathon and 5K Post Event Report  
Page 2

The City of Laguna Hills and South County Outreach again partnered in a food drive over the Memorial Day Weekend. Race participants and spectators were encouraged to bring canned goods and non-perishable food items to benefit South County Outreach. Collection stations were available at the race start line, in the community expo, and at Road Runner Sports during registration and pre-race packet pick-up on Saturday, May 28th and Sunday, May 29th from noon - 4:00 PM. South County Outreach reported that approximately 115 pounds of canned goods were donated. In addition, the proceeds from the sales of beer garden tickets, a total of \$850, were donated to South County Outreach.

Two hundred and eighty-one (281) race participants chose to “Thank a Marine” by donating \$5 to the 3/5 Support Committee during the registration process. At the request of the 3/5 Support Committee and direction by the City Council, staff added a custom question to both the online registration and the hardcopy registration form which allowed race participants to donate \$5 to the 3<sup>rd</sup> Battalion, 5<sup>th</sup> Marine Regiment, of the 1<sup>st</sup> Marine Division (3/5 Battalion). A total of \$1,405 was donated to the 3/5 Support Committee to support the 3/5 Battalion.

The table below provides a registration comparison by local cities, for 2010 and 2011.

**Table 1: Registration Demographics Comparison**

| <b>Race Registration Comparison:<br/>City</b> | <b>Number of Participants</b> |              |
|-----------------------------------------------|-------------------------------|--------------|
|                                               | <b>2010</b>                   | <b>2011</b>  |
| Laguna Hills                                  | 192                           | 263          |
| Mission Viejo                                 | 193                           | 235          |
| Aliso Viejo                                   | 187                           | 219          |
| Irvine                                        | 149                           | 143          |
| Lake Forest                                   | 99                            | 112          |
| Laguna Niguel                                 | 122                           | 112          |
| <b>Event Totals:</b>                          | <b>2,600</b>                  | <b>2,924</b> |

A highlight of the community expo for 2011 was the presence of the Marines from the 3/5 Battalion. At the request of the 3/5 Support Committee, a number of static displays were brought to the event. Participants were able to sit in the vehicles and interact with the Marines. The Marines also painted faces of event participants in “Marine camouflage” fashion.

A medal was again given to all half marathon finishers. A “tech shirt,” designed to wick away perspiration, was offered to half marathon participants. Medals were awarded to age division winners for both the 5K and half marathon, and in addition, all children participating in the “Diaper Dash” and “Kid’s Run” were awarded medals.

Agenda Report  
Half Marathon and 5K Post Event Report  
Page 3

Prior to the start of both races, the nation's colors were presented by the Orange County Sheriff's Department Honor Guard, and the 17 members of the 3/5 Battalion that ran the half marathon were acknowledged by the runners and spectators.

The original budget for the 2011 event's direct expenses was \$165,000 with anticipated revenue for the event budgeted at \$160,000. Actual 2011 event revenue and direct expenditures are presented in the table below.

**Table 2: Event Budget Summary**

| <b>2011 Event Revenue:</b>                                           | <b>\$ Amount</b> |
|----------------------------------------------------------------------|------------------|
| Race Registrations                                                   | 126,886          |
| Sponsors                                                             | 16,600           |
| Expo Vendors                                                         | 4,700            |
| <b>(Total Revenue)</b>                                               | <b>148,336</b>   |
|                                                                      |                  |
| <b>2011 Event Direct Expenditures</b>                                | <b>140,265</b>   |
|                                                                      |                  |
| <b>2011 Event Revenue over/(under)<br/>Event Direct Expenditures</b> | <b>8,071</b>     |

Two-Year Agreement with Renegade Racing for Upcoming Events:

As the City Council is aware, Renegade Racing took over the event management services for the race in 2008. Because Renegade Racing has produced successful events since that time and is familiar with the City's race event, staff is recommending that the City Council approve a contract with Renegade Racing for event management services for the next two years' 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 (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.

The base fee for event management services paid to Renegade Racing for the 2011 event was \$46,000, plus \$1,770 in commissions from sponsors obtained by Renegade staff. Total compensation to Renegade Racing for the 2011 event was \$47,770. Under the proposed terms of the contract, Renegade Racing will receive a base fee of \$46,000 per year, as well as \$2.00 per participant in excess of 3,500 runners, along with a 20% commission on any cash donations received as a result of their efforts to obtain sponsorship revenues. Staff is estimating a total of \$5,000 in commission fees for the 2012 and 2013 event budgets for a total estimated cost of \$51,000.

**FISCAL IMPACT:**

The total estimated cost of \$51,000 per year for Renegade Racing services, which includes a base fee of \$46,000 and an estimated total of \$5,000 in commission fees, is within budget for the 2012 and 2013 events.

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**RECOMMENDATION: THAT THE CITY COUNCIL: (1) RECEIVE AND FILE THE 2011 MEMORIAL DAY HALF MARATHON AND 5K POST EVENT REPORT; AND (2) AUTHORIZE THE CITY MANAGER TO EXECUTE AN EVENT MANAGEMENT SERVICES AGREEMENT, APPROVED AS TO FORM BY THE CITY ATTORNEY, WITH RENEGADE RACING FOR THE 2012 AND 2013 RACE EVENTS.**

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**ATTACHMENTS:**

- Event Management Services Agreement

**EVENT MANAGEMENT SERVICES AGREEMENT**  
City of Laguna Hills  
2012 and 2013 Memorial Day Half Marathon, 10K, and 5K Events

THIS AGREEMENT FOR EVENT MANAGEMENT SERVICES (the "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2011, ("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 (D/B/A RENEGADE RACING), a California limited liability company with its principle place of business located at 17835 Sky Park Circle, Suite F, Irvine, California ("Consultant").

**RECITALS**

A. City requires the continued services of an event manager for the management and operation of the City of Laguna Hills Memorial Day Half Marathon, 10K and 5K, which will be held on May 28, 2012 ("2012 Event"), and May 27, 2013 ("2013 Event"), collectively referred to as the "Events".

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

C. City desires to continue retaining the 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 special event management services to City for the Events as described in the Scope of Services attached to this Agreement as Exhibit "A" and incorporated herein by reference (the "services" or "work"). Consultant warrants that all services and work provided for the Events under this Agreement shall be performed in a competent, professional, and satisfactory manner in accordance with all standards prevalent in the 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 event, 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 five hundred (3,500) participants for the 2012 Event and in excess of three thousand five hundred (3,500) for the 2013 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 exclusively generated by Consultant ("Sponsorship Contributions"). An event donor/sponsor will be considered to be 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 Payment. 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. All requests for reimbursement must be submitted to City no later than June 30, 2012 for the 2012 Event and June 30, 2013 for the 2013 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 a 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 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, 2012 for the 2012 Event and June 30, 2013 for the 2013 Event. The City will not pay any invoices received by Consultant for Budgeted Expenses after June 30, 2012 for the 2012 Event and after June 30, 2013 for the 2013 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"). 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 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" 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 from the Effective Date of this Agreement to July 30, 2013, 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, or his/her designee, fully informed of the progress of the performance of the services 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 City. 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 City.

**5.4 Independent Contractor.** Neither City nor any of its employees shall have any control over the manner, mode, or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall not be an employee of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role; however, City shall have the right to review Consultant's work product, result, and advice. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

**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 named 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), 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, from any violation of any federal, state, or local law or ordinance, for Claims arising out of or relating to Consultant's performance under this Agreement, but excluding such Claims arising from the sole negligence or willful misconduct of the City, its elected officials, officers, 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 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 Attorney 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<br>Attention: City Manager<br>24035 El Toro Road<br>Laguna Hills, California 92653 |
|----------|---------------------------------------------------------------------------------------------------------|

|                |                                                                                                                     |
|----------------|---------------------------------------------------------------------------------------------------------------------|
| To Consultant: | Renegade Racing<br>Jonathan Pauley, Managing Partner<br>17835 Sky Park Circle, Suite F<br>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 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.

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 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 2012 Event and the 2013 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 and 2)
  - 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**

### **2012/2013 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 2012 Event and \$46,000 for the 2013 Event will be made according to the following schedule:

#### 2012 Event

|                             |          |
|-----------------------------|----------|
| Date of Agreement Execution | \$5,000  |
| November 1, 2011            | \$5,000  |
| January 1, 2012             | \$10,000 |
| March 1, 2012               | \$10,000 |
| April 1, 2012               | \$6,000  |
| June 1, 2012                | \$10,000 |

#### 2013 Event

|                  |          |
|------------------|----------|
| November 1, 2012 | \$10,000 |
| January 1, 2013  | \$10,000 |
| March 1, 2013    | \$10,000 |
| April 1, 2013    | \$6,000  |
| June 1, 2013     | \$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**

### **2012/2013 Event Budgets**

# Event Budget for 2012/2013 Half Marathon, 10K & 5k

## Expenses

|                       | Estimated           |
|-----------------------|---------------------|
| <b>Total Expenses</b> | <b>\$156,317.00</b> |

|                          | Estimated         |
|--------------------------|-------------------|
| <b>Permits</b>           |                   |
| Laguna Hills High School | \$50.00           |
| Aliso Viejo              | \$0.00            |
| Mission Viejo            | \$0.00            |
| ABC Permit               | \$25.00           |
| Laguna Niguel            | \$0.00            |
| OC Permits               | \$571.00          |
| OCFA                     | \$210.00          |
| Police-OCSD              | \$8,500.00        |
| <b>Totals</b>            | <b>\$9,356.00</b> |

|                       |                    |
|-----------------------|--------------------|
| <b>Advertising</b>    |                    |
| Competitor            | \$4,000.00         |
| Facebook              | \$900.00           |
| Race Place            | \$850.00           |
| OC Register           | \$0.00             |
| Postage               | \$2,000.00         |
| Booth w/PCRF          | \$500.00           |
| Misc event reimb.     | \$1,200.00         |
| Runners Image         | \$800.00           |
| Active.com web/e-news | \$1,700.00         |
| <b>Totals</b>         | <b>\$11,950.00</b> |

|                         |                   |
|-------------------------|-------------------|
| <b>Graphics</b>         |                   |
| Website                 | \$800.00          |
| Post card printing 20K  | \$1,000.00        |
| Postcard printing 5K    | \$568.00          |
| Postcard printing 7,500 | \$400.00          |
| Race Posters            | \$200.00          |
| Flyer Distribution      | \$1,400.00        |
| Domain Fees             | \$65.00           |
| Web Hosting             | \$103.00          |
| Mail Fee-Custom Quick   | \$2,300.00        |
| Sponsor materials       | \$250.00          |
| <b>Totals</b>           | <b>\$7,086.00</b> |

|                            | Estimated          |
|----------------------------|--------------------|
| <b>Race Expenses</b>       |                    |
| Food/Water/Cups            | \$600.00           |
| Course Cert.               | \$1,200.00         |
| Awards Div/Kids Medals     | \$1,600.00         |
| Medals or Drinking Glasses | \$8,000.00         |
| Busses                     | \$1,500.00         |
| T-Shirts                   | \$17,975.00        |
| Walkie Talkies             | \$600.00           |
| Bibs                       | \$1,797.50         |
| <b>Totals</b>              | <b>\$31,475.00</b> |

|                                    |                    |
|------------------------------------|--------------------|
| <b>Services</b>                    |                    |
| Timing Services base               | \$800.00           |
| Timing Services \$3 per registered | \$10,785.00        |
| Electrical & sound                 | \$1,000.00         |
| Ambulance Service                  | \$500.00           |
| Portable Restrooms                 | \$2,400.00         |
| Announcer                          | \$400.00           |
| American Barr./Traffic Plan        | \$15,000.00        |
| Renegade Racing                    | \$46,000.00        |
| RR over 3500 part. Bonus \$2       | \$0.00             |
| <b>Totals</b>                      | <b>\$76,885.00</b> |

|                       |                   |
|-----------------------|-------------------|
| <b>Expo</b>           |                   |
| Bounce Houses         | \$950.00          |
| Balloons              | \$600.00          |
| tents, tables, chairs | \$5,250.00        |
| <b>Totals</b>         | <b>\$6,800.00</b> |

| <b>Miscellaneous</b> |           |                  |
|----------------------|-----------|------------------|
| 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       |
| <b>Totals</b>        | <b>\$</b> | <b>12,765.00</b> |

# Event Budget for 2012/2013 Half Marathon, 10K and 5k

## Income

|                     | Estimated           |
|---------------------|---------------------|
| <b>Total income</b> | <b>\$161,715.00</b> |

| 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* | \$15,00.00 | 1         | \$15,000.00 | \$15,000.00        |
| Road Runner      | \$2,500.00 | 1         | \$2,500.00  | \$2,500.00         |
| Newton Shoes     | \$2,000.00 | 1         | \$2,000.00  | \$2,000.00         |
| 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 | <b>\$21,000.00</b> |

| 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*           |  |
| 3/5 Support Committee*   |  |
| Strong Tower Ministries* |  |
| Run Racing*              |  |
| Ignited*                 |  |
| Courtyard Marriott       |  |

|                 |          |                   |
|-----------------|----------|-------------------|
| Canopy @        | \$75.00  | \$75.00           |
| goodie bags@    | \$200.00 | \$200.00          |
| goodie bags@    | \$200.00 | \$200.00          |
| goodie bags@    | \$200.00 | \$200.00          |
| Canopy @        | \$150.00 | \$75.00           |
| Hotel Sponsor @ | \$0.00   | \$0.00            |
|                 |          | <b>\$6,925.00</b> |

## Event Budget for 2012/2013 Half Marathon, 10K & 5k

### Revenue over/(under) expenses

|                             | Estimated    |
|-----------------------------|--------------|
| Total income                | \$161,715.00 |
| Total expenses              | \$156,317.00 |
| Total over/(under) expenses | \$5,398.00   |



# **CITY OF LAGUNA HILLS**

## **CITY COUNCIL AGENDA REPORT COMMUNITY SERVICES DEPARTMENT**

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**ISSUE: 2011 FOURTH OF JULY POST EVENT REPORT**

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### **SUMMARY:**

The City of Laguna Hills held the annual Fourth of July celebration at the Laguna Hills Sports Complex on Monday, July 4, 2011. The special event took place between the hours of 4:00 PM to 9:30 PM and included a number of activities in addition to the fireworks show. Pyro Spectaculars once again provided the fireworks display for the 2011 event. The Laguna Hills High School track and field was not subjected to any firework fallout this year. Expenditures for the 2011 Fourth of July Celebration totaled \$46,078. Net costs totaled \$42,697, which accounts for \$3,381 in ticket sales revenue. This information was presented to the Parks and Recreation Commission at its August 3, 2011, meeting.

### **BACKGROUND:**

Staff is estimating that approximately 11,000 people attended the City of Laguna Hills' annual Fourth of July event this year. The 2011 Fourth of July event once again included carnival rides, games, informational and food booths, and entertainment. Total ticket sales revenue was \$3,381 for the two rides. The Laguna Hills non-profit groups that sold food and other items informed staff that they were very pleased with their total profits. The non-profit vendors that participated in this year's event were:

- Boy Scout Troop 1602: Pizza and B-B-Q Corn
- LHHS Music Boosters: Nachos, Churros, and Candy
- Armenian Festival: Kebabs
- Festival Singers: Hot Dogs
- Cub Scout Pack 800: Ice Cream
- LHHS Football Boosters: Drinks
- AYSO Region 1422: Chili and Cornbread
- LHNJB/LHHS Basketball: Hamburgers
- LHHS Water Polo Boosters: Shaved Ice
- LHHS Lacrosse Boosters: Iced Coffee

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

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As the City Council is aware, the event concludes each year with a musically choreographed fireworks show. This year the show started late and staff received complaints regarding the fireworks display. The show ran for approximately 14 minutes before a long delay occurred due to technical difficulties. After roughly three minutes, the finale was fired. The remaining shells were fired at approximately 10:30 pm, as they were too hazardous to repack and transport once wired according to the Fire Marshal. The 2011 fireworks program's cost, as stated in the contract with Pyro Spectaculars, was \$24,675. However, due to the technical difficulties experienced with this year's show, Pyro Spectaculars offered a \$5,000 discount to the overall cost of the show. The revised cost of this year's fireworks show is \$19,675.

A highlight of the 2011 event was the presence of members of the 3/5 Battalion. At the request of the 3/5 Support Committee several Marines attended the event, bringing with them static displays including vehicles, weapons and other equipment. As they had done at the Memorial Day Half Marathon and 5K, the Marines also painted camouflage designs on children's faces.

Saddleback Valley Unified School District staff again agreed to allow the City to proceed with the event without covering the football field or track, with the understanding that the City would cover the costs of any needed repairs due to burns from the fireworks fallout. On Tuesday, July 5, 2011, both City staff and Saddleback Valley Unified School District personnel walked the campus and found that no shells or debris had fallen on the track or football field. As in years past, the shells had fallen on the upper portion of the campus, including the tennis courts, the roof top above the boy's locker room, and the pool area. A total of 12 Community Services staff members were on the Laguna Hills High School campus on Tuesday, July 5th clearing firework debris.

**FISCAL IMPACT:**

The adopted budget for FY 2011-2012 includes \$52,500 for the City's 2011 Fourth of July Celebration event. Expenditures for the 2011 Fourth of July Celebration totaled \$46,078 which includes the discounted cost of the fireworks show. Net costs totaled \$42,697 when accounting for \$3,381 in ticket sales revenue.

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

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# CITY OF LAGUNA HILLS

## AGENDA REPORT PUBLIC SERVICES DEPARTMENT

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**ISSUE:        PROGRESS PAYMENT NO. 4 FOR LA PAZ ROAD WIDENING AT I-5  
IMPROVEMENT PROJECT, CIP NO. 159**

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### **SUMMARY:**

Work on the La Paz Road Widening at I-5 Improvement Project, CIP No. 159, began on April 7, 2011, and is being performed by SEMA Construction, Inc. Work performed in June included engineering, progress scheduling, site management, fencing, signage, traffic control, striping, concrete removal, clearing and grubbing, excavation, lighting, and mobilization. The contractor has submitted the fourth progress payment request for approval. Contract Change Order No. 3 is proposed for approval to address: (1) the protection of monitoring wells; (2) the removal of buried concrete and asphalt debris; and (3) the relocation of a traffic signal conduit.

### **BACKGROUND:**

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A ten (10) percent retention is withheld from each payment to assure final performance of the work. The contractor for the project, SEMA Construction, Inc., has submitted the fourth progress payment for the subject project as follows:

| ITEM # | DESCRIPTION            | QUANTITY | UNIT | \$           | AMOUNT       |
|--------|------------------------|----------|------|--------------|--------------|
| 1      | RE Office              | .05      | LS   | \$ 50,000.00 | \$ 2,500.00  |
| 2      | Progress Schedule      | .06      | LS   | \$ 3,000.00  | \$ 180.00    |
| 3      | Time Related Overhead  | 18       | WD   | \$ 2,000.00  | \$ 36,000.00 |
| 4      | Construction Site Mgmt | .06      | LS   | \$ 10,000.00 | \$ 600.00    |

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE CONTRACT CHANGE ORDER NO. 3 AND PROGRESS PAYMENT NO. 4, IN THE NET AMOUNT OF \$417,141.49, TO SEMA CONSTRUCTION, INC., FOR THE LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT PROJECT, CIP NO. 159.**

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Agenda Report  
Progress Payment No. 4 for CIP No. 159  
Page 2

|                    |                              |        |    |                     |                      |
|--------------------|------------------------------|--------|----|---------------------|----------------------|
| 10                 | Temp Inlet Protection        | 1      | EA | \$ 86.00            | \$ 86.00             |
| 11                 | Street Sweeping              | .06    | LS | \$ 25,000.00        | \$ 1,500.00          |
| 12                 | Temp Conc Wash Out Bin       | 1      | EA | \$ 1,000.00         | \$ 1,000.00          |
| 18                 | Construction Signage         | .06    | LS | \$ 40,400.00        | \$ 2,424.00          |
| 19                 | Traffic Control System       | .06    | LS | \$ 55,700.00        | \$ 3,342.00          |
| 22                 | Temp Traffic Stripe          | 930    | LF | \$ 0.60             | \$ 558.00            |
| 25                 | Temp Signal/Lighting         | .20    | LS | \$ 89,500.00        | \$ 17,900.00         |
| 26                 | Portable Message Signs       | .06    | LS | \$ 1,600.00         | \$ 96.00             |
| 27                 | Temp Rail (K)                | 920    | LF | \$ 7.50             | \$ 6,900.00          |
| 30                 | Remove Traffic Stripe        | 415    | LF | \$ .90              | \$ 373.50            |
| 42                 | Concrete Removal             | 146    | CY | \$ 66.00            | \$ 9,636.00          |
| 45                 | Roadway Excavation           | 15,000 | CY | \$ 6.73             | \$100,950.00         |
| 47                 | Structure Excavation (RW)    | 1,129  | CY | \$ 20.00            | \$ 22,580.00         |
| 49                 | Structure Backfill           | 90     | CY | \$ 15.00            | \$ 1,350.00          |
| 75                 | Class 1 Concrete (S)         | 4.5    | CY | \$ 600.00           | \$ 2,700.00          |
| 78                 | Minor Concrete               | 9.1    | CY | \$ 800.00           | \$ 7,280.00          |
| 82                 | Bar Reinforcing Steel        | 1,617  | LB | \$ 0.85             | \$ 1,374.45          |
| 96                 | 18" Reinforced Conc Pipe     | 62.66  | LF | \$ 43.00            | \$ 2,694.38          |
| 97                 | 24" Reinforced Conc Pipe     | 82.76  | LF | \$ 52.00            | \$ 4,303.52          |
| 131                | Signal & Lighting            | .15    | LS | \$126,497.46        | \$ 18,974.62         |
| 133                | Ramp Metering System (1)     | .05    | LS | \$ 36,100.00        | \$ 1,805.00          |
| 136                | Lighting & Sign Illumination | .05    | LS | \$ 90,400.00        | \$ 4,520.00          |
| 139                | Mobilization                 | .50    | LS | \$402,578.80        | \$201,289.40         |
| CCO No. 1          | Various Extra Work           | .80    | LS | \$ 13,217.09        | \$ 10,573.67         |
| Total To Date      |                              |        |    | \$668,331.11        |                      |
| Less Prior Billing |                              |        |    | <u>\$204,840.57</u> |                      |
| Total This Period  |                              |        |    | \$463,490.54        | \$463,490.54         |
| Less 10% Retention |                              |        |    |                     | <u>\$(46,349.05)</u> |
|                    |                              |        |    |                     | \$417,141.49         |

During the course of excavation, three issues were identified that resulted in extra work. These include the existence of monitoring wells that need to be protected until they are removed by others, the finding of buried concrete and asphalt concrete that must be removed, and a traffic signal conduit that is in conflict with the work. To address these issues, Contract Change Order No. 3, attached, is proposed for approval. The value of Contract Change Order No. 3 is \$22,500.

**FISCAL IMPACT:**

The progress payment is within the Capital Improvement Program Budget for the La Paz Road Widening at I-5 Improvement Project, CIP No. 159.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE CONTRACT CHANGE ORDER NO. 3 AND PROGRESS PAYMENT NO. 4, IN THE NET AMOUNT OF \$417,141.49, TO SEMA CONSTRUCTION, INC., FOR THE LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT PROJECT, CIP NO. 159.**

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**ATTACHMENTS:**

- Contract Change Order No. 3



# CITY OF LAGUNA HILLS CONTRACT CHANGE ORDER

CONTRACT CHANGE ORDER NO. 3

SHEET 1 OF 3 SHEETS

PROJECT: La Paz Widening at I-5, CIP No. 159

CONTRACTOR: SEMA Construction

In accordance with contract provisions, the following changes in the contract and/or contract work are hereby authorized and as compensation therefore, the following addition to or deductions from the contract price are hereby approved.

**Note: This change order is not effective until approved by the City Engineer.**

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price, and force account. ~~Unless otherwise stated, rates for rental of equipment are actually used and no allowance will be made for idle time.~~ 

Change requested by: City

This change order provides compensation to SEMA Construction for the following extra work:

**A Extra Work at Time & Materials (T&M, or "Force Account"):**

Protect the monitoring wells throughout the project as directed by the Engineer until abandoned by others.

All equipment and manpower to be provided for this change order shall be verbally reviewed with the Engineer prior to starting the work.

SEMA will be compensated as "Extra Work" per the Section 3-3 of the Green Book, "Extra Work" and Special Provision Section 3-3 "Extra Work":

Not to Exceed Amount = \$2,500.00

**B. Extra Work at Time & Materials (T&M or "Force Account"):**

Remove and dispose of the existing buried manmade objects near retaining walls #3 and #4. This includes concrete and asphalt debris near retaining wall #3 and abandoned drainage structures and pipe near retaining wall #4. The removal of pavement materials completed prior to June 15 near retaining wall #4 are excluded from this work as compensation will be provided at contract unit prices under Pay Item #42 (remove concrete) at the amount of 30 CY. Also, remove concrete over-pour from the bridge footing in conflict with the tie-back wall as directed by the Engineer. The existing footing extends approximately 1' beyond the abutment wall per the tie back wall plans (Page 166) and shall not be damaged by the removal methods.

All equipment and manpower to be provided for this change order shall be verbally reviewed with the Engineer prior to starting the work.

SEMA will be compensated as "Extra Work" per the Section 3-3 of the Green Book, "Extra Work" and Special Provision Section 3-3 "Extra Work":

Not to Exceed Amount = \$10,000.00

C. Extra Work at Time & Materials (T&M or "Force Account"):

Extend the existing conduit crossing for the signal pole at Location #2 identified as Conduit #4 on Sheet E-3 (page 151) of the contract drawings. This existing crossing is about 150' south of the location shown on the plans and is to be extended and reconnected as necessary to prevent a conflict with the plan roadway widening. The expected means will include working around the area during roadway excavation, extending the conduit and replacing the cables during a signal outage, and replacing the cables and restoring the signal in one work shift. Out-of-sequence work, mainly the roadway excavation around the pull box after the extension, shall be included as part of this change order work.

All equipment and manpower to be provided for this change order shall be verbally reviewed with the Engineer prior to starting the work. The signal outage shall be scheduled through the Engineer at least one week in advance.

SEMA will be compensated as "Extra Work" per the Section 3-3 of the Green Book, "Extra Work" and Special Provision Section 3-3 "Extra Work":

Not to Exceed Amount = \$10,000.00

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**Total Not-To Exceed Increase    \$       22,500.00**

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By reason of this order the time of completion will be adjusted as follows:

A, B, and C: Time Extension Deferred Until After the Completion of the Work, with a Not-to-Exceed Estimate of 5 working days total.

The compensation (time and cost) set forth in this Change Order comprises the total compensation due the Contractor, all Subcontractors and all suppliers, for the work or change defined in this Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees, on behalf of himself, all Subcontractors, and all suppliers, that the stipulated compensation includes payment for all work contained in this Change Order, plus all payment for the interruption of schedules.

Extended overhead costs, delay, and all impact, ripple effect or cumulative impact on all other, work under this Contract. The signing of this Change Order shall indicate that the Change Order constitutes full mutual accord and satisfaction for the change, and that the time and/or cost under the Change Order constitutes the total equitable adjustment owed the Contractor, all Subcontractors, and all suppliers, as a result of the change. The Contractor, on behalf of himself, all Subcontractors, and all suppliers, agrees to waive all rights, without exception or

reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

SUMMARY OF CONTRACT TIME

|                                     |               |
|-------------------------------------|---------------|
| Original Contract Date:             | April 7, 2011 |
| Original Contract Time:             | 275           |
| Original Completion Date:           | May 18, 2012  |
| Time Extension this C.O.:           | (Deferred)    |
| Total Contract Time Extension:      | 0             |
| Revised Contract Time:              | N/A           |
| Revised Final Completion Due Date:  | N/A           |
| Time Subject to Liquidated Damages: | None          |
| Actual Final Completion Date:       | TBD           |

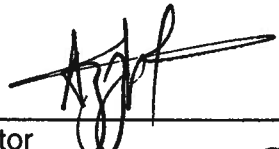
|                          |                       |
|--------------------------|-----------------------|
| Original Contract Price  | <u>\$4,228,879.00</u> |
| Prev. Authorized Changes | <u>\$ 40,415.00</u>   |
| This Change (Add)        | <u>\$ 22,500.00</u>   |
| Amended Contract Price   | <u>\$4,291,794.00</u> |

If the Contractor does not sign acceptance of this order, his attention to the requirements of the specifications as to proceeding with the order work and filing a written protest within the time therein specified.

Approved by:

Accepted by:

---

Director of Public Services \_\_\_\_\_ Date \_\_\_\_\_  
Contractor \_\_\_\_\_ Date 6/24/11  
Print Name: Azam Saeed



# CITY OF LAGUNA HILLS

## AGENDA REPORT PUBLIC SERVICES DEPARTMENT

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**ISSUE:        PROGRESS PAYMENT NO. 5 FOR LA PAZ ROAD WIDENING AT I-5  
IMPROVEMENT PROJECT, CIP NO. 159**

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### **SUMMARY:**

Work on the La Paz Road Widening at I-5 Improvement Project, CIP No. 159, began on April 7, 2011, and is being performed by SEMA Construction, Inc. Work performed in July included engineering, progress scheduling, site management, fencing, street sweeping, signage, traffic control, concrete removal and replacement, excavation, backfill, steel reinforcement, and electrical. The contractor has submitted the fifth progress payment request for approval.

### **BACKGROUND:**

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A ten (10) percent retention is withheld from each payment to assure final performance of the work. The contractor for the project, SEMA Construction, Inc., has submitted the fifth progress payment for the subject project as follows:

| ITEM # | DESCRIPTION            | QUANTITY | UNIT | \$          | AMOUNT      |
|--------|------------------------|----------|------|-------------|-------------|
| 1      | RE Office              | .05      | LS   | \$50,000.00 | \$ 2,500.00 |
| 2      | Progress Schedule      | .06      | LS   | \$ 3,000.00 | \$ 180.00   |
| 3      | Time Related Overhead  | 25       | WD   | \$ 2,000.00 | \$50,000.00 |
| 4      | Construction Site Mgmt | .06      | LS   | \$10,000.00 | \$ 600.00   |
| 8      | Temp Silt Fence        | 300      | LF   | \$ 1.60     | \$ 480.00   |
| 11     | Street Sweeping        | .06      | LS   | \$25,000.00 | \$ 1,500.00 |

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**RECOMMENDATION:    THAT THE CITY COUNCIL APPROVE PROGRESS  
PAYMENT NO. 5, IN THE NET AMOUNT OF \$207,486.96, TO SEMA  
CONSTRUCTION, INC., FOR THE LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT  
PROJECT, CIP NO. 159.**

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Agenda Report  
Progress Payment No. 5 for CIP No. 159  
Page 2

|                    |                              |        |    |                     |                      |
|--------------------|------------------------------|--------|----|---------------------|----------------------|
| 15                 | Storm Water Report           | 1      | EA | \$ 500.00           | \$ 500.00            |
| 18                 | Construction Signage         | .06    | LS | \$40,400.00         | \$ 2,424.00          |
| 19                 | Traffic Control System       | .06    | LS | \$55,700.00         | \$ 3,342.00          |
| 20                 | Type III Barricade           | 2      | EA | \$ 73.00            | \$ 146.00            |
| 26                 | Portable Message Signs       | .06    | LS | \$ 1,600.00         | \$ 96.00             |
| 29                 | Abandon Culvert              | 56     | LF | \$ 22.00            | \$ 1,232.00          |
| 35                 | Remove Drainage Facility     | 1      | EA | \$ 510.00           | \$ 510.00            |
| 45                 | Roadway Excavation           | 3,000  | CY | \$ 6.73             | \$20,190.00          |
| 49                 | Structure Backfill           | 261    | CY | \$ 15.00            | \$ 3,915.00          |
| 74                 | Retaining Wall               | 161    | CY | \$ 400.00           | \$64,400.00          |
| 75                 | Class 1 Concrete (S)         | 5.4    | CY | \$ 600.00           | \$ 3,240.00          |
| 80                 | Rock Cobble                  | 1,500  | SF | \$ 9.00             | \$13,500.00          |
| 82                 | Bar Reinforcing Steel        | 50     | LB | \$ 0.85             | \$ 42.50             |
| 83                 | BRS (Retaining Wall)         | 25,000 | LB | \$ 0.92             | \$23,000.00          |
| 96                 | 18" Reinforced Conc Pipe     | 8.85   | LF | \$ 43.00            | \$ 380.55            |
| 105                | 38" Pipe Riser               | 7.03   | LF | \$ 120.00           | \$ 843.60            |
| 133                | Ramp Metering System (1)     | .05    | LS | \$36,100.00         | \$ 1,805.00          |
| 134                | Ramp Metering System (2)     | .05    | LS | \$ 8,300.00         | \$ 415.00            |
| 136                | Lighting & Sign Illumination | .14    | LS | \$90,400.00         | \$12,656.00          |
| CCO No. 1          | Various Extra Work           | .20    | LS | \$13,217.09         | \$ 2,643.42          |
| CCO No. 2          | Shoring Beam Installation    | 1      | LS | \$20,000.00         | \$20,000.00          |
| Total To Date      |                              |        |    | \$898,872.18        |                      |
| Less Prior Billing |                              |        |    | <u>\$668,331.11</u> |                      |
| Total This Period  |                              |        |    | \$230,541.07        | \$230,541.07         |
| Less 10% Retention |                              |        |    |                     | <u>\$(23,054.11)</u> |
|                    |                              |        |    |                     | \$207,486.96         |

**FISCAL IMPACT:**

The progress payment is within the Capital Improvement Program Budget for the La Paz Road Widening at I-5 Improvement Project, CIP No. 159.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE PROGRESS PAYMENT NO. 5, IN THE NET AMOUNT OF \$207,486.96, TO SEMA CONSTRUCTION, INC., FOR THE LA PAZ ROAD WIDENING AT I-5 IMPROVEMENT PROJECT, CIP NO. 159.**

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# CITY OF LAGUNA HILLS

## AGENDA REPORT PUBLIC SERVICES DEPARTMENT

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**ISSUE:        PROGRESS PAYMENT NO. 4 FOR COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239**

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### **SUMMARY:**

Work on the Community Center & Sports Complex Playground Renovations and Light Refurbishment, CIP No. 514, and Costeau Park Playground Refurbishment, CIP No. 239, began on February 28, 2011, and is being performed by Signature Contractors. Work performed in July included surface and cushion installation and fixture installation at the Community Center Playground. In addition, the City identified miscellaneous extra work that needed to be addressed as detailed in the proposed Contract Change Order No. 2. The contractor has submitted the fourth progress payment request for approval.

### **BACKGROUND:**

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A ten (10) percent retention is withheld from each payment to assure final performance of the work. The contractor for the project, Signature Contractors, has submitted the fourth progress payment for the subject project as follows:

| ITEM #                             | DESCRIPTION       | QUANTITY | UNIT | \$       | AMOUNT      |
|------------------------------------|-------------------|----------|------|----------|-------------|
| <u>Community Center Playground</u> |                   |          |      |          |             |
| 4                                  | Surface & Cushion | 3,011.5  | SF   | \$ 13.86 | \$41,739.39 |

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE CONTRACT CHANGE ORDER NO. 2 AND PROGRESS PAYMENT NO. 4, IN THE NET AMOUNT OF \$24,311.00, TO SIGNATURE CONTRACTORS, FOR COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239.**

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Agenda Report  
Progress Payment No. 4 for CIP No. 514/239  
Page 2

|   |                   |        |    |    |      |               |
|---|-------------------|--------|----|----|------|---------------|
| 5 | New Surface Color | -4,590 | SF | \$ | 6.35 | (\$29,146.50) |
|---|-------------------|--------|----|----|------|---------------|

Lighting

|     |                    |   |    |    |          |             |
|-----|--------------------|---|----|----|----------|-------------|
| 2-8 | New Light Fixtures | 2 | EA | \$ | 1,400.00 | \$ 2,800.00 |
|-----|--------------------|---|----|----|----------|-------------|

|                    |         |    |             |             |
|--------------------|---------|----|-------------|-------------|
| Change Order No. 2 | Various | LS | \$11,619.33 | \$11,619.33 |
|--------------------|---------|----|-------------|-------------|

|                    |                     |                      |
|--------------------|---------------------|----------------------|
| Total To Date      | \$260,869.60        |                      |
| Less Prior Billing | <u>\$233,857.38</u> |                      |
| Total This Period  | \$ 27,012.22        | \$27,012.22          |
| Less 10% Retention |                     | <u>\$( 2,701.22)</u> |
|                    |                     | \$24,311.00          |

The progress payment includes Contract Change Order No. 2, attached, which addresses the addition of safety fencing, modifications to the slide to fit the new surface elevation of the rubberized surfacing, enhancing the upper playground drainage, repairing the Jeep play feature, and miscellaneous electrical and plumbing modifications.

**FISCAL IMPACT:**

The progress payment is within the Capital Improvement Program Budget for the Community Center & Sports Complex Playground Renovations and Light Refurbishment, CIP No. 514, and Costeau Park Playground Renovations, CIP No. 239.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE CONTRACT CHANGE ORDER NO. 2 AND PROGRESS PAYMENT NO. 4, IN THE NET AMOUNT OF \$24,311.00, TO SIGNATURE CONTRACTORS, FOR COMMUNITY CENTER & SPORTS COMPLEX PLAYGROUND RENOVATIONS AND LIGHT REFURBISHMENT, CIP NO. 514, AND COSTEAU PARK PLAYGROUND RENOVATIONS, CIP NO. 239.**

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**ATTACHMENTS:**

- Contract Change Order No. 2

**CITY OF LAGUNA HILLS  
CONTRACT CHANGE ORDER**

CONTRACT CHANGE ORDER NO. 2

SHEET 1 OF 2 SHEETS

PROJECT: Community Center and Sports Complex Playground Renovation and  
Lighting Refurbishment, CIP No. 514

CONTRACTOR: Signature Contractors

In accordance with contract provisions, the following changes in the contract and/or contract work are hereby authorized and as compensation therefore, the following addition to or deductions from the contract price are hereby approved.

**Note: This change order is not effective until approved by the City Engineer.**

Description of work to be done, estimate of quantities, and prices to be paid. Unless otherwise stated, rates for rental of equipment are actually used and no allowance will be made for idle time.

Change requested by City Engineer

- |                                                                                                                                       |                  |                  |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 1. Modify upper play equipment slide length to match new surface elevation.<br>5/10/11                                                | Time & Materials | \$ 1,151.29      |
| 2. Add safety fence and rail at slide entry of lower play equipment.<br>5/10/11                                                       | Time & Materials | \$ 2,457.55      |
| 3. Modify drainage system of upper playground under rubber surfacing<br>to add base rock and drain boxes.<br>4/15/11, 4/26/11, 5/9/11 | Time & Materials | \$ 4,200.06      |
| 4. Add three water pressure regulators to water feature.<br>4/1/11                                                                    | Time & Materials | \$ 570.43        |
| 5. Install electrical conduit, pull box and wire to provide power to<br>water feature.<br>7/8/11 Rev. 7/19/11                         | Agreed Price     | \$ 1,000.00      |
| 6. Remove and Replace plastic wood on Jeep play feature.<br>7-25-2011                                                                 | Agreed Price     | \$ 1,640.00      |
| 7. Add support ring for light pole covers per detail.<br>7-25-2011                                                                    | Agreed Price     | <u>\$ 600.00</u> |
| TOTAL INCREASE                                                                                                                        |                  | \$11,619.33      |

By reason of this order the time of completion will be adjusted as follows:

Add 0 Working Days

The compensation (time and cost) set forth in this Change Order comprises the total compensation due the Contractor, all Subcontractors and all suppliers, for the work or change defined in this Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees, on behalf of himself, all Subcontractors, and all suppliers, that the stipulated compensation includes payment for all work contained in this Change Order, plus all payment for the interruption of schedules.

Extended overhead costs, delay, and all impact, ripple effect or cumulative impact on all other work under this Contract. The signing of this Change Order shall indicate that the Change Order constitutes full mutual accord and satisfaction for the change, and that the time and/or cost under the Change Order constitutes the total equitable adjustment owed the Contractor, all Subcontractors, and all suppliers, as a result of the change. The Contractor, on behalf of himself, all Subcontractors, and all suppliers, agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

**SUMMARY OF CONTRACT TIME**

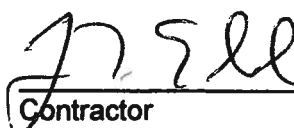
|                                     |                   |
|-------------------------------------|-------------------|
| Original Contract Date:             | February 28, 2011 |
| Original Contract Time:             | 50 work days      |
| Original Completion Date:           | May 6, 2011       |
| Time Extension this C.O.:           | -0-               |
| Time Extension Other:               | 4 work days       |
| Revised Contract Time:              | 54 work days      |
| Revised Final Completion Due Date:  | May 26, 2011      |
| Time Subject to Liquidated Damages: | - 0 -             |
| Substantial Completion Date:        | May 26, 2011      |

|                          |                    |
|--------------------------|--------------------|
| Original Contract Price  | \$79,807.00        |
| Prev. Authorized Changes | \$ 8,600.00        |
| This Change (Add)        | <u>\$11,619.33</u> |
| Amended Contract Price   | \$100,026.33       |

If the Contractor does not sign acceptance of this order, his attention to the requirements of the specifications as to proceeding with the order work and filing a written protest within the time therein specified.

Approved by:

Accepted by:

\_\_\_\_\_  
Director of Public Services\_\_\_\_\_  
Date  
\_\_\_\_\_  
Contractor8-5-11  
\_\_\_\_\_  
Date

# CITY OF LAGUNA HILLS

## AGENDA REPORT PUBLIC SERVICES DEPARTMENT

---

**ISSUE:        PROGRESS PAYMENT NO. 1 FOR ENERGY EFFICIENCY PROJECT,  
                 CIP NO. 515**

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### **SUMMARY:**

Work on the Energy Efficiency Project, CIP No. 515, began on July 18, 2011, and is being performed by Robert D. Gosney Construction. Work performed in July included mobilization, clearing and grubbing, and the purchase and installation of LED traffic signal indications. The contractor has submitted the first progress payment request for approval.

### **BACKGROUND:**

A routine monthly action for capital improvement projects is the submission, review, and approval of the contractor's invoice. Procedurally, field staff verifies the contractor's quantities and matches them with the submitted invoice. The unit prices and total costs of the project are confirmed by the office staff and a progress payment is then processed. A ten (10) percent retention is withheld from each payment to assure final performance of the work. The contractor for the project, Robert D. Gosney Construction, has submitted the first progress payment for the subject project as follows:

| ITEM # | DESCRIPTION                 | QUANTITY | UNIT | \$          | AMOUNT      |
|--------|-----------------------------|----------|------|-------------|-------------|
| 1      | Mobilization                | .333     | LS   | \$21,474.00 | \$7,158.00* |
| 3      | Purchase 15-Ton HVAC        | .25      | EA   | \$25,000.00 | \$6,250.00  |
| 4      | Purchase 12-Ton HVAC        | .20      | EA   | \$20,000.00 | \$4,000.00  |
| 6      | Buy & Install VFD           | .75      | EA   | \$ 3,000.00 | \$2,250.00  |
| 10     | Buy & Install 12" Ball LED  | 112.75   | EA   | \$ 80.00    | \$9,020.00  |
| 11     | Buy & Install 12" Arrow LED | 53.25    | EA   | \$ 80.00    | \$4,260.00  |
| 12     | Buy & Install 5" Arrow LED  | 3.25     | EA   | \$ 80.00    | \$ 260.00   |
| 13     | Buy & Install PED LED       | 26.25    | EA   | \$ 200.00   | \$5,250.00  |

\*Total not exact due to rounding.

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**RECOMMENDATION:    THAT THE CITY COUNCIL APPROVE PROGRESS  
PAYMENT NO. 1, IN THE NET AMOUNT OF \$34,603.20, TO ROBERT D. GOSNEY  
CONSTRUCTION, FOR ENERGY EFFICIENCY PROJECT, CIP NO. 515.**

---

Agenda Report  
Progress Payment No. 1 for CIP No. 515  
Page 2

|                    |              |                      |
|--------------------|--------------|----------------------|
| Total To Date      | \$38,448.00  |                      |
| Less Prior Billing | <u>\$ --</u> |                      |
| Total This Period  | \$38,448.00  | \$38,448.00          |
| Less 10% Retention |              | <u>\$( 3,844.80)</u> |
|                    |              | \$34,603.20          |

**FISCAL IMPACT:**

The progress payment is within the Capital Improvement Program Budget for the Energy Efficiency Project, CIP No. 515.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE PROGRESS PAYMENT NO. 1, IN THE NET AMOUNT OF \$34,603.20, TO ROBERT D. GOSNEY CONSTRUCTION, FOR ENERGY EFFICIENCY PROJECT, CIP NO. 515.**

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# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE:        MASTER FUNDING AGREEMENT NO. C-1-2770 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) AND LETTER AGREEMENT NO. 1 FOR THE PASEO DE VALENCIA IMPROVEMENT PROJECT, CIP NO. 145**

---

### **SUMMARY:**

The implementation of Measure M2 requires the City and OCTA to enter into a Master Funding Agreement to identify the roles and responsibilities of both agencies when utilizing M2 funding. The attached Master Funding Agreement is submitted for City Council approval. The Master Funding Agreement includes a provision allowing amendments to the Master Funding Agreement specific to future project funding allocations by the issuance of a "Letter Agreement." OCTA has awarded the City the funding for Phase 1 of the future widening of Paseo de Valencia from Kennington Drive to Laguna Hills Drive for environmental clearance, engineering design, and right-of-way work and has issued the attached Letter Agreement for approval.

### **BACKGROUND:**

Measure M2, the one-half cent sales tax approved by the voters in 2006, became operational on April 1, 2011. OCTA manages the M2 program and establishes implementation procedures based upon the Measure approved by the voters and the ordinances approved by the OCTA Board. One of the administrative procedures to be put into place is an Agreement between OCTA and each City on the roles and responsibilities to be followed for use of the M2 funds. An OCTA prepared standard agreement, known as the Master Funding Agreement, is attached for City Council approval. The Agreement will expire with the sunset of M2 in 2041.

The Agreement has been prepared to anticipate the need to acknowledge specific project funding awards to the City as they occur over the life of M2 without having to

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**RECOMMENDATION:    THAT THE CITY COUNCIL:    (1) APPROVE MASTER FUNDING AGREEMENT NO. C-1-2770 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY; (2) APPROVE LETTER AGREEMENT NO. 1 FOR THE PASEO DE VALENCIA IMPROVEMENT PROJECT; AND (3) AUTHORIZE THE MAYOR TO SIGN THE MASTER FUNDING AGREEMENT AND LETTER AGREEMENT NO. 1 AND AUTHORIZE THE CITY CLERK TO ATTEST THERETO.**

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formally amend the Master Funding Agreement. Article 4.F. of the Agreement states, "Agency agrees to enter into any required Letter Agreement for Projects(s) approved by the Board to define specific funding and reporting requirements." In this regard, Letter Agreement No. 1 is also attached for City Council approval to acknowledge the award of funding for the environmental clearance, engineering design, and right-of-way work for the future widening of Paseo de Valencia from Kennington Drive to Laguna Hills Drive.

The Paseo de Valencia project was one of two projects the City Council authorized staff to submit to OCTA for the first round of project funding under M2. The Paseo de Valencia project was selected for funding by OCTA and will allow for the design of the future widening of this arterial highway from the existing five lanes to six lanes within the limits described above. In the fall, staff anticipates issuing a Request for Proposal to seek a firm to perform this work.

**FISCAL IMPACT:**

The approval of the Master Funding Agreement is necessary in order for the City to access Measure M2 funds which will provide several million dollars to the City for roadway infrastructure projects over the life of the program.

The Paseo de Valencia Improvement Project, CIP No. 145, award totals \$371,512.50 in M2 competitive funding and will require a 25% match by the City. The match funding will be CARITS funds resulting in no General Fund impact. This project is included in the future Capital Improvement Program as CIP No. 145. The City has three years to expend these funds. Staff will present the City Council with a budget amendment to move appropriate funding into the current and next fiscal year upon a recommendation to award a Professional Services Agreement for the project design.

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**RECOMMENDATION: THAT THE CITY COUNCIL: (1) APPROVE MASTER FUNDING AGREEMENT NO. C-1-2770 WITH THE ORANGE COUNTY TRANSPORTATION AUTHORITY; (2) APPROVE LETTER AGREEMENT NO. 1 FOR THE PASEO DE VALENCIA IMPROVEMENT PROJECT; AND (3) AUTHORIZE THE MAYOR TO SIGN THE MASTER FUNDING AGREEMENT AND LETTER AGREEMENT NO. 1 AND AUTHORIZE THE CITY CLERK TO ATTEST THERETO.**

---

**ATTACHMENTS:**

- Master Funding Agreement
- Letter Agreement No. 1

1                                   **MASTER FUNDING AGREEMENT NO. C-1-2770**

2                                   **BETWEEN**

3                                   **ORANGE COUNTY TRANSPORTATION AUTHORITY**

4                                   **AND**

5                                   **CITY OF LAGUNA HILLS**

6                                   **FOR**

7                                   **M2 COMPREHENSIVE TRANSPORTATION FUNDING PROGRAMS**

8                   **THIS AGREEMENT** is effective this \_\_\_\_\_ day of \_\_\_\_\_ 2011, by and  
9 between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange,  
10 California 92863-1584, a public corporation of the State of California (hereinafter referred to as  
11 "AUTHORITY"), and the City of Laguna Hills, 24035 El Toro Road, Laguna Hills, CA 92653, a municipal  
12 corporation (hereinafter referred to as "AGENCY").

13                                   **RECITALS:**

14                   **WHEREAS**, Voters approved Renewed Measure M (M2) on November 7, 2006; and

15                   **WHEREAS**, Orange County Local Transportation Authority Ordinance No. 3 outlines the M2  
16 Transportation Ordinance and Investment Plan to fund transportation facility and service improvement  
17 programs for a period of thirty years commencing on April 1, 2011; and

18                   **WHEREAS**, AUTHORITY and AGENCY agree that M2 funding is subject to AGENCY fulfilling  
19 M2 eligibility requirements; and

20                   **WHEREAS**, AUTHORITY's Board of Directors approved the Renewed Measure M Eligibility  
21 Guidelines - Local Agency Preparation Manual on January 25, 2010 and subsequent amendments on  
22 March 14, 2011 and April 11, 2011; and

23                   **WHEREAS**, AUTHORITY's Board of Directors approved the Comprehensive Transportation  
24 Funding Programs (CTFP) Guidelines on March 22, 2010; and

25                   **WHEREAS**, AUTHORITY will periodically update the Renewed Measure M2 Eligibility  
26 Guidelines - Local Agency Preparation Manual and the CTFP Guidelines whereby the most recent

update is incorporated herein by reference; and

**WHEREAS**, AUTHORITY has approved AGENCY's competitive project(s) (hereinafter referred to as "PROJECT(s)") as specified in Attachment A "Projects List" to receive funding under the CTFP; and

**WHEREAS**, AUTHORITY has determined that AGENCY's PROJECT(s) has met the requirements of and is eligible under the CTFP Guidelines; and

**WHEREAS**, AGENCY's "Project List" may be amended to include new projects with each competitive call for projects and will be incorporated by Letter Agreement (See Attachment B) executed by both parties and incorporated herein; and

**WHEREAS**, the Letter Agreement may include additional requirements for PROJECT(s) funded with sources other than M2 or Local Fair Share Net Revenues sources; and

**WHEREAS**, AUTHORITY and AGENCY agree that Local Fair Share Program Net Revenues are distributed on a formula basis to eligible jurisdictions; and

**WHEREAS**, payment terms for this Master Funding Agreement will be in accordance with Chapter 10 of the CTFP Guidelines; and

**WHEREAS**, this Master Funding Agreement defines the specific terms and conditions and funding responsibilities between AUTHORITY and AGENCY for CTFP and Local Fair Share Program Net Revenues; and

**WHEREAS**, AUTHORITY's Board of Directors approved this Master Funding Agreement on June 27, 2011; and

**WHEREAS**, the AGENCY's City Council approved this Agreement on the \_\_\_\_\_ day of \_\_\_\_\_ 2011;

**NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and AGENCY as follows:

**ARTICLE 1. COMPLETE AGREEMENT**

A. This Agreement, including any attachments incorporated herein and made applicable by

reference, constitutes the complete and exclusive statement of the term(s) and conditions(s) of this agreement between AUTHORITY and AGENCY and it supersedes all prior representations, understandings, and communications. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other term(s) or conditions(s) of this Agreement. The above referenced Recitals are true and correct and are incorporated by reference herein.

B. AUTHORITY'S failure to insist on any instance(s) of AGENCY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such term(s) or condition(s), and AGENCY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

C. AGENCY's failure to insist on any instance(s) of AUTHORITY's performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of AGENCY's right to such performance or to future performance of such term(s) or condition(s), and AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AGENCY except when specifically confirmed in writing by an authorized representative of AGENCY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

## **ARTICLE 2. SCOPE OF AGREEMENT**

This Agreement specifies the roles and responsibilities of both AUTHORITY and AGENCY as they pertain to the subjects and projects addressed herein. Both AUTHORITY and AGENCY agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements, including Letter Agreements, which may be required to facilitate purposes thereof.

/

**ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

AUTHORITY agrees to the following responsibilities for funding of PROJECT(s):

A. AUTHORITY shall allocate M2 Net Revenues as specified in Ordinance No. 3 and pay AGENCY in accordance with the policies and procedures contained in the CTFP manual and AUTHORITY's Board of Directors approved PROJECT budgets.

B. AUTHORITY shall provide guidance and oversight of the M2, state and federal funds in compliance with M2 eligibility guidelines, CTFP Guidelines, state and federal funding requirements and allocation and reporting requirements.

C. Within thirty (30) days of receipt of an acceptable initial payment CTFP invoice and within sixty (60) days for an acceptable final payment invoice for eligible expenditures, AUTHORITY shall, in accordance with Chapter 10 of the CTFP Guidelines, remit to AGENCY the required reimbursement for applicable planning, environmental, engineering, right-of-way and construction activities.

D. AUTHORITY shall pay Net Revenues allocated for the Local Fair Share Program to eligible AGENCY within sixty (60) days of receipt by AUTHORITY.

E. AUTHORITY shall process any required Federal Transportation Improvement Program (FTIP) amendments, Subject to state and federal regulations and guidelines prepared by the Southern California Association of Governments.

F. At the request of AGENCY, AUTHORITY shall, in accordance with AUTHORITY specification and no cost to the AGENCY excluding installation and removal expenses, provide signage for all construction PROJECT(s) that are in excess of FIVE HUNDRED THOUSAND DOLLARS (\$500,000) and exceed a ninety (90) day construction schedule.

G. AUTHORITY, or agents of AUTHORITY, may upon close-out of each PROJECT(s) under this Agreement, perform an audit and or technical review to ensure that CTFP Guidelines policies and procedures were followed. Such audit shall be performed within one hundred and eighty (180) days of AUTHORITY receiving the final report for each PROJECT(s). If the audit or technical review

determines that any of the activities performed are ineligible for CTFP funding, AGENCY must return the amount of funding used to perform the ineligible activity to AUTHORITY in accordance with Article 4.G.

**ARTICLE 4. RESPONSIBILITIES OF AGENCY**

AGENCY agrees to the following responsibilities for PROJECT(s):

A. AGENCY or AGENCY's designee will act as the lead agency for all phases of the PROJECT(s) identified in Attachment A, approved for M2 funding.

B. AGENCY agrees that M2 funding is subject to AGENCY meeting all of the requirements outlined in the M2 Eligibility Guidelines and CTFP Guidelines.

C. AGENCY agrees to implement and complete PROJECT(s) funded under this Agreement in accordance with the CTFP Guidelines, M2 Eligibility requirements and application submitted to AUTHORITY.

D. AGENCY agrees to submit all PROJECT information to the Federal Transportation Improvement Program and OCFundTracker during semi-annual reviews and as requested by the AUTHORITY in accordance with the prescribed deadlines.

E. AGENCY agrees to obligate funds in the programmed year in accordance with the CTFP Guidelines and adhere to any additional requirements identified in any and all Letter Agreement(s) amended hereto.

F. AGENCY agrees to enter into and execute required Letter Agreement(s) for PROJECT(s) approved by the Board to define specific funding and reporting requirements.

G. AGENCY shall return funds expended on activities, other than those approved by the AUTHORITY's Board of Directors, within thirty (30) day's of AUTHORITY's written demand. Any AGENCY which uses funds for other than transportation purposes shall be deemed ineligible to receive funds for a period of five (5) years.

H. AGENCY agrees to dispose of any acquired right-of-way in excess of the required transportation use. Excess right-of-way must be identified at the time of initial payment submittal and

1 prior to the disposal process. Resolution of any issues regarding whether or not a right-of-way is  
2 excess to the transportation improvement will be by the mutual agreement of AUTHORITY and  
3 AGENCY. Excess land acquired with CTFP funds shall be sold by AGENCY in accordance with  
4 Government Code Sections 54220-54232 and proceeds from the sale shall be returned immediately to  
5 AUTHORITY.

6 I. AGENCY will comply with all federal, state and local laws and regulations, including the  
7 Renewed Measure M2 Eligibility Guidelines – Local Agency Preparation Manual and the CTFP  
8 Guidelines, which are incorporated herein by reference.

9 J. AGENCY shall install and remove signage for all competitively awarded construction  
10 PROJECT(s) that are in excess of \$500,000 and exceed a 90 day construction period in accordance  
11 with AUTHORITY specifications during construction period. AGENCY may request AUTHORITY  
12 furnished signage or it may choose to provide AGENCY furnished signage so long as said signage  
13 conforms to AUTHORITY specifications as follows: Signage shall include a Measure M2 logo that is a  
14 minimum of twelve inches (12") tall, an OCTA logo that is a minimum of three inches (3") tall (image  
15 files provided by OCTA upon request), verbiage stating "Street Improvements Funded by Measure M"  
16 in Myriad Pro, bold condensed font at two hundred and fifty six (256) pt. and "Your dollars at Work" in  
17 Myriad Pro, bold condensed font at one hundred and eighty (180) pt.

#### 18 **ARTICLE 5. DELEGATED AUTHORITY**

19 The actions required to be taken by AGENCY in the implementation of this Agreement are  
20 delegated to its Director of Public Services, or his/her designee, and the actions required to be taken by  
21 AUTHORITY in the implementation of this Agreement are delegated to AUTHORITY's Chief Executive  
22 Officer.

#### 23 **ARTICLE 6. AUDIT AND INSPECTION**

24 AUTHORITY and AGENCY shall maintain a complete set of records in accordance with  
25 generally accepted accounting principles. Upon reasonable notice, AGENCY shall permit the  
26 authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books,

1 accounts, and other data and records of AGENCY for a period of four (4) years after final payment, or  
2 completion of audit by the AUTHORITY, or after final payment of debt service where local fair share  
3 revenues were pledged, whichever is longer. For purposes of audit, the date of completion of this  
4 Agreement shall be the date of AUTHORITY's payment of AGENCY's final billing (so noted on the  
5 invoice) under this Agreement. AUTHORITY shall have the right to reproduce any such books, records,  
6 and accounts. The above provision with respect to audits shall extend to and/or be included in contracts  
7 with AGENCY's contractor(s).

8 **ARTICLE 7. INDEMNIFICATION**

9 A. AGENCY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors,  
10 employees and agents from and against any and all claims (including attorney's fees and reasonable  
11 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's  
12 compensation subrogation claims, damage to or loss of use of property alleged to be caused by the  
13 negligent acts, omissions or willful misconduct by AGENCY, its officers, directors, employees or agents  
14 in connection with or arising out of the performance of this Agreement.

15 B. AUTHORITY shall indemnify, defend and hold harmless AGENCY, its officers, directors,  
16 employees and agents from and against any and all claims (including attorney's fees and reasonable  
17 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's  
18 compensation subrogation claims, damage to or loss of use of property alleged to be caused by the  
19 negligent acts, omissions or willful misconduct by AUTHORITY, its officers, directors, employees or  
20 agents in connection with or arising out of the performance of this Agreement.

21 C. The indemnification and defense obligations of this Agreement shall survive its  
22 expiration or termination.

23 **ARTICLE 8. ADDITIONAL PROVISIONS**

24 A. Term of Agreement: This Agreement shall continue in full force and effect through final  
25 acceptance of PROJECT by AUTHORITY, or until March 31, 2041 whichever is later. This Agreement  
26 may be extended at the mutual consent of both parties

1           B.     Termination: This agreement is null and void if PROJECT is not awarded. However,  
2     AUTHORITY agrees to reimburse AGENCY for any costs incurred up to the official date of notification  
3     to AGENCY that PROJECT will not be awarded.

4           C.     AUTHORITY and AGENCY shall comply with all applicable federal, state, and local  
5     laws, statutes, ordinances and regulations of any governmental authority having jurisdiction over the  
6     PROJECT(s).

7           D.     Legal Authority: AUTHORITY and AGENCY hereto consent that they are authorized to  
8     execute this Agreement on behalf of said parties and that, by so executing this agreement, the parties  
9     hereto are formally bound to the provisions of this Agreement.

10          E.     Severability: If any term, provision, covenant or condition of this Agreement is held to be  
11     invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the  
12     remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or  
13     condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14          F.     Counterparts of Agreement: This Agreement may be executed and delivered in any  
15     number of counterparts, each of which, when executed and delivered shall be deemed an original and  
16     all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

17          G.     Force Majeure: Either Party shall be excused from performing its obligations under this  
18     Agreement during the time and to the extent that it is prevented from performing by an unforeseeable  
19     cause beyond its control, including but not limited to; any incidence of fire, flood; acts of God;  
20     commandeering of material, products, plants or facilities by the federal, state or local government;  
21     national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of  
22     such cause is presented to the other Party, and provided further that such nonperformance is  
23     unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

24          H.     Assignment: Neither this Agreement, nor any of the Parties rights, obligations, duties, or  
25     authority hereunder may be assigned in whole or in part by either Party without the prior written consent  
26     of the other Party in its sole and absolute discretion. Any such attempt of assignment shall be deemed

void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

I. Obligations To Comply with Law: Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under the terms, in amounts, or for purposes other than as authorized by local, state or federal law.

J. Governing Law: The laws of the State of California and applicable local and federal laws, regulations and guidelines shall govern this Agreement.

K. Litigation fees: Should litigation arise out of this Agreement for the performance thereof, the court shall award costs and expenses, including attorney's fees, to the prevailing party.

L. Notices: Any notices, requests, or demands made between the parties pursuant to this Agreement are to be directed as follows:

| To AGENCY:                                                                                                             | To AUTHORITY:                                                                                              |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| City of Laguna Hills<br>24035 El Toro Road<br>Laguna Hills, CA 92653                                                   | Orange County Transportation Authority<br>550 South Main Street<br>P.O. Box 14184<br>Orange, CA 92863-1584 |
| ATTENTION: Kenneth H. Rosenfield, Director of<br>Public Services/City Engineer                                         | ATTENTION: Marvin Cruz, Senior Contract<br>Administrator                                                   |
| Tel: (949) 707-2655<br>Email: <a href="mailto:krosenfield@ci.laguna-hills.ca.us">krosenfield@ci.laguna-hills.ca.us</a> | Tel: (714) 560 – 5568<br>Email: <a href="mailto:mcruz@octa.net">mcruz@octa.net</a>                         |

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This Agreement shall be made effective upon execution by both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C-1-2770 to be executed on the date first above written.

**CITY OF LAGUNA HILLS**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

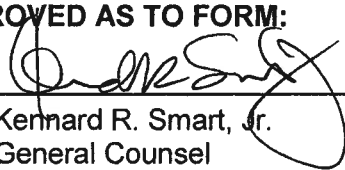
By: \_\_\_\_\_  
L. Allan Songstad Jr.  
Mayor

By: \_\_\_\_\_  
Will Kempton  
Chief Executive Officer

**ATTEST:**

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Peggy J. Johns  
City Clerk

By: \_\_\_\_\_  
  
Kennard R. Smart, Jr.  
General Counsel

**APPROVED AS TO FORM:**  
AGENCY Attorney

**APPROVAL RECOMMENDED:**

By: \_\_\_\_\_  
Gregory E. Simonian  
City Attorney

By: \_\_\_\_\_  
Kia Mortazavi  
Executive Director, Planning

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_



AFFILIATED AGENCIES

Orange County  
Transit District

Local Transportation  
Authority

Service Authority for  
Freeway Emergencies

Consolidated Transportation  
Service Agency

Congestion Management  
Agency

Service Authority for  
Abandoned Vehicles

June 27, 2011

City of Laguna Hills  
24035 El Toro Road  
Laguna Hills, CA 92653

**Subject: Agreement No. C-1-2770, City of Laguna Hills, "M2 CTFP Master Funding Agreement" – Letter Agreement No. 1**

Dear Mr. Songstad:

This letter agreement serves as the Orange County Transportation Authority's (Authority) approval to incorporate Attachment A, in its entirety, as identified in Article 3. A, "Project List and Reporting Requirements", dated and effective June, 27, 2011 attached hereto as Attachment A, which is incorporated and made a part of the Agreement. All provisions set forth in Cooperative Agreement No. C-1-2770 apply. The Authority's Board of Directors approved the Project(s) on June 27, 2011.

The following additional Provisions apply to Project(s) approved by the Board on June 27, 2011:

1. For project(s) granted both planning and implementation funding as part of this call, the Agency agrees that such projects waive the opportunity to request any project delays. Any failure to obligate funds within the programmed year will result in a loss of funding for these projects.

If you have any questions, you may contact Marvin Cruz at 714-560-5568, [mcruz@octa.net](mailto:mcruz@octa.net).

Please execute this letter agreement and return the signed original to the attention of Marvin Cruz.

Accepted and Agreed

Kia Mortazavi  
Executive Director, Planning  
Orange County Transportation Authority

L. Allan Songstad, Jr.  
Mayor of Laguna Hills

Meena Katakia  
Department Manager  
Orange County Transportation Authority

- c: - Roger Lopez, Adriann Cardoso, Abbe McClenahan  
- Accounting  
- Contract File

Enclosure

## **M2 CTFP MASTER FUNDING AGREEMENT**

## City of Laguna Hills - Project List

[illegible]

# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: PUBLIC OUTREACH FOR NEIGHBORHOOD TREE PLANTING PROGRAM**

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### **SUMMARY:**

The City has been awarded a grant by the State of California Department of Forestry and Fire Protection for a Neighborhood Tree Planting Program under the guidelines of Proposition 84. The grant, in the amount of \$75,000 plus a \$25,000 City match, provides funding to plant 500 parkway trees in a specified residential neighborhood and 100 trees along the bike trail westerly of the Community Center and Sports Complex. Prior to initiating the tree planting in late fall 2011, staff intends to outreach to the selected neighborhood to encourage public participation in the project, to gain community acceptance for the trees, finalize the tree planting locations, and encourage residents to aid in the watering of the trees for their long-term viability. The public outreach process will include multiple contacts with the residents, communication with the Parks and Recreation Commission, and progress reports to the Parks and Recreation Commission and City Council. It is recommended that the City Council receive and file the report.

### **BACKGROUND:**

On January 11, 2011, City Council authorized staff to file an application with the California Department of Forestry and Fire Protection for a Neighborhood Tree Planting Program known as the "Green Trees for the Golden State" under the guidelines of Proposition 84. In the grant application, staff identified the "traditional neighborhood" bounded by Alicia Parkway, Paseo de Valencia, and Cabot Road/I-5 as an area with landscape parkways suitable for the reestablishment of parkway trees. In addition, staff identified the existing bike trail located northerly of Alicia Parkway between Via Lomas Street and Moulton Parkway as an appropriate location for the addition of native trees to enhance the habitat in the area. In May 2011, the California Department of Forestry and Fire Protection advised the City that the grant application had been approved in the amount of \$75,000 plus a \$25,000 City match equating, in total, to the installation of approximately 500 trees in the traditional neighborhood and 100 trees in the bike trail area. It is anticipated that staff will begin a public outreach program to the traditional neighborhood area advising them of the Neighborhood Tree Planting Program during late summer with tree planting to be scheduled in late fall 2011. The bike trail area tree

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

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planting will occur at the same time. Tree planting in this time frame will allow the newly planted trees to benefit from any rainfall that may occur over the winter months.

The success of a Neighborhood Tree Planting Program relies upon acceptance by the residents of the newly planted trees. The newly planted trees will likely require some supplemental irrigation to help their establishment and funding is included in the grant to allow initial watering of the trees by City water truck. However, residents will be encouraged to also water the trees to help them establish and grow. In addition, the City will inform the residents about the benefits of trees and to also seek compliance with the City's plan to maintain the trees in the future for uniform appearance and growth of the trees through the neighborhood. To accomplish these goals, staff intends to correspond with the residents on several occasions in advance of the tree planting to: (1) advise them of the upcoming project; (2) seek their support for the tree planting program and their assistance in watering the trees; (3) identify the final planting locations; (4) seek volunteers to participate in the actual tree planting event to further neighborhood "ownership" of the new trees; and (5) establish a long-term relationship between the City and the neighborhood defining the long-term maintenance plans of the City for these newly planted trees. As a part of this public outreach, and as required by the grant, the City will also be placing a sign announcing the tree planting program at both the neighborhood area and the bike trail area similar to the attached sign graphic.

Staff is currently surveying all of the neighborhood parkways to confirm the vacant spaces where trees can be planted. In some cases, property owners have placed hardscape (bricks or concrete) in the parkways and/or may not desire to have a tree planted in front of their home. In other locations, existing trees are in good condition and should remain, are in poor condition and should be removed, or have inappropriate growth patterns for the size of the parkway and may also need to be removed. Once the survey work is complete and a list of tree planting locations is compiled, staff will correspond with the residents and seek their concurrence for tree planting.

The proposed species list of trees to be planted, depending upon the size of the parkway, is attached and labeled Exhibit D. Not all of the trees listed on this Exhibit will be planted but the list is provided to identify the number of different tree species that may be planted in the neighborhood area. It is staff's intention, however, to use only one tree species for any one street so there is some uniformity on a particular street for the efficiencies that result from tree trimming and maintenance schedules for a particular tree species. The specific date of the tree planting has not yet been established but will be provided well in advance for public notification purposes.

On August 3, 2011, this report was presented to the Parks and Recreation Commission and the Commission was invited to participate in the public outreach program. The Commission expressed support for the Neighborhood Tree Planting Program.

**FISCAL IMPACT:**

The Neighborhood Tree Planting Program has an overall total projected cost of \$100,000 of which \$75,000 are grant funds and \$25,000 are City general funds. The project has been budgeted in the Fiscal Year 2011/2012 Capital Improvement Program Budget.

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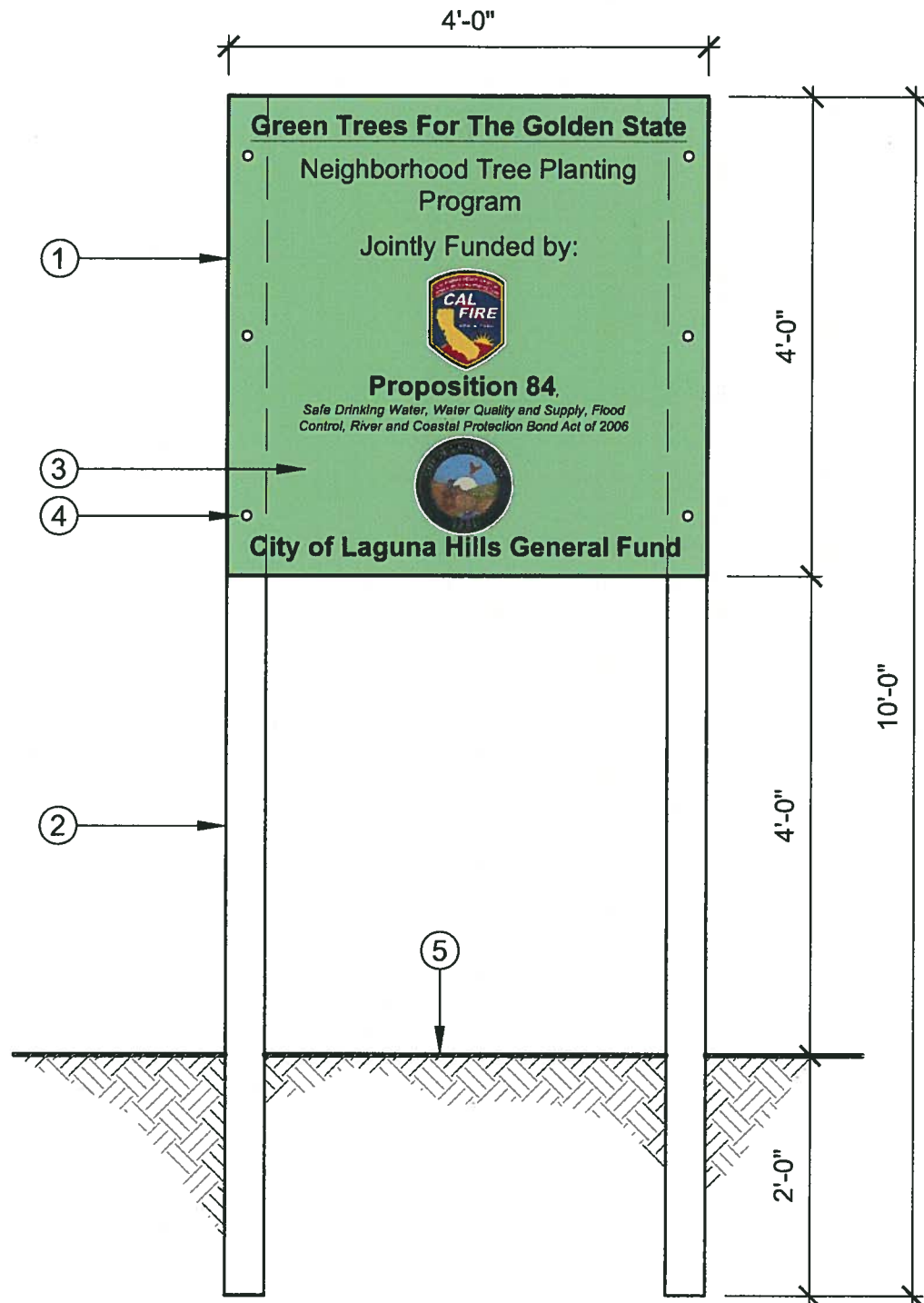
**RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE REPORT.**

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**ATTACHMENTS:**

- Tree planting signage
- Tree Species List - Exhibit D





## LEGEND

- ① 48" X 48" X 1/2" MARINE PLYWOOD
- ② 4" X 4" X 10' PRESURE TREATED DOUGLAS FIR POSTS (BURIED 24" INGROUND)
- ③ SIGN PRINTED ON VINYL ADHERED TO 1/8" MDO PANEL. BACKGROUND COLOR TO BE PALE GREEN, RAL K5 CLASSIC 6021
- ④ 48" X 48" X 1/8" ACRYLIC CLEAR PANEL. DRILL & BOLT ALL LAYERS WITH (6) CARRIAGE BOLTS.
- ⑤ FINISHED GRADE

## TREE GRANT SIGNAGE

CITY OF LAGUNA HILLS

JULY 2011



2001 EAST FIRST STREET, SUITE 100  
SANTA ANA, CA 92705  
PHONE: (714) 945-9270  
FAX: (714) 945-9275

SCALE: N.T.S.

8/23/2011 ITEM NO. 4.11



## **EXHIBIT D**

### **SPECIES LIST**

#### **AREA ONE**

##### **THREE (3') PARKWAYS:**

- |                                   |                    |
|-----------------------------------|--------------------|
| • Lagerstroemia indica 'Muscogee' | Pink Crape Myrtle  |
| • Lagerstroemia indica 'Natchez'  | White Crape Myrtle |
| • Tristania laurina               | Watergum           |
| • Cercis Canadensis               | Eastern Redbud     |
| • Eriobotrya deflexa              | Bronze Loquat      |

##### **FIVE (5') PARKWAYS:**

- |                                 |                     |
|---------------------------------|---------------------|
| • Pistachia chinensis           | Chinese Pistache    |
| • Pyrus calleryana 'Aristocrat' | Aristocrat Pear     |
| • Rhus lancea                   | African Sumac       |
| • Tabebuia impetiginosa         | Pink Trumpet Tree   |
| • Cassia leptophylla            | Gold Medallion Tree |
| • Geijera parvifolia            | Australian Willow   |

#### **AREA TWO**

- |                          |                         |
|--------------------------|-------------------------|
| • Platanus racemosa      | California Sycamore     |
| • Juglans californica    | California Black Walnut |
| • Umbellaria californica | California Bay          |

***Note: All trees are to be planted as 15 gallon trees***



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: STOCKPORT PARK RENOVATION, CIP NO. 239-B**

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### **SUMMARY:**

The renovation of Stockport Park, primarily focused upon the playground area, is scheduled for improvement per the current Fiscal Year Capital Improvement Program Budget. The park was last renovated in 1995. The original focus of the currently budgeted project is to update the play equipment and the playground surfacing. In addition, public comment before the City Council included a request to renovate the easterly slopes of the park to re-establish plant growth. To initiate the design of the Stockport Park Renovation, a proposal was requested from the landscape architecture firm of Richard Fisher Associates, a firm currently on contract with the City to provide professional landscape architecture services. The proposal for this work has been reviewed by staff and has been determined to meet the City's requirements. Authorization for the City Manager to issue a task order to proceed with the design work is recommended.

### **BACKGROUND:**

The City has a program of updating playground equipment and surfacing in each of its parks. Stockport Park is the next scheduled location for this work. A vicinity map of the park is attached. Stockport Park is one of the City's twelve neighborhood parks and it was first renovated by the City in 1995. The playground equipment in this park is generally in good condition although some play pieces are worn and suitable for replacement. The playground surfacing is a combination of rubberized surfacing (the first park in the City to contain rubberized surfacing) and wood chips. The playground surfacing is in need of full replacement with rubberized surfacing.

Stockport Park is surrounded by slope areas, some of which have been difficult to keep landscaped due to the number of eucalyptus trees planted on the slopes and children using the slopes as a play area or park access way. A public comment made to the City

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**RECOMMENDATION: THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ISSUE A TASK ORDER TO RICHARD FISHER ASSOCIATES FOR THE DESIGN OF THE STOCKPORT PARK RENOVATION PROJECT, CIP NO. 239-B, INCLUDING THE PLAYGROUND RENOVATION AND THE SLOPE RENOVATION.**

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Council following the adoption of the current budget included a request to renovate and re-landscape these slopes. Upon field review, staff determined that the easterly slope is the one in most need of renovation. Photographs of the slope area are attached. The re-landscaping of this slope will likely require the permanent placement of a toe of slope fence to keep park users off of the landscaping. The fencing material has not been selected but would likely be similar to that used around the Community Center and Sports Complex.

Staff solicited a proposal from the landscape architecture firm of Richard Fisher Associates for the renovation of Stockport Park. This firm is on contract with the City to provide professional services on an as-needed basis. The proposal, as revised to incorporate both the playground renovation and slope renovation as described above, is attached. Staff has reviewed the proposal and is satisfied it appropriately identifies the work tasks and fees to complete the design work in a timely manner. With City Council approval to begin the design process, it is anticipated this project can be under construction in spring 2012.

**FISCAL IMPACT:**

The Stockport Park Renovation Project, CIP No. 239-B, is included in the current Fiscal Year Capital Improvement Program Budget in the amount of \$200,000. The professional services proposal for the project is \$32,865 consisting of \$17,935 for the playground renovation portion and \$14,930 for the slope renovation portion of the designs. The project budget did not anticipate the cost of the slope re-landscaping effort and may or may not be sufficient to allow that work to be included in the construction, depending upon future bid results or a budget amendment.

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**RECOMMENDATION: THAT THE CITY COUNCIL AUTHORIZE THE CITY MANAGER TO ISSUE A TASK ORDER TO RICHARD FISHER ASSOCIATES FOR THE DESIGN OF THE STOCKPORT PARK RENOVATION PROJECT, CIP NO. 239-B, INCLUDING THE PLAYGROUND RENOVATION AND THE SLOPE RENOVATION.**

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**ATTACHMENTS:**

- Vicinity Map
- Slope Photographs
- Proposal



# City of Laguna Hills

## STOCKPORT PARK



100 0 100 Feet

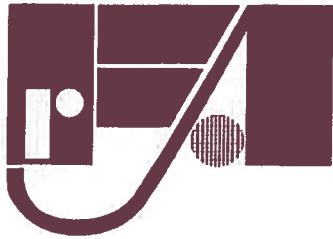
Date Created: 8/12/2011



## Stockport Park slope area







Richard  
Fisher  
Associates

SSOCIATES

October 5, 2010  
Revised June 23, 2011

Ken Rosenfield  
Director of Public Services  
**City of Laguna Hills**  
24035 El Toro Road  
Laguna Hills, CA 92653

**Subject: Proposal for Professional Design Services for Stockport Park**  
**Task A: Play Equipment & Playground Surfacing Upgrades**  
**Task B: Slope Renovation**

Dear Ken:

Thank you for the opportunity to propose to provide Construction Drawings and Specifications for the renovation of the play areas, and landscape renovation of the adjacent 2:1 slope at Stockport Park. We look forward to working with you and your staff to provide the best possible improvements to this park for the **City of Laguna Hills**.

As you are aware, many elements of park development, and specifically playground equipment, its safety zones and accessibility to potential users with physical limitations, have changed significantly in recent years. **Richard Fisher Associates'** staff of design professionals continue to work diligently to remain highly qualified to provide compliant design services for these park improvements.

A preliminary evaluation of the play equipment found the equipment to be in reasonable compliance with current requirements for activities. However, there are several items that need to be changed / replaced due to excessive wear. Also, at your request, we will provide alternative design options for the replacement of the track ride component with another recreational opportunity.

The proposed renovation of the adjacent 2:1 slope will include new irrigation systems for the top and toe of the slope; replanting of all bare slope areas; and the installation of a barrier fence continuously along the toe of the slope. These improvements will be designed for the slope, from the front / northeast corner of the park, along Wilkes Place, back for a distance of 400 LF, to a project limit line which aligns with the center radius point for the existing circular game court.

S:\Proposals\Laguna Hills\Stockport Park\8.23.11 Proposal Update\Park Renovation.doc

## **SCOPE OF WORK – TASK A / PLAY EQUIPMENT AREA**

The Scope of Work is proposed as follows:

### **Task 1:      “Kick-Off” Meeting**

- Attend an introductory “Kick-Off” meeting with City staff to discuss the Scope of the Work, available budget, and obtain input on surfacing colors and patterns.

### **Task 2:      Field Review**

- Using base information provided by the City (BSI 12/94 plans), field verify the layout and gradients of existing improvements in the play equipment area.
- The base sheets currently do not correctly reflect existing equipment locations. RFA will field review and plot approximate locations of existing equipment.

### **Task 3:      Base Sheets Preparation**

- RFA will take City-provided base info and create a digital base. (NOTE: Original plans were drawn by hand.)
- Prepare Base Sheets for park play areas, (1"=20' scale).

### **Task 4:      Prepare Construction Drawings**

- Prepare the Title Sheet.
- Prepare a Play Equipment / Play Surfacing Plan, (1"=10' scale).
- Prepare Detail Sheets for Park Improvements, including play area surfacing and other required details.

### **Task 5:      Prepare Specifications**

- Prepare Special Provisions Sections (in Greenbook format) and Bid Form pages (incorporating current City boilerplate sections) for the Contract Documents and Specifications.

### **Task 6:      Prepare Final Cost Estimate**

- Prepare Estimate of Probable Construction Costs.

## **SCOPE OF WORK – TASK B / SLOPE RENOVATION**

The Scope of Work is proposed as follows:

### **Task 1:      “Kick-Off” Meeting**

- In concert with the Task 1 meeting above, participate in the discussion with City staff to refine the Scope of the Work, available budget, and obtain input on appropriate plant materials and preferred fencing style.

### **Task 2:      Field Review**

- Using base information provided by the City (BSI 12/94 plans), field verify existing plantings to be saved within the slope planting area.
- Field verify existing Points-of-Connections appropriate for the new irrigation system design.

### **Task 3:      Base Sheets Preparation**

- RFA will take City-provided base info and create a digital base. (NOTE: Original plans were drawn by hand.)
- Prepare Base Sheets for adjacent 2:1 slope area (1"=20' scale).

### **Task 4:      Prepare Construction Drawings**

- Use the Title Sheet prepared in Task A-4.
- Prepare Irrigation Plan (1"=20' scale).
- Prepare Detail Sheets for Irrigation Legends, Notes, and all required Details.
- Prepare Planting Plan w/ Fence Layout (1"=20' scale).
- Prepare Detail Sheets for Plant Legends, Notes, and all required Details.
- Prepare Detail Sheets for Fencing call-outs, and all required Details.

### **Task 5:      Prepare Specifications**

- Prepare Special Provisions Sections (in Greenbook format) and Bid Form pages (incorporating current City boilerplate sections) for the Contract Documents and Specifications.

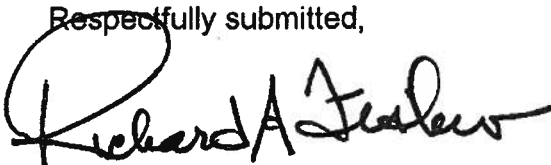
### **Task 6:      Prepare Final Cost Estimate**

- Prepare Estimate of Probable Construction Costs.

Contract Documents are proposed to be accomplished between July and October of 2011. **RFA** is agreeable to discuss this proposed schedule for modifications if it is necessary to meet different agreed-upon goals of the City.

Again, thank you for the opportunity to submit this Proposal. We enjoy providing consulting support to you and the whole **Laguna Hills** staff, and are pleased to continue those services for this project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard A. Fisher". The signature is fluid and cursive, with the first name "Richard" being more prominent.

Richard A. Fisher, LA 1429  
President

*We are prepared to begin work upon your authorization. If the Scope of Work and Fees are satisfactory, please sign the authorization below, and return one original to our office. We are prepared to proceed immediately upon notification of approval*

Approved:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Bruce E. Channing, City Manager**



**Client:** City of Laguna Hills  
**Project Name:** Stockport Park Renovation Project  
**Date:** 6/23/2011

## TASK A: PLAYGROUND RENOVATION

| TASK | DESCRIPTION                   | Principal<br>Hrs | Principal<br>145.00 | Associate<br>Hrs | Associate<br>110.00 | CADD<br>Hrs | CADD<br>85.00 | Clerical<br>Hrs | Clerical<br>60.00 | Sub<br>Consultant | TOTAL     |
|------|-------------------------------|------------------|---------------------|------------------|---------------------|-------------|---------------|-----------------|-------------------|-------------------|-----------|
| 1    | Kick-off Meeting              | 2                | 290.00              | 2                | 220.00              | 0           | 0.00          | 0               | 0.00              | 0.00              | 510.00    |
| 2    | Field Review                  | 2                | 290.00              | 8                | 880.00              | 8           | 680.00        | 0               | 0.00              | 0.00              | 1,850.00  |
| 3    | Prepare Base Sheets           | 0                | 0.00                | 8                | 880.00              | 24          | 2,040.00      | 0               | 0.00              | 0.00              | 2,920.00  |
| 4    | Prepare Construction Drawings | 4                | 580.00              | 32               | 3,520.00            | 80          | 6,800.00      | 0               | 0.00              | 0.00              | 10,900.00 |
| 5    | Prepare Specifications        | 0                | 0.00                | 4                | 440.00              | 0           | 0.00          | 3               | 180.00            | 0.00              | 620.00    |
| 6    | Prepare Cost Estimate         | 0                | 0.00                | 2                | 220.00              | 3           | 255.00        | 1               | 60.00             | 0.00              | 535.00    |

|                         |   |          |    |          |     |          |   |        |      |                  |
|-------------------------|---|----------|----|----------|-----|----------|---|--------|------|------------------|
| Totals (Tasks 1-6)      | 8 | 1,160.00 | 56 | 6,160.00 | 115 | 9,775.00 | 4 | 240.00 | 0.00 | 17,335.00        |
| Reimbursables           |   |          |    |          |     |          |   |        |      | 600.00           |
| <b>TOTAL FIXED FEE:</b> |   |          |    |          |     |          |   |        |      | <b>17,935.00</b> |

### PROFESSIONAL SERVICES COST IMPLICATIONS:

1. Previous Improvement Plans, (BSI / December 1994) were hand-drawn. No CADD drawings exist with which to use.
2. Coast Recreation's preliminary review indicates some Play Equipment is not where indicated on the 1994 plans.
3. Field dimensioning and adjustments to equipment locations will be required by RFA, to create new CADD drawings.
4. RFA design effort will include researching less expensive surfacing for "non-fall zone areas", as a cost option.
5. Construction Costs, as highlighted on 9/21/10 email to Ken Rosenfield, suggest surfacing costs near \$84,000; plus Fibar removal; minor equipment modifications; concrete curbing to isolate sand play; Contractor mobilization; likely approaching \$100,000. Soft costs for design and construction administration are in addition to this number.

Richard  
Fisher  
Associates



SSOCIATES

Client: City of Laguna Hills Date: 6/23/2011  
Project Name: Stockport Park Renovation Project

**TASK B: SLOPE RENOVATION**

| TASK DESCRIPTION                  | Principal<br>Hrs | 145.00 | Associate<br>Hrs | 110.00   | CADD<br>Hrs | 85.00    | Clerical<br>Hrs | 60.00  | Sub<br>Consultant | TOTAL            |
|-----------------------------------|------------------|--------|------------------|----------|-------------|----------|-----------------|--------|-------------------|------------------|
| 1 Kick-off Meeting (Incl. above)  | 0                | 0.00   | 0                | 0.00     | 0           | 0.00     | 0               | 0.00   | 0.00              | 0.00             |
| 2 Field Review-Salvaged Plantings | 2                | 290.00 | 4                | 440.00   | 4           | 340.00   | 0               | 0.00   | 0.00              | 1,070.00         |
| 3 Prepare Base Sheets             | 0                | 0.00   | 6                | 660.00   | 12          | 1,020.00 | 0               | 0.00   | 0.00              | 1,680.00         |
| 4 Prepare Construction Drawings   | 4                | 580.00 | 24               | 2,640.00 | 50          | 4,250.00 | 0               | 0.00   | 3,000.00          | 10,470.00        |
| 5 Prepare Specifications          | 0                | 0.00   | 2                | 220.00   | 0           | 0.00     | 1.5             | 90.00  | 200.00            | 510.00           |
| 6 Prepare Cost Estimate           | 0                | 0.00   | 2                | 220.00   | 2           | 170.00   | 1               | 60.00  | 150.00            | 600.00           |
| Totals (Tasks 1-6)                | 6                | 870.00 | 38               | 4,180.00 | 68          | 5,780.00 | 2.5             | 150.00 | 3,350.00          | 14,330.00        |
| Reimbursables                     |                  |        |                  |          |             |          |                 |        |                   | 600.00           |
| <b>TOTAL FIXED FEE:</b>           |                  |        |                  |          |             |          |                 |        |                   | <b>14,930.00</b> |

# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT COMMUNITY DEVELOPMENT DEPARTMENT**

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**ISSUE: CONTRACT WITH COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FISCAL YEAR 2011-2012**

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### **SUMMARY:**

Over the past seven years (Fiscal Years 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011), the City of Laguna Hills received Community Development Block Grant (CDBG) funding (totaling \$1,916,766) from the County of Orange on behalf of the 248-unit Aliso Meadows Condominium development project located on Via Lomas. This year, the County has awarded the City of Laguna Hills additional CDBG funding to continue the rehabilitation work needed at the Aliso Meadows development, which is viewed by staff as a multi-year phased project since the rehabilitation need is great and funding is limited. For Fiscal Year 2011-2012, the City of Laguna Hills has tentatively been awarded \$166,540 to rehabilitate 10-20 units in the development. The next step in the process to access the funds and initiate the rehabilitation process is to sign a Contract with the County of Orange documenting the use and limitations associated with the funds.

Staff and the City Attorney are still reviewing the Contract provided by the County of Orange. Therefore, we are recommending that the City Council authorize the Mayor and City Manager to execute a Contract with the County of Orange for the CDBG funds obtained on behalf of the Aliso Meadows development, once it is deemed acceptable as to form by the City Attorney.

### **BACKGROUND:**

Since 1993 the City has participated in the County of Orange's Urban County Program, a program designed to assist smaller cities in the administration of Community Development Block Grant (CDGB) and HOME funds through the U.S. Department of Housing and Urban Development (HUD). The Urban County consists of the unincorporated areas of Orange County, and cities that are "non-entitlement" cities. In

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE A CONTRACT WITH THE COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2011-2012 FISCAL YEAR AND AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE CONTRACT.**

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Agenda Report  
Contract with County for CDBG Funds  
Page 2

order to be an “entitlement” city and apply for one’s own funding, a city must have a population of over 50,000. There are thirteen (13) smaller cities in the County that must utilize the Urban County Program in order to access these funds, which are allocated based upon demonstrated need. Last year, the City obtained CDBG funding for the rehabilitation of up to 20 units of the Aliso Meadows Condominium Complex. Over the years, the City has obtained CDBG funding for the following projects:

|                                                       |           |
|-------------------------------------------------------|-----------|
| ADA Accessibility Improvements (FY 1996-1997)         | \$ 70,000 |
| ADA Accessibility Improvements (FY 1997-1998)         | \$ 50,000 |
| Flood Map Revision (FY 1998-1999)                     | \$ 20,000 |
| Housing Rehabilitation - Rancho Niguel (FY 2004-2005) | \$151,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2004-2005) | \$ 80,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2005-2006) | \$407,320 |
| Housing Rehabilitation – Aliso Meadows (FY 2006-2007) | \$304,342 |
| Housing Rehabilitation – Aliso Meadows (FY 2007-2008) | \$422,920 |
| Housing Rehabilitation – Aliso Meadows (FY 2008-2009) | \$302,184 |
| Housing Rehabilitation – Aliso Meadows (FY 2009-2010) | \$200,000 |
| Housing Rehabilitation – Aliso Meadows (FY 2010-2011) | \$200,000 |

For Fiscal Year 2011-2012, the City of Laguna Hills has tentatively been awarded \$166,540 in CDBG funds for the following project:

**Aliso Meadows Condominiums – Phase VIII**

Aliso Meadows is a 248-unit pre-fabricated condominium project, 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 needed at the Aliso Meadows complex include: new ducting, wood siding, roof repairs, fencing repairs, painting, HV/AC repairs, and fumigation for termites and rodents. The funding for these repairs will be a combination of Aliso Meadow’s Homeowners Association funds and the CDBG funds requested. The Homeowners Association has been working to repair and update their homes for some time and have spent approximately \$200,000 from their reserve account since 2003 to address the most pressing problems in many of the units.

In order to justify the need for CDBG funding assistance, in 2004 the City of Laguna Hills prepared a Housing Assessment Study of the Aliso Meadows development that identified a rehabilitation need of more than \$2,500,000. Staff intends to annually apply for CDBG funding to attempt to rehabilitate approximately 10-20 units per year, until the renovation of the 248-unit complex is complete.

Approval of the attached Contract with the County of Orange commits the City of Laguna Hills to spend the CDBG funds consistent with any applicable Federal, State, and County laws and regulations, i.e. funds must be spent only on eligible projects, funds must be spent in accordance with the expenditure schedule provided in the

Contract, and City staff must complete the documentation and reporting requirements associated with expenditure of the funds.

**FISCAL IMPACT:**

City staff will provide the majority of the time commitment necessary to satisfy the Federal and County paperwork requirements. However, consultant assistance is also needed to work with the Aliso Meadow's Homeowners Association, coordinate the contractor bidding process, and provide "field oversight" for the rehabilitation of the proposed 10-20 units, which would be paid via the "housing funds" received relative to the El Toro Road Redevelopment Project Area. It is anticipated that approximately \$35,000 would be spent on consultant assistance to implement the CDBG funding received for FY2011-2012. There would be no impact to the City's General Fund.

**CEQA FINDINGS:**

The Aliso Meadow's project has been found to be Categorical Exempt from the requirements of the California Environmental Quality Act based upon a Class 1 – Existing Facilities (Section 15301) exemption.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE A CONTRACT WITH THE COUNTY OF ORANGE FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2011-2012 FISCAL YEAR AND AUTHORIZE THE MAYOR AND CITY MANAGER TO EXECUTE THE CONTRACT.**

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**ATTACHMENTS:**

- Contract with County of Orange for Aliso Meadows CDBG Project



**COUNTY OF ORANGE  
OC COMMUNITY RESOURCES  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
HOUSING REHABILITATION – CITY  
PROGRAM YEAR 2011-12**

TITLE OF PROJECT: City of Laguna Hills, Aliso Meadows Rehabilitation Project  
570.202 (a)(1), 14b-Rehab; Multi-Unit Rehabilitation  
CFDA No. 14.218

This agreement, hereinafter referred to as "CONTRACT", is entered into on \_\_\_\_\_,

BY AND BETWEEN City of Laguna Hills, a municipal corporation,  
in the State of California, and hereinafter  
referred to as "SUBRECIPIENT".

AND 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, hereinafter referred to as "COUNTY".

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 projects meeting one of the HUD national objectives; and

WHEREAS, COUNTY and Participating Cities previously entered into a Cooperation Agreement dated July 1, 2009 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 Annual Action Plan, (hereinafter referred to as "Annual Action Plan"), including any mid-year amendments, which sets forth the PROJECT 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 \$166,540 (One Hundred Sixty-Six Thousand Five Hundred Forty Dollars and 00 Cents) in project funding to SUBRECIPIENT for the Fiscal Year 2011-12; and

WHEREAS, HUD has accepted and certified the ANNUAL ACTION PLAN.

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

NOW, THEREFORE, the parties enter in the following:

I. CONTRACT FORM

This CONTRACT consists of:

- A. The following provisions;
- B. All applicable Federal Regulations, including 24 CFR 570;
- C. Applicable State and COUNTY laws and regulations; and,
- D. The attached *SUBRECIPIENT SCOPE OF SERVICES*, which is incorporated as if fully set forth herein; and,
- E. The attached *CHILD SUPPORT STATUS PROVISION*, which is incorporated if fully set forth herein; and,
- F. The attached Exhibit 1 *OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY* which is incorporated as if fully set forth herein; and
- G. The Grant Agreement between HUD and the County of Orange.

II. DEFINITIONS

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

- A. HUD: United States Department of Housing and Urban Development.
- B. OC COMMUNITY RESOURCES: Designated as the Lead for the development and implementation of County of Orange Urban County Program's Consolidated Plan.
- C. DIRECTOR: DIRECTOR of OC Community Resources, or designee.
- D. PROGRAM INCOME: The gross income received by SUBRECIPIENT directly generated from the use of the subject program funds.
- E. 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.
- F. GRANTEE PERFORMANCE REPORT (GPR) INFORMATION FORM: A PROJECT activity data document provided by COUNTY to SUBRECIPIENT used to monitor and track the performance of SUBRECIPIENT.
- G. 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.)

H. PROJECT: Any site or sites, including buildings, and/or activities assisted with federal program funds.

I. 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.

J. OMB: Federal Office of Management and Budget.

K. CAPER: Consolidated Annual Performance and Evaluation Report. An annual published report to HUD and the public on all housing-related activities.

L. CDBG: Community Development Block Grant funds.

M. 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.

N. SUBSTANTIAL AMENDMENT: The following criteria will be used by the County – if any one criteria applies, a substantial amendment will be required:

1. A new activity not previously listed and described in the Consolidated Plan/Annual Action Plan;

2. 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

3. An increase in the amount of Federal Community Planning Development and/or local funds allocated to an existing activity when the following apply:

a. An increase in funding for a public services activity in an amount greater than a 50% increase over the current funded amount.

b. An increase in the funding for public facility improvements/housing rehabilitation in an amount greater than a 50% increase over the current funded amount.

### III. CONDITIONS OF FUNDING

A. County advises SUBRECIPIENT that a change in entitlement funding may result in a change in the current process utilized by COUNTY to determine funding allocations. SUBRECIPIENT acknowledges that the obligation of the COUNTY is contingent upon the availability of appropriate Federal, State, or local Government funds. If funding levels are significantly affected by Federal budgeting or if 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.

B. SUBRECIPIENT shall allow representatives of the County of Orange, or HUD to inspect facilities, which are used in connection with the contracts, made to implement programs funded under this contract.

C. SUBRECIPIENT shall maintain any applicable licenses or permits, and meet many facility code regulations required for the program(s) funded under the contract.

#### IV. TERM

A. Eligible costs related to services provided by SUBRECIPIENT must be incurred during the period beginning July 1, 2011. The PROJECT shall be completed and all funds provided through this CONTRACT shall be expended on eligible PROJECT activities prior to June 30, 2012. The term of this CONTRACT may be extended upon mutual agreement of the parties in writing in accordance with Section IV. D below. COUNTY will reclaim any unused balance of funds for reallocation to other COUNTY approved projects.

B. SUBRECIPIENT may be eligible to request additional funding up to the maximum set forth in the applicable FY 2011-12 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 established herein in Section VI.E.3.

C. 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 herein Section VI.E.3. and Section VIII. B, as amended, will continue to be met before such extension and additional allocation shall be granted.

#### D. CONTRACT Extension

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

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, 2012. All extension approvals must be in writing and signed by the DIRECTOR. In the event of such extension, the deadline for submittal of invoices shall be forty-five (45) days after the new expiration date.

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

V. AMENDMENTS

A. COUNTY, through its DIRECTOR without further action by the COUNTY'S Board of Supervisors (hereinafter referred to as "BOARD") and SUBRECIPIENT may, by mutual agreement, amend and /or extend this CONTRACT and/or incorporated Subrecipient Scope of Services, at any time, up to 45 (forty-five) days prior to CONTRACT expiration, provided that the proposed action is (1) not a "Substantial Amendment" as defined by Section II. N. of this CONTRACT, (2) makes specific reference to this CONTRACT, (3) is executed in writing and signed by a duly authorized representative of the SUBRECIPIENT'S organization. SUBRECIPIENT'S written request to amend must include a revised budget for funds being extended, if that scope of work is different in scope from the originally agreed upon *Subrecipient Scope of Services*. SUBRECIPIENT must also comply with the original thresholds and milestones outlined in Section VI.E.3 herein. Any proposed amendment to this CONTRACT shall be submitted to DIRECTOR, and approved by DIRECTOR in writing prior to commencement of any activity covered by said amendment.

B. SUBRECIPIENT agrees that COUNTY may, at its sole discretion, amend this CONTRACT to conform to Federal, State or local governmental guidelines, policies, and available funding amounts.

C. 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.

D. 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.

VI. PAYMENTS

A. Funds from COUNTY to SUBRECIPIENT shall be disbursed subsequent to availability of funds from HUD to COUNTY.

B. Funds shall not be disbursed for any costs incurred prior to the certification by COUNTY and/or HUD of Certificate(s) of Insurance and environmental compliance, as further defined in Section VII and Section XIII of this CONTRACT. Additionally, when applicable, 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 Section XII.

C. CONTRACT Amount

It is expressly agreed and understood that the total amount to be paid by COUNTY under this CONTRACT shall not exceed \$166,540 (One Hundred Sixty-Six Thousand Five Hundred Forty Dollars and 00 Cents). Reimbursement for the payment of eligible project expenses shall be made in accordance with the budget specified in Section II of *Subrecipient Scope of Services*. SUBRECIPIENT's acknowledge that HUD funds are not meant to replace or supplant other sources of funding.

D. Readiness

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 of Council Minutes/Resolution; Awarded bid documents with timeline requirements; and, executed Architect and Engineer (hereinafter referred to as "A&E") contracts with specific project timelines consistent with funding. By September 30, 2011, 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" established herein Section V. E. 3. SUBRECIPIENT acknowledges that said Project Readiness Checklist may be considered to evaluate the performance of the SUBRECIPIENT.

E. Payment of Project Activities

1. 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, 2011, and must provide adequate documentation as required by COUNTY in accordance with the *OC COMMUNITY RESOURCES CONTRACT REIMBURSEMENT POLICY*, incorporated herein by reference as Exhibit 1. 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.

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.

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. 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, 2011     | 50% of Contracted Amount Expended             |
| January 15, 2012      | 70% of Contracted Amount Expended             |
| March 15, 2012        | 80% of Contracted Amount Expended             |

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.

F. Program Income

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.

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.

3. SUBRECIPIENT shall provide information of the receipt of Program Income by SUBRECIPIENT related to PROJECT on all GPR INFORMATION FORMS submitted with requests for reimbursement.

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, 2012.

VII. GENERAL ADMINISTRATION

A. 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.

B. Independent Contractor

Nothing contained in this CONTRACT is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. SUBRECIPIENT and its subcontractors shall at all times remain independent contractors with

respect to the services to be performed under this CONTRACT. COUNTY shall be exempt from payment of any Unemployment Compensation, FICA, retirement, life and/or medical insurance and Worker's Compensation Insurance as SUBRECIPIENT and its subcontractors are independent contractors.

C. Assignability

SUBRECIPIENT shall not assign or transfer any interest in this CONTRACT without the prior written consent of COUNTY.

D. Subcontracts

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 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.

2. SUBRECIPIENT shall assume responsibility for all subcontracted services to assure CONTRACT compliance.

3. SUBRECIPIENT shall cause this CONTRACT, in its entirety, to be included in and made a part of any subcontract executed in the performance of this CONTRACT.

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 action(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.

E. Relocation

SUBRECIPIENT shall, in all matters relating to the project:

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,

2. When applicable, 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.

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

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 program.

F. Fair Housing

SUBRECIPIENT shall affirmatively further fair housing in accordance with 24 CFR 570.904.

G. 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 subcontractors 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 contractor 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:

| <b><u>Coverage</u></b>                                                             | <b><u>Minimum Limits</u></b>                        |
|------------------------------------------------------------------------------------|-----------------------------------------------------|
| Commercial General Liability                                                       | \$1,000,000 per occurrence<br>\$2,000,000 aggregate |
| Automobile Liability including coverage<br>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<br>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 days 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 interest 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 days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified SUBRECIPIENT.

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.

### 3. Indemnification Provisions

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.

H. 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.

I. 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:

1. Records providing a full description of each activity undertaken;
  2. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
  3. Records required to determine the eligibility of activities;
  4. Records required to document the acquisition, improvement, use, or disposition of real property acquired or improved with CDBG assistance;
  5. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
  6. Financial records as required by 24 CFR 570.502, and OMB Circular A-87;
- and
7. Other records necessary to document compliance with Subpart K of 24 CFR 570.

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.

9. Client Data

a. 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.

b. 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 the shelter.

10. 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.

J. 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 VI.E.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.

K. Equipment

SUBRECIPIENT shall use, manage and dispose of equipment in accordance with 24 CFR 85.32 and 24 CFR 570.502.

VIII. PERFORMANCE

A. SUBRECIPIENT shall comply with all applicable HUD regulations, as described in Section XII 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.

B. The following "Performance Threshold" criteria shall be used to assess the level of performance of the SUBRECIPIENT. Furthermore, the criteria will be considered by OC Community Resources when determining future funding. In order to be considered in compliance with the following performance 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 Performance Expenditures<br/>and Accomplishment Thresholds</u>    |
|-----------------------|------------------------------------------------------------------------------|
| December 15, 2011     | 50% of Contracted Amount Expended and<br>50% of Proposed Accomplishments Met |
| January 15, 2012      | 70% of Contracted Amount Expended and<br>70% of Proposed Accomplishments Met |
| March 15, 2012        | 80% of Contracted Amount Expended and<br>80% of Proposed Accomplishments Met |

Failure to achieve at least one of the aforementioned Minimum Performance Expenditure and Accomplishment Threshold Milestones may cause any remaining balance in this CONTRACT to be reclaimed by COUNTY, and will negatively affect future funding to SUBRECIPIENT.

C. SUBRECIPIENT shall complete and submit a Year End GPR INFORMATION FORM by July 15, 2012.

D. Should the activity being funded through this CONTRACT be completed, cancelled or terminated prior to the termination date set forth herein in Section IV.A., SUBRECEIPIENT shall complete and submit a Mid-Year End 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 attached *SUBRECIPIENT SCOPE OF SERVICES*. 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.

E. 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 relative to attached SUBRECIPIENT SCOPE OF SERVICES 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.

F. 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.

G. 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.

IX. PERFORMANCE MONITORING

A. 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.

B. 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.

C. 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 Section VI of this CONTRACT.

X. MODIFICATIONS/TRANSFERS OF REAL PROPERTY

A. 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 expressly prohibited.

B. 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:

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 was provided, whichever occurs first; or,

2. Disposed of in a manner that results in COUNTY being reimbursed in an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition, or, or improvement to, the property. Such reimbursement is not required after the period of time specified in accordance with X.B.1. above.

XI. 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.

## XII. FEDERAL ADMINISTRATIVE REQUIREMENTS

### A. Financial Management

#### 1. Accounting Standards

SUBRECIPIENT agrees to comply with OMB Circular A-87 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.

#### 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," (and if SUBRECIPIENT is a governmental or quasi-governmental agency, the applicable sections of 24 CFR 85, "Uniform Administrative Requirements for Grants and Cooperative Contracts to State and Local Governments,") as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

### B. Civil Rights

#### 1. Compliance

SUBRECIPIENT agrees to comply with 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 the Title I of the Housing and Community Development Act of 1974, 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 and 12086.

2. Nondiscrimination

SUBRECIPIENT shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital status, or status with regard to public assistance. SUBRECIPIENT will take affirmative action to insure that all employment practices are free from hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, and termination discrimination. Such employment practices include but are not limited to the following: rates of pay or other forms of compensation, and selection for training, including apprenticeship. SUBRECIPIENT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the COUNTY setting forth the provisions of this nondiscrimination clause.

3. 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.

C. Drug-Free Workplace

SUBRECIPIENT shall continue to provide a drug free workplace by:

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

2. Establishing an ongoing drug free awareness program to inform employees about:

- a. The dangers of drug abuse in the workplace;
- b. The SUBRECIPIENT's policy of maintaining a drug free workplace;
- c. Any available drug counseling, rehabilitation, and employee assistance programs;
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph C.1;

4. Notifying the employee in the statement required by paragraph C.1. that, as a condition of employment under the grant, the employee will:

a. Abide by the terms of the statement;  
b. 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 (5) calendar days after such conviction;

5. Notifying COUNTY in writing, within ten (10) calendar days after receiving such notice as stated under paragraph C.4 (b) from an employee or otherwise receiving actual notice of such conviction. Employees 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 COUNTY has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant; and,

6. Taking one of the following actions, within thirty (30) calendar days of receiving notice, as stated under paragraph C.4 (b), with respect to any employee who is so convicted:

a. 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,

b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

D. 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.

E. Americans with Disabilities Act

SUBRECIPIENT agrees to comply with any federal regulations issued pursuant to compliance with the Americans with Disabilities Act, which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services and public accommodations.

F. Employment Restrictions

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.

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.

3. Labor Standards

a. 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.

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

c. 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.

d. 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.

e. In cases where the Davis-Bacon Act applies, SUBRECIPIENT agrees to submit the Construction Bid Package for this project to DIRECTOR for review and written approval prior to advertising for bids and award of the construction Contract. Unless prior written approval is received from DIRECTOR for modification, SUBRECIPIENT shall construct project in accordance with the approved Construction Bid Package.

4. California Labor Code Compliance

a. 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.

b. 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 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.

5. Economic Opportunities

a. 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)."*

6. 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.

7. Conflict of Interest

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.

G. Copyright

If this CONTRACT results in any copyrightable material, COUNTY and/or grantor agency reserves the right to royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work (i.e., photographs and the like) for government purposes.

H. Religious Organization

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 religious activities, to promote religious interest, or for the benefit of a religious organization in accordance with 24 CFR 570.200 (j)(2).

I. Anti-Lobbying

SUBRECIPIENT certifies that:

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;

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,

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.

### XIII. ENVIRONMENTAL CONDITIONS

A. 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.

B. 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.

C. SUBRECIPIENT shall provide requested material to COUNTY for the Environmental Review process required by applicable regulations.

D. Air and Water

SUBRECIPIENT agrees to comply with the following regulations in so far as they apply to the performance of this CONTRACT:

1. Clean Air Act, 42 U.S.C., 1857, et seq.
2. Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq.
3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR 50 and 40 CFR 58.

E. 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, 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.

F. 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. 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.

G. 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.

H. 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.

XIV. NOTICES

Any communication with COUNTY and SUBRECIPIENT concerning this CONTRACT shall be directed as follows:

COUNTY:

County of Orange  
OC Community Resources  
1770 North Broadway  
Santa Ana, CA 92706-2642  
Attention: Manager, Community Development

SUBRECIPIENT:

City of Laguna Hills  
24035 El Toro Road  
Laguna Hills, CA, 92653  
Attention: Vern Jones, Community Development Director  
Phone: (949) 707-2675  
Fax: (949) 707-2633

IN WITNESS WHEREOF, SUBRECIPIENT has caused this CONTRACT to be executed by its Mayor and its City Manager; COUNTY has caused this CONTRACT to be executed by the DIRECTOR of OC Community Resources; all having been duly authorized by the SUBRECIPIENT and the Orange County Board of Supervisors, respectively.

SUBRECIPIENT\*:  
City of Laguna Hills,  
a municipal corporation,  
in the State of California

By: \_\_\_\_\_

Name: L. Allan Songstad Jr.

Title: Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: Bruce Channing

Title: City Manager

Date: \_\_\_\_\_

\*For Contractors/Vendors that are a corporation. 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 and Assistant Treasurer.

For Contractors/Vendors that are not a corporation, the person who has authority to bind the Contractor/Vendor to a CONTRACT must sign on one of the lines above.

COUNTY OF ORANGE, a political  
Subdivision of the State of California

By: \_\_\_\_\_

DIRECTOR,  
OC Community Resources

Date: \_\_\_\_\_

COUNTY COUNSEL,  
AS APPROVED TO FORM:

Date: 4/28/11



**COUNTY OF ORANGE  
OC COMMUNITY RESOURCES  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SUBRECIPIENT SCOPE OF SERVICES  
PROGRAM YEAR 2010-11**

This Scope of Services is part of the Contract between the County of Orange and the City of Laguna Hills, SUBRECIPIENT, dated \_\_\_\_\_. It is incorporated into that Contract as though fully set forth therein:

TITLE OF PROJECT: Aliso Meadow Rehabilitation Project

SUBRECIPIENT: City of Laguna Hills

ACTIVITY: 570.202 (a)(1)

HUD MATRIX CODE: 14B-Rehab; Multi-Unit Residential

**I. SCOPE OF SERVICES**

**A. Activities**

SUBRECIPIENT will be responsible for administering a Program Year 2010-11 Community Development Block Grant project described as follows in a manner satisfactory to the COUNTY and consistent with any standards required as a condition of providing these funds:

Project Description

The City of Laguna Hills will use CDBG funds to rehabilitate 10 housing units within the Aliso Meadows Apartment Complex target area. The number of units completed will be based on the outcome of the Davis-Bacon bids submitted. The construction project will focus on the exterior improvements of each pod. The proposed construction work includes fumigation, replacement of termite damaged dry-rotted wood framing, wood siding and wood trim, repair of front steps and landings, fence replacement, painting the pods, replacing damaged ductwork and installing sheet metal for rodent control, installing water heaters, water heater closet repairs, earthquake straps, installing new roofing and rain gutters.

City may also use existing funds for consultant fees to update existing housing survey and confirm that 51% of all residents in the target area are income eligible. For rental units receiving rehabilitation work with CDBG funding, the Subrecipient will request that the Aliso Meadows Condominium Owners (HOA) prepare written agreements with affected landlords to maintain the existing Landlord/tenant rental agreements for a period of

One year starting from the first day of construction on said unit(s). Monthly rents on the affected units will be monitored by the HOA. Disputes pertaining to rental cost increases that arise during the monitoring period will be brought to the attention of the Subrecipient and mediated by the HOA. Should a rental dispute not be resolved by the HOA, the Subrecipient will make a good faith effort to further mediate and resolved the landlord/tenant dispute.

B. In addition to the normal administrative services required as part of this Contract, the SUBRECIPIENT agrees to meet the following level(s) of accomplishment:

Scope of Work

| <u>Use of Funds</u>           | <u>Level of Accomplishment</u> |
|-------------------------------|--------------------------------|
| No. 1: Housing Rehabilitation | 10 Housing Units               |

C. National Objective

The subject activities are consistent in complying with the following national objective as set forth in: 570.208(a)(3)

Direct Benefit - Low and Moderate Income: Low Mod Housing

D. Program Impact (outcomes): describe to what extent this activity delivers the desired outcomes in the community or in the lives of the persons assisted:

- |                   |                  |
|-------------------|------------------|
| 1. Decent Housing | 2. Affordability |
|-------------------|------------------|

II. BUDGET

A. This contract is in an amount not to exceed \$200,000.00  
(Two Hundred Thousand Dollars and 00 Cents).

B Project Funding Budget

1. The subject proposal will be financed under this contract as follows:

|                             |              |
|-----------------------------|--------------|
| Construction Rehabilitation | \$200,000.00 |
| Total                       | \$200,000.00 |

2. Funds shall be used for the following items:

Costs relating to all exterior construction work completed on the multi-family residential condo units. Reimbursement will be valid for consultant fees, construction materials and supplies, preliminary drawing, permit fees, labor and materials and hauling away of debris.

3. Line items identified in Section II.B.1. above are to be considered as estimates. Compensation for costs incurred during the life of this contract may be reallocated between said line items. Upon written request by SUBRECIPIENT and written approval by the DIRECTOR, compensation may be reallocated to address any costs incurred for previously unbudgeted uses eligible under the applicable State and Federal regulations, particularly the Federal regulations at 570.202 (a).

IV. SUBRECIPIENT CONTACT

City of Laguna Hills  
24035 El Toro Road  
Laguna Hills, CA 92653  
Attention: Vern Jones  
Community Development Director  
Phone: (949) 707-2670  
Fax: (949) 707-2633



**Housing and Community Services Department**  
**Child Support Provisions**

These Child Support Enforcement Provisions have been approved by the Orange County Board of Supervisors and are hereby incorporated into Contract No. KC11967 at the direction of the Director, Housing and Community Services Department.

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**PROVISIONS**

Child Support Enforcement Requirements

1. In order to comply with child support enforcement requirements of the County of Orange, within 30 days of award of contract, contractor agrees to furnish to the contract administrator:

a. In the case of an individual contractor, his/her name, date of birth, Social Security number, and residence address;

b. In the case of a contractor doing business in 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;

c. A certification that the contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

d. A certification that the contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

COUNTY COUNSEL  
APPROVAL AS TO FORM:

Date: April 6, 2006

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2. The certification will be stated as follows:

*"I certify that City of Laguna Hills is in full compliance with all applicable federal and state reporting requirements its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to be in compliance throughout the term of Contract No. KC07729 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 60 calendar days of notice from the County shall constitute grounds for termination of the contract without cost to the County."*

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

Failure of the contractor 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 60 calendar days of notice from the County shall constitute grounds for termination of the contract.

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ORANGE COUNTY CHILD SUPPORT ENFORCEMENT  
CERTIFICATION REQUIREMENTS

A. In the case of an individual contractor, 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 contractor 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:

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: \_\_\_\_\_

\_\_\_\_\_

OC Form 5-21-98

CERTIFICATION OF COMPLIANCE

"I certify that \_\_\_\_\_ is in full compliance with  
(Contractors Name)  
all applicable federal and state reporting requirements regarding its employees and  
with all lawfully served "Wage and Earnings Assignments Orders" and "Notices of  
Assignments" and will continue to be in compliance throughout the term of:

- 1) Contract No. KC11967; or,
- 2) the Contract for the City of Laguna Hills- Contract KC11967 Aliso Meadows  
(Phase VIII) Multi-Unit Residential 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 60 calendar days of notice from the County  
shall constitute grounds for termination of the contract without cost to the County."

By: \_\_\_\_\_

Authorized Signature

Name: L. Allan Songstad, Jr.

Title: Mayor

By: \_\_\_\_\_

Authorized Signature

Name: Bruce Channing

Title: City Manager

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OC Certification 5-21-98



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

Effective: July 1, 2010  
Revised: June 17, 2011

**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:**

**June 17, 2011**

**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

**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.

**POLICY AND PROCEDURES:**

1. Cost incurred by contractor must be substantiated
2. Cost must be incurred during the contract period
3. Total of all reimbursements cannot exceed the amount of the contract
4. Cost must be allowable under applicable OMB Circular or CFR
5. All supporting documentation for reimbursement must be submitted with demand letter or invoice
6. 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. Benefit plan and calculation of benefit
  - e. Employer-employee contract for non-customary benefits
  - f. Purchase orders, invoices, and receipts
  - g. Cashed checks
  - h. Check register
  - i. Consultant/sub-contractor invoices (with description of services)

- j. Travel expense documentation: mileage reimbursement, hotel bill, meal reimbursement
- k. Pre-approval documentation for equipment purchases equal to or greater than \$5,000
- 7. The following is required with the first month's invoice:
  - a. Cost allocation plan for rent, utilities, etc.
  - b. Indirect rate approved by cognizant agency (if applicable)
- 8. If contract requires matching contribution, documentation substantiating contribution match must be submitted with demand letter or invoice
- 9. Demand letters must contain the following certification:  
***"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"***
- 10. Supporting documentation shall be on single-sided sheets
- 11. Please redact employees' Social Security numbers from payroll reports
- 12. Demand letter or invoice, along with supporting documentation shall be submitted to:  
OC Community Resources Accounting  
1300 S. Grand, Building B, 2<sup>nd</sup> Floor  
Santa Ana, CA92702

**ACTION:**

**Distribute this policy to all appropriate staff**

**INQUIRIES:**

**Inquiries may be directed to the following:**

- Win Swe: 714-567-7481 or [win.swe@occr.ocgov.com](mailto:win.swe@occr.ocgov.com)
- Cathy Tran: 714-567-7482 or [cathy.tran@occr.ocgov.com](mailto:cathy.tran@occr.ocgov.com)

# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT COMMUNITY DEVELOPMENT DEPARTMENT**

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**ISSUE: CONTRACT WITH ALISO MEADOWS CONDOMINIUM ASSOCIATION  
REGARDING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS  
FOR FISCAL YEAR 2011-2012**

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### **SUMMARY:**

Over the past seven years (Fiscal Years 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, and 2010-2011), the City of Laguna Hills received Community Development Block Grant (CDBG) funding (\$1,916,766) from the County of Orange on behalf of the 248-unit Aliso Meadows Condominium development project located on Via Lomas. For Fiscal Year 2011-2012, the City of Laguna Hills has awarded \$166,5400 to rehabilitate between 10-20 units in the development. The number of units that can actually be rehabilitated is dependent upon the outcome of the required Federal Labor Standards bidding process. The next step in the process to access the funds is to sign a contract with the Aliso Meadows Condominium Association documenting the use and limitations associated with the funds. Staff is still reviewing the contract form provided by the County of Orange. However, in order to keep the project on schedule, staff is recommending that the City Council authorize the City Manager to execute a contract with the Aliso Meadows Condominium Association consistent with agreements from prior program years.

### **BACKGROUND:**

Since 1993 the City has participated in the County of Orange's Urban County Program, a program designed to assist smaller cities in the administration of Community Development Block Grant (CDGB) and HOME funds through the U.S. Department of Housing and Urban Development (HUD). The Urban County consists of the unincorporated areas of Orange County, and cities that are "non-entitlement" cities. In order to be an "entitlement" city and apply for one's own funding, a city must have a population of over 50,000. There are thirteen (13) smaller cities in the County that must utilize the Urban County Program in order to access these funds, which are allocated based upon demonstrated need. Last year, the City obtained CDBG funding for the

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE A CONTRACT WITH  
THE ALISO MEADOWS CONDOMINIUM ASSOCIATION FOR COMMUNITY  
DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2011-2012 FISCAL  
YEAR AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT.**

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rehabilitation of up to 30 units of the Aliso Meadows Condominium Complex. Over the years, the City has obtained CDBG funding for the following projects:

|                                                       |           |
|-------------------------------------------------------|-----------|
| ADA Accessibility Improvements (FY 1996-1997)         | \$ 70,000 |
| ADA Accessibility Improvements (FY 1997-1998)         | \$ 50,000 |
| Flood Map Revision (FY 1998-1999)                     | \$ 20,000 |
| Housing Rehabilitation - Rancho Niguel (FY 2004-2005) | \$151,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2004-2005) | \$ 80,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2005-2006) | \$407,320 |
| Housing Rehabilitation – Aliso Meadows (FY 2006-2007) | \$304,342 |
| Housing Rehabilitation – Aliso Meadows (FY 2007-2008) | \$422,920 |
| Housing Rehabilitation – Aliso Meadows (FY 2008-2009) | \$302,184 |
| Housing Rehabilitation – Aliso Meadows (FY 2009-2010) | \$200,000 |
| Housing Rehabilitation – Aliso Meadows (FY 2010-2011) | \$200,000 |

For Fiscal Year 2011-2012, the City of Laguna Hills has tentatively been awarded \$166,540 in CDBG funds for the following project:

**Aliso Meadows Condominiums – Phase VIII**

Aliso Meadows is a 248-unit pre-fabricated condominium project, 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 between Moulton Parkway and Alicia Parkway. The repairs needed at the Aliso Meadows complex include: new ducting, wood siding, roof repairs, fencing repairs, painting, HV/AC repairs, and fumigation for termites and rodents. The funding for these repairs will be a combination of Aliso Meadow's Homeowners Association funds and the CDBG funds requested. The Homeowners Association has been working to repair and update their homes for some time and have spent approximately \$150,000 from their reserve account since 2003 to address the most pressing problems in many of the units.

In order to justify the need for CDBG funding assistance, six years ago the City of Laguna Hills authorized a Housing Assessment Study of the Aliso Meadows development that identified a rehabilitation need of more than \$2,500,000. Staff intends to annually apply for CDBG funding to attempt to rehabilitate approximately 10-20 units per year, until the renovation of the 248-unit complex is complete.

Approval of the attached Contract with the Aliso Meadows Condominium Association commits the Association to spend the CDBG funds consistent with any applicable Federal, State, and County laws and regulations, i.e. funds must be spent only on eligible projects, funds must be spent in accordance with the expenditure schedule provided in the Contract, and Association representatives must complete the documentation and reporting requirements associated with expenditure of the funds.

**FISCAL IMPACT:**

City staff will provide the majority of the time commitment necessary to satisfy the Federal and County paperwork requirements. However, some consultant assistance is also needed to work with the Aliso Meadow's Homeowners Association and contractors to provide coordination and field oversight for the rehabilitation of the proposed 10-20 units, which will be paid out of the housing set-aside funds received from those portions of the El Toro Road Redevelopment Project Area that lies within the City of Laguna Hills. It is anticipated that approximately \$35,000 will be spent on consultant assistance for FY2011-2012. There will be no impact to the City's General Fund.

**CEQA FINDINGS:**

The Aliso Meadow's project has been found to be Categorically Exempt from the requirements of the California Environmental Quality Act based upon a Class 1 – Existing Facilities (Section 15301) exemption.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE A CONTRACT WITH THE ALISO MEADOWS CONDOMINIUM ASSOCIATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS FOR THE 2011-2012 FISCAL YEAR AND AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT.**

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**ATTACHMENTS:**

- City/HOA Contract for Aliso Meadows CDBG Project



**CITY OF LAGUNA HILLS  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
REHABILITATION SERVICES CONTRACT  
(Program Year 2011-12)**

**TITLE OF PROJECT:** Rehabilitation Services – Aliso Meadows Condominium Association

This **CONTRACT** is entered into the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**BY AND BETWEEN**

City of Laguna Hills, a municipal corporation, in the State of California, and hereinafter referred to as "**CITY**".

**AND**

Aliso Meadows Condominium Association, a Non-Profit Corporation, hereinafter referred to as "**CONTRACTOR**"

**RECITALS**

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

**WHEREAS**, the County of Orange 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 projects meeting one of the HUD national objectives; and

**WHEREAS**, the County of Orange and Participating Cities (of which the CITY is a member) previously entered into a Cooperation Agreement dated July 1, 2009, as amended, in which both parties agreed to cooperate in the undertaking, or assist in the undertaking, of community development and housing assistance activities; and

**WHEREAS**, the County of Orange adopted its Annual Action Plan, including any mid-year amendments, which sets forth the PROJECT described herein; and

**WHEREAS**, the CITY is a Participating City covered by the County's Annual Action

Plan, and

**WHEREAS**, the CITY submitted to the County of Orange an application for funding of the project described herein, and

**WHEREAS**, the CITY has entered into a separate contract for the period July 1, 2011 - June 30, 2012 with the County of Orange (Contract No. KC11967, entitled "County of Orange OC Community Resources Community Development Block Grant Program Housing Rehabilitation (Program Year 2011-12), a copy of which is attached hereto as Exhibit B) to receive Community Development Block Grant (CDBG) funds under Title I of the Housing and Community Development Act of 1974 (Public Law 93-838, as amended) for the purpose of assisting the Aliso Meadows rehabilitation project which meets one of the HUD national objectives, and

**WHEREAS**, Contract No. KC11967, a copy of which is attached hereto as Exhibit B, provides that it is conditional upon: County being funded by HUD and the release of funds to County; Certification of Insurance; and environmental compliance by CITY with 24 CFR 570.

**NOW, THEREFORE, BASED ON THE MUTUAL PROMISES AND COVENANTS HEREIN, IT IS AGREED AS FOLLOWS:**

**I. SCOPE OF SERVICES**

**A. ACTIVITIES**

(1) CONTRACTOR shall be responsible for carrying out a CDBG Rehabilitation Services Project in a manner satisfactory to the CITY and consistent with the standards and obligations of Contract No. KC11967, a copy of which is attached hereto as Exhibit B. The project is described as follows:

Ten (10) to twenty (20) condominium dwelling units will be rehabilitated within the Aliso

Meadows Condominium complex. The actual number of units completed will be based on the outcome of the Davis-Bacon bids submitted. The construction project will focus on the exterior improvements of each pod. The proposed construction work includes fumigation, replacement of termite damaged dry-rotted wood framing, wood siding and wood trim, repair of front steps and landings, fence replacement, painting the pods, replacing damaged ductwork and installing sheet metal for rodent control, installing water heaters, water heater closet repairs, earthquake straps, installing new roofing and rain gutters.

If funds become available, this Contract may also include follow-up work to previous units rehabbed under County Contracts KC04050, KC05027, KC06704, KC07729, KC08794, KC09843, and KC10919.

The project shall be performed in conformance with this Contract, Contract No. KC11967, attached hereto as Exhibit B, and required County approvals therein. The CONTRACTOR shall provide the oversight, administration, and project management necessary to accomplish contracted activities in accordance with this Contract, the County approved Scope of Work, completion milestones (provided by County), State and Federal laws, applicable regulations, and authorities having jurisdiction.

For rental units receiving rehabilitation work with CDBG funding as part of the project, CONTRACTOR is requested to prepare and enter into written agreements with affected landlords to maintain the existing landlord/tenant rental agreements for a period of one year starting from the first day of construction on said unit(s). The agreement between the CONTRACTOR and the landlord, as required by this section, shall specify that the landlord may not modify the monthly rental rate for a period of one year starting from the first day of construction of/onsaid unit(s). Monthly rents on the affected units shall

be monitored by CONTRACTOR. Disputes pertaining to rental cost increases that arise during the monitoring period shall be brought to the attention of the CITY and mediated by the CONTRACTOR. Should a rental dispute not be resolved by the CONTRACTOR, the CITY will make a good faith effort to further mediate and resolve the landlord/tenant rental rate dispute.

(2) The construction project contemplated herein is a “public work”, under California Labor Code Section 1720, and the contractor should be paid prevailing wages in accordance with State law. In addition, the Federal Labor Standards (Section XI of Contract No. KC11967), including Davis-Bacon prevailing wages shall apply. A current and appropriate Davis-Bacon wage decision approved by the County shall be included in the Construction Bid Package, along with HUD – 4010 form, “Federal Labor Standards Provisions”.

(3) Prior to advertising for bids, the Construction Bid Package for the work shall be submitted to the CITY for review and written approval by the County’s Director of Housing and Community Services. A County representative shall be invited to a preconstruction conference to review Federal Labor Standards compliance procedures with the CONTRACTOR and its construction contractors.

(4) No costs shall be incurred prior to receipt of written certification of approval by County of the fulfillment of the requirements of Section V.C. (1) of this Contract.

#### **B. BUDGET**

**This Contract is for an amount not to exceed \$166,540.00 (One Hundred Sixty-six Thousand Five Hundred Forty Dollars and no cents).** As described further in Section III, the CONTRACTOR will provide the funds for the project and will

submit proof of payment to CITY, whereupon after approval by CITY, the CITY shall seek reimbursement of Eligible Costs from the County pursuant to Contract No. KC11967.

Funds shall be used for the following Eligible Costs:

Fumigation, replacement of termite damaged dry-rotted wood framing, wood siding and wood trim, repair of front steps and landings, fence replacement, painting the pods, replacing damaged ductwork and installing sheet metal for rodent control, installing water heaters, water heater closet repairs, earthquake straps, installing new roofing and rain gutters. Attention will also be given to any other building code violations identified through-out on-going inspections of the Aliso Meadows units.

**C. PERFORMANCE MONITORING**

The CITY shall, in accordance with Contract No. KC11967, monitor the performance of the CONTRACTOR against the goals and performance standards required therein and in this Contract. The CONTRACTOR shall cooperate by providing completed Quarterly Performance Reports on a Grantee Performance Report Information Form (GPR Form). Such reports shall be filed with the CITY fifteen (15) days before: December 15, 2011, January 15, 2012, and March 15, 2012. The CITY shall report any deficiencies in performance to the CONTRACTOR. If it is determined by the CITY that CONTRACTOR's performance or progress on performance is unsatisfactory, the CITY may withhold further funding on the project pending resolution of the unsatisfactory condition(s), or may terminate this Contract as prescribed in 24 CFR Parts 85.43 and 85.44. In addition, the CITY may require the CONTRACTOR to reimburse the CITY any funds that it determines to be improperly expended based on applicable CDBG Program Regulations.

**II. TIME FOR PERFORMANCE**

The services of the CONTRACTOR shall begin on, or about, July 1, 2011, and the scope of services shall be completed by June 30, 2012. The term of this Contract and the

provisions herein may be extended to cover an additional time period pursuant to Section V.A.(1) of this Contract.

### **III. PAYMENTS BY CITY**

#### **A. REIMBURSEMENTS**

Subject to availability of funds from HUD to County, County approval of CONTRACTOR'S Insurance, County approval of CONTRACTOR'S Federal Labor Standards submittals, environmental compliance by CITY and CONTRACTOR'S timely completion and submission of complete Requests for Reimbursements to CITY, payment shall be made by CITY and shall be in the form of reimbursement for Eligible Costs. It is expressly agreed and understood that the total amount to be paid by the CITY under this Contract after reimbursement by County shall not exceed the amount stated in Section I.B of this Contract. Reimbursement for Eligible Costs shall be made on a quarterly basis deducted from the total Budget specified in Section I.B herein, and in accordance with "Exhibit A" GENERAL CONDITIONS, attached hereto and incorporated herein by this reference.

#### **B. REQUESTS FOR REIMBURSEMENT**

On a quarterly basis and within fifteen (15) days of the end of a quarter, the CONTRACTOR may invoice CITY for reimbursement of Eligible Costs (see Exhibit A). Concurrently with its request for the aforementioned funds, CONTRACTOR shall submit to the CITY the following supporting documentation: Copies of paid invoices, receipts, certified payroll records, bank statements, canceled checks, attendance records, and other items adequate to document project expenditures. CONTRACTOR shall also provide a Quarterly Performance Report, on a GPR Form, which addresses its level of performance for each activity undertaken relative to the scope of services set forth in Section I. CITY

will not authorize reimbursement if any preceding quarter's reports or invoices are incomplete, or have not been submitted.

C. Records shall be kept by CONTRACTOR in accordance with Exhibit A.

#### **IV. NOTICES**

Communication and details concerning this Contract shall be directed to the following representatives:

City of Laguna Hills  
Community Development Department  
24035 El Toro Road  
Laguna Hills, California 92653  
Attn: Vernon Jones, Community Development Director

Aliso Meadows Homeowners Association  
C/O New Era Property Management  
P.O. Box 2098  
Mission Viejo, CA 92690  
Attn: Jason Mulkay, President

#### **V. SPECIAL CONDITIONS**

##### **A. PROJECT TO BE COMPLETED BY JUNE 30, 2012**

(1) The project shall be completed and all costs incurred on eligible project activities prior to June 30, 2012. A final Invoice for Eligible Costs shall be submitted within 15 days after the Contract expiration date. The date for project completion and incurring of Eligible Costs may be extended by the CITY at the CITY'S sole discretion for up to six months from the Contract expiration date, upon written notification to the CONTRACTOR. In the event of such extension, the deadline for submittal of a final invoice shall be 15 days after the new completion date. After Contract expiration, all unexpended funds remaining from this Contract, either due to costs not

incurred or costs not approved by City, may be allocated by the CITY to other eligible CDBG projects within the City of Laguna Hills program.

(2) CONTRACTOR agrees that the project shall be implemented and appropriately maintained for Community Development purposes as defined by applicable HUD provisions to ensure maximum feasible benefit and utilization of the project by low- and moderate-income persons.

**B. AUDIT**

(1) All contractors receiving \$25,000 or more in total Federal financial assistance shall cause, if requested to do so by CITY or County, an annual audit to be performed in accordance with OMB Circular A-128. CONTRACTOR shall comply with this obligation. A copy shall be forwarded to CITY within 180 days after the end of the CITY'S Fiscal Year (JUNE 30, 2012). CITY shall have the right to ensure that necessary corrective actions are made by the CONTRACTOR due to any audit findings pertinent to CONTRACTOR handling of funding attributable to the CDBG Program per Federal requirements, including requiring CONTRACTOR to return funds paid by CITY.

**C. PERFORMANCE TO CONFORM TO FEDERAL & COUNTY REQUIREMENTS**

This Contract includes Contract No. KC11967, which is attached hereto as Exhibit B and is incorporated herein by this reference. CONTRACTOR shall comply with all applicable County and Federal requirements (in particular, Section X and XI of Contract No. KC11967).

(1) CONTRACTOR shall provide Certificates of Insurance as follows:

CONTRACTOR, at its own expense, agrees to deposit with CITY prior to the execution and provision of services under this Contract, Certificates of

Insurance, including all endorsements required herein, necessary to satisfy County that the Insurance provisions of Contract No. KC11967 have been complied with, and to keep such insurance and the certificates therefore on deposit with CITY and County during the entire term of this Contract. In addition, all construction contractors and subcontractors performing work on behalf of CONTRACTOR pursuant to this Contract shall be covered under CONTRACTOR'S insurance or shall obtain insurance subject to the same terms and conditions as set forth herein for CONTRACTOR and shall require that any subcontractor working for CONTRACTOR have the insurance required by this section and not allow subcontractors to work if the subcontractors have less than the level of coverage required by the CITY under this Contract. CONTRACTOR shall provide notice of the insurance requirements to every subcontractor, and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by CONTRACTOR or subcontractor through the entirety of this Contract for inspection by County and CITY representatives at any reasonable time. All insurance policies required by this Contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability) which shall specifically be approved by the County's Executive Office/Office of Risk Management. CONTRACTOR shall be responsible for reimbursement of any deductible to the insurer.

(a) CONTRACTOR shall maintain insurance acceptable to CITY and County in full force and effect throughout the term of this Contract. If CONTRACTOR fails to maintain insurance acceptable to CITY and County for the full term of this Contract, CITY may terminate this Contract.

(b) The policy or policies of insurance must be issued by an insurer licensed to do business in the State of California (California Admitted Carrier).

(c) Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com shall be A- (Secure Best's Rating) and VIII (Finance Size Category). CONTRACTOR will file with CITY (who shall forward to County), prior to the commencement of performance of services under this Contract, an original Certificate of Insurance and all required endorsements evidencing that coverage required by this Contract is in effect.

(d) If the carrier is a non- admitted carrier in the State of California, the County's Executive Office/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

(e) The policy or policies of insurance maintained by CONTRACTOR or sub-contractor shall provide the minimum limits and coverage as set forth herein below:

| <u>Coverage</u>                                                    | <u>Minimum Limits</u>                               |
|--------------------------------------------------------------------|-----------------------------------------------------|
| Commercial General Liability                                       | \$1,000,000 per occurrence<br>\$2,000,000 aggregate |
| Automobile Liability including owned, non-owned and hired vehicles | \$1,000,000 per occurrenceCoverage for              |
| Workers' Compensation                                              | Statutory                                           |
| Employer's Liability                                               | \$1,000,000 per occurrence                          |
| Professional Liability Insurance                                   | \$1,000,000 per claims made or per occurrence       |
| Sexual Misconduct                                                  | \$1,000,000 per occurrence                          |

(f) Each insurance policy required by this Contract shall be endorsed to contain the following provisions:

i. This insurance shall not be changed, canceled, limited in scope of coverage or non-renewed until 30-days prior written notice has been given to CITY and County of Orange/HCS (Endorsement must be attached to Certificate of Insurance). If a 30-day notice of cancellation endorsement is not received, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

*Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days written notice to the certificate holders named as: City of Laguna Hills and County of Orange/Housing and Community Services Department.*

ii. All rights of subrogation are hereby waived against CITY and County, its respective elective and appointed officials, officers and employees when acting within the scope of their employment or appointment, and County and their Board or Commissions, which are governed by County Board of Supervisors. (Endorsement must be attached to Certificate of Insurance).

iii. As respects operations of the named insured performed on behalf of CITY and County, CITY and County are each added as an additional insured except for Workers' Compensation/Employers' Liability. (Endorsement must be attached to Certificate of Insurance).

- (g) Insurance information shall be submitted to:

City of Laguna Hills  
Community Development Department  
Attn: Vernon Jones, Community Development Director  
24035 El Toro Rd  
Laguna Hills, CA 92653

For submittal also to:

County of Orange  
Housing and Community Services Department  
Attn: Contract Administration and Compliance  
1770 North Broadway  
Santa Ana, CA 92706-2642

(h) Upon written advice of County's Risk Manager to CITY, any of the above insurance types may be increased or waived due to current insurance marketplace conditions. In addition, County Risk Manager retains the right to require additional insurance coverage as may be deemed appropriate to adequately protect County. County's requirements shall be reasonable and shall be designed to assure protection from and against the kind and extent of risks, which exist at the time a change in insurance is required.

(i) CITY shall notify CONTRACTOR in writing of changes required by County in the insurance requirements. CONTRACTOR does not deposit copies of acceptable certificates of insurance and endorsements with CITY incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in default without further notice to CONTRACTOR, and CITY shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit CONTRACTOR'S liability hereunder or to fulfill the indemnification provisions and requirements of this Contract.

(2) Indemnity

CONTRACTOR shall hold harmless, defend with counsel approved in writing by CITY and indemnify CITY, its elected officials, officers, directors, employees, agents, and volunteers from any and all claims, actions, suits, charges, and judgment whatsoever that arise out of CONTRACTOR'S or its construction contractor or subcontractor's performance or non-performance of the project and/or scope of work called for in this Contract.

(3) Assignability

CONTRACTOR shall not assign or transfer any interest in this Contract without the prior written consent of CITY.

(4) Independent Contractor

Nothing contained in this Contract is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. CONTRACTOR and its construction contractor and subcontractors shall at all times remain independent contractors with respect to the services to be performed under this Contract. CITY shall be exempt from payment of any Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance. CONTRACTOR and/or its construction contractor and subcontractors are independent contractor(s).

(5) Section 3 Clause

“The work to be performed under this Contract is a project assigned under a program providing direct federal assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the areas of the project.”

(6) County Amendment

CONTRACTOR agrees that County may, at its sole discretion, amend Contract No. KC11967 to conform with federal, state or local governmental guidelines, policies, and available funding amounts. If any amendment results in a change in the funding amount under this Contract, the 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 CITY and CONTRACTOR.

(7) Anti-Lobbying

CONTRACTOR certifies that:

(i.) 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, then entering into of any Cooperative Agreement, and the extension, continuation, renewal, amendment, or

modification of any Federal Contract, grant, loan, or Cooperative Agreement;

(ii.) CONTRACTOR will complete and submit Standard Form-  
“Disclosure of Lobbying Activities,” if any funds other than Federal appropriated funds  
have been paid, in accordance with its instructions; and

(iii.) CONTRACTOR shall include the above anti-lobbying  
certification in award documents for all subcontractors and that all subcontractors shall  
certify and disclose accordingly.

(iv.) CONTRACTOR shall abide by the Section 3 clause, as set  
forth in 24 CFR, 135.20(b), below, and shall also cause this Section 3 clause to be  
inserted into any and all 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 agrees 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 3 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 a 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)."*

**IN WITNESS WHEREOF**, CITY has caused this Contract to be executed by its Mayor, having been duly authorized by the City Council of City of Laguna Hills and the Laguna Hills Municipal Code. CONTRACTOR has caused this Contract to be executed by its duly authorized representatives.

**EXECUTED:**

CITY OF LAGUNA HILLS

By: \_\_\_\_\_  
L. Allan Songstad, Jr., Mayor  
Dated: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Peggy J. Johns, City Clerk

ALISO MEADOWS CONDOMINIUM  
ASSOCIATION  
A California Non-Profit Corporation

By: \_\_\_\_\_  
Jagtinder Dang, President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Manuel Hernandez, Secretary  
Date: \_\_\_\_\_



**EXHIBIT A**  
**GENERAL CONDITIONS**

**I. REQUESTS FOR REIMBURSEMENT**

A. CONTRACTOR shall complete and submit a GPR Information Form in support of all requests for reimbursement. This shall consist of a description of project-related accomplishments for the preceding Quarter relative to the Scope of Services of this Contract. If CONTRACTOR has no activity during the Quarter, CONTRACTOR shall still prepare and submit the GPR Information Form to the CITY.

B. Certified copies of CONTRACTOR'S (and subcontractor's) payroll shall be submitted to CITY on a weekly basis. Such documentation shall also accompany the CONTRACTOR'S request for reimbursement.

C. Complete requests for reimbursement, which includes, IA and IB, and the items specified in Section III.B of this Contract shall be submitted thirty (30) days prior to the Minimum Required Expenditure Threshold dates, as contained in Exhibit B (attached), and shown below:

December 15, 2011

January 15, 2012

March 15, 2012

**II. ADMINISTRATIVE REQUIREMENTS**

**A. FINANCIAL MANAGEMENT**

**(1). Accounting Standards**

The CONTRACTOR agrees to comply with Attachment C of OMB Circular A-110 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.

(2). Cost Principles

The CONTRACTOR shall administer its program in conformance with the applicable sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Contracts to State and Local Governments," for all costs incurred whether charged on a direct or indirect basis.

B. DOCUMENTATION AND RECORD-KEEPING

(1). Records to be Maintained

The CONTRACTOR shall maintain all records required by the federal regulations specified in 24 CFR Parts 570.503(b)(2), 570.506, 570.5078 and that are pertinent to the activities to be funded under this Contract. Such records shall include but not be limited to:

- (a.) Records providing a full description of each activity undertaken;
  - (b.) Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
  - (c.) Records required to determine the eligibility of activities;
  - (d.) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
  - (e.) Records documenting compliance with the fair housing and equal opportunity components of CDBG program;
  - (f.) Financial records as required by 24 CFR Part 570.502, and OMB Circular A-110;
- and

(g.) Other records necessary to document compliance with Subpart K of 24 CFR 570. These records shall be kept available at CONTRACTOR'S office during the project's contract period and thereafter for five (5) years from the date CONTRACTOR receives final payment from this contract.

(2.) Close-Outs

CONTRACTOR'S obligation to the CITY shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to; making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and receivable accounts to the CITY and determining the custodianship of records.

C. AUDITS AND INSPECTIONS

All CONTRACTOR records with respect to any matters covered by this Contract shall be made available to the CITY, County, their designees or the Federal Government at any time during normal business hours, as often as the CITY or County deems necessary, to audit, examine, and make excerpt or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the CONTRACTOR with 30 days after receipt by the CONTRACTOR. Failure of the CONTRACTOR to comply with the above audit requirements will constitute a violation of this Contract and may result in the withholding of future payments. The CONTRACTOR hereby agrees to have an annual agency audit conducted in accordance with current CITY policy concerning audits.



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT COMMUNITY DEVELOPMENT DEPARTMENT**

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**ISSUE: CONSULTING SERVICES AGREEMENT FOR PLANNING AND HOUSING SERVICES WITH GRC ASSOCIATES**

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### **SUMMARY:**

Over the past seven (7) years, the City of Laguna Hills ("City") has obtained more than \$1,900,000 in Community Development Block Grant (CDBG) funds from the County of Orange ("County") to rehabilitate approximately 120 dwelling units within the Aliso Meadows Condominium Association ("HOA") development, and for Fiscal Year (FY) 2011-12 the City has been awarded an additional \$130,000 to rehabilitate another 10-20 units. The County can now release the funds and staff is ready to move forward with this project as soon as the subject Consulting Services Agreement (CSA) is approved.

GRC Associates is a Planning and Housing firm that has been on contract to the City since 2004 (at an annual cost of between \$25,000 and \$35,000) to assist with the implementation of the CDBG funds for the Aliso Meadows Condominium development. GRC Associates has provided excellent service to the City in regards to staff support and administrative/construction management to date. To assist with the implementation of the CDBG funds awarded for FY 2011-2012, GRC has submitted a proposal (attached to the CSA) detailing the project implementation tasks, program phasing, schedule of performance, and fee schedule.

Staff is recommending approval of the Consulting Services Agreement for an amount not to exceed \$30,000.00.

### **BACKGROUND:**

Since 1993 the City has participated in the County of Orange's Urban County Program, a program designed to assist smaller cities in the administration of Community Development Block Grant (CDGB) funds through the U.S. Department of Housing and Urban Development (HUD). The Urban County Program consists of the unincorporated

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE CONSULTING SERVICES AGREEMENT WITH GRC ASSOCIATES AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT, SUBJECT TO APPROVAL OF THE AGREEMENT AS TO FORM BY THE CITY ATTORNEY AND THE CITY CLERK TO ATTEST THERETO.**

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areas of Orange County and cities that are “non-entitlement” cities. In order to be an “entitlement” city and apply for one’s own funding, a city must have a population of over 50,000. There are thirteen (13) smaller cities in the County that must utilize the Urban County Program in order to access these funds, which are allocated based upon demonstrated need.

In order to determine the need for CDBG funding assistance, in 2004 the City of Laguna Hills prepared a Housing Assessment Study of the Aliso Meadows development that identified a rehabilitation need of more than \$2,500,000. Staff intends to annually apply for CDBG funding to attempt to rehabilitate approximately 10-20 units per year, until the renovation of the 248-unit complex is complete. Last year, the City obtained CDBG funding for the rehabilitation of up to 30 units of the Aliso Meadows Condominium Complex. Over the years, the City has obtained CDBG funding for the following projects:

|                                                       |           |
|-------------------------------------------------------|-----------|
| ADA Accessibility Improvements (FY 1996-1997)         | \$ 70,000 |
| ADA Accessibility Improvements (FY 1997-1998)         | \$ 50,000 |
| Flood Map Revision (FY 1998-1999)                     | \$ 20,000 |
| Housing Rehabilitation - Rancho Niguel (FY 2004-2005) | \$151,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2004-2005) | \$ 80,000 |
| Housing Rehabilitation - Aliso Meadows (FY 2005-2006) | \$407,320 |
| Housing Rehabilitation – Aliso Meadows (FY 2006-2007) | \$304,342 |
| Housing Rehabilitation – Aliso Meadows (FY 2007-2008) | \$422,920 |
| Housing Rehabilitation – Aliso Meadows (FY 2008-2009) | \$302,184 |
| Housing Rehabilitation – Aliso Meadows (FY 2009-2010) | \$200,000 |
| Housing Rehabilitation – Aliso Meadows (FY 2010-2011) | \$200,000 |

For Fiscal Year 2011-2012, the City of Laguna Hills has been awarded \$130,000 in CDBG funds for the following project:

#### **Aliso Meadows Condominiums**

Aliso Meadows is a 248-unit pre-fabricated condominium project, 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 needed at the Aliso Meadows complex include: new ducting, wood siding, roof repairs, fencing repairs, painting, HV/AC repairs, and fumigation for termites and rodents. The funding for these repairs will be a combination of Aliso Meadow’s Homeowners Association funds and the CDBG funds requested. The Homeowners Association has been working to repair and update their homes for some time and have spent approximately \$250,000 from their reserve account since 2003 to address the most pressing problems in many of the units.

GRC Associates is a Planning and Housing firm that has been on contract to the City since 2004 (at an annual cost of between \$25,000 and \$35,000) to assist with the implementation of the CDBG funds for the Aliso Meadows Condominium development. GRC Associates has provided excellent service to the City in regards to staff support and administrative/construction management to date.

**FISCAL IMPACT:**

City staff will provide much of the time commitment necessary to satisfy the Federal and County paperwork requirements. However, consultant assistance is also needed to work with the Aliso Meadow's Condominium Association, coordinate the contractor bidding process, and provide "field oversight" for the rehabilitation of the units, which would be paid via the "housing funds" received relative to the El Toro Road Redevelopment Project Area. It is anticipated that approximately \$30,000 of the CDBG funding received for FY 2011-12 would be spent on consultant assistance to implement the CDBG funding received for FY 2011-12. There would be no impact to the City's General Fund.

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**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE CONSULTING SERVICES AGREEMENT WITH GRC ASSOCIATES AND AUTHORIZE THE CITY MANAGER TO SIGN THE AGREEMENT, SUBJECT TO APPROVAL OF THE AGREEMENT AS TO FORM BY THE CITY ATTORNEY AND THE CITY CLERK TO ATTEST THERETO.**

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**ATTACHMENTS:**

- Consulting Services Agreement



**CONSULTING SERVICES AGREEMENT**  
**Community Development Block Grant Program**  
**Housing Rehabilitation – Aliso Meadows**  
**Program Year 2011-12**  
*(GRC Associates, Inc.)*

THIS AGREEMENT FOR CONSULTING SERVICES (the “Agreement”) is made and entered into this \_\_\_\_ day of August 2011, by and between the City of Laguna Hills, a municipal corporation organized and existing under the laws of the State of California (“City”), and GRC Associates, Inc., a California corporation (“Consultant”).

**RECITALS**

A. City requires the services of a professional planning and housing consultant to provide continued construction management services to City in connection with the Aliso Meadows Condominium Rehabilitation Project for Community Development Block Grant Program Year 2011/12 (the “Project”).

B. Consultant has submitted to City a proposal to provide planning and housing services to City pursuant to the terms of this Agreement.

C. Based on its experience, education, training, and reputation, Consultant is qualified to provide the necessary services to City for the Project and desires to provide such services.

D. City desires to hire Consultant to implement Community Development Block Grant (CDBG) funding for the Project for this current CDBG program year and to perform such services consistent with the terms and conditions set forth herein and consistent with all terms and conditions set forth in the "County of Orange OC Community Resources Community Development Block Grant Program Agreement" for Program Year 2011/12 ("Contract No. KC11967") previously entered into between City and the County of Orange.

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 planning and housing services to City as described in the Scope of Services/Work attached to this Agreement as Exhibit “A” and incorporated herein by reference (the “services” or “work”), which includes the agreed upon schedule of performance and the schedule of fees. Consultant warrants that all services and work shall be performed in a competent, professional, and satisfactory manner in accordance with all standards prevalent in the 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 services rendered pursuant to this Agreement, Consultant shall be compensated and reimbursed, in accordance with the schedule of fees set forth in Exhibit "A," which total contract amount shall not exceed \$30,000.00.

**3.2 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 the hourly rates as set forth in Exhibit "A" for authorized services performed. 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.

**3.3 Changes.** In the event any change or changes in the Scope of Services/Work 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:

A. To provide for revisions or modifications to documents or other work product or work when documents or other work product or work is required by the enactment or revision of law subsequent to the preparation of any documents, other work product, or work;

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

**3.4 Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to 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 for a period of approximately ten (10) months, commencing on September 1, 2011, and ending on June 30, 2012, 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: **John Oshimo, Principal.** 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 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, or his/her designee, fully informed of the progress of the performance of the services 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 City. 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 City.

**5.4 Independent Contractor.** Neither City nor any of its employees shall have any control over the manner, mode, or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall not be an employee of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role; however, City shall have the right to review Consultant's work product, result, and advice. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City.

**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.

| <u>Name:</u>      | <u>Title:</u> |
|-------------------|---------------|
| John Oshimo       | Principal     |
| Robert Vasquez    | Principal     |
| Robert Copenhaver | Principal     |

## **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.

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 accident for bodily injury or disease.

For any claims related to this Agreement, Consultant's insurance coverage shall be primary insurance as respects 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 issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-:VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of 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 original 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 in writing. At the option of the City,

either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects 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 Insureds; 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, elected officials, officers, employees, agents, and volunteers.

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

## 7. RECORDS AND REPORTS

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

7.2 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 thirty (30) 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 Attorney Fees.** In the event any dispute between the parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing party shall be

entitled, in addition to such other relief as may be granted, to recover from the non-prevailing party all reasonable costs and expenses, including but not limited to reasonable 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, elected 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<br>Attention: City Manager<br>24035 El Toro Road<br>Laguna Hills, CA 92653 |
|----------|-------------------------------------------------------------------------------------------------|

|                |                                                                                         |
|----------------|-----------------------------------------------------------------------------------------|
| To Consultant: | John Oshimo, Principal<br>GRC Associates, Inc.<br>858 Oak Park Road<br>Covina, CA 91724 |
|----------------|-----------------------------------------------------------------------------------------|

**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 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.

///

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”**  
GRC Associates, Inc.

Date: \_\_\_\_\_

By : \_\_\_\_\_  
John Oshimo, Principal

Date: \_\_\_\_\_

By: \_\_\_\_\_

*\* For Consultants/Contractors/Vendors that are a corporation, signature requirements are as follows:*

*1) One signature by the Chairman of the Board, the President, of the Vice President,  
And*

*2) One signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or an Assistant Treasurer.*

*\* For Consultants/Contractors/Vendors that are not a corporation, signature requirements are as follows: the person who has authority to bind the consultant/contractor/vendor must sign on one of the lines above.*

# **EXHIBIT “A”**

## **CONSULTANT’S SCOPE OF SERVICES/WORK**

Including,

Schedule of Fees

And

Schedule of Performance





ECONOMIC DEVELOPMENT

REDEVELOPMENT

REAL ESTATE CONSULTING

AFFORDABLE HOUSING

URBAN PLANNING

July 19, 2011

Mr. Vern Jones  
Community Development Director  
City of Laguna Hills  
24035 El Toro Road  
Laguna Hills, CA 92653

Re: Aliso Meadows Condominium Rehabilitation Program

Dear Mr. Jones:

Pursuant to your request, GRC Associates, Inc. ("GRC") is submitting this proposal to assist the City of Laguna Hills (the "City") in its continuing effort to improve the conditions at the 248-unit Aliso Meadows condominium complex. The Aliso Meadows Condominium Rehabilitation Program ("Program") will address the deficiencies at the subject complex with FY 2011/12 CDBG funds.

#### **Program Implementation**

The City with the help of GRC has previously identified the program(s) to be offered to the HOA. As more information on building and site conditions and needs are identified, GRC will perform the following construction management tasks:

1. Write scopes and requests for bids (RFP) to prime contractors and pest control operators;
2. Provide technical construction assistance to the HOA, which include meetings/work sessions with management company, board members, contractors and staff;
3. Assist in the selection of contractors and prepare contracts for HOA;
4. Monitor adherence to labor standards per the County of Orange requirements including weekly labor compliance interviews;
5. Inspect project (i.e. approve invoices, assist HOA with punch-list, quality control and completeness); and
6. Provide administrative assistance to City staff and general project guidance, as needed.

858 OAK PARK ROAD.

SUITE 280

COVINA, CA 91724

T: (626) 331-6373

F: (626) 331-6375

### **Program Phasing**

Program phasing will be designed to achieve the most cost effective and practical solutions. GRC will assist in phasing and coordination of the rehabilitation efforts. In order to achieve the funding milestones established by the County, it is critical that construction is completed, inspections conducted, invoices are promptly submitted and that any follow-up work is initiated promptly.

### **Schedule of Performance**

The performance of consulting services is based on the availability of funds and the County funding milestones. Performance of consulting services, as with previous grants, will be geared to meet or surpass the milestones. At this time it is not known if follow-up funding will be available. The impact of additional funding on the schedule of performance will be addressed when it occurs and if more construction management and consulting services are required.

### **Program Coordination**

This effort will continue to evolve as the Program is implemented. Meetings with the homeowners, the HOA Board and members, and the management company are required. Letters will be mailed, as needed, to prospective recipients to inform them of the rehabilitation assistance and coordination schedules. GRC will continue close communication with the different stakeholders in the Aliso Meadows condominium complex.

### **Proposed Budget**

The proposed budget for accomplishing the tasks outlined above is difficult to estimate because of the uncertainties of dealing with homeowners, the HOA Board, the management company and the availability of funds. GRC suggests that the City authorize work to be performed on a time and materials basis with a total budget allocation of **\$30,000**. Within this budget, GRC will move forward on the rehabilitation program, prepare RFPs, assist in preparation of contracts and invoices, participate in eight stakeholder meetings, and provide administrative assistance when needed. GRC will seek prior approval of budget adjustments.

### **GRC Staff**

Robert Copenhaver will continue as Project Manager and the primary contact person with the City of Laguna Hills.

### Fee Schedule

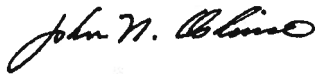
The hourly rates for GRC Associates, Inc. are as follows:

| GRC Staff                | Rate/Hour |
|--------------------------|-----------|
| Principal                | \$115     |
| Construction Manager     | \$105     |
| Administrative Assistant | \$60      |

All out of pocket expenses related to travel, printing and any mailings to the homeowners shall be the responsibility of the City. In the event the County requires a formal public works bid process, we would like the opportunity to discuss a revision to the budget to reflect additional work.

Thank you for the opportunity to submit this proposal and we look forward to continued success on the Aliso Meadows Condominium Rehabilitation Program.

Sincerely,



John N. Oshimo  
President



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: ESTABLISHMENT OF A NO STOPPING ANYTIME ZONE AT VALENCIA  
ELEMENTARY SCHOOL ON THE EAST SIDE OF PASEO DE  
VALENCIA**

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### **SUMMARY:**

The Principal of Valencia Elementary School has contacted staff with a request to create a No Stopping Anytime Zone on the east side of Paseo de Valencia from the northerly exit driveway of the school parking lot to one hundred and sixty feet (160') northerly (towards La Paz Road). Currently, there is a Passenger Loading/Unloading white curb zone (also referred to herein as the "white zone") at the aforementioned location. This Passenger Loading/Unloading Zone was installed in January 2010, at the request of the school, as a replacement for a bus zone. The Principal indicated that vehicles using the Passenger Loading/Unloading Zone have created traffic conflicts and that it is not in the best interest of public safety for that zone to remain. The Traffic Commission, at its meeting of July 20, 2011, approved the request to convert the location to a No Stopping Anytime Zone. It is recommended that the City Council adopt a Resolution converting the existing Passenger Loading/Unloading Zone to a No Stopping Anytime Zone.

### **BACKGROUND:**

In April of this year, Mr. Jeremy Stonebarger, Principal of Valencia Elementary School, contacted staff with a request to remove the Passenger Loading/Unloading Zone on the east side of Paseo de Valencia from the northerly exit driveway of the school parking lot to 160' northerly (towards La Paz Road). He mentioned that the current zone designation was causing the following traffic conflicts:

- Vehicles occupy the red zone between the two school driveways while waiting for a spot to open up in the white zone and consequently students are unloaded in the red zone instead of in the white zone;

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION  
ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA  
HILLS, CALIFORNIA, ESTABLISHING A NO STOPPING ANYTIME ZONE ON THE  
EAST SIDE OF PASEO DE VALENCIA FROM THE NORTHERLY EXIT DRIVEWAY  
OF THE VALENCIA ELEMENTARY SCHOOL PARKING LOT TO 160 FEET  
NORTHERLY THEREOF."**

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- Vehicles occupying the red zone between the two school driveways, and vehicles queuing for the white zone, restrict visibility for vehicles trying to exit out of the northerly exit driveway onto Paseo de Valencia;
- Vehicles block the northerly exit driveway of the school as they attempt to enter into the white zone; and
- Vehicles frequently u-turn in the middle of Paseo de Valencia to get to the white zone.

Staff observed some of these conditions while performing a field review with two parents at Valencia Elementary School on June 15, 2011. Staff recommended addressing the issues with police enforcement in order to reduce some of the Vehicle Code violations as described above and as observed on June 15, 2011. Staff also suggested to Mr. Stonebarger that, because the white zone was installed at the request of the school in January 2010, the removal of the white zone may cause increased traffic-related pressure on the internal circulation of the parking lot. Mr. Stonebarger reported that the school's plan to enhance flow in the parking lot is to add a third internal drop-off lane for the fifteen minutes of drop-off and pick-up needed each day, and therefore he requested the elimination of the subject white zone.

Considering the school's plan to enhance traffic flow within the parking lot by creating a third internal student drop-off lane in the second parking row, staff has no objection to changing the white zone to a No Stopping Anytime Zone, as shown on the attached Vicinity Map.

#### **FISCAL IMPACT:**

Painting the curb red for 160 feet, removing the current signage, and installing new signage will cost approximately \$750. Funds are available for this work in the Fiscal Year 2011-2012 Public Works Maintenance Budget.

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO STOPPING ANYTIME ZONE ON THE EAST SIDE OF PASEO DE VALENCIA FROM THE NORTHERLY EXIT DRIVEWAY OF THE VALENCIA ELEMENTARY SCHOOL PARKING LOT TO 160 FEET NORTHERLY THEREOF."**

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#### **ATTACHMENTS:**

- Resolution
- Vicinity Map

RESOLUTION NO. 2011-08-23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO STOPPING ANYTIME ZONE ON THE EAST SIDE OF PASEO DE VALENCIA FROM THE NORTHERLY EXIT DRIVEWAY OF THE VALENCIA ELEMENTARY SCHOOL PARKING LOT TO 160 FEET NORTHERLY THEREOF

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

WHEREAS, Paseo de Valencia is a four-lane arterial highway partially located between Mackenzie Street and La Paz Road; and

WHEREAS, parking traffic controls exist on the easterly side of Paseo de Valencia within the above described limits coincident with the frontage of Valencia Elementary School, a public school; and

WHEREAS, there is currently a Passenger Loading/Unloading Zone on the easterly side of Paseo de Valencia from the northerly exit driveway of the school parking lot to one hundred and sixty feet (160') northerly, as established by City Council Resolution No. 2010-02-09-1; and

WHEREAS, due to traffic conflicts during student drop-off and pick-up times, the City Council is now considering the conversion of the Passenger Loading/Unloading Zone to a No Stopping Anytime Zone; and

WHEREAS, the creation of a No Stopping Anytime Zone will increase public safety and traffic flow in the vicinity of the school; and

WHEREAS, the Traffic Commission, at its regularly scheduled meeting of July 20, 2011, recommended to the City Council the establishment of a No Stopping Anytime Zone on the east side of Paseo de Valencia from the northerly exit driveway of the school parking lot to one hundred and sixty feet (160') northerly, for the benefit and safety of the public; and

WHEREAS, pursuant to Vehicle Code Section 22507, the City may, by Ordinance or Resolution, prohibit or restrict the stopping, parking, or standing of vehicles within streets or highways, where signs or markings giving adequate notice of such regulations have been placed.

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

SECTION 1. City Council Resolution No. 2010-02-09-1 is hereby rescinded.

SECTION 2. There is hereby established a designated No Stopping Anytime Zone on the east side of Paseo de Valencia from the northerly exit driveway of the school parking lot to one hundred and sixty feet (160') northerly. Said location is also identified as beginning approximately 1,095 feet northerly of the intersection of Paseo de Valencia at Mackenzie Street.

SECTION 3. The City Engineer shall cause existing signage to be removed, and shall implement all necessary signage and markings to give notice of the parking regulations established herein.

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August 2011.

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L. ALLAN SONGSTAD, JR., MAYOR

ATTEST:

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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. 2011-8-23- adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 23<sup>rd</sup> day of August 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

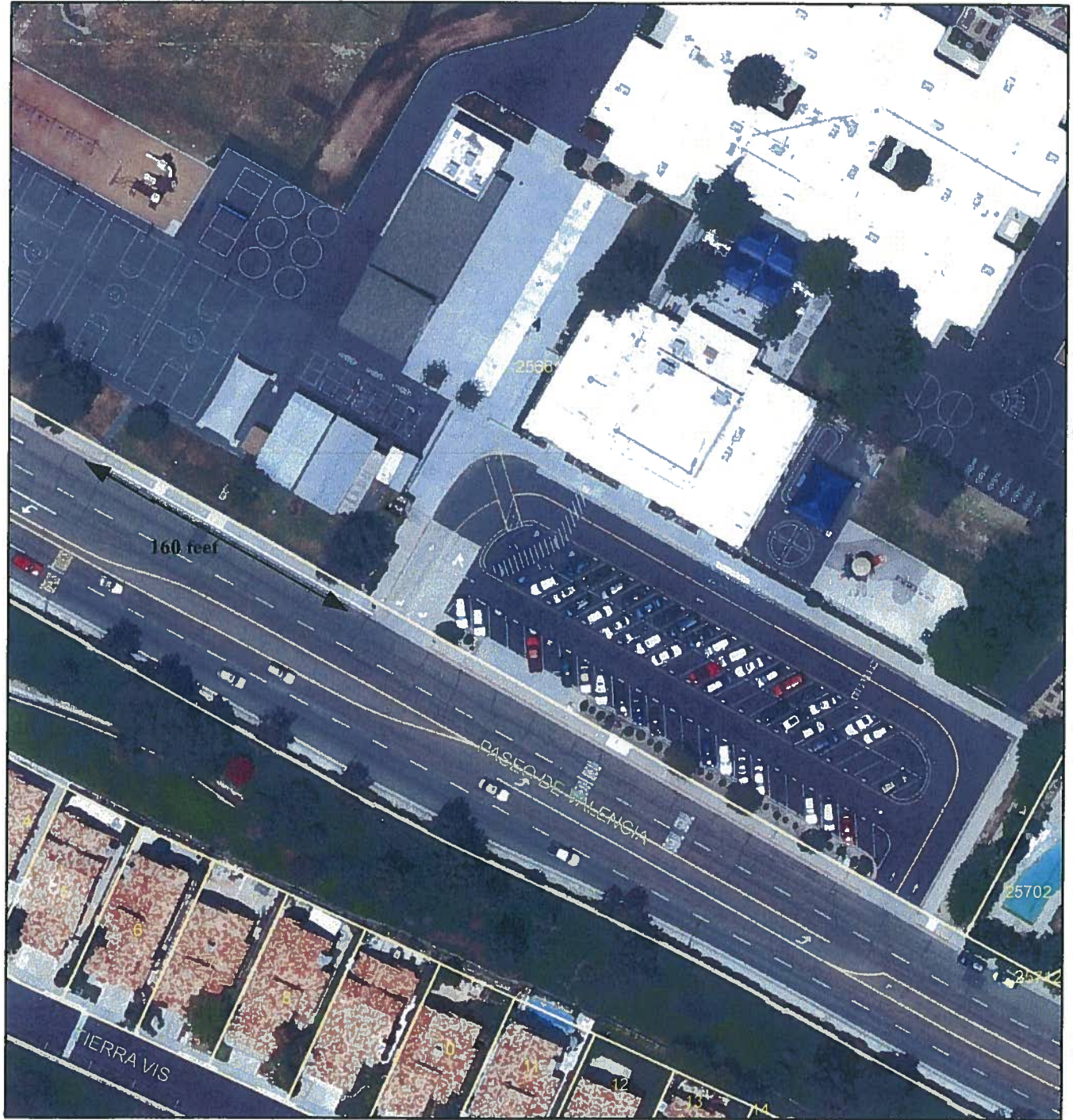
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PEGGY J. JOHNS, CITY CLERK



# City of Laguna Hills

## Vicinity Map



80 0 80 Feet

Date Created: 7/11/2011



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: 15<sup>TH</sup> ANNUAL INNER-COASTAL WATERSHED CLEANUP DAY**

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### **SUMMARY:**

The City of Laguna Hills desires to partner with the County of Orange, other local jurisdictions, non-profit organizations, and corporate sponsors in a statewide cleanup effort of the beaches and inland waterways during the "Annual Inner-Coastal Watershed Cleanup Day," held in conjunction with the Annual Coastal Cleanup Day scheduled for September 17, 2011. This event brings together residents and volunteers to increase water quality awareness and to pick up trash and debris within the watershed. The City of Laguna Hills staff will organize volunteers and direct efforts to cleanup the Aliso Hills Channel (City Wetlands) from Via Lomas to Laguna Court, along with the Edison Trail behind the High School from Alicia Parkway to Indian Hill Lane. It is recommended that the City Council support and declare September 17, 2011, as Inner-Coastal Watershed Cleanup Day and encourage volunteer participation in the event.

### **BACKGROUND:**

Trash and debris in our inner-coastal waterways, including local creeks that empty into the ocean, have been determined to be contributors of litter into the Pacific Ocean. This may cause the ocean waters to be unhealthy for swimming and other water activities; and it can also be harmful to marine life. Annually, a statewide volunteer effort is organized to cleanup the creeks, watersheds, and coastline. One of the objectives of the Cleanup Day is to raise awareness of water quality issues amongst the public. It is also a great opportunity for everyone to volunteer to cleanup the community and preserve its beauty. The 15th Annual Inner-Coastal Watershed Cleanup Day is being held in conjunction with the 27th Annual California Cleanup Day on September 17, 2011.

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**RECOMMENDATION: THAT THE CITY COUNCIL DECLARE SEPTEMBER 17, 2011, AS INNER-COASTAL WATERSHED CLEANUP DAY AND ENCOURAGE VOLUNTEER PARTICIPATION IN THIS EVENT.**

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In 2010, 1,928 volunteers in Orange County collected over 38,160 pounds of trash and recyclables. In Laguna Hills, 33 volunteers collected approximately 330 pounds of trash and 110 pounds of recyclables. The City of Laguna Hills has regularly participated in this statewide effort to diminish litter from entering the ocean and to help clean up the community since 2004.

For the next cleanup event, City staff and volunteers will meet at the Community Center and then clean up a portion of the City wetlands, as well as other areas on September 17, 2011, from 9 a.m to 12 p.m. The City of Laguna Hills' announcement of the cleanup day is attached to this report.

**FISCAL IMPACT:**

A few hours of staff time will be necessary to coordinate the event. Funds for this work are included in the Fiscal Year 2011-2012 Public Works Maintenance Budget.

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**RECOMMENDATION: THAT THE CITY COUNCIL DECLARE SEPTEMBER 17, 2011, AS INNER-COASTAL WATERSHED CLEANUP DAY AND ENCOURAGE VOLUNTEER PARTICIPATION IN THIS EVENT.**

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**ATTACHMENTS:**

- City of Laguna Hills Flyer



# The City of Laguna Hills

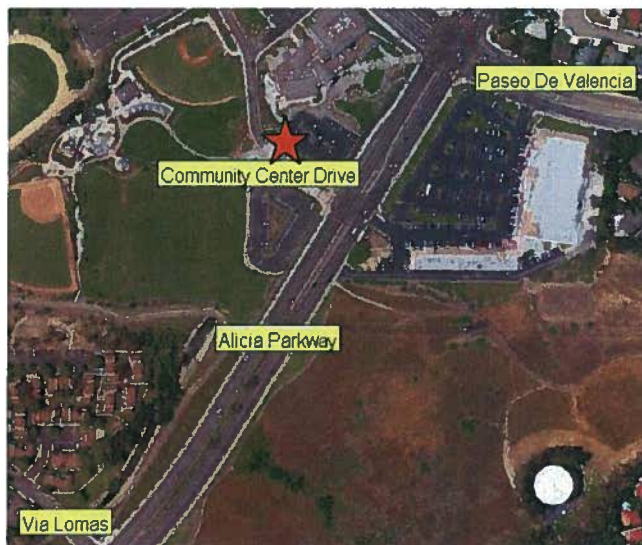
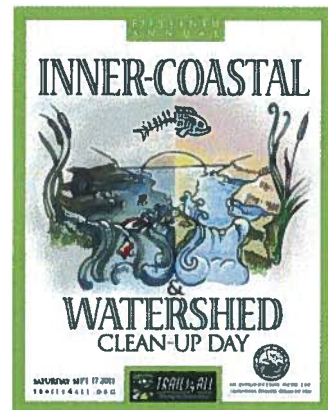
## 15th Annual Inner-Coastal Watershed Cleanup Day

**What:** A day for you and your family to help clean our local creeks, watersheds & trails and preserve the beauty of our community.

**When:** Saturday, September 17, 2011  
9:00 a.m. - 12:00 noon

**Where:** Laguna Hills Community Center (Meeting Location)  
25555 Alicia Parkway, Laguna Hills, CA 92653

**Who:** Volunteers / Community Groups / Residents / Families



**Laguna Hills Community Center**

**Directions:** From Interstate 5, exit Alicia Parkway and turn west. Travel to Community Center Drive and turn right. Turn left into the parking lot.

★ = Meeting location. Look for the booth setup in the parking lot.

For more information please visit [www.ci.laguna-hills.ca.us](http://www.ci.laguna-hills.ca.us) or contact the Public Services Department at (949) 707-2657. Volunteer groups may pre-register by sending an email to [hjaved@ci.laguna-hills.ca.us](mailto:hjaved@ci.laguna-hills.ca.us) or by visiting [www.trails4all.org](http://www.trails4all.org)

Wear appropriate clothes including closed-toe shoes or hiking boots (no sandals or open toed shoes). Bring gardening or work gloves if you have them. **Remember your sunscreen and a hat!**

This event is in conjunction with California Coastal Clean-up Day.

**Come join your neighbors in helping to keep our Community beautiful !**



ORANGE COUNTY STORMWATER  
POLLUTION PREVENTION PROGRAM.  
"THE OCEAN BEGINS AT YOUR FRONT DOOR"



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: ESTABLISHMENT OF NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY**

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### **SUMMARY:**

A recent and routine field review by staff identified that two existing No Parking Anytime Zones on Bridlewood Drive, south of Oso Parkway, should more appropriately be designated as No Stopping Anytime Zones. The No Stopping Anytime Zones are needed because the location on Bridlewood Drive, from Oso Parkway to 100 feet southerly, contains a total of three travel lanes (one through lane in each direction and a northbound left turn lane) that consume the width of the roadway, leaving no room for a vehicle to stop at the side of the roadway without blocking traffic. A Resolution is proposed for City Council adoption to revise the parking controls at this location.

### **BACKGROUND:**

Bridlewood Drive is a two-lane residential collector street at its intersection with Oso Parkway. On the northbound approach to Oso Parkway, the two travel lanes on Bridlewood Drive are shifted towards the curb lines to allow for the northbound left turn lane. No Parking Anytime Zones exist near the intersection on both sides of Bridlewood Drive, south of Oso Parkway. A recent staff review determined that the No Parking Anytime Zones should be lengthened and converted to No Stopping Anytime Zones to properly reflect the parking controls needed for the existing lane widths and to extend the parking controls past the existing equestrian trail intersection with Bridlewood Drive. The location of the proposed No Stopping Anytime Zones is shown on the attached annotated Aerial Map.

The replacement of the No Parking Anytime Zones with No Stopping Anytime Zones on Bridlewood Drive was not sent through the Traffic Commission, because the new traffic control is consistent with the intent of the existing traffic control. The attached Proposed

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY THEREOF."**

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Resolution has been prepared for City Council consideration to eliminate the No Parking Anytime Zones and establish No Stopping Anytime Zones on Bridlewood Drive from Oso Parkway to 100 feet southerly.

**FISCAL IMPACT:**

The conversion of the existing No Parking Anytime Zones on Bridlewood Drive, southerly of Oso Parkway, has an anticipated cost of \$500 and funds are available for this work in the Fiscal Year 2011/2012 Public Works Budget.

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY THEREOF."**

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**ATTACHMENTS:**

- Proposed Resolution
- Aerial Map

RESOLUTION NO. 2011-08-23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING NO STOPPING ANYTIME ZONES ON BOTH SIDES OF BRIDLEWOOD DRIVE FROM OSO PARKWAY TO 100 FEET SOUTHERLY THEREOF

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

WHEREAS, Bridlewood Drive is a two-lane residential collector street located from Oso Parkway to Vista Viejo Drive; and

WHEREAS, No Parking Anytime Zones exist on both sides of Bridlewood Drive, southerly of Oso Parkway, for a distance of approximately 80 feet to accommodate lane configurations at that location; and

WHEREAS, a field review of said No Parking Anytime Zones by City staff revealed that the lane configurations on the northbound Bridlewood Drive approach to Oso Parkway do not allow space for a vehicle to pull to the side of the roadway without interfering with through traffic movements, causing the blockage of traffic; and

WHEREAS, the existing No Parking Anytime Zones do not extend past the existing intersection by the nearby equestrian trail with Bridlewood Drive; and

WHEREAS, pursuant to Vehicle Code Section 22507, the City may, by Ordinance or Resolution, prohibit or restrict the stopping, parking, or standing of vehicles within streets or highways, where signs or markings giving adequate notice of such regulations have been placed.

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

SECTION 1. There is hereby established two No Stopping Anytime Zones, one on each side of Bridlewood Drive, from Oso Parkway to 100 feet southerly thereof, which shall replace the existing No Parking Anytime Zones on Bridlewood Drive, from Oso Parkway to approximately 80 feet southerly thereof.

SECTION 2. The City Engineer shall implement all necessary signage and markings to give notice of the parking regulations established herein.

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August 2011.

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L. ALLAN SONGSTAD, JR., MAYOR

ATTEST:

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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.  
2011-08-23- adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 23<sup>rd</sup> day of August 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

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PEGGY J. JOHNS, CITY CLERK



# City of Laguna Hills

## BRIDLEWOOD DRIVE



50 0 50 Feet

Date Created: 8/12/2011



# **CITY OF LAGUNA HILLS**

## **PLANNING AGENCY AGENDA REPORT COMMUNITY DEVELOPMENT DEPARTMENT**

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**ISSUE: CHANGED PLAN APPLICATION NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT.**

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### **SUMMARY:**

Changed Plan No. 06-11-1985 is a revision to a previously approved minor site development permit that seeks to expand the existing wireless communications facility on the Public Storage building at 25131 Costeau Street. The applicant is Chris Voss ("Applicant") from Coastal Business Group on behalf of AT&T. This facility was originally approved through the minor site development permit process due to all antennas and associated equipment being entirely hidden behind a screening wall. Since its construction, this facility has been entirely hidden from view, and upon completion of the proposed revision, will continue to be entirely hidden from view.

The proposed revision consists of replacing (previously approved) four (4) foot tall antennas with eight (8) foot tall antennas, and increasing the height of the antenna screening wall from six (6) feet to nine (9) feet. Associated equipment will also be installed within an existing storage room on the first floor of the building. Once complete, the proposed project will allow AT&T to offer "4G" service to its current and future customers in the area.

Staff has reviewed the Development Code ("Code") requirements as well as General Plan issues, goals, and strategies, and has evaluated the project for potential significant environmental impacts in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the proposed project, subject to conditions of

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**RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A REVIEW OF CHANGED PLAN NO. 06-11-1985; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CHANGED PLAN NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT."**

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approval, will not result in any significant adverse impacts to the public health, safety and general welfare.

**AUTHORITY:**

In regards to the permitting of wireless communications facilities, Section 9-58.060 of the Code states that “all nonexempt installations shall require the approval of a conditional use permit, with the exception of those that will be entirely hidden by screening or are located entirely within an existing structure, and comply with all height and location requirements of the relevant zoning district. These facilities shall require the approval of a minor site development permit.” This facility was originally approved in 2005 through the minor site development permit process.

Section 9-92.080(G)(1) gives the Community Development Director the authority to review and approve changes to a previously approved plan or permit, provided that such change does not exceed ten (10) percent of the gross square footage of the original project.

Section 9-92.080(G)(2) gives the Community Development Director the authority to “forward any project over which he or she has authority or which he or she shall deem of sufficient interest on a broader land use policy scale to the Agency for their consideration.”

The application review criteria used to determine approval for a cellular antenna site is primarily based on aesthetic quality. Chapter 9-58 of the Code states that “communication facilities shall be designed to minimize the visual impact to the greatest extent feasible, considering technological requirements, by means of placement, screening, and camouflage, to be compatible with existing architectural elements and building elements, and other site characteristics. The smallest and least visible antennas possible shall be used to accomplish the coverage objectives.”

**BACKGROUND:**

This wireless facility was originally permitted in 2005 through approval of Site Development Permit No. 2004-050 for AT&T. This permitted installation of up to twelve (12) antennas on top of the Public Storage building, are completely concealed behind a six (6) foot high screening wall. In order to soften the appearance of the existing Public Storage building and, ultimately, the screening wall, AT&T planted six (6) Canary Island Pine trees along Alicia Parkway. Mechanical screening on rooftops of commercial buildings is typically four (4) to six (6) feet in height. Since the Applicant is now requesting approval for a screening wall nine (9) feet in height, the Community Development Director has deemed the proposal to be of sufficient interest to forward to the Planning Agency for review and approval.

To date, AT&T has installed six (6) antennas at this site and the current application is part of AT&T's long-term goal of upgrading its wireless network to offer “4G” cellular service to its customers in the area.

## **PROJECT DESCRIPTION AND ANALYSIS:**

The proposed project will replace the previously approved four (4) foot tall antennas with eight (8) foot tall antennas arranged in three (3) sectors with four (4) antennas per sector. In order to accommodate the taller antennas, the existing screening wall will be raised three (3) feet to a height of nine (9) feet and painted and textured to match the Public Storage building. Due to the increased height of the antenna enclosure, ensuring that this facility continues to be well-screened and aesthetically compatible with the Public Storage building is important.

Site visits show that this facility is well-screened when looking north on Alicia Parkway due to two large Canary Island Pine trees in the landscaped area. The facility is most visible when looking south along Alicia Parkway. The Canary Island Pine trees planted as part of Site Development Permit No. 2004-050 have not matured fully, but will continue to grow over time. In order to further screen the facility and to soften the industrial look of the Public Storage building, the Applicant has proposed to install one (1) mature Canary Island Pine tree between two existing mature Canary Island Pine trees in the landscaped area along Alicia Parkway near Costeau Street. **Condition of Approval No. 13** has been added to ensure that this new Canary Island Pine tree will be similar in height compared to the existing mature Canary Island Pine trees.

As seen on the provided photo-simulation images (**Attachment No. 3**), the most prominent design feature of the Public Storage building is a beige trim that runs along the roofline and two scoring lines that run directly beneath it. This is consistent with the design principles outlined for the NMU zoning district in Section 9-29.090(D) of the Code, which encourages “trim detail on rooflines, porches, windows, and doors on street-facing elevations.” The existing screening wall does not continue these design features, so the Applicant is proposing to implement them onto the screening wall to improve the overall aesthetics of the facility.

## **CONCLUSION:**

Staff believes that this project, subject to the attached conditions of approval, meets the requirements and objectives of the City’s Development Code. The Development Code places a high priority on site design and compatibility, and the addition of a mature Canary Island Pine tree and architectural details on the screening wall will improve the overall aesthetics of the site while accommodating AT&T’s need for larger antennas and a taller screening wall. Therefore, staff believes that approval of Changed Plan No. 06-11-1985 is warranted.

## **CEQA FINDINGS:**

Staff has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA). Upon completion of this review, it has been determined that this project is categorically exempt from CEQA, pursuant to Guideline Section No. 15301 (Class 1, Existing Facilities).

**RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A REVIEW OF CHANGED PLAN NO. 06-11-1985; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CHANGED PLAN NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT."**

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**ATTACHMENTS:**

1. Resolution of approval.
2. Letter of justification submitted by the Applicant.
3. Photo-simulations.
4. Site plan, antenna/equipment layout, and proposed elevations.

## RESOLUTION NO.

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CHANGED PLAN NO. 06-11-1985, A REQUEST BY AT&T TO EXPAND THE EXISTING WIRELESS COMMUNICATIONS FACILITY LOCATED AT 25131 COSTEAU STREET IN THE (NMU) NEIGHBORHOOD MIXED USE ZONING DISTRICT.

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

WHEREAS, an application (Changed Plan No. 06-11-1985) has been received by Chris Voss of Coastal Business Group representing AT&T ("Applicant") for the expansion of an existing wireless communications facility on the roof of the Public Storage building located at 25131 Costeau Street in the (NMU) Neighborhood Mixed Use Zoning District; and

WHEREAS, Changed Plan No. 06-11-1985 is hereby found to be Categorically Exempt from the requirements of the California Environmental Quality Act based upon a Class 1, existing facilities (CEQA Guidelines Section 15301) exemption; and

WHEREAS, the Planning Agency has considered evidence presented by the Community Development Department, the Applicant, and other interested parties with respect to the subject application presented at the Planning Agency hearing held on August 23, 2011.

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

SECTION 1. The above recitals are true and correct, and are incorporated herein.

SECTION 2. That pursuant to Section 9-92.080(G)(2) of the Laguna Hills Development Code, the required findings by the City for approval of Changed Plan No. 06-11-1985 have been met and made as follows:

1. That the site design complies with standards of the Development Code:

The Communication Facilities chapter of the Development Code requires that wireless communication facilities be designed to minimize visual impact to the greatest extent

feasible. Visual impacts of this facility will be minimized by screening the antennas entirely behind a screening wall, by constructing the screening wall to aesthetically match the Public Storage building, and by the pine trees planted along Alicia Parkway.

2. That the site is suitable for the proposed development:

The wireless communication facility has been operating on the Public Storage building for approximately seven (7) years without incident. This site is ideal due to the height of the Public Storage building and its close proximity to both commercial and residential areas. This has allowed AT&T to provide continuous cellular coverage for its customers in the area.

3. That the proposed use is consistent with the General Plan and applicable design guidelines:

The General Plan is supportive of the collaboration with wireless communication providers to ensure "adequate communication services are available to the community." Approval of this application will help AT&T provide an enhanced wireless service (4G), thereby improving communication service for its customers in the community.

4. That the site design and structural components are appropriate for the site and function of the proposed uses:

Unlike many wireless communication facilities, the antennas at this site are completely hidden from view. With approval of this application, the antennas will continue to be hidden from view despite an increase in antenna height. Therefore, the site design and structural components of this wireless facility will continue to be appropriate for this Public Storage site.

NOW, THEREFORE, based upon the above findings, the Planning Agency of the City of Laguna Hills does hereby approve Changed Plan No. 06-11-1985 subject to the following conditions:

1. This approval constitutes approval of the proposed project only to the extent that it complies with the City Development Code and any other applicable zoning regulations. Approval does not include any action or findings as to compliance or approval of the project regarding any other applicable ordinance, regulation, or requirement.

2. Failure to abide by and faithfully comply with any and all conditions of approval shall constitute grounds for revocation of said Changed Plan by the Laguna Hills Planning Agency.
3. As a condition of issuance of this approval, the Applicant, AT&T, hereby agrees, at its sole cost and expense and to the fullest extent permitted by law, to defend, indemnify, and hold harmless the City, its officers, employees, agents, and consultants, from any claim, action, or proceeding brought by a third party against the City, its officers, employees, agents, and consultants, which seeks to attack, challenge, set aside, void, or annul an approval of the City Council, Planning Agency, or other decision-making body, or staff action concerning this project. The City agrees to promptly notify the Applicant/owner of any such claim filed against the City and to fully cooperate in the defense of any such action. The City may, but is not obligated to, at its sole cost and expense, elect to participate in the defense of any such action under this condition.
4. This Changed Plan may be modified or revoked by the Planning Agency should the Agency determine, after a duly noticed hearing held in compliance with all applicable laws, including without limitation, the Federal Telecommunications Act and FCC rules and regulations, that the proposed use or conditions under which it is being operated or maintained are detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
5. The Applicant shall agree in writing to these conditions of approval within 30 days of the Planning Agency's action.
6. The Applicant shall reimburse the City for any outstanding staff time spent on the processing of Changed Plan No. 06-11-1985 within 60 days of Planning Agency action.
7. This Changed Plan shall expire and be of no further force or effect if the permit is not established within two years from August 23, 2011.
8. Within 48 hours from project approval, the Applicant shall submit to the City a check in the amount of \$50, made out to the Orange County Clerk-Recorder, for filing the Notice of Exemption.
9. The Applicant is required to completely dismantle and remove its antennas and equipment, which are abandoned for a period of six months or more or upon expiration of the lease with the owner of record.
10. The Applicant shall cooperate with other communications companies in co-locating additional antennas on equipment structures or within the lease area, provided said co-applicants

have received the proper City and leasehold approvals. The Applicant shall exercise good faith in co-locating with other communication companies and sharing the permitted site, provided such shared use does not give rise to a substantial technical level or quality-of-service impairment of the permitted use (as opposed to a competitive conflict or financial burden). In the event a dispute arises as to whether permittee has exercised good faith in accommodating other users, the City may require a third party technical study at the expense of either or both the Applicant and complaining user. This condition in no way obligates the City to approve any co-location proposal if it is determined by the City not to be desirable in a specific case.

11. Within ninety (90) days of commencement of operations, the Applicant/owner of the wireless communications facility shall be required to provide a preliminary report and field report prepared by a qualified engineer that shows the operation of the facility is in conformance with all applicable FCC standards and regulations, including, where incorporated by the FCC, the standards established by the American National Standards Institute (ANSI) and Institute of Electrical and Electronics Engineers (IEEE) for safe human exposure to electromagnetic fields (EMF) and radio frequency radiation (RFR). Said report must be mailed or delivered to the Planning Division at 24035 El Toro Road, Laguna Hills, CA 92653.
12. The proposed facility shall comply with all applicable regulations outlined in Chapter 9-58 of the Laguna Hills Development Code regarding communication facilities.
13. One (1) mature Canary Island Pine tree shall be installed as shown on the submitted site plan and photo-simulations. This tree shall be similar in height (approximately 40-50 feet) compared to the existing mature Canary Island Pine trees on-site.
14. Architectural trim and two (2) scoring lines shall be incorporated onto the screening wall as shown on the submitted site plan and photo-simulations.
15. All construction and maintenance activities shall adhere to Chapter 5-24 of the Municipal Code regarding noise control.
16. Graffiti shall be removed from the subject site within 48 hours upon notification by City staff.
17. The Applicant/owner shall secure all applicable building permits, as required by Section 105 of the 2010 California Building Code (see also work exempt from permits).

18. Plans shall be accurately labeled and reflect all work, as required by Section 107 of the 2010 California Building Code regarding construction documents.
19. The Applicant shall secure approvals from the Orange County Fire Authority and Planning departments prior to issuance of a building permit.
20. The Applicant shall submit Construction and Demolition Waste Recycling Program paperwork, if applicable, as required by the City of Laguna Hills Ordinance No. 2003-9 and to comply with mandates by the California Integrated Waste Management Board (CIWMB).
21. The Applicant shall comply with all general construction water quality ordinances as required by the City of Laguna Hills Ordinance No. 2003-12.
22. The Applicant shall secure a separate building permit for the metering device.
23. The Applicant/owner shall comply with all California Energy requirements, as required by the California Energy Commission.
24. All construction shall comply with the 2010 California Building Code and California Electrical Codes in regards to U occupancies.
25. Prior to the issuance of a building permit, the Applicant/owner shall submit to the Orange County Fire Authority (OCFA) for review and approval a plan for any battery system containing an aggregate quantity of electrolyte with hazard classification(s) in excess of the permit issuance threshold amount listed in CFC Appendix Chapter 1, Section 105.

(The remainder of this page intentionally left blank)

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August 2011.

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L. ALLAN SONGSTAD, JR., CHAIR

ATTEST:

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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. PA2011- by the Planning Agency of the City of Laguna Hills, California, at a Regular  
Meeting thereof held on the 23<sup>rd</sup> day of August 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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PEGGY J. JOHNS, CITY CLERK



**City of Laguna Hills**  
**Application for Wireless Telecommunications Facility Modification**  
**Letter of Justification**

RE: AT&T Wireless Facility  
Shurgard Storage  
25131 Costeau Street  
Laguna Hills, CA

**To Whom It May Concern:**

The proposed project is a modification to an existing AT&T wireless telecommunications facility located behind screening on the rooftop of the Public Storage building. The proposed design will utilize the existing equipment room for the addition of indoor equipment rack within the lease area. Furthermore, the design calls for an extension measuring three (3) feet in height to the existing screening located on the rooftop.

Shielded entirely from view behind the screening, the existing twelve 4-foot antennas will be replaced by twelve 8-foot antennas laid out in a 3-sector (4 per sector) configuration. Along with the antennas, additional ancillary equipment will be placed behind the screening.

The modification and equipment listed above is needed to augment coverage in the area as part of the "LTE" expansion of AT&T's wireless network. This expansion is brought about by the demand of the market for faster speeds along with greater data capacity, which will facilitate easier communication for the general public. Furthermore, the modification will provide a means to quickly contact emergency services when the need arises.

In order to properly stealth the antennas while gaining the desired coverage, an extension to the screening height will be needed and RF transparent materials will be utilized for the screening. The height of the existing parapet is 30 feet and will be raised three (3) feet for a proposed height of 33 feet to the top of the screening. The RF screening materials will be painted and textured to match the building's existing architecture and color. The panel antennas will be entirely screened behind the parapet and will be completely shielded from public view.

The proposed modification will have no negative impact on properties or improvements in the surrounding neighborhood and complies with the zoning regulations for location, screening, height and setback. Furthermore, in the previously approved Site Development Permit 2004-050, it was stated that the project is in compliance with the General Plan and the property is "a logical site selection for the communication dish installation."

If you have any questions on the above information, please contact me directly.

Regards,

**COASTAL BUSINESS GROUP**

A handwritten signature in black ink, appearing to read "CVoss", is written over a horizontal line.

**Chris Voss**

P: 949.336.1550

E: [cvoss@coastalbusinessgroup.net](mailto:cvoss@coastalbusinessgroup.net)



The Attachments referenced in  
the Agenda Report:

3. Photo Simulations

4. Site plan, antenna/equipment  
layout, and proposed elevations

are available for review in the  
City Clerk's Department.



# **CITY OF LAGUNA HILLS**

## **PLANNING AGENCY AGENDA REPORT COMMUNITY DEVELOPMENT DEPARTMENT**

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**ISSUE:       CONDITIONAL USE PERMIT APPLICATION NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REPLACE AN EXISTING MONOPINE WITH A MONOEUCALYPTUS FOR CO-LOCATION OF NEW METROPCS ANTENNAS AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT.**

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### **SUMMARY:**

Conditional Use Permit (CUP) No. 06-11-1998 is a request by Alexander Lew of Core Development Services, on behalf of Crown Castle, Inc., and MetroPCS as co-applicants (collectively referred to as the "Applicant"), to replace the existing sixty-four (64) foot tall monopine tree at the Nellie Gail Equestrian Center, 25202 Nellie Gail Road, with an eighty (80) foot tall monoecalyptus tree. Crown Castle, Inc., is the owner of the wireless infrastructure at this site and is the primary applicant in regards to replacement of the monopine with a monoecalyptus. MetroPCS is a national cellular phone service provider and is a secondary applicant for the purpose of co-locating on the proposed monoecalyptus. The proposed project in its entirety includes the following:

1. Provision of wireless infrastructure by Crown Castle, Inc., on the new monoecalyptus for four (4) existing wireless providers, the MetroPCS provider, and one (1) future wireless provider for a total of six (6) providers.
2. Co-location of six (6) MetroPCS panel antennas, and one (1) microwave dish.
3. Expansion of the existing equipment enclosure barn to accommodate five (5) new equipment cabinets, one (1) GPS antenna, and associated utility cabinets.

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**RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A PUBLIC HEARING; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REMOVE THE EXISTING MONOPINE, CONSTRUCT A NEW MONOEUCALYPTUS, CO-LOCATE METROPCS ANTENNAS, AND CONTINUE OPERATION OF AN UNMANNED WIRELESS COMMUNICATIONS FACILITY AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT."**

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While taller than the existing monopine, the new monoeucalyptus will be an improvement for this site due to its close proximity to a number of mature eucalyptus trees, its higher branch density, its use of a compatible color scheme for the branches, trunk and leaves, and its unified construction (compared to the piecemeal construction of the monopine).

Staff has reviewed the Development Code ("Code") requirements as well as General Plan issues, goals, and strategies, and has evaluated the potential for significant environmental impacts in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the proposed project, subject to conditions of approval, will not result in any significant adverse impacts to the public health, safety and general welfare.

#### **AUTHORITY:**

The General Plan designation for the project site is (P) Parks. The zoning designation for the project site is also (OS-1) Parks. The proposed wireless communications facility is permitted under this land use designation, subject to approval of a Conditional Use Permit. The application review criteria used to determine approval for a cellular antenna site is primarily based on aesthetic quality. Section 9-58.040(E) allows antenna height to be regulated through a Conditional Use Permit.

Chapter 9-58 of the Code states that "communication facilities shall be designed to minimize the visual impact to the greatest extent feasible, considering technological requirements, by means of placement, screening, and camouflage, to be compatible with existing architectural elements and building elements, and other site characteristics. The smallest and least visible antennas possible shall be used to accomplish the coverage objectives."

Section 9-58.040(G) of the Code states that "communication facilities shall be co-located where technologically feasible and visually beneficial." This project satisfies this fundamental principle by supporting co-location of a maximum of six (6) wireless providers on a monoeucalyptus that is compatible with the surrounding landscaping. This eliminates the need for multiple wireless facilities in the near vicinity.

#### **BACKGROUND:**

The existing monopine at the Nellie Gail Equestrian Center was constructed in 2000 as a thirty-five (35) foot wireless communications facility for Sprint. The monopine has grown incrementally over time to a height of sixty-four (64) feet to promote co-location of wireless providers. To date, the monopine holds antennas for four (4) wireless providers: T-Mobile, Verizon Wireless, AT&T, and Sprint. The full entitlement history is as follows:

1. CUP 2000-085 permitted Sprint to construct a thirty-five (35) foot telecommunications pole and associated ground equipment disguised as a pine tree.

2. CUP 2002-023 permitted AT&T to co-locate and extend the height of the monopine to forty-two (42) feet to accommodate the carrier's wireless antennas.
3. CUP 2003-047 permitted Cingular Wireless to co-locate and extend the monopine to its current height. The equipment area was also enclosed and designed to have the appearance of a barn as part of this application.
4. Change Plan 2005-085 permitted Cingular Wireless to add antennas to the existing antenna panels and to replace and reconfigure their associated equipment within the enclosure. Cingular Wireless has since merged with AT&T.
5. CUP-08-10-1714 permitted Verizon Wireless to co-locate and expand the equipment barn. No height extension of the monopine was requested or granted.

With these four (4) wireless providers, the monopine has reached its maximum structural capacity. In order to accommodate MetroPCS and continue promoting co-location of wireless providers as encouraged by the Code, replacement of the monopine is needed.

At the October 26, 2010, Planning Agency hearing for CUP-08-10-1714, staff advised the Planning Agency that the monopine was being considered for future expansion and was interested in hearing the Planning Agency's opinion on the possibility of the monopine being extended to eighty (80) feet in height. The Planning Agency expressed reservation at further increasing the height of the monopine due to its poor aesthetics and fit in the surrounding landscaping, but would consider a new facility with a quality design. The monoecalyptus at Alicia Parkway and Moulton Parkway was cited as an example of a design that might be more successful at the monopine site. The Applicant has worked with staff to develop a proposal that incorporates this feedback. When complete, this project will improve the overall aesthetics of the facility and immediate area, promote co-location as encouraged by the Code, and improve MetroPCS service in the area as shown on the submitted propagation maps (**Attachment No. 3**).

## **PROJECT DESCRIPTION AND ANALYSIS:**

Crown Castle, Inc., is proposing to remove the sixty-four (64) foot monopine and replace it with an eighty (80) foot tall monoecalyptus. During this process, the antennas for the current wireless providers will be temporarily removed, and upon project completion will be replaced on the monoecalyptus in the same arrangement. MetroPCS is proposing to install (6) panel antennas and one (1) microwave dish at the top of the completed monoecalyptus with room for a future carrier to co-locate below them. The equipment barn will also be expanded on the second story to accommodate five (5) MetroPCS utility cabinets.

### **Site Design and Compatibility:**

Having observed the monopine grow over time, staff believes that the monoecalyptus design will more effectively camouflage the facility due to its close proximity to several mature eucalyptus trees and its higher branch density. As a comparison, the existing monopine has a branch density of approximately 1.9 branches per foot while the proposed monoecalyptus will have a branch density of 2.5 branches per foot.

Consistent with previous approvals for this site, all antennas and exposed mounting brackets will be sheathed in foliage “socks” to maintain the appearance of a eucalyptus tree. **Condition of Approval No. 14** has been added to address this issue. The monoecalyptus will be most visible when looking south from Oso Parkway. The view of the facility from this vantage point will be softened by the surrounding landscaping, and particularly by a ninety-five (95) foot tall eucalyptus tree located directly north of the facility. It is worth noting that the same vendor (Solar Communications International Inc.) who provided the monoecalyptus at the intersection of Alicia Parkway and Moulton Parkway will be providing this monoecalyptus as well. Staff is generally pleased with the quality of the monoecalyptus at that site.

Finally, the second floor of the equipment enclosure at the base of the monoecalyptus will be expanded to house MetroPCS equipment while continuing the appearance of a barn. Upon project completion, there will be room for one additional equipment barn expansion by a future wireless carrier should they receive approval to co-locate at this facility.

#### **CONCLUSION:**

Staff believes that this project, subject to the attached conditions of approval, meets the requirements and objectives of the City’s Development Code. The Development Code places a high priority on co-locating wireless communications facilities and the proposed project will allow MetroPCS to co-locate while improving the overall aesthetics of the facility. All antennas will be screened using foliage “socks” and all associated equipment will be fully enclosed in the second-story equipment barn addition and screened from view. Therefore, staff believes that approval of Conditional Use Permit No. 06-11-1998 is warranted.

#### **PUBLIC COMMENT:**

A total of fifty-seven (57) public hearing notices were mailed to surrounding property owners within a three-hundred (300) foot radius of the subject site. To date, staff has not received any comments.

#### **CEQA FINDINGS:**

Staff has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA). Upon completion of this review, it has been determined that this project is categorically exempt from CEQA, pursuant to Guideline Section No. 15301 (Class 1, Existing Facilities) and Guideline Section No. 15302 (Class 2, Replacement or Reconstruction).

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**RECOMMENDATION: THAT THE PLANNING AGENCY: (1) CONDUCT A PUBLIC HEARING; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REMOVE THE EXISTING MONOPINE, CONSTRUCT A NEW MONOEUCALYPTUS, CO-LOCATE METROPCS ANTENNAS, AND CONTINUE OPERATION OF AN UNMANNED WIRELESS COMMUNICATIONS FACILITY AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT."**

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**ATTACHMENTS:**

1. Resolution of approval.
2. Project description submitted by the applicant.
3. Propagation maps.
4. Site photos (3).
5. Photo-simulations.
6. Site plans and proposed elevations.



RESOLUTION NO. PA2011-

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 06-11-1998, A REQUEST BY CROWN CASTLE, INC., AND METROPCS TO REMOVE THE EXISTING MONOPINE, CONSTRUCT A NEW MONOEUCALYPTUS, CO-LOCATE METROPCS ANTENNAS, AND CONTINUE OPERATION OF AN UNMANNED WIRELESS COMMUNICATIONS FACILITY AT 25202 NELLIE GAIL ROAD IN THE (OS-1) PARKS ZONING DISTRICT.

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

WHEREAS, an application (Conditional Use Permit No. 06-11-1998) has been received by Alexander Lew of Core Development Services on behalf of Crown Castle, Inc., and MetroPCS as co-applicants (collectively referred to as the "Applicant") for the replacement of an existing monopine for a moneucalyptus, and co-location of MetroPCS antennas at 25202 Nellie Gail Road in the (OS-1) Parks Zoning District.

WHEREAS, Conditional Use Permit No. 06-11-1998 is hereby found to be Categorically Exempt from the requirements of the California Environmental Quality Act based upon Class 1 (CEQA Guidelines Section 15301) and Class 2 (CEQA Guidelines Section 15302) exemptions.

WHEREAS, the Planning Agency has considered evidence presented by the Community Development Department, the Applicant, and other interested parties with respect to the subject application at a public hearing held on August 23, 2011.

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

SECTION 1. The above recitals are true and correct, and are incorporated herein.

SECTION 2. That the required findings by the City for approval of Conditional Use Permit No. 06-11-1998 have been met and made as follows:

1. The proposed use is consistent with the General Plan in that:

The General Plan is supportive of collaboration with wireless communications providers to ensure "adequate communication services are available to the community."

Approval of this Conditional Use Permit will help improve wireless service for the community.

2. The nature, condition, and development of adjacent uses, buildings, and structures have been considered and the proposed conditional use will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures in that:

This wireless communications facility will be disguised as a eucalyptus tree. The proposed six (6) antennas and one (1) microwave dish will be painted to match the existing landscaping and disguised with foliage “socks” in an effort to minimize possible visual impacts. Disguised as a eucalyptus tree, this facility will blend in with the mature eucalyptus trees in the surrounding natural environment. All proposed equipment for this facility will be screened within an equipment enclosure disguised as a barn that is similar to other barn structures at the Nellie Gail Equestrian Center. Therefore, this facility will also be compatible with surrounding built environment. Because this will be an unmanned facility, it will not create traffic or parking problems in the immediate area.

3. The proposed site is adequate in size and shape to accommodate the use and integrate it with the existing and planned uses in the vicinity in that:

The wireless communications facility will be co-located with four (4) other wireless providers. Currently, AT&T, Sprint, T-Mobile and Verizon Wireless have approval to operate wireless communications facilities at this site. This site is ideal for MetroPCS, as it is a co-location with optimal height and will prevent the need for additional wireless infrastructure to be constructed in the immediate area where it may be closer to residences.

4. All required development standards prescribed by the Laguna Hills Development Code can be achieved in that:

The “Communication Facilities” chapter of the Development Code requires that wireless communications facilities be designed to minimize visual impact to the greatest extent feasible. Visual impacts of this facility will be minimized by painting the antennas to match the surrounding eucalyptus trees and by covering all panel antennas with foliage “socks.” In addition, all associated equipment will be

screened by the proposed addition to the existing equipment enclosure disguised as a barn.

5. The conditions and limitations placed upon the use are necessary to insure compatibility with adjacent or abutting uses and the preservation of the public health, safety, and welfare in that:

The conditions imposed through this approval are standard conditions placed on the applicant to ensure proper installation of the facility and compliance with the Development Code.

6. There are no reasonable design or location alternatives to the requested use that would have less adverse affects on the surrounding property or be less detrimental to the public health, safety and welfare in that:

The proposed wireless communications facility will be co-located with four (4) other wireless providers as opposed to constructing a separate facility. Locating the facility in conjunction with those already in operation will minimize effects on the surrounding properties.

7. The facility structures and equipment are located, designed and screened to blend with the existing built surroundings so as to reduce visual impacts to the extent feasible considering the technological requirements of the proposed telecommunication services and the need to be compatible with the character of the community in that:

This facility is designed to blend in with both the natural surroundings and the built surroundings. Disguised as a eucalyptus tree, visual impacts will be reduced due to its close proximity to a number of mature eucalyptus trees. The equipment enclosure at the base of the tree is disguised as a barn that is similar to other equestrian structures at the Nellie Gail Equestrian Center. Both the monoeucalyptus and equipment barn are compatible with the "ranch" character of the Nellie Gail Equestrian Center.

8. The facility is designed to blend with any existing supporting structures and does not substantially alter the character of the structure or local area in that:

As previously mentioned, the monoeucalyptus and equipment barn are designed to be compatible with nearby equestrian facilities. The monoeucalyptus will be compatible with the

surrounding eucalyptus trees and the equipment barn will be compatible with other equestrian structures at the Nellie Gail Equestrian Center. Therefore, approval of this Conditional Use Permit will not substantially alter the character of the structure or the local area.

NOW, THEREFORE, based upon the above findings, the Planning Agency of the City of Laguna Hills does hereby approve Conditional Use Permit No. 06-11-1998 subject to the following conditions:

1. This approval constitutes approval of the proposed project only to the extent that it complies with the City Development Code and any other applicable zoning regulations. Approval does not include any action or findings as to compliance or approval of the project regarding any other applicable ordinance, regulation, or requirement.
2. Failure to abide by and faithfully comply with any and all conditions of approval shall constitute grounds for revocation of said Conditional Use Permit by the Laguna Hills Planning Agency.
3. As a condition of issuance of this approval, the co-applicants Crown Castle, Inc., and MetroPCS (collectively, the "Applicant") hereby agree, at its sole cost and expense and to the fullest extent permitted by law, to defend, indemnify, and hold harmless the City, its officers, employees, agents, and consultants, from any claim, action, or proceeding brought by a third party against the City, its officers, employees, agents, and consultants, which seeks to attack, challenge, set aside, void, or annul an approval of the City Council, Planning Agency, or other decision-making body, or staff action concerning this project. The City agrees to promptly notify the applicant/owner of any such claim filed against the City and to fully cooperate in the defense of any such action. The City may, but is not obligated to, at its sole cost and expense, elect to participate in the defense of any such action under this condition.
4. This Conditional Use Permit may be modified or revoked by the Planning Agency should the Agency determine, after a duly noticed hearing held in compliance with all applicable laws, including without limitation, the Federal Telecommunications Act and FCC rules and regulations, that the proposed use or conditions under which it is being operated or maintained are detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
5. The Applicant shall agree in writing to these conditions of approval within 30 days of the Planning Agency's action.

6. The Applicant shall reimburse the City for any outstanding staff time spent on the processing of Conditional Use Permit No. 06-11-1998 within 60 days of Planning Agency action.
7. The Conditional Use Permit shall expire and be of no further force or effect if the permit is not established within two years from August 23, 2011.
8. Within 48 hours from project approval, the Applicant shall submit to the City a check in the amount of \$50, made out to the Orange County Clerk-Recorder, for filing the Notice of Exemption.
9. The Applicant is required to completely dismantle and remove its antennas and all equipment at this facility which are abandoned for a period of six months or more or upon expiration of the lease with the owner of record.
10. The Applicant shall cooperate with other communications companies in co-locating additional antennas on equipment structures or within the lease area, provided said co-applicants have received the proper City and leasehold approvals. The Applicant shall exercise good faith in co-locating with other communication companies and sharing the permitted site, provided such shared use does not give rise to a substantial technical level or quality-of-service impairment of the permitted use (as opposed to a competitive conflict or financial burden). In the event a dispute arises as to whether permittee has exercised good faith in accommodating other users, the City may require a third party technical study at the expense of either or both the applicant and complaining user. This condition in no way obligates the City to approve any co-location proposal if it is determined by the City not to be desirable in a specific case.
11. Within ninety (90) days of commencement of operations, the Applicant of the wireless communications facility shall be required to provide a preliminary report and field report prepared by a qualified engineer that shows the operation of the facility is in conformance with all applicable FCC standards and regulations, including, where incorporated by the FCC, the standards established by the American National Standards Institute (ANSI) and Institute of Electrical and Electronics Engineers (IEEE) for safe human exposure to electromagnetic fields (EMF) and radio frequency radiation (RFR). Said report must be mailed or delivered to the Planning Division at 24035 El Toro Road, Laguna Hills, CA 92653.
12. The proposed facility shall comply with all applicable regulations outlined in Chapter 9-58 of the Laguna Hills Municipal Code regarding communication facilities.

13. The Applicant shall paint all panel antennas, dish antennas, and accompanying wires/conduits/mounting brackets to match the color of the surrounding eucalyptus trees. The leaves and trunk of the monoeucalyptus shall also be painted to match the surrounding eucalyptus trees. The Applicant shall submit applicable color samples to the Planning Division for review and approval prior to painting the facility. The facility shall be re-painted at least every three (3) years to maintain the camouflaged look of the facility.
14. The Applicant shall screen all panel antennas and exposed mounting brackets using foliage “socks” in a manner that maintains the camouflaged look of the facility.
15. The proposed lease area on the monoeucalyptus designated for future co-location shall be screened with branches, color, socks, or a combination thereof consistent with the camouflaged look of the facility until co-location with a sixth wireless provider necessitates their removal.
16. The Applicant shall be responsible for replacing the pepper tree shown to be removed on the plans with a pepper tree of like size in a location that is satisfactory to the Nellie Gail Ranch Owner’s Association. The Applicant shall also be responsible for damage to any other existing vegetation, landscaping, or ground conditions, at the Applicant’s sole cost and expense, caused by the installation of the monoeucalyptus, as determined by the Community Development Director.
17. The Applicant shall remove graffiti from the subject site within 48 hours upon notification by city staff.
18. The site shall be kept clean and clear of all trash and debris.
19. The Applicant shall secure all applicable building permits, as required by section 105 of the 2010 California Building Code (see also work exempt from permits).
20. Plans shall be accurately labeled and reflect all work, as required by section 106 of the 2010 California Building Code.
21. Prior to issuance of building permits, the Applicant shall secure approvals from OCFA and the Planning Division.
22. The Applicant shall submit Construction and Demolition Waste Recycling Program paperwork if applicable, as required by the City of Laguna Hills Ordinance No. 2003-9 and to comply with mandates of the California Integrated Waste Management Board (CIWMB).
23. The Applicant shall comply with all general construction water quality ordinances as required by the City of Laguna Hills Ordinance No. 2003-12.

24. The Applicant shall secure approvals for a new power meter and address accordingly.
25. The Applicant shall comply with all California Energy requirements, as required by the California Energy Commission.
26. All construction shall comply with the 2010 CBC, CPC, CMC, CEC in regard to U occupancies.
27. Prior to the issuance of a building permit, the Applicant shall submit to the Orange County Fire Authority (OCFA) a plan for review and approval any battery system containing an aggregate quantity of electrolyte with hazard classification(s) in excess of the permit issuance threshold amount listed in CFC Appendix Chapter 1, Section 105.

(Remainder of this page intentionally left blank)

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August 2011.

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L. ALLAN SONGSTAD, JR., CHAIR

ATTEST:

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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. PA2011- by the Planning Agency of the City of Laguna Hills, California, at a Regular  
Meeting thereof held on the 23<sup>rd</sup> day of August 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

PEGGY J. JOHNS, CITY CLERK



Authorized Agent for Crown Castle & MetroPCS

Setting the new standard®

Core Development Services  
2903 Saturn Street, Suite H  
Brea, CA 92821  
Main: 714 729 8404  
Fax: 714 333 4441  
Web: www.core-us.com

**City of Laguna Hills**  
**Application for a Conditional Use Permit**  
*Project Information and Justification*

Crown Castle, Inc. (Crown Castle) and MetroPCS California, LLC (MetroPCS) are jointly requesting the approval of a Conditional Use Permit for the removal of an existing unmanned wireless telecommunications facility (cell site) disguised as a pine tree (monopine) and construction and operation of a new cell site disguised as a eucalyptus tree to accommodate four existing wireless providers, one future wireless provider, and the co-location of MetroPCS, and presents the following project information for your consideration:

**Project Location**

Address: 25202 Nellie Gail Road, Laguna Hills, CA 92653  
APN: 627-071-05  
Zoning: OS-1 Parks

**Project Representative**

Alexander Lew, Zoning Manager  
Core Development Services  
2903 Saturn Street, Suite H  
Brea, CA 92821  
714-401-2241

**Crown Castle Contact**

Kevin Klein, Project Manager  
38 Executive Park, Suite 310  
Irvine, CA 92614  
949-930-4356

**MetroPCS Contact**

Jeffrey Clarke, Site Acquisition Manager  
350 Commerce, Suite 200  
Irvine, CA 92602  
714-730-3242

**Project Description**

Crown Castle proposes to replace the existing monopine at the Nellie Gail Equestrian Center with a new 80'-tall mono-eucalyptus designed to accommodate the existing four carriers, MetroPCS, and an additional carrier in the future without needing to be structurally modified. MetroPCS is proposing to co-locate on this new structure six (6) panel antennas and one (1) microwave dish at RAD centers of 75' and 69'-8" respectively. The T-Mobile, Verizon, AT&T and Sprint antennas from the existing monopine will be relocated to the new



monoeucalyptus at the following RAD centers: 59'-9", 52'-5", 44'-1", and 32'-11" respectively. A potential future carrier could collocate below MetroPCS at a RAD center of 65'-3".

The monoeucalyptus will utilize a branch count of 2.5 branches per foot and branches will start at 20' above grade to deter climbing of the facility. All antennas (MetroPCS and the existing carriers) are proposed to be painted to match the simulated eucalyptus foliage to help blend with the structure. The existing equipment enclosure building used by the existing carriers will be expanded to a second story to accommodate five (5) equipment cabinets, one (1) GPS antenna, and associated utility cabinets for MetroPCS. The expansion will be architecturally treated with metal siding to complement the equestrian character of the property.

The redesigned facility will remain unmanned, and therefore, will not create any additional traffic. Maintenance personnel will visit the site every 4-6 weeks to ensure the site is functioning properly and being maintained. The proposed MetroPCS equipment will not create additional noise as outdoor equipment cabinets are utilized rather than an equipment shelter which requires the installation of air conditioning units to cool the cabinets located inside. The facility will not create any hazardous materials, waste, odor, light, or glare.

#### **Project Objectives and Site Selection**

There are several reasons why a wireless carrier requires the installation of a cell site within a specified area to close a "significant gap in coverage:"

- The radio signal must be of sufficient strength to achieve consistent, sustainable, and reliable service to customers at a *level sufficient for outdoor, in-vehicle, and in-building penetration with good voice quality* (Threshold, -85dBm).
- When nearby other sites become overloaded, and more enhanced voice and data services are used (3G and other high-speed data services) signal contracts and a gap is created. With heavy use it is intensified due to the unique properties of digital radio transmissions.

In this specific case, MetroPCS RF engineers found a coverage gap to exist within the vicinity of Buckskin Drive to the north, Nellie Gail Road to the south, Avondale Drive to the west, and Chaparral Place to the east as depicted in the included RF propagation maps.

The City's wireless code promotes the co-location of wireless facilities. The existing monopine was initially considered for co-location to avoid the need of erecting a new support structure, however after discussion with the facility owner and City staff, it was determined that a total replacement of the monopine would be the best direction for this area to accommodate the co-location of MetroPCS. Fortunately the use of a monoeucalyptus design is both complementary to the existing mature vegetation on-site and is conducive to the accommodation of the existing carriers, MetroPCS, and a potential future carrier.

#### **Findings/Burden of Proof**

1) *That the proposed use is consistent with the General Plan;*

The proposed conditional use is consistent with the City's Community Services and Facilities section of the General Plan which recognizes wireless communications networks as part of the City's infrastructure. The introduction of MetroPCS service will ensure City residents have access to an



affordable wireless communications network that is seamless and reliable, consistent with Goal CSF-10.

*2) That the nature, condition and development of adjacent uses, buildings and structures have been considered and the proposed conditional use will not adversely effect or be materially detrimental to the adjacent uses, buildings, or structures;*

The proposed conditional use will replace the existing monopine and reflects a disguised facility design that mimics a eucalyptus tree, which is best-suited to blend with the existing mature natural eucalyptus trees on-site. The immediate area will benefit from an aesthetically-upgraded facility that better integrates with the current conditions on the property. The facility is also unmanned, and will not generate light, glare, noise, odors, fumes, or hazardous waste and therefore will not have an adverse effect or be materially detrimental to the adjacent uses, buildings, or structures.

*3) That the proposed site is adequate in size and shape to accommodate the use and integrate it with the existing and planned uses in the vicinity;*

The proposed site is large enough to accommodate the siting of the proposed wireless facility while not interfering with the continued operation of the existing equestrian uses. The expansion to the existing equipment enclosure building is done vertically and will not increase the existing footprint, and the new monoecalyptus is proposed in front of the equipment enclosure building. The monoecalyptus design will provide better visual integration with the existing natural landscaping than the existing monopine design.

*4) That all required development standards prescribed by the Laguna Hills Development Code can be achieved; and*

All required setbacks have been met. The maximum height limit has already been exceeded by the existing monopine. An increase in height to 80' for the new monoecalyptus design is being sought to accommodate all existing carriers, MetroPCS, and potentially an additional carrier. This is being done to avoid the need to construct an additional freestanding structure in the immediate vicinity and promote co-location as encouraged by the City's wireless code. The new monoecalyptus will utilize a branch count of 2.5 branches/lineal foot to provide a natural eucalyptus look. The antennas will be painted to match the simulated eucalyptus foliage to best integrate the antennas with the foliage.

*5) That the conditions and limitations placed upon the use are necessary to insure compatibility with adjacent or abutting uses and the preservation of the public peace, safety, and welfare.*

Rather than simply co-locating onto the existing monopine, Crown Castle and MetroPCS is heeding City staff's direction to replace the existing monopine with a monoecalyptus design. This design ensures the compatibility with the existing natural eucalyptus trees on-site and immediately adjacent to the existing monopine. The design of the addition on the existing equipment enclosure is also complimentary to the equestrian uses and equestrian theme of the property. Any other conditions placed upon this application through the Conditional Use Permit process will also ensure that the facility is compatible with adjacent and abutting uses and that the public peace, safety, and welfare are preserved.



## **GENERAL INFORMATION**

### **Site Selection**

Customer demand drives the need for new cell sites. Data relating to incomplete and dropped calls is gathered, drive-tests are conducted, and scientific modeling using sophisticated software is evaluated. Once the area requiring a new site is identified, a target ring on a map is provided to a real estate professional to begin a search for a suitable location.

During an initial reconnaissance, properties for consideration for the installation of a cell site must be located in the general vicinity of the ring, with an appropriate zoning designation, and appear to have enough space to accommodate an antenna structure and the supporting radio equipment. The size of this space will vary depending on the objective of the site. The owners of each prospective location are notified to assess their interest in partnering with MetroPCS.

Four key elements are considered in the selection process:

- **Leasing:** The property must have an owner who is willing to enter into a long-term lease agreement under very specific terms and conditions.
- **Zoning:** It must be suitably zoned in accordance with local land-use codes to allow for a successful permitting process.
- **Construction:** Construction constraints and costs must be reasonable from a business perspective, and the proposed project must be capable of being constructed in accordance with local building codes and safety standards.
- **RF:** It must be strategically located to be able to achieve the RF engineer's objective to close the significant gap with antennas at a height to clear nearby obstructions.

### **The Benefits to the Community**

Approximately 90-percent of American adults subscribe to cell phone service. People of all ages rely increasingly on their cell phones to talk, text, send media, and search the Internet for both personal and business reasons. More and more, they are doing these things in their homes, therefore, becoming reliant on adequate service within residential neighborhoods. In fact, 50-percent of people relocating are not signing up for landline service at their new location and are using their cell phone as their primary communication method.

The installation and operation of the proposed facility will offer improved:

- Communications for local, state, and federal emergency services providers, such as police, fire, paramedics, and other first-responders.
- Personal safety and security for community members in an emergency, or when there is an urgent need to reach family members or friends. Safety is the primary reason parents provide cell phones to their children. Currently 25% of all preteens, ages 9 to 12, and 75% of all teens, aged 13 to 19, have cell phones.
- Capability of local businesses to better serve their customers.
- Opportunity for a city or county to attract businesses to their community for greater economic development.



- **Enhanced 911 Services (E911)** – The FCC mandates that all cell sites have location capability. Effective site geometry within the overall network is needed to achieve accurate location information for mobile users through triangulation with active cell sites. (Over half of all 911 calls are made using mobile phones.)

#### **Safety – RF is Radio**

The FCC regulates RF emissions to ensure public safety. Standards have been set based on peer-reviewed scientific studies and recommendations from a variety of oversight organizations, including the National Council on Radiation Protection and Measurements (NCRP), American National Standards Institute (ANSI), Institute of Electrical and Electronics Engineers (IEEE), Environmental Protection Agency (EPA), Federal Drug Administration (FDA), Occupational Safety and Health Administration (OSHA), and National Institute for Occupational Safety and Health (NIOSH).

Although the purview of the public safety of RF emissions by the FCC was established by the Telecommunications Act of 1996, these standards remain under constant scrutiny. All MetroPCS cell sites operate well below these standards, and the typical urban cell site operates hundreds or even thousands of times below the FCC's limits for safe exposure.

#### **MetroPCS Company Information**

In December of 2005, the Federal Communications Commission (FCC) granted MetroPCS a license for radio wave bandwidths to provide wireless phone service in the greater Los Angeles area. The MetroPCS system operates on a Block C frequency with antennas transmitting on a 1985-1990 MHz bandwidth and receiving on a 1905-1990 MHz bandwidth. As a licensee authorized by the Federal Communications Commission to provide wireless services in this region, MetroPCS must establish a network of wireless communication facilities in the metropolitan Los Angeles area and beyond.

MetroPCS services are commercially available in Atlanta, Detroit, Portland, San Francisco, Philadelphia, Las Vegas, Sacramento, Miami and Tampa. For a pre-assessed, single payment monthly fee, MetroPCS provides non-contract, unlimited anytime local and long distance wireless phone service to its customers. MetroPCS launched this new wireless phone service in the greater Los Angeles area in September 2007 and continues to expand its network throughout Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties to fully develop its Southern California network. The proposed facility described herein will provide high quality, low cost wireless communications services to subscribers living and working in the City of Laguna Hills.

The enclosed application is presented for your consideration. Crown Castle and MetroPCS requests a favorable determination and approval of the Conditional Use Permit to build the proposed facility. Please contact me at (714) 401-2241 for any questions or requests for additional information.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Alexander Lew".

Alexander Lew



**Authorized Agent for Crown Castle and MetroPCS**

# LA5687A

**Site Name:**

**Laguna Hills**

**25202 Nellie Gail Rd., Laguna Hills, CA 92651**



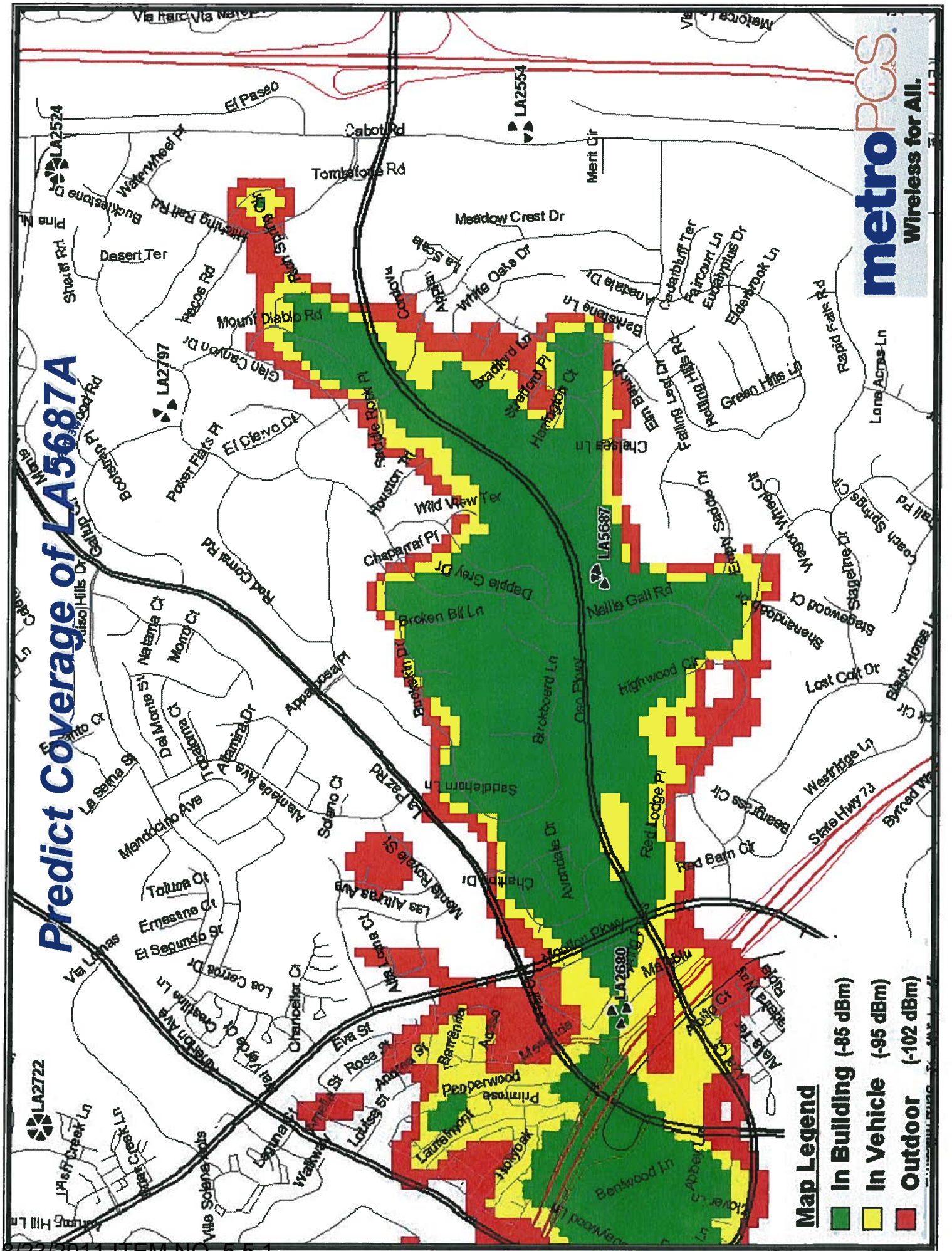
**MetroPCS Inc. – Proprietary**

This Document contains proprietary information of MetroPCS and is not to be disclosed or used except in accordance with applicable agreements.

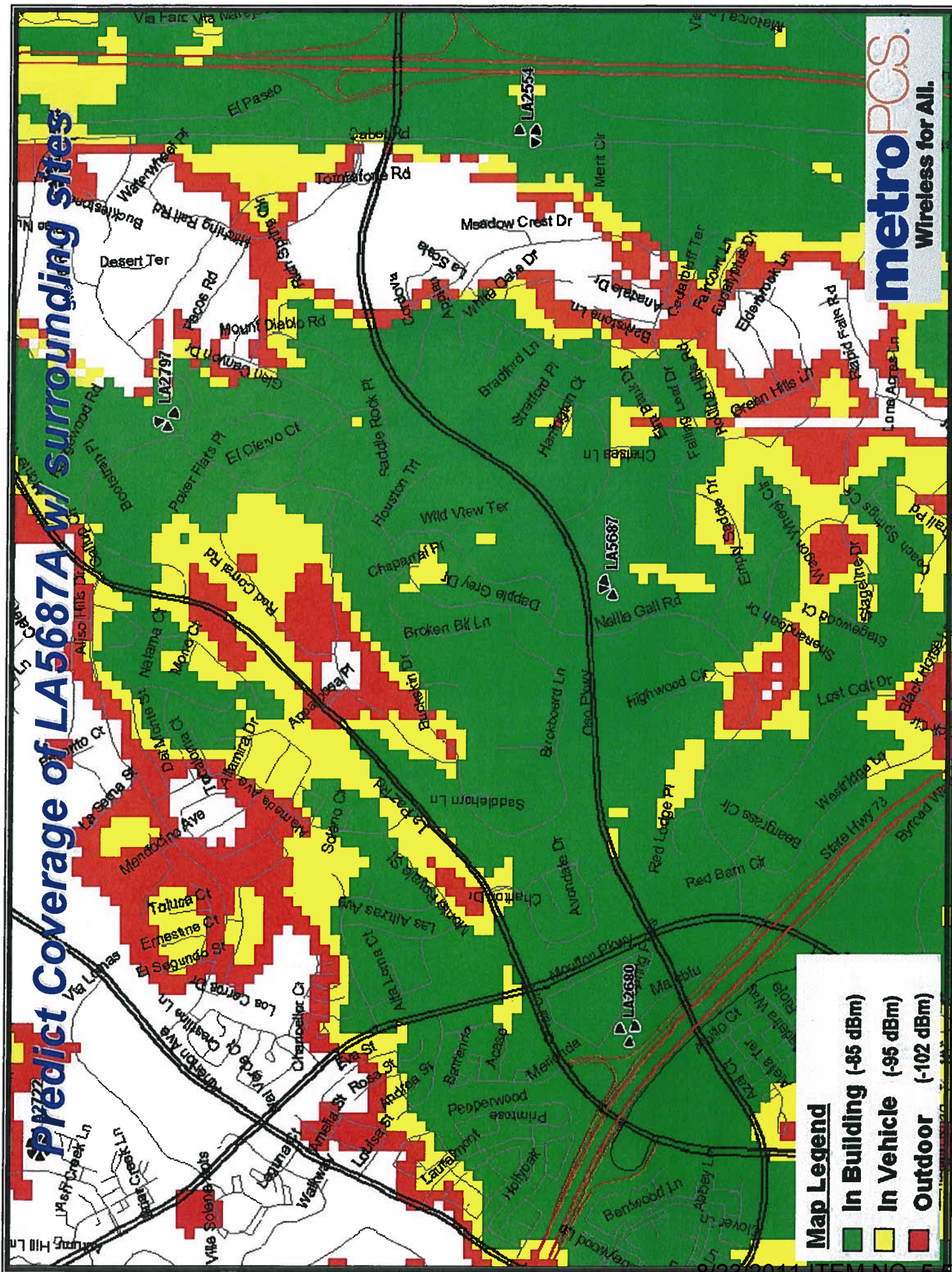
# Predict Coverage of LA5687A

**metroPCS**  
Wireless for All.

- Map Legend**
- In Building (-85 dBm)
  - In Vehicle (-95 dBm)
  - Outdoor (-102 dBm)



# Predict Coverage of LA5687A w/ surrounding sites



**metroPCS**  
Wireless for All.

**Map Legend**

- In Building (-85 dBm)
- In Vehicle (-95 dBm)
- Outdoor (-102 dBm)

# Predict Coverage w/o LA5687A

# Wireless for All.



# Site Photos



# Site Photos Continued



The Attachments referenced in  
the Agenda Report:

- 5. Photo Simulations
- 6. Site plan and proposed elevations

are available for review in the  
City Clerk's Department.



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT POLICE SERVICES DEPARTMENT**

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**ISSUE:        APPROPRIATION OF CITIZENS' OPTION FOR PUBLIC SAFETY FUNDS**

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### **SUMMARY:**

The 2010-2011 California State Budget appropriated money for continued funding of the Citizens' Option for Public Safety Program, which was first signed into law on July 10, 1996. These moneys are used exclusively for front line law enforcement activities. For FY 2011-2012, the City of Laguna Hills hopes to receive approximately \$100,000, as in prior years. Pursuant to the requirements of the program, the City Council must conduct a Public Hearing and comply with a number of procedural requirements in order to receive the money.

### **BACKGROUND:**

The 2010 Budget Act provided General Fund moneys for FY 2011-2012 to eligible local jurisdictions, as defined, for public safety purposes. Of this amount, \$100 million is allocated to the Citizens' Option for Public Safety Program (COPS).

Pursuant to the current law, the State Controller is required to allocate the COPS funds to each county and city that has established a Supplemental Law Enforcement Services Fund (SLESF) in accordance with Section 30061 of the Government Code. This money is for the exclusive use for front line law enforcement. The statewide distribution formula remains the same as in prior years; 5.15 percent to the District Attorney's Office for prosecution, 5.15 percent to the Sheriff's Department for jail construction and operations, and 39.7 percent to the county and cities in accordance with the relative population based on the estimate on January 1, 2010, by the Population Research Unit of the Department of Finance. The City of Laguna Hills will receive approximately \$100,000 for FY 2009-2010.

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**RECOMMENDATION: THAT THE CITY COUNCIL CONDUCT A PUBLIC HEARING AND APPROPRIATE MONIES FROM THE CITIZEN'S OPTION FOR PUBLIC SAFETY FUNDS TOWARDS THE RECOMMENDATIONS OUTLINED IN THIS REPORT.**

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Although the current financial situation in Sacramento has threatened the availability of these funds for FY 2011-2012, staff remains optimistic that the funding will not be entirely deleted from the State budget.

The legislation has specific requirements for the City regarding the use and accounting of these moneys. Specifically, they include:

- Continued use of a City Supplemental Law Enforcement Services Fund (SLESF), including mandated reporting and investment requirements.
- Use of a countywide Supplemental Law Enforcement Oversight Committee (SLEOC) to annually review expenditures.

Staff has met with the City Manager to discuss recommendations for appropriation of the money. Based on those discussions, staff is making the following recommendations:

Apply the money to partially offset the cost of funding one (1) Lieutenant position for FY 2011-2012. Currently, the City of Laguna Hills has a full time Sheriff's Lieutenant who acts as the Chief of Police Services. This full-time position was made possible by utilizing funding from the FY 2004-2005 COPS program for approximately one half of the position, and the City of Laguna Hills proposes to continue such funding this fiscal year.

#### **FISCAL IMPACT:**

The Citizens' Option for Public Safety Program is currently unfunded for this fiscal year. However, staff is moving forward in anticipation of the State Legislature eventually finding the necessary funding in order to allocate the approximately \$100,000 to the City of Laguna Hills. There are no matching fund requirements for this program.

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**RECOMMENDATION: THAT THE CITY COUNCIL CONDUCT A PUBLIC HEARING AND APPROPRIATE MONIES FROM THE CITIZEN'S OPTION FOR PUBLIC SAFETY FUNDS TOWARDS THE RECOMMENDATIONS OUTLINED IN THIS REPORT.**

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# CITY OF LAGUNA HILLS

## AGENDA REPORT ADMINISTRATIVE SERVICES DEPARTMENT

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**ISSUE:        RESPONSE TO GRAND JURY REPORT – COMPENSATION STUDY  
                 OF ORANGE COUNTY CITIES**

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### **SUMMARY:**

On June 9, 2011, the Orange County Grand Jury released a report entitled, "Compensation Study of Orange County Cities." State law requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under control of the agency within ninety (90) days of the report's release date. Staff has prepared a proposed response (Exhibit A) and is recommending that the City Council authorize the Mayor to sign the response and send it the Presiding Judge of the Superior Court. It should be noted that all recommendations pertaining to the City of Laguna Hills have been implemented.

### **BACKGROUND:**

Over the last few years, there has been much discussion of public employee compensation. In an effort to study the issue as well as provide clarification and increased transparency to the public related to municipal employee salaries and benefits, the Grand Jury conducted a survey of 2009 compensation based on an accumulation of data from all 34 Orange County cities. The Grand Jury released its report to the public on June 9, 2011. A copy of the report is attached as Exhibit B.

The reason for the Grand Jury study can be found on page 2 of the report which states: *"It is not the primary purpose of this report to question the compensation of any individual official or employee. Neither is it the purpose to simply list all of the salaries*

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**RECOMMENDATION: THAT THE CITY COUNCIL AUTHORIZE THE MAYOR TO SIGN THE LETTER OF RESPONSE TO THE GRAND JURY'S REPORT ENTITLED: "COMPENSATION STUDY OF ORANGE COUNTY CITIES" AND SEND TO THE PRESIDING JUDGE OF THE SUPERIOR COURT.**

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Agenda Report  
Response to Grand Jury Report  
Page 2

*and benefits of city officials and employees. Rather, this report is focused on determining whether there are any abuses in Orange County relating to elected officials and upper level positions and examining the degree and quality of compensation disclosure.”* The Grand Jury made the following findings regarding these stated reasons:

- F.1: Based on the data submitted, no position was found where the compensation or employment contract was considered to be abusive.
- F.2: There is no discernable correlation between compensation levels in charter vs. general law cities.
- F.3: Compensation of individual high-level positions bears no significant relationship to city population.
- F.4: Public Disclosure of municipal compensation levels is widely inconsistent, ranging from good to non-existent.
- F.7: There is currently no disclosure of written employment contracts on the majority of cities’ websites.

Given the afore stated purpose for the Grand Jury report, one can reasonably argue that the Grand Jury went afiel from the explicit reasons for its report when it presented summary charts that single out the 2009 salary and benefits of the highest and lowest compensated individuals in the identified positions and then labeled it a compensation study. This apparent misdirection led to the following findings:

- F.5: With the exception of Laguna Beach and Newport Beach, the number of high-level positions in each city is generally commensurate with its population.
- F.6: The compensation of the City Manager and Assistant City Manager/Finance Director in the City of Laguna Hills exceeds levels in other comparably sized cities inside and outside of the Orange County.

The City was directed to comment on Findings F.4, F.6 and F.7. The City was not directed to comment on Findings F.1, F.2, F.3 or F.5. California Penal Code Section 933.05(a) prescribes the manner in which such comments are to be made. As to each Grand Jury finding, the responding entity shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include and explanation of the reasons therefore.

The City’s proposed responses are detailed in Exhibit A to this report, which is the proposed official response from the City of Laguna Hills to the Grand Jury Report. However, given that staff believes there are fundamental flaws in the Grand Jury’s Report related to Finding F.6, the complete response to Finding F.6 has been repeated herein:

The City wholly disagrees with this finding based in part on a comparison between the Grand Jury Report and the City's recently commissioned Compensation Study. The City's Compensation Study was conducted by Ralph Andersen & Associates, a reputable and professional consulting firm. The principal with Ralph Andersen & Associates that was assigned to conduct the study was Douglas Johnson, Vice-President. Mr. Johnson has over 24 years of consulting experience and is the firm's expert in job analysis, market comparability, compensation, benefits, and related matters. He has served as an expert witness in arbitration proceedings and mediation sessions on matters of compensation. In his career, Mr. Johnson has been involved with over 800 compensation related studies. The City's response is also based in part on the stated methodology and findings within the Grand Jury Report itself. The following are the more salient problems and fundamental flaws with the Grand Jury Report:

- 1) A valid compensation study begins with a definition of the labor market within which the City must compete. This includes identifying the group of agencies that the City competes with in terms of recruiting and retaining personnel. There are five important criteria utilized in identifying those agencies that comprise a city's labor market: historical practices, geographic proximity, employer size, nature of services provided and economic similarity. Unfortunately, the implication in the Grand Jury Report, and this particular finding, is that only population matters; even though the labor market in their report was all 34 cities in Orange County. By contrast, the City's professional compensation consultant pointed out in his report that establishing a universe of comparable employers involves a careful balancing of all five factors. Furthermore, an ideal market will include both larger and smaller employers, agencies located in higher and lower cost of living areas, and both local and regional employers. Therefore, whether or not the compensation levels in Laguna Hills exceed that of similar sized cities is irrelevant. Even the Grand Jury's Finding F.3 where they found that compensation of individual high-level positions bears no significant relationship to city population, belies the implication in this particular Finding F.6 that only population matters. With respect to cities outside of Orange County, it is not an accepted practice by professional compensation consultants to cherry pick other cities outside of an established labor market.
- 2) A valid compensation study includes an analysis of individual job descriptions to ensure that each position is being properly compared to comparable positions in the selected labor market. In its request for information from Orange County cities, the Grand Jury did not ask for any job descriptions. As a result, the Grand Jury incorrectly compared the

Laguna Hills Assistant City Manager with Finance Directors in the County. While it is true that the Laguna Hills Assistant City Manager also serves as the City's designated Finance Director, he only spends about 15% -20% of his time on financial matters. If the Grand Jury had reviewed job descriptions, they would have found the City's Finance Manager most closely matches the typical duties of a Finance Director. Surprisingly, the Grand Jury had the requested data for the City's Finance Manager, but still failed to make the proper comparison, most likely because they didn't review any job descriptions. Therefore, all comments and findings made by the Grand Jury with respect to the Laguna Hills Assistant City Manager are invalid and without merit.

- 3) A valid compensation study makes salary comparisons at a specified control point. For a compensation study of all cities in Orange County, this should have been the top step in each salary range. The Grand Jury instead used actual base salary. As a result, differences in years of service and experience in a particular position were completely ignored by the Grand Jury. A reasonable person would expect that a City Manager that has 20 years of service in that position with one city would likely make more money than a new City Manager with only one to three years of service.
- 4) A valid compensation study recognizes and makes adjustments for the demonstrable differences between an age-banded and a composite health insurance rate environment. In an "age-banded" approach to charging health insurance premiums, the costs are lower for younger employees and higher for older employees. For example, under United Health Care's age-banded rates for 2011-12 for an HMO plan, the monthly premium for an employee and spouse is \$588.10 if the employee is 29 years of age or younger. For an employee that is 55-59 years of age, that same plan cost \$1,274.83 per month. If they were 65 and older, it would cost \$1,970.38 per month. In a "composite" rate environment, the health insurance premiums charged for each employee are the same amount regardless of age. In 2009, the City of Laguna Hills' health insurance premiums were structured according to the age-banded approach; therefore, the cost to provide health insurance to older employees and City Council members was significantly higher when compared to their counterparts in other cities whose premiums were based on a composite rate; even though the actual coverage was virtually identical. For the City of Laguna Hills, the more important issue was the bottom line or total cost for insuring all of its employees. The focus was not on the individual, but rather on the group. The Grand Jury did not recognize this distinction and make adjustments that would be common in a professional compensation study. In Orange County, the vast majority of cities are in the PERS health program, which

is a composite rate environment. As a result, the 2009 cost of benefits for the Laguna Hills City Manager, City Council and other employees is significantly skewed and effectively misrepresented by the Grand Jury Report.

- 5) A valid compensation study will look at total leave afforded employees annually (vacation, administrative, holiday, sick) and compare either the total number of days, or the cash value of the total days of leave based on salary. The Grand Jury Report's focus on vacation leave only included the cashed out value of vacation leave in compensation comparisons for a single year, 2009. This practice ignores the fact that in addition to cashing out accrued but unused vacation leave, employees may also take the time off which can negatively affect productivity, or may even require an employer to pay someone else to perform the individual's duties in their absence. In other cases, employees are allowed to let their leave hours accumulate without limitation over a period of years to be used or cashed out at a future date. The City of Laguna Hills places a limit on the amount of vacation leave that can be accumulated as a means of limiting future liabilities. The decision to include vacation buy-outs in compensation comparisons led to skewed data in the Grand Jury Report and overstated compensation levels for employees who happen to have cashed out vacation leave in 2009. In the City's professional Compensation Study, among the 17 selected comparator agencies, the total average annual leave time for City Managers is 53 days. The Laguna Hills City Manager has a total leave package of 54 days, which is in keeping with the market.
- 6) A valid compensation study will take into account the different retirement formulas in place among the surveyed cities. This is probably the most egregious flaw in the Grand Jury Report, which admits on page 2 of the report that, "This study does not include any analysis of benefits paid after retirement or pension plans." It is simply an unsound practice to compare compensation among cities that have varying levels of defined benefit pension plans without factoring in the present value difference between the various plans. In 2009, of the 34 cities in Orange County, 8 had a 2.7% at 55 formula, 10 had a 2.5% at 55 formula, 15 had a 2% at 55 formula and only one had a 2% at 60 formula. That one city was the City of Laguna Hills, which retained the reasonable and sustainable 2% at 60 formula when all others were enriching their defined benefit plans. In order to remain competitive, the City has offered a supplemental defined contribution plan. This is the very same approach that the State's Little Hoover Commission has recommended in its February 2011 report on public pension reform measures. The City also had a policy in place to pay employees 5% above the County average of comparable positions. The City's professional Compensation Study found that the City on

average was paying 1.5% above the City's comparator agency average in base salary. When the retirement impact from the differential retirement formulas was discounted to current dollars, the City was (-11.8%) below its comparator agencies. For the City Manager, the professional Compensation Study found that the Laguna Hills City Manager was 5.1% above the comparator agencies in base pay, but fell to (-1.7%) below the average when the retirement benefits were discounted to current dollars. The Grand Jury's methodology, which they acknowledge did not include the present value benefit of enriched contribution plans, nor did it include any Post-Employment Benefit Costs, has significantly skewed the data in its report to the detriment of all positions from Laguna Hills. It should not be lost on anyone that many cities are in the process of adopting second tiers for new employees that will offer them the same 2% at 60 formula provided by Laguna Hills to all of its full-time employees.

A good example of how one of the fundamental flaws played out in the Grand Jury Report is related to total compensation for City Council Members. In the Grand Jury Report, Laguna Hills City Council Members are listed as having the third highest annual compensation package among all 34 cities at \$38,712. Had the Grand Jury recognized and made the requisite adjustments for differences between age-banded and composite health insurance rates (see No. 4 above), the results would have been markedly different. Instead of compensation totaling \$38,712, it would have totaled \$23,853. This would have positioned Laguna Hills City Council Members in 14<sup>th</sup> place among the 34 cities, just slightly above the cities of Brea and Aliso Viejo.

In addition to Findings, the Grand Jury Report also makes Recommendations. The City was directed to comment on Recommendations R.1, R.2 and R.4. California Penal Code Section 933.05 (b) prescribes the manner in which such comments are to be made. As to each Grand Jury Recommendation, the responding entity shall report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame not to exceed six months from the date of the publication of the Grand Jury Report.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

The Grand Jury made three recommendations relevant to Laguna Hills. These recommendations and the City's proposed responses can be found in Exhibit A. Since the City's proposed response to Recommendations R.1, R.2 and R.4 are that the

recommendation has been implemented, either before or after the release of the Grand Jury Report, no additional action is required on the part of the City.

**FISCAL IMPACT:**

Given that the City has already implemented all three Grand Jury recommendations relevant to Laguna Hills, including the commissioning of a professional compensation study, there are no additional expenses required to comply with the Grand Jury's recommendations.

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**RECOMMENDATION: THAT THE CITY COUNCIL AUTHORIZE THE MAYOR TO SIGN THE LETTER OF RESPONSE TO THE GRAND JURY'S REPORT ENTITLED: "COMPENSATION STUDY OF ORANGE COUNTY CITIES" AND SEND TO THE PRESIDING JUDGE OF THE SUPERIOR COURT.**

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**ATTACHMENTS:**

- Exhibit A - Proposed Response to the Grand Jury Report Entitled, "Compensation Study of Orange County Cities" from the City of Laguna Hills
- Exhibit B - Orange County Grand Jury Report – Compensation Study of Orange County Cities



# **EXHIBIT A**

## **Proposed Response**

**To the Grand Jury Report Entitled:**

**“Compensation Study of Orange County Cities”**

**From the City of Laguna Hills**



## **PROPOSED RESPONSE**

August 23, 2011

The Honorable Thomas J. Borris  
Presiding Judge of the Superior Court  
County of Orange  
700 Civic Center Drive West  
Santa Ana, CA 92701

**Re: CPC Section 933(c) Response to Grand Jury Report Entitled, "Compensation Study of Orange County Cities" from the City of Laguna Hills**

Dear Judge Borris:

As requested by the Orange County Grand Jury letter dated June 9, 2011, the City of Laguna Hills is responding to the findings and recommendations of the Grand Jury Report entitled, "Compensation Study of Orange County Cities." Specifically, the City of Laguna Hills is responding as directed to Findings F4, F6 and F7, and to Recommendations R1, R2 and R4.

### **Grand Jury Findings**

**F.4: Public disclosure of municipal compensation levels is widely inconsistent, ranging from good to non-existent.**

#### **Response:**

The City agrees with the finding. There is no standardized format among public agencies for the reporting of compensation. Moreover, there is widespread opinion about what constitutes total compensation. The City of Laguna Hills provides appropriate disclosure of its employees' compensation on its website through a complete Public Officials

Compensation Report of all elected officials and management employees. This report is required by Municipal Code Section 244-010 and must be updated annually by February 28 pursuant to Municipal Code Section 244-020.

**F.6: The compensation of the City Manager and Assistant City Manager/Finance Director in the City of Laguna Hills exceeds levels in other comparably sized cities both inside and outside of Orange County.**

**Response:**

The City wholly disagrees with this finding based in part on a comparison between the Grand Jury Report and the City's recently commissioned Compensation Study. The City's Compensation Study was conducted by Ralph Andersen & Associates, a reputable and professional consulting firm. The principal with Ralph Andersen & Associates that was assigned to conduct the study was Douglas Johnson, Vice-President. Mr. Johnson has over 24 years of consulting experience and is the firm's expert in job analysis, market comparability, compensation, benefits, and related matters. He has served as an expert witness in arbitration proceedings and mediation sessions on matters of compensation. In his career, Mr. Johnson has been involved with over 800 compensation related studies. The City's response is also based in part on the stated methodology and findings within the Grand Jury Report itself. The following are the more salient problems and fundamental flaws with the Grand Jury Report:

- 1) A valid compensation study begins with a definition of the labor market within which the City must compete. This includes identifying the group of agencies that the City competes with in terms of recruiting and retaining personnel. There are five important criteria utilized in identifying those agencies that comprise a city's labor market: historical practices, geographic proximity, employer size, nature of services provided and economic similarity. Unfortunately, the implication in the Grand Jury Report, and this particular finding, is that only population matters; even though the labor market in their report was all 34 cities in Orange County. By contrast, the City's professional compensation consultant pointed out in his report that establishing a universe of comparable employers involves a careful balancing of all five factors. Furthermore, an ideal market will include both larger and smaller employers, agencies located in higher and lower cost of living areas, and both local and regional employers. Therefore, whether or not the compensation levels in Laguna Hills exceed that of similar sized cities is irrelevant. Even the Grand Jury's Finding F.3 where they found that compensation of individual high-level positions bears no significant relationship to city population, belies the implication in this particular Finding F.6 that only population matters. With respect to cities outside of Orange County, it is not an accepted practice by

professional compensation consultants to cherry pick other cities outside of an established labor market.

- 2) A valid compensation study includes an analysis of individual job descriptions to ensure that each position is being properly compared to comparable positions in the selected labor market. In its request for information from Orange County cities, the Grand Jury did not ask for any job descriptions. As a result, the Grand Jury incorrectly compared the Laguna Hills Assistant City Manager with Finance Directors in the County. While it is true that the Laguna Hills Assistant City Manager also serves as the City's designated Finance Director, he only spends about 15% -20% of his time on financial matters. If the Grand Jury had reviewed job descriptions, they would have found the City's Finance Manager most closely matches the typical duties of a Finance Director. Surprisingly, the Grand Jury had the requested data for the City's Finance Manager, but still failed to make the proper comparison, most likely because they didn't review any job descriptions. Therefore, all comments and findings made by the Grand Jury with respect to the Laguna Hills Assistant City Manager are invalid and without merit.
- 3) A valid compensation study makes salary comparisons at a specified control point. For a compensation study of all cities in Orange County, this should have been the top step in each salary range. The Grand Jury instead used actual base salary. As a result, differences in years of service and experience in a particular position were completely ignored by the Grand Jury. A reasonable person would expect that a City Manager that has 20 years of service in that position with one city would likely make more money than a new City Manager with only one to three years of service.
- 4) A valid compensation study recognizes and makes adjustments for the demonstrable differences between an age-banded and a composite health insurance rate environment. In an "age-banded" approach to charging health insurance premiums, the costs are lower for younger employees and higher for older employees. For example, under United Health Care's age-banded rates for 2011-12 for an HMO plan, the monthly premium for an employee and spouse is \$588.10 if the employee is 29 years of age or younger. For an employee that is 55-59 years of age, that same plan cost \$1,274.83 per month. If they were 65 and older, it would cost \$1,970.38 per month. In a "composite" rate environment, the health insurance premiums charged for each employee are the same amount regardless of age. In 2009, the City of Laguna Hills' health insurance premiums were structured according to the age-banded approach; therefore, the cost to provide health insurance to older employees and City Council members was significantly higher when compared to their counterparts in other cities whose premiums were based on a composite rate; even though

the actual coverage was virtually identical. For the City of Laguna Hills, the more important issue was the bottom line or total cost for insuring all of its employees. The focus was not on the individual, but rather on the group. The Grand Jury did not recognize this distinction and make adjustments that would be common in a professional compensation study. In Orange County, the vast majority of cities are in the PERS health program, which is a composite rate environment. As a result, the 2009 cost of benefits for the Laguna Hills City Manager, City Council and other employees is significantly skewed and effectively misrepresented by the Grand Jury Report.

- 5) A valid compensation study will look at total leave afforded employees annually (vacation, administrative, holiday, sick) and compare either the total number of days, or the cash value of the total days of leave based on salary. The Grand Jury Report's focus on vacation leave only included the cashed out value of vacation leave in compensation comparisons for a single year, 2009. This practice ignores the fact that in addition to cashing out accrued but unused vacation leave, employees may also take the time off which can negatively affect productivity, or may even require an employer to pay someone else to perform the individual's duties in their absence. In other cases, employees are allowed to let their leave hours accumulate without limitation over a period of years to be used or cashed out at a future date. The City of Laguna Hills places a limit on the amount of vacation leave that can be accumulated as a means of limiting future liabilities. The decision to include vacation buy-outs in compensation comparisons led to skewed data in the Grand Jury Report and overstated compensation levels for employees who happen to have cashed out vacation leave in 2009. In the City's professional Compensation Study, among the 17 selected comparator agencies, the total average annual leave time for City Managers is 53 days. The Laguna Hills City Manager has a total leave package of 54 days, which is in keeping with the market.
- 6) A valid compensation study will take into account the different retirement formulas in place among the surveyed cities. This is probably the most egregious flaw in the Grand Jury Report, which admits on page 2 of the report that, "This study does not include any analysis of benefits paid after retirement or pension plans." It is simply an unsound practice to compare compensation among cities that have varying levels of defined benefit pension plans without factoring in the present value difference between the various plans. In 2009, of the 34 cities in Orange County, 8 had a 2.7% at 55 formula, 10 had a 2.5% at 55 formula, 15 had a 2% at 55 formula and only one had a 2% at 60 formula. That one city was the City of Laguna Hills, which retained the reasonable and sustainable 2% at 60 formula when all others were enriching their defined benefit plans. In order to remain competitive, the City has offered a supplemental defined contribution

plan. This is the very same approach that the State's Little Hoover Commission has recommended in its February 2011 report on public pension reform measures. The City also had a policy in place to pay employees 5% above the County average of comparable positions. The City's professional Compensation Study found that the City on average was paying 1.5% above the City's comparator agency average in base salary. When the retirement impact from the differential retirement formulas was discounted to current dollars, the City was (-11.8%) below its comparator agencies. For the City Manager, the professional Compensation Study found that the Laguna Hills City Manager was 5.1% above the comparator agencies in base pay, but fell to (-1.7%) below the average when the retirement benefits were discounted to current dollars. The Grand Jury's methodology, which they acknowledge did not include the present value benefit of enriched contribution plans, nor did it include any Post-Employment Benefit Costs, has significantly skewed the data in its report to the detriment of all positions from Laguna Hills. It should not be lost on anyone that many cities are in the process of adopting second tiers for new employees that will offer them the same 2% at 60 formula provided by Laguna Hills to all of its full-time employees.

**F.7: There is currently no disclosure of written employment contracts on the majority of cities' websites.**

**Response:**

Since the City has not conducted an analysis of each city's website in Orange County, we are unable to agree or disagree, either wholly or in part, with this finding. With respect to the City of Laguna Hills, the City wholly disagrees with this finding. The City's prevailing Salary and Benefits Resolution is listed on the City's website and clearly states that the City has employment agreements with the City Manager and the Assistant City Manager. The City Manager's agreement has been available on the City's website and the Assistant City Manager's agreement was recently added.

**Grand Jury Recommendations**

**R.1: Transparency – All cities in Orange County report their compensation information to the public on the Internet in an easily accessible manner. The Compensation Disclosure Model (Appendix 4) provides a sample as to the items that should be included in determining total compensation.**

**Response:**

The recommendation has been implemented. The City already provides on its website a complete Public Officials Compensation Report of all elected officials and management employees. This report is required by Municipal Code Section 244-010 and must be updated annually by February 28 pursuant to Municipal Code Section 244-020. The report is easily accessed through a permanent featured link on the City's home page. The City will not follow the sample provided by the Grand Jury since the City's current report is more detailed and comprehensive when compared to the Grand Jury Report sample.

**R.2: Employment Contracts – Each city reveal any individual employment contracts in an easily accessible manner.**

**Response:**

This recommendation has been implemented. Prior to the release of the Grand Jury Report, the City Manager's contract was easily accessible on the City's web site. The Assistant City Manager's employment agreement has been added.

**R.4: Compensation Levels – The City of Laguna Hills conduct a compensation review of top officials.**

**Response:**

This recommendation has been implemented. By action of the City Council, a comprehensive and professional compensation study was commissioned on February 22, 2011 of all full-time employees well prior to the release of the Grand Jury Report. The comprehensive compensation study by Ralph Andersen & Associates was completed and presented to the City Council at their July 8, 2011 City Council meeting.

Sincerely,

L. Allan Songstad, Jr.  
Mayor

## **EXHIBIT B**

### **Orange County Grand Jury Report: Compensation Study of Orange County Cities**



# Compensation Study of Orange County Cities



# **Compensation Study of Orange County Cities**

## **SUMMARY**

The 2010 – 2011 Orange County Grand Jury has examined several aspects of compensation in Orange County cities. The scope of this report covers the following items:

- Individuals Covered -
  - All elected officials.
  - All employees who are being paid at a base salary rate in excess of \$100,000 per year.
- Salary and Total Compensation – Overall levels of salary and benefit costs are reported along with multiple levels of comparisons among cities.
- Organization – Upper level positions are reviewed and compared.
- Contracts – Provisions of employment contracts and the extent of their use are examined.
- Transparency – Disclosure of compensation information to the public is examined, evaluated and compared.

Based on this comprehensive review of information submitted by the cities, the Grand Jury has concluded that there are no individual instances of abusive compensation in Orange County cities.

There is, however, a disturbing level of inconsistency in the degree of transparency pertaining to compensation information which is currently provided to the public. For this reason, the Grand Jury has developed a suggested model for use in reporting municipal compensation information to the public and recommends that such information be made readily accessible on the Internet websites of all Orange County cities as soon as practicable.

## **REASON FOR STUDY**

While compensation of public officials and employees has long been a subject of citizen concern, recent allegations of gross abuses have created a firestorm of media, governmental and even prosecutorial attention. Recent revelations from cities outside of Orange County have led to charges that city officials were paying themselves lavish salaries and benefits at taxpayer expense.

In Orange County, these allegations have spawned a number of articles in the media concerning compensation of individual municipal officials and employees. In addition to answering the question, "Are there any similar cases in Orange County?" this report will present Orange County citizens with an objective and thorough report, analyses, and findings covering multiple facets of compensation and recommendations for accessible and consistent transparency for all Orange County cities.

It is not the primary purpose of this report to question the compensation of any individual official or employee. Neither is it the purpose to simply list all of the salaries and benefits of city officials and employees. Rather, this report is focused on determining whether there are any abuses in Orange County relating to elected officials and upper level positions and examining the degree and quality of compensation disclosure.

## **METHODOLOGY**

In order to accumulate the raw data which provides the basis for this report, the Grand Jury developed a spreadsheet questionnaire (Appendix 1), covering total compensation elements for individuals covered by the study. The questionnaire was sent to all cities in Orange County, and included further requests for copies of employment contracts and organization charts for the city. Interviews also were conducted to confirm certain facts and findings contained in this report.

Employees with base salaries below \$100,000 were excluded from this study because:

- The primary focus of this study is compensation abuse. If the upper level and management positions are found to be within normal parameters, it is expected that there will be no abuses in the lower level positions.
- With the above limitation, a total of 1,847 positions were submitted in response to the Grand Jury's request.

This study does not include any analysis of benefits paid after retirement or pension plans. This report does, however, include pension related costs which are incurred by cities during active employment, such as The California Public Employees' Retirement System (CalPERS) contributions.

The compensation analyses contained in this report are based on calendar year 2009 data, and exclude police, fire, electric utility and Great Park employees. Several cities do not have any police and/or fire positions because they contract with the County for such services.

Electric utility and Great Park positions are unique to two cities.

All population statistics used in this report are from the State of California, Department of Finance, E-1 Population Estimate for Cities, Counties and the State with Annual Percent Change – January 1, 2008 and 2009, Sacramento, California, May, 2009.

## **FACTS**

**Fact:** There are 34 incorporated cities in Orange County.

**Fact:** There are ten Charter cities, where compensation levels for elected officials and employees are governed by the City Councils. These cities are Anaheim, Buena Park, Cypress, Huntington Beach, Irvine, Los Alamitos, Newport Beach, Placentia, Santa Ana, and Seal Beach.

**Fact:** There are 24 General Law cities, where compensation levels for elected officials are governed by state laws and regulations and compensation levels for employees are governed by the City Councils. These cities are Aliso Viejo, Brea, Costa Mesa, Dana Point, Fountain Valley, Fullerton, Garden Grove, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, La Habra, Lake Forest, La Palma, Mission Viejo, Orange, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Stanton, Tustin, Villa Park, Westminster and Yorba Linda.

**Fact:** Each city has an elected City Council and Mayor and appointed City Manager/Administrator. Beyond these functions, city organizations and management positions vary widely.

**Fact:** All Orange County cities, except for Seal Beach, have posted varying types and amounts of compensation information on their Internet web sites.

**Fact:** The California State Controller required all local governments to submit a Local Government Compensation Report for calendar year 2009 by a deadline of October 1, 2010. That report was intended to collect salary, compensation, and benefit information for all elected, appointed, and employed personnel. The Controller's website may be accessed at: [http://www.sco.ca.gov/compensation\\_search.html](http://www.sco.ca.gov/compensation_search.html).

## ***ANALYSIS***

### **Compensation Comparisons:**

For consistent analyses, the following eleven municipal management positions were selected to be reported:

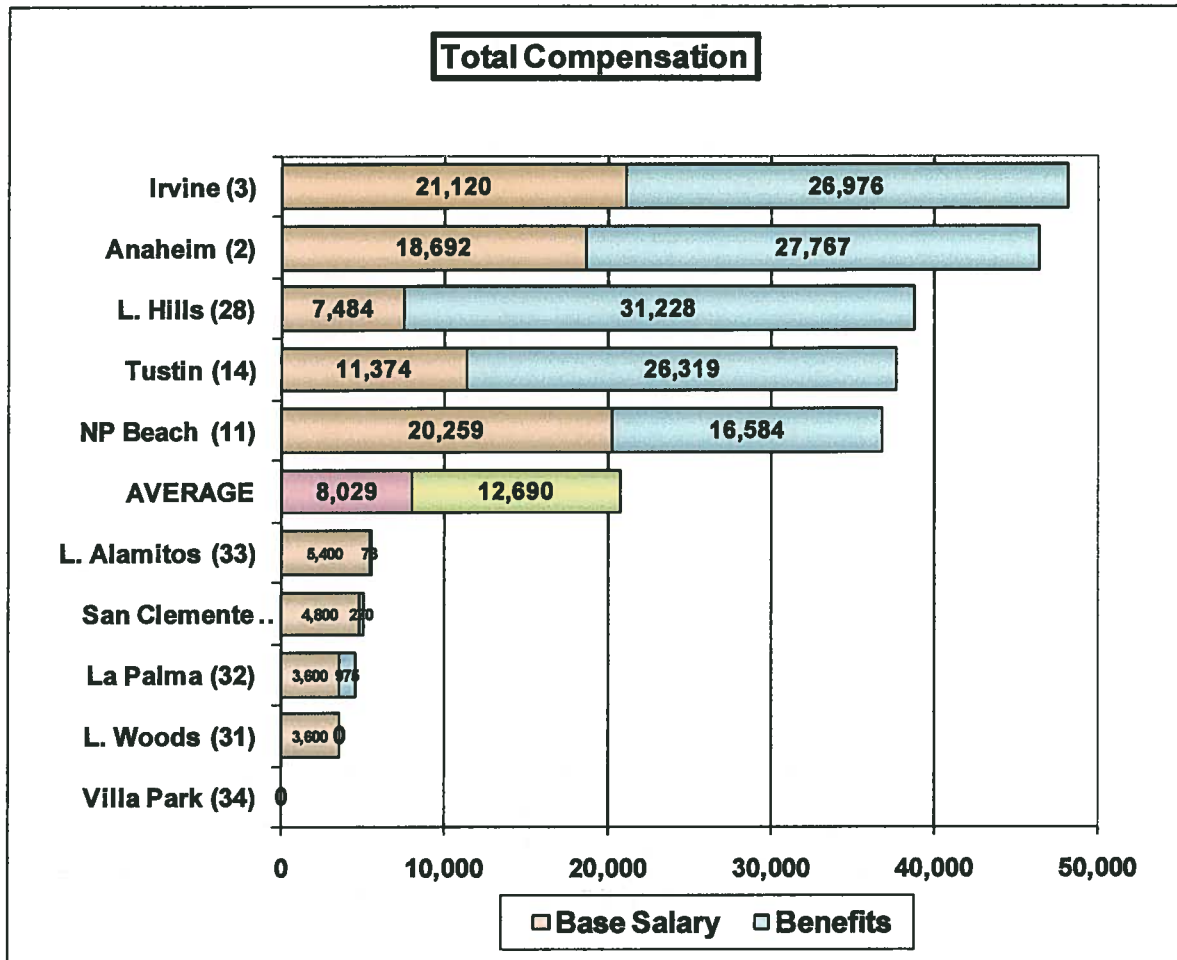
- City Council Member
- City Manager
- City Clerk
- City Engineer
- Finance
- Public Works
- Parks & Recreation
- Community Development
- Human Resources
- Information Technology
- Building Official

The following eleven charts for these selected positions display and compare:

- Base Salary,
- Total Benefits and Other Pay, which include,
  - Fees,
  - Deferred Compensation,
  - Bonus Pay,
  - Insurance Premiums,
  - Auto Allowance,
  - Pension Contributions, and
  - Pay in Lieu of Time Off.

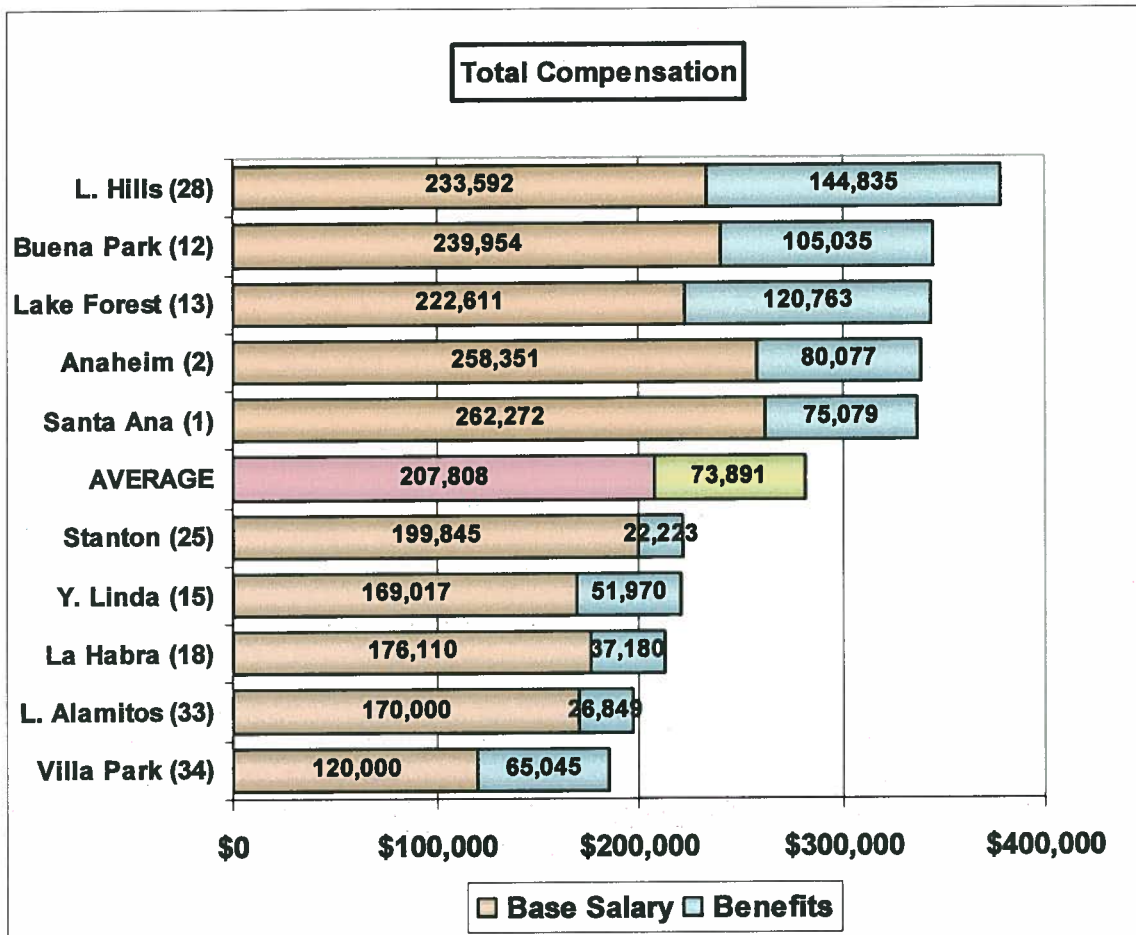
For the purpose of clarity, the charts display the highest five and lowest five cities for each of eleven common positions. The average for each reported position is included to provide a benchmark. All city data for these positions is reflected in Appendices 2 (a) through (k). The population ranking for each city is shown in parentheses to illustrate any correlation between population and total compensation.

**Chart 1: City Council**



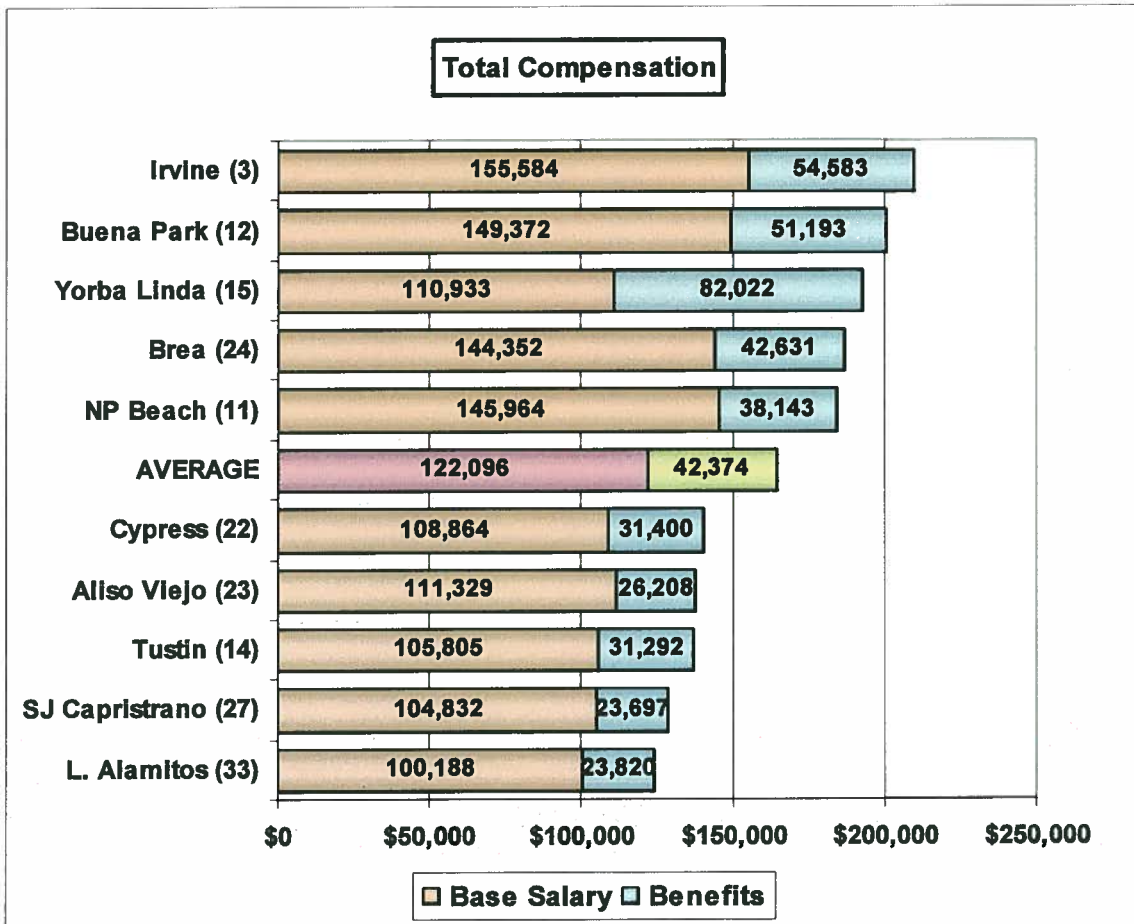
- This chart reflects compensation for the highest paid member of the city council.
- Total compensation does not appear to have any consistent correlation to the population of the city.
- The City of Villa Park, the smallest city in Orange County, has opted to not pay either a base salary or benefits to its council members.

**Chart 2: City Manager**



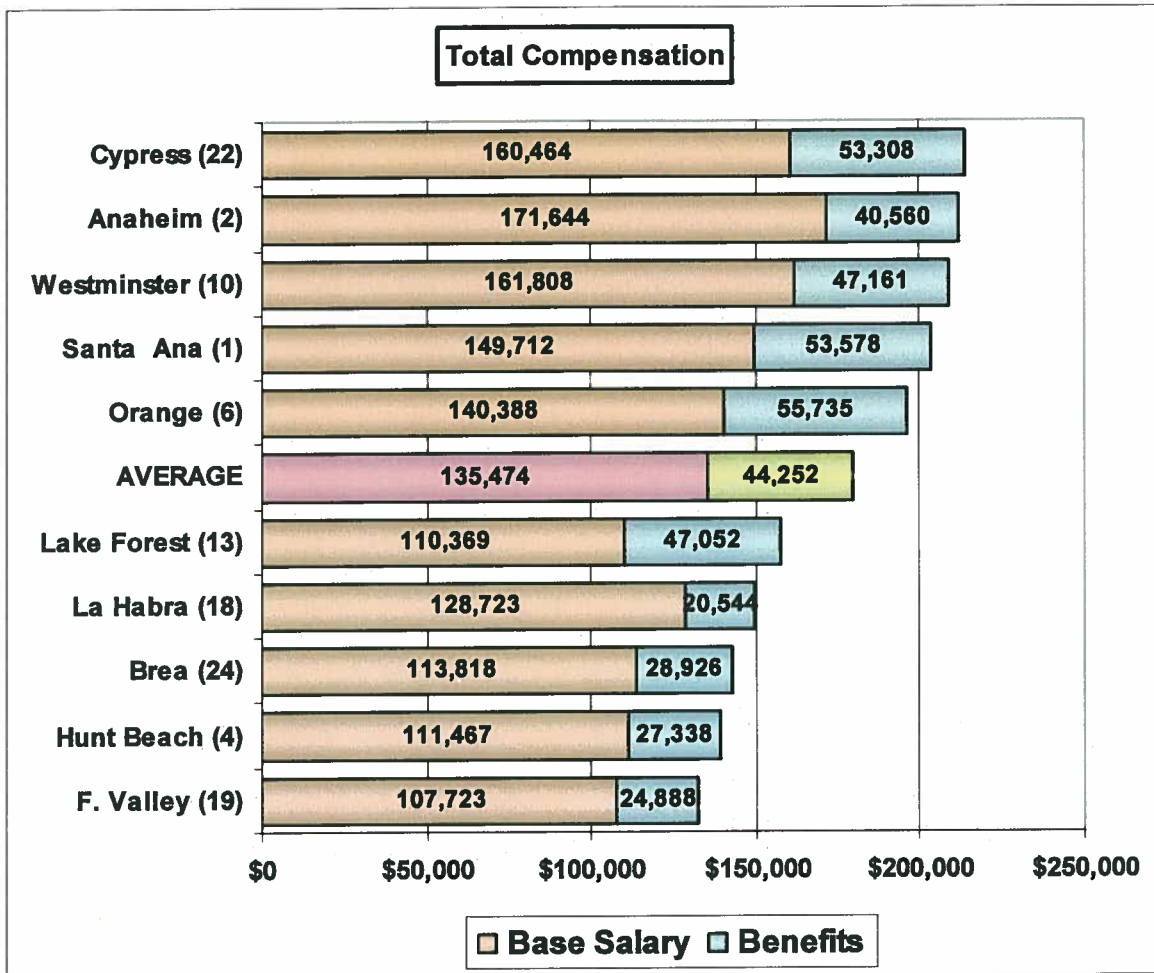
- The city manager total compensation spread is \$193,382.
- The spread of base salaries is \$142,272.
- 21 city managers have a base salary over \$200,000.
- The total benefits for the Laguna Hills City Manager reflects a one-time payout of \$30,097 for unused paid time off.

**Chart 3: City Clerk**



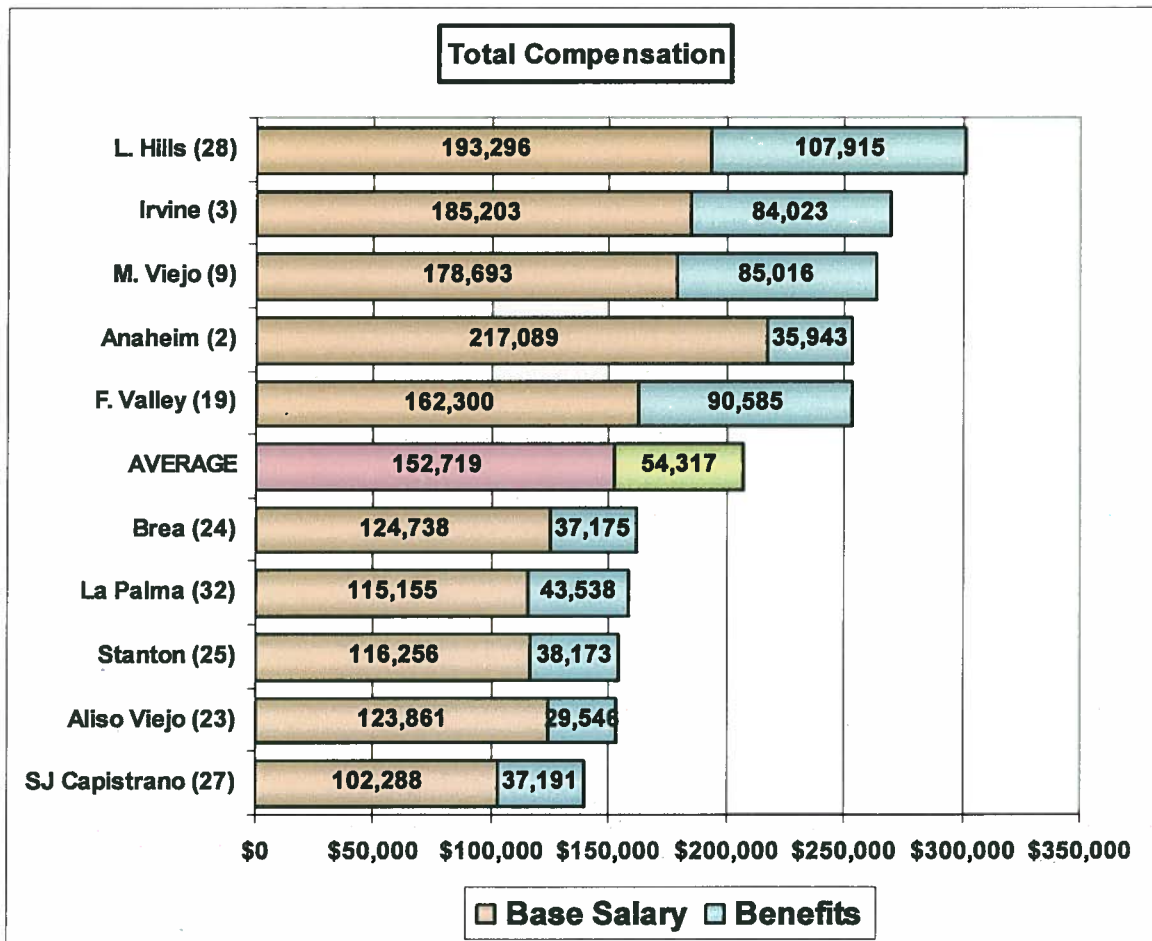
- 25 cities reported a city clerk position with a base salary over \$100,000.
- The base salary spread is \$55,396.
- Total compensation does not correlate with city population.
- The total benefits for the Yorba Linda City Clerk reflects a one-time payout of \$41,124 for unused paid time off.

**Chart 4: City Engineer**



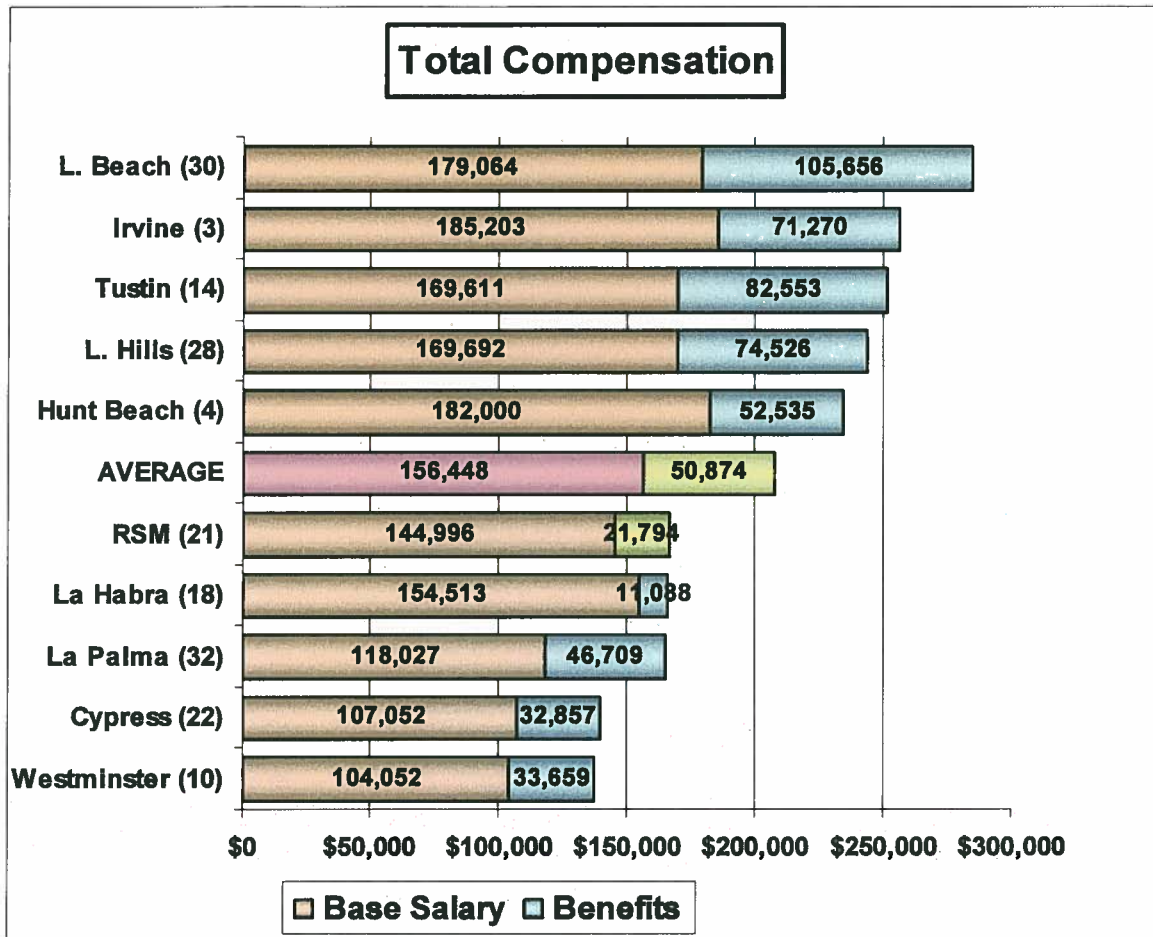
- 25 cities reported a city engineer with a base salary over \$100,000.
- Total compensation does not correlate with city population.

**Chart 5: Finance**



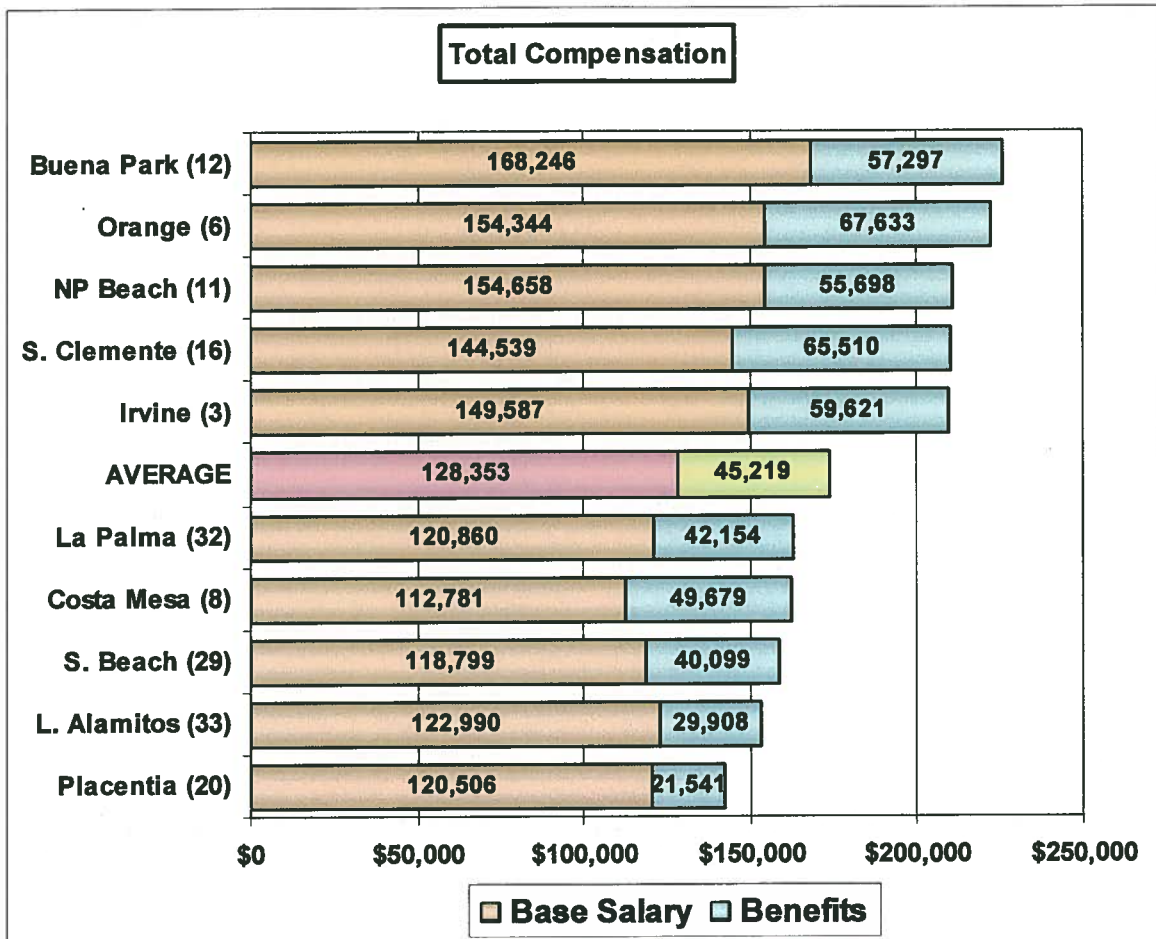
- In some instances, the finance function reports to an Assistant City Manager and that position also includes other functional responsibilities.
- 31 cities report a finance position exceeding \$100,000 base salary
- Total compensation does not correlate with city population.
- Anaheim, the 2<sup>nd</sup> largest city, has the highest base salary, while Fullerton, the 7<sup>th</sup> largest has one of the lowest base salaries.
- The total benefits for the Yorba Linda Finance Director reflects a one-time payout of \$62,265 for unused paid time off.

**Chart 6: Public Works**



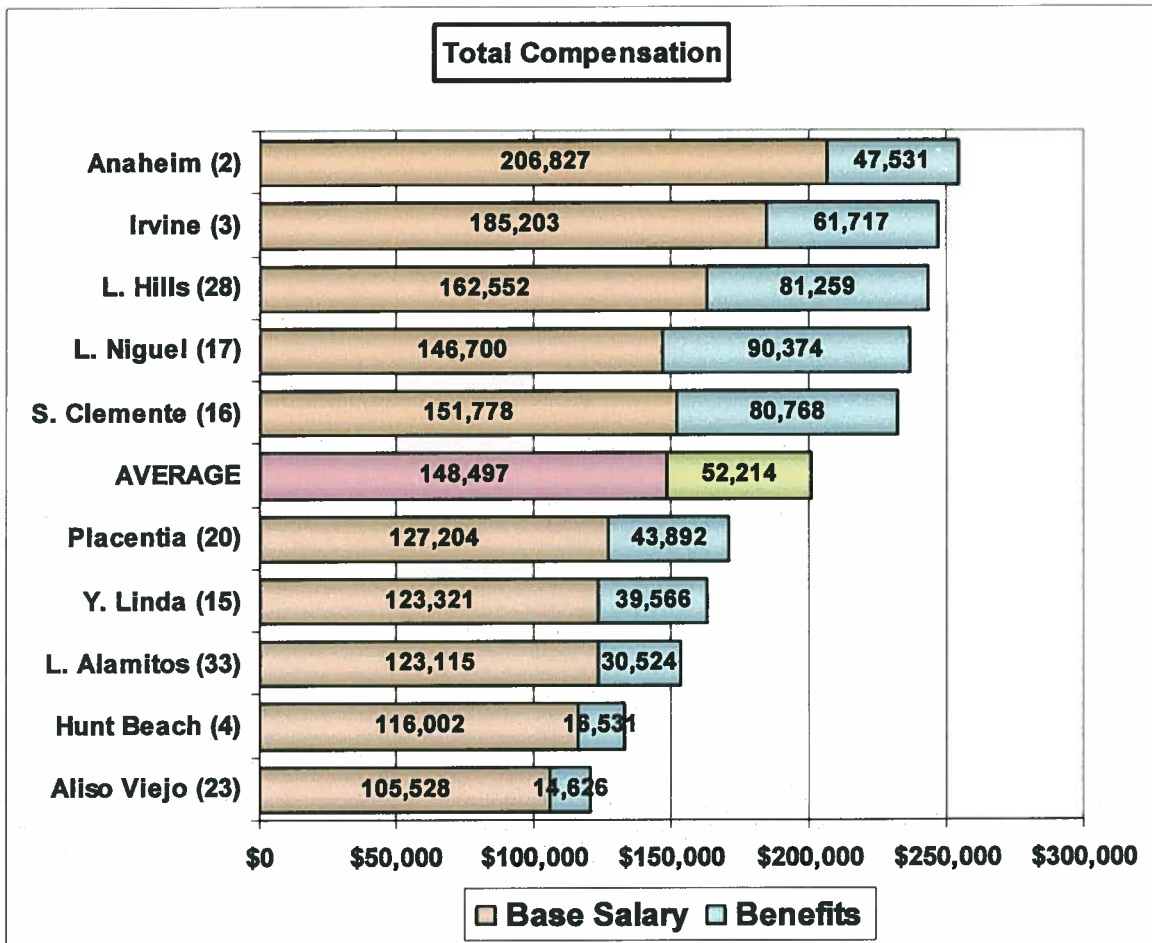
- 29 cities reported a public works position with a base salary above \$100,000.
- Total compensation does not correlate with city population.

**Chart 7: Parks & Recreation**



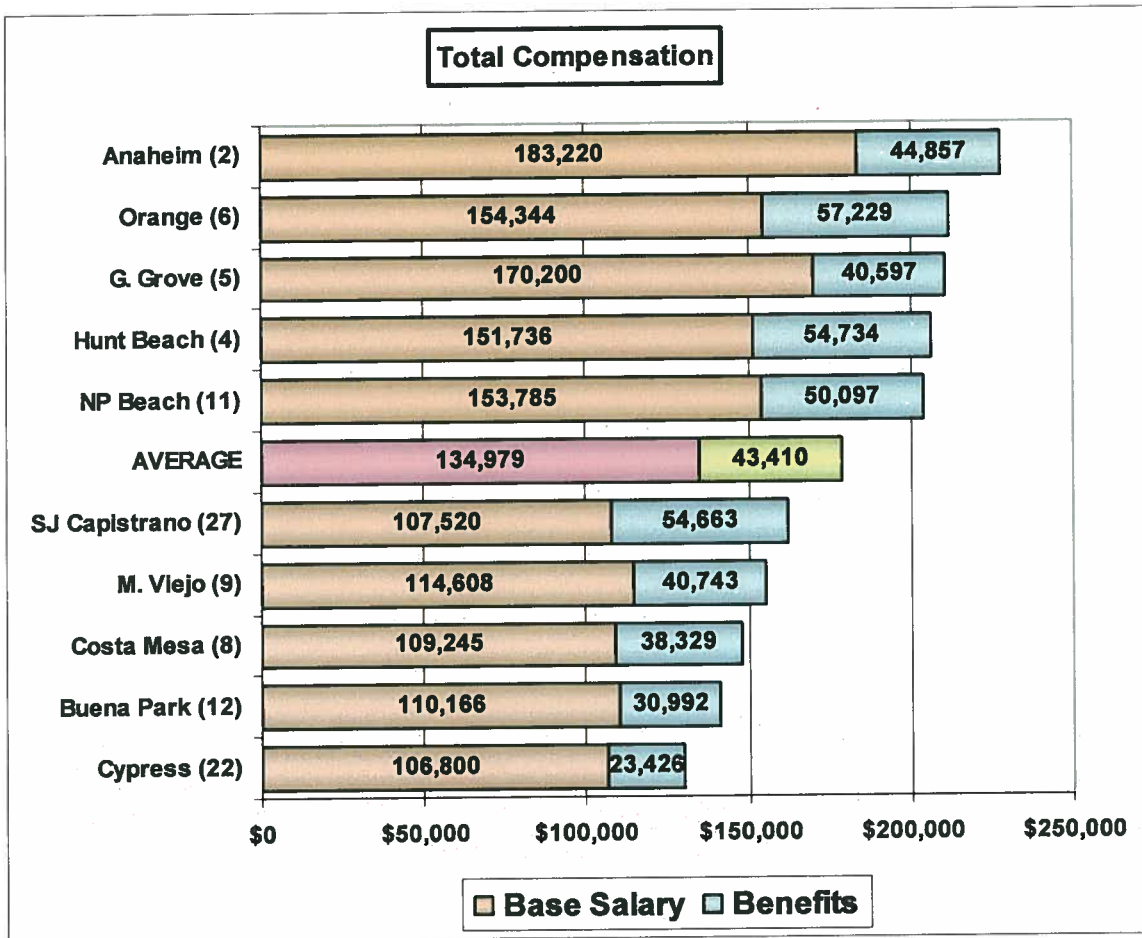
- 21 cities reported a parks & recreation position with a base salary exceeding \$100,000.
- Total compensation does not correlate with city population.
- The base salary spread is \$55,465.

**Chart 8: Community Development**



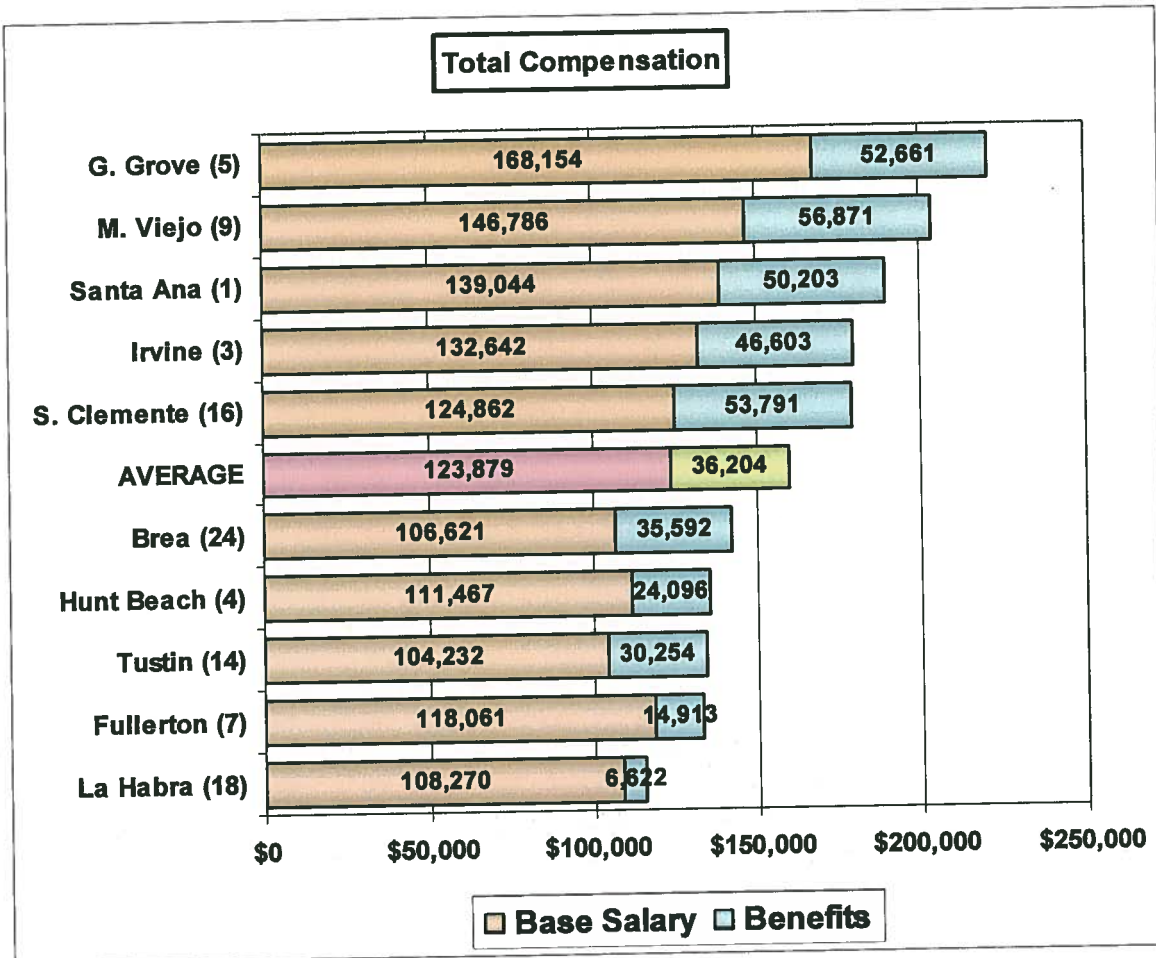
- 30 cities reported a community development position with a base salary in excess of \$100,000.
- Total compensation does not correlate with city population.

**Chart 9: Human Resources**



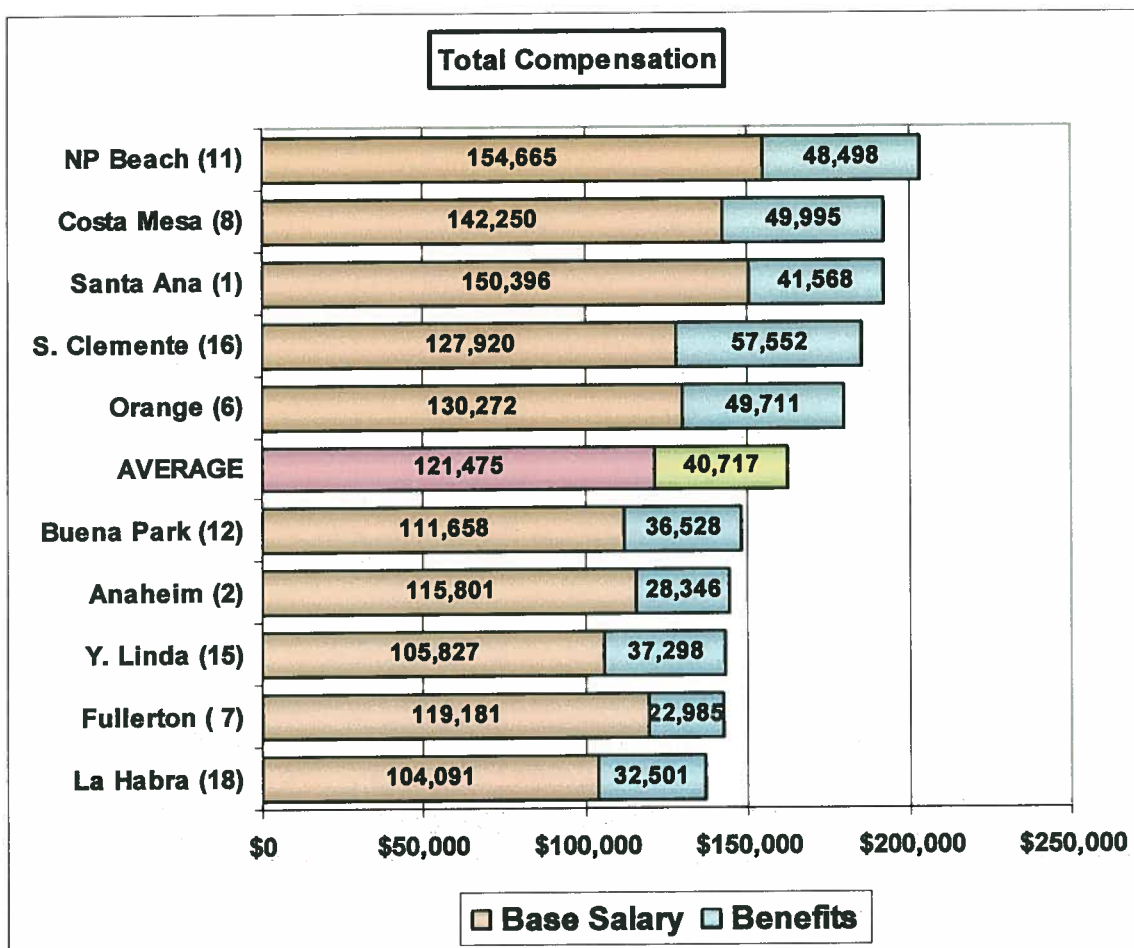
- 19 cities reported a human resources position with a base salary above \$100,000.
- There does appear to be some correlation to city size.

**Chart 10: Information Technology**



- 19 cities reported an information technology position with a base salary in excess of \$100,000.
- Total compensation does not correlate with city population.
- The total benefits spread is \$50,249.

**Chart 11: Building Official**



- 19 cities reported a building official position with a base salary above \$100,000.
- Total compensation does not correlate with city population.

### **Comparisons Outside Orange County:**

For another perspective on compensation levels, comparisons were made for the heads of selected functional positions in Orange County cities with California cities of similar size outside of Orange County. This comparison is based on total compensation, which includes salary and certain benefit amounts. Since the Grand Jury did not collect compensation information from cities outside of Orange County, it was necessary to use the data reported on the California State Controller's Internet website for this comparison. For this reason, the compensation amounts shown on the following tables may be at variance with the totals reflected in the preceding section and on the Appendices to this report.

**Large Cities:**

| <b>City/<br/>Population</b>    | <b>City<br/>Manager</b> | <b>Community<br/>Development</b> | <b>Public<br/>Works</b> | <b>Finance</b> | <b>Human<br/>Resources</b> |
|--------------------------------|-------------------------|----------------------------------|-------------------------|----------------|----------------------------|
| <b>Santa Ana<br/>355,662</b>   | \$316,798               | \$233,189                        | \$170,532               | \$197,084      | \$192,437                  |
| <b>Anaheim<br/>348,467</b>     | \$327,486               | \$221,415                        | \$226,150               | \$225,596      | \$220,982                  |
| <b>Bakersfield<br/>333,719</b> | \$294,551               | \$175,433                        | \$188,443               | \$170,708      | \$136,278                  |
| <b>Riverside<br/>300,430</b>   | \$440,147               | \$212,174                        | \$226,425               | \$194,830      | \$194,599                  |
| <b>Stockton<br/>290,409</b>    | \$310,374               | \$187,799                        | \$186,825               | \$180,913      | \$184,530                  |

In this comparison, the city managers are relatively consistent with the exception of Riverside, which is considerably higher. For public works, finance and human resources, Anaheim appears to be on the high side.

**Medium Cities:**

| <b>City/<br/>Population</b>  | <b>City<br/>Manager</b> | <b>Community<br/>Development</b> | <b>Public<br/>Works</b> | <b>Finance</b> | <b>Human<br/>Resources</b> |
|------------------------------|-------------------------|----------------------------------|-------------------------|----------------|----------------------------|
| <b>Escondido<br/>144,831</b> | \$304,747               | \$166,281                        | \$156,907               | \$168,666      | \$157,323                  |
| <b>Orange<br/>141,634</b>    | \$265,886               | \$210,062                        | \$198,896               | \$203,879      | \$208,751                  |
| <b>Elk Grove<br/>141,430</b> | \$274,088               | \$217,339                        | \$185,171               | \$179,106      | \$95,945                   |
| <b>Sunnyvale<br/>138,826</b> | \$357,155               | \$250,627                        | \$268,419               | \$252,448      | \$245,154                  |
| <b>Fullerton<br/>137,624</b> | \$236,028               | \$182,269                        | \$201,353               | \$174,733      | \$154,894                  |

For this group, Orange and Fullerton are on the low side for City Managers. For the finance and human resources positions, Sunnyvale is clearly on the high side, with Orange not far behind.

**Small Cities:**

| <b>City/<br/>Population</b>              | <b>City<br/>Manager</b> | <b>Community<br/>Development</b> | <b>Public<br/>Works</b> | <b>Finance</b> | <b>Human<br/>Resources</b> |
|------------------------------------------|-------------------------|----------------------------------|-------------------------|----------------|----------------------------|
| <b>Laguna Hills<br/>33,434</b>           | \$380,054               | \$231,015                        | \$217,381               | \$296,769      | No Position                |
| <b>Burlingame<br/>29,060</b>             | \$239,629               | \$163,644                        | \$199,059               | \$193,249      | \$172,963                  |
| <b>Desert Hot<br/>Springs<br/>26,552</b> | \$263,246               | \$156,972                        | \$141,275               | \$151,653      | \$149,274                  |
| <b>Belmont<br/>26,250</b>                | \$229,632               | \$162,258                        | \$164,039               | \$199,060      | \$164,006                  |
| <b>Seal Beach<br/>25,913</b>             | \$274,790               | \$215,117                        | \$216,453               | \$214,734      | No Position                |

In this comparison, Laguna Hills is far higher for the City Manager and Finance positions and, while the differences are not as great, is also on the high side for the other positions compared.

**Compensation Abuses:**

As explained earlier, one of the principal reasons for this study and report is to determine whether there are any compensation abuses in Orange County cities similar to that which was discovered outside of Orange County last year. Before going further, it should be recognized that the term "abuse" is highly subjective in nature. A salary that would seem abusive to one individual might represent a competitive level of pay to another.

In an effort to determine a more objective standard for this term, two recent sources are useful:

- The California Attorney General announced that he would look into any city official's salary that exceeds \$300,000.
- The California Public Employees' Retirement System (CalPERS) launched a comprehensive review of any of its members who earn more than \$400,000 annually in salary.

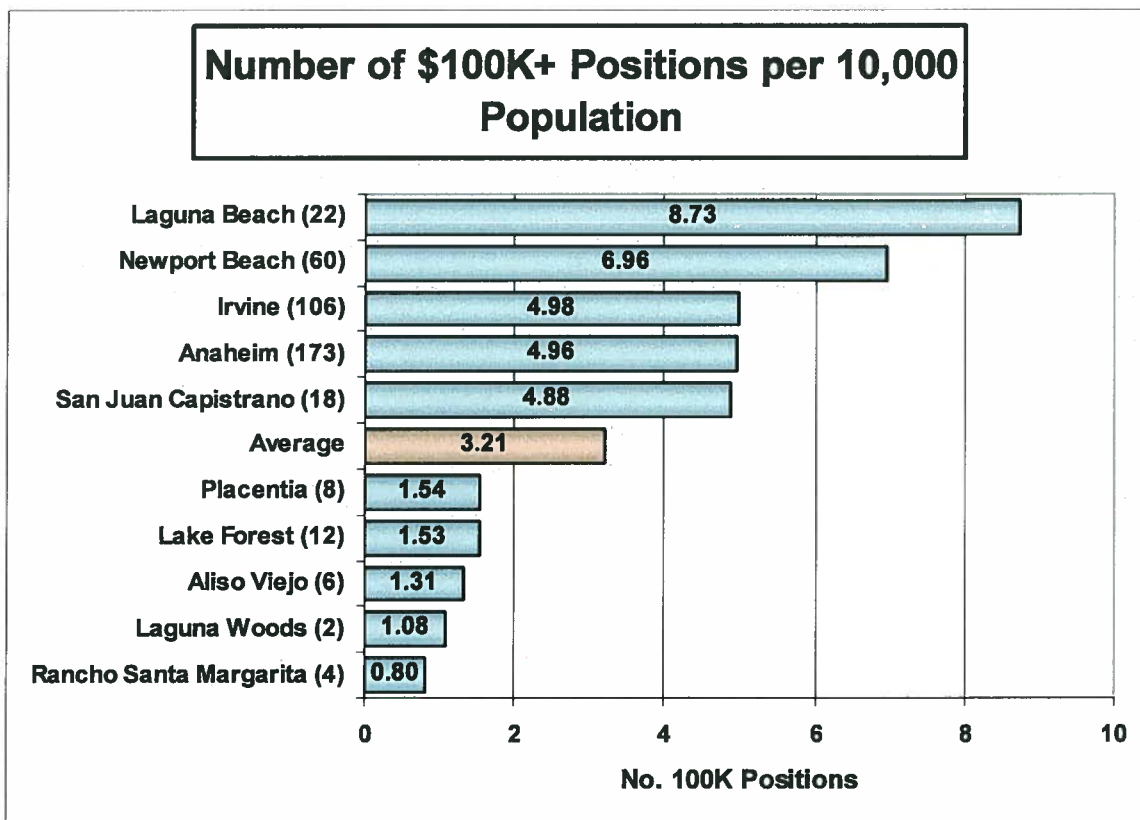
Based on the data submitted to the Grand Jury by all 34 Orange County cities, the highest paid city employee or official of the 1,847 positions so reported is the Laguna Hills City Manager, with a base salary of \$233,592 and total compensation of \$378,427. It is clear that this is a

substantial compensation level. As a point of reference in that regard, the Chief Executive Officer for the County of Orange received total compensation of \$324,535, according to the State Controller website.

However, with due consideration to the benchmark compensation levels noted above, the Grand Jury has concluded that there is no individual compensation in any Orange County city which would rise to the level of being considered as abusive.

### Upper Level Positions:

While there is no finding of any individual abusive compensation level in this report, the analysis did reveal a substantial number of positions in municipal organizations with base salaries in excess of \$100,000. A summary of these results follows and the detailed listing of these positions is included as Appendix 3a, 3b and 3c.



The total number of \$100K positions included in this analysis is indicated in parentheses.

All of the cities in this analysis appear to have a fairly consistent number of such upper level positions based on their population, with the exception of Laguna Beach and Newport Beach, which have a considerably higher number. If these two cities had the average number of positions over \$100,000 based on their populations, Laguna Beach would have eight such positions instead of 22, and Newport Beach would have 27 instead of 62.

Also, from a review of Appendix 3a, it is worthy of note that, with fairly similar populations, Santa Ana, Orange County's largest city, has 85 such positions, where Anaheim has more than double that number at 173. If Anaheim had the average number of over \$100,000 positions based on its population, they would have 106 such positions instead of 173.

### **Employment Contracts:**

For the purpose of this report, the term "employment contract" is defined as a written agreement between an individual employee and the city setting forth the detailed terms, conditions and mutual obligations of the employment.

The Grand Jury requested each city to provide contracts of employment between the city and its employees, including but not limited to City Manager/Administrator. Although the contract provisions are distinct for each city, it was found that the 114 employment contracts submitted and reviewed appear to be well-reasoned with salary and benefit provisions falling within the parameters of other cities.

The City of Huntington Beach has a contract with unique provisions for the City Manager, providing a one-time \$20,000 moving allowance and a \$200,000 real estate loan, either as a first or lower secured trust deed. The real estate loan is to be forgiven at the rate of \$28,571 per employment year.

All contracts have provisions for both voluntary and involuntary termination. None have a lifetime commitment or terms over three years or automatic renewal for numerous years. An exception to this standard is the City Manager of Laguna Woods, whose contract is for five years, and unless notice of non-renewal is provided prior to the end of any calendar year, an additional year is added to the remaining term and a new five-year termination date is established.

No distinction was found between charter cities and general law cities as it relates to paying salary or benefits earned by contract employees.

While there is currently no disclosure of employment contract information on most of the cities' websites, the Grand Jury is of the opinion that employment contracts are important public information and should be disclosed in the interest of public trust and confidence.

### **Transparency:**

The best way to guard against abuse on the subject of governmental employee compensation is to provide the public with effective transparency. The most effective means of publishing compensation information is on the Internet. Since all Orange County cities currently have websites, the addition or enhancement of compensation information on those websites should not impose any undue burden. Not only will that publication serve the citizens, but should also pre-empt numerous information requests from media and other interested parties.

In order to achieve effective transparency on the subject of compensation, salary and benefit information for senior level officials and upper level employees of each city should be posted in a clear, concise and consistent manner that is also easy for the public to access. In evaluating the current state of municipal compensation transparency, the Internet websites of all cities were graded on the following three criteria:

- Content – Does the city present both actual salary and benefit costs? Are the items detailed separately and extensively?
- Clarity – Is the compensation information presented in a clear, concise format that may be easily read and understood by the average viewer? Are the salaries and benefits totaled, or is the viewer required to do the math?
- Accessibility – Is the compensation content readily identifiable and accessible without complex website search and navigation? **Note** – most websites include a search function with varying degrees of effectiveness. For the purposes of this study, search functions were not used.

Prior to discussing the grading, it should be noted that the Grand Jury reviewed and evaluated the city website postings from the perspective of the general public accessing the information for their personal use and enlightenment. In contrast to this perspective, the current city salary and benefit postings appear to be intended for either job applicants or existing city employees. This difference in perspective may explain some of the low grades.

For rating purposes, each website was assigned a letter grade (A – Excellent, B – Good, C – Average, D – Poor, F – Non Existent) for each of the three criteria noted above. This rating was done on February 1, 2011 and reveals a very wide disparity in the extent and quality of compensation disclosure on city websites in Orange County.

| <b>City/Website</b>    | <b>Content</b> | <b>Clarity</b> | <b>Accessibility</b> |
|------------------------|----------------|----------------|----------------------|
| Aliso Viejo            | C              | C              | A                    |
| Anaheim                | C              | C              | B                    |
| Brea                   | C              | C              | B                    |
| Buena Park             | C              | C              | A                    |
| Costa Mesa             | B              | C              | C                    |
| Cypress                | C              | C              | A                    |
| Dana Point             | D              | D              | D                    |
| Fountain Valley        | D              | C              | A                    |
| Fullerton              | B              | B              | B                    |
| Garden Grove           | C              | C              | A                    |
| Huntington Beach       | D              | D              | D                    |
| Irvine                 | C              | C              | A                    |
| La Habra               | C              | B              | A                    |
| La Palma               | C              | C              | A                    |
| Laguna Beach           | D              | D              | C                    |
| Laguna Hills           | C              | D              | B                    |
| Laguna Niguel          | D              | C              | C                    |
| Laguna Woods           | B              | B              | C                    |
| Lake Forest            | D              | D              | C                    |
| Los Alamitos           | D              | D              | C                    |
| Mission Viejo          | C              | C              | A                    |
| Newport Beach          | D              | D              | C                    |
| Orange                 | D              | D              | A                    |
| Placentia              | D              | D              | C                    |
| Rancho Santa Margarita | D              | D              | A                    |
| San Clemente           | D              | D              | D                    |
| San Juan Capistrano    | D              | D              | C                    |
| Santa Ana              | D              | D              | C                    |
| Seal Beach*            | F              | F              | F                    |
| Stanton                | D              | D              | C                    |
| Tustin                 | D              | C              | B                    |
| Villa Park             | C              | C              | A                    |
| Westminster            | D              | D              | C                    |
| Yorba Linda            | D              | D              | A                    |

\* The Seal Beach website was still under construction on the date when this review was conducted.

### **State Controller Website:**

Effective November 1, 2010, the California State Controller posted on his official website certain salary and benefit information pertaining to all California local governments. Based upon a thorough review, it was found that the content of the State Controller's posting has a narrower focus than this report. The principal differences are:

- For each position, actual salaries are not posted. Instead, only minimums and maximums of established salary ranges (if in existence) are shown, which is somewhat imprecise.
- For actual total cash compensation, the Box 5 amount from the employee's W-2 form is posted. Certain state and local government employees hired prior to April 1, 1986 are exempt from mandatory enrollment for Medicare coverage. Since Box 5 shows compensation which is subject to Medicare tax, if the individual did not enroll in Medicare, there is no amount reported in this box. In Orange County, for positions covered by this study, there were 49 such individuals in calendar year 2009. Also, for partial year employees, Box 5 presents an artificially low amount for annual cash compensation.
- The State Controller posting reflects any deferred compensation for which the employee may be eligible, but no separate item for:
  - Management, incentive or improvement bonuses,
  - Automobile allowance, or
  - Pay in lieu of paid time offthat may be paid. Of course, those amounts would be included in Box 5 of the W-2 form, if the employee were subject to Medicare tax.
- The posting covers all positions for each city. For the larger cities, this results in a very lengthy list which may not be of any interest to a reader who is interested only in upper level or elected positions.
- The posting includes several major benefit amounts, but they are not combined with cash compensation to reflect an overall total compensation.

The differences in the method of calculating total compensation between the State Controller and the model presented in this report does in fact result in some fairly substantial variance in the bottom line amount reported. These variances for the City Manager position in the nine largest Orange County cities are shown below:

| City                    | Total Compensation - State Controller* | Total Compensation - Grand Jury** | Percent Difference |
|-------------------------|----------------------------------------|-----------------------------------|--------------------|
| <b>Santa Ana</b>        | \$316,798                              | \$337,351                         | 6.5%               |
| <b>Anaheim</b>          | \$327,486                              | \$338,428                         | 3.3%               |
| <b>Irvine</b>           | \$282,186                              | \$335,765                         | 19.0%              |
| <b>Huntington Beach</b> | \$299,802                              | \$317,234                         | 5.8%               |
| <b>Garden Grove</b>     | \$288,219                              | \$328,525                         | 14.0%              |
| <b>Orange</b>           | \$265,886                              | \$302,810                         | 13.9%              |
| <b>Fullerton</b>        | \$236,028                              | \$255,518                         | 8.3%               |
| <b>Costa Mesa</b>       | \$255,757                              | \$291,611                         | 14.0%              |
| <b>Mission Viejo</b>    | \$276,854                              | \$308,786                         | 11.5%              |

\* Includes W-2 Box 5, Pension, Deferred Compensation and Insurance Premiums.

\*\* Includes Base Salary, Fees, Incentives, Deferred Compensation, Pension Costs, Pay in lieu of Time Off, Medicare Taxes and Insurance Premiums.

### **Compensation Disclosure Model:**

In the interest of consistency and clarity in the disclosure of compensation data for city officials and employees, the Grand Jury has developed a model (Appendix 4) which could be posted onto the Internet websites of all Orange County cities. The fundamental elements of the model on the websites would provide that:

- **Accessibility** – The link from the home page to the compensation webpage be a permanent feature, which is prominently displayed and requires only one keystroke for access.
- **Positions Reported** – All employees earning a base salary rate in excess of \$100,000 per year and all elected officials be reported. Elected officials be listed first, followed by employees in descending order of salary amount. The posting of lower level positions is not recommended in the interest of clarity. In the event that all positions are listed, this same order of listing be applied.

**Note:** The listing of names is not recommended.

- **Salary Reporting** – The actual annual base rate of salary be shown, rather than range minimums and maximums or the Box 5 amount from the employee's W-2 form.

- **Other Pay**
  - **Fees** – Any fees earned from city-sponsored boards, committees or commissions
  - **Deferred Compensation**
  - **Bonus** – Any form of management, incentive or performance improvement bonuses.
  - **Pay in Lieu of Time Off**
  - **Automobile Allowance**
- **Insurance Premiums** - Annualized amounts that the city pays on the employee's behalf for medical, dental, vision, disability and life insurance.
- **Pension Costs** – Annualized amounts that the city pays for contributions to a pension plan (such as PERS) and Social Security.
- **Total Compensation** – Salary and benefit amounts be totaled for a representation of the total compensation received for the calendar year.
- **Example** – An illustration of this model as it would appear on a webpage is shown on Appendix 4.

## ***FINDINGS***

In accordance with *California Penal Code* Sections 933 and 933.05, the 2010-2011 Grand Jury requires responses from each city affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of Superior Court.

Based on its investigation of the 34 cities of Orange County, the 2010-2011 Orange County Grand Jury has seven principal findings, as follows:

- F.1:** Based on the data submitted, no position was found where the compensation or employment contract was considered to be abusive.
- F.2:** There is no discernable correlation between compensation levels in charter vs. general law cities.
- F.3:** Compensation of individual high-level positions bears no significant relationship to city population.
- F.4:** Public disclosure of municipal compensation levels is widely inconsistent, ranging from good to non-existent.

- F.5:** With the exceptions of Laguna Beach and Newport Beach, the number of high-level positions in each city is generally commensurate with its population.
- F.6:** The compensation of the City Manager and Assistant City Manager/Finance Director in the City of Laguna Hills exceeds levels in other comparably sized cities both inside and outside of Orange County.
- F.7:** There is currently no disclosure of written employment contracts on the majority of cities' websites.

### **RECOMMENDATIONS:**

#### **The 2010/2011 Orange County Grand Jury makes the following recommendations:**

In accordance with *California Penal Code* Sections 933 and 933.05, the 2010-2011 Grand Jury requires responses from each city affected by the recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation of the 34 cities in Orange County, the 2010-2011 Orange County Grand Jury makes the following four recommendations:

- R.1: Transparency - All cities in Orange County report their compensation information to the public on the Internet in an easily accessible manner. The Compensation Disclosure Model (Appendix 4) provides a sample as to the items that should be included in determining total compensation.**
- R.2: Employment Contracts – Each city reveal any individual employment contracts in an easily accessible manner.**
- R.3: Upper level Employees – The cities of Newport Beach and Laguna Beach conduct a review of their organizations to reconcile the necessity of maintaining a relatively large number of upper level positions in relation to their populations.**
- R.4: Compensation Levels – The City of Laguna Hills conduct a compensation review of top officials.**

## **REQUIREMENTS AND INSTRUCTIONS:**

The California Penal Code Section 933(c) requires any public agency which the Grand Jury has reviewed, and about which it has issued a final report, to comment to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under the control of the agency. Such comment shall be made *no later than 90 days* after the Grand Jury publishes its report (filed with the Clerk of the Court); except that in the case of a report containing findings and recommendations pertaining to a department or agency headed by an elected County official (e.g. District Attorney, Sheriff, etc.), such comment shall be made *within 60 days* to the Presiding Judge with an information copy sent to the Board of Supervisors.

Furthermore, California Penal Code Section 933.05(a), (b), (c), details, as follows, the manner in which such comment(s) are to be made:

- (a) As to each grand jury finding, the responding person or entity shall indicate one of the following:
  - (1) The respondent agrees with the finding
  - (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
- (b) As to each grand jury recommendation, the responding person or entity shall report one of the following actions:
  - (1) The recommendation has been implemented, with a summary regarding the implemented action.
  - (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
  - (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report.
  - (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.
- (c) If a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the Board of Supervisors shall respond if requested by the grand jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision making authority. The response of the elected agency or department

head shall address all aspects of the findings or recommendations affecting his or her agency or department.

Comments to the Presiding Judge of the Superior Court in compliance with the Penal Code Section 933.05 are required from the city council of each of the following Orange County cities:

| <b>Responding Agency</b>                  | <b>Findings</b> | <b>Recommendations</b> |
|-------------------------------------------|-----------------|------------------------|
| <b>All Orange<br/>County Cities</b>       | <b>F.4, F.7</b> | <b>R.1, R.2</b>        |
| <b>Laguna Beach and<br/>Newport Beach</b> | <b>F.5</b>      | <b>R.3</b>             |
| <b>Laguna Hills</b>                       | <b>F.6</b>      | <b>R.4</b>             |

## Appendix 1

### O.C. Grand Jury Request for Municipal Compensation Data

#### Annual Compensation Amounts (Dollars) For the Calendar Year Ended December 31, 2009

City of \_\_\_\_\_

#### Compensation Component (as described below):

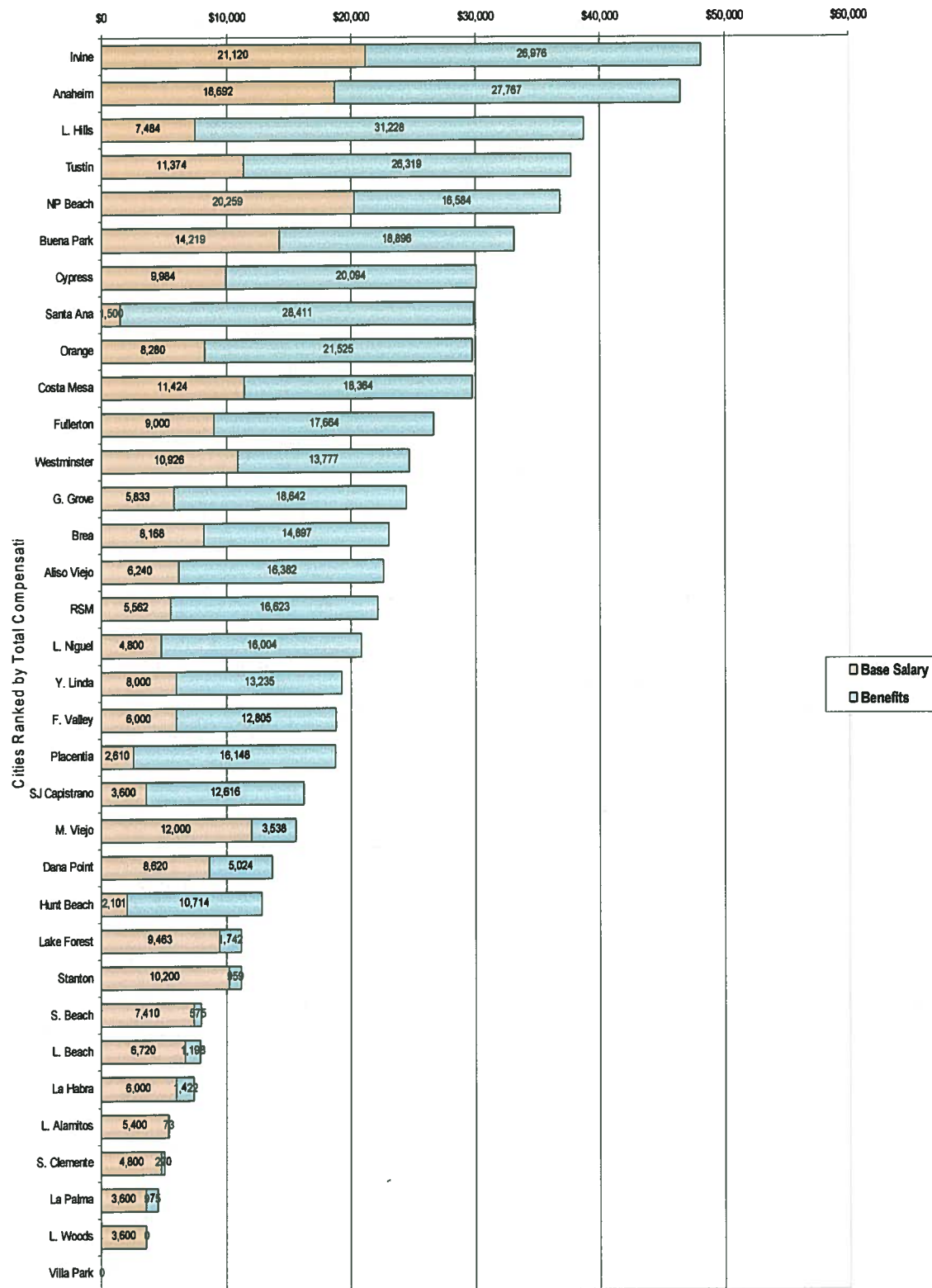
|               | Position | Position | Position | Position | Position |
|---------------|----------|----------|----------|----------|----------|
| Component 1.  |          |          |          |          |          |
| Component 2.  |          |          |          |          |          |
| Component 3.  |          |          |          |          |          |
| Component 4.  |          |          |          |          |          |
| Component 5.  |          |          |          |          |          |
| Component 6.  |          |          |          |          |          |
| Component 7.  |          |          |          |          |          |
| Component 8.  |          |          |          |          |          |
| Component 9.  |          |          |          |          |          |
| Component 10. |          |          |          |          |          |
| Component 11. |          |          |          |          |          |

#### Component:

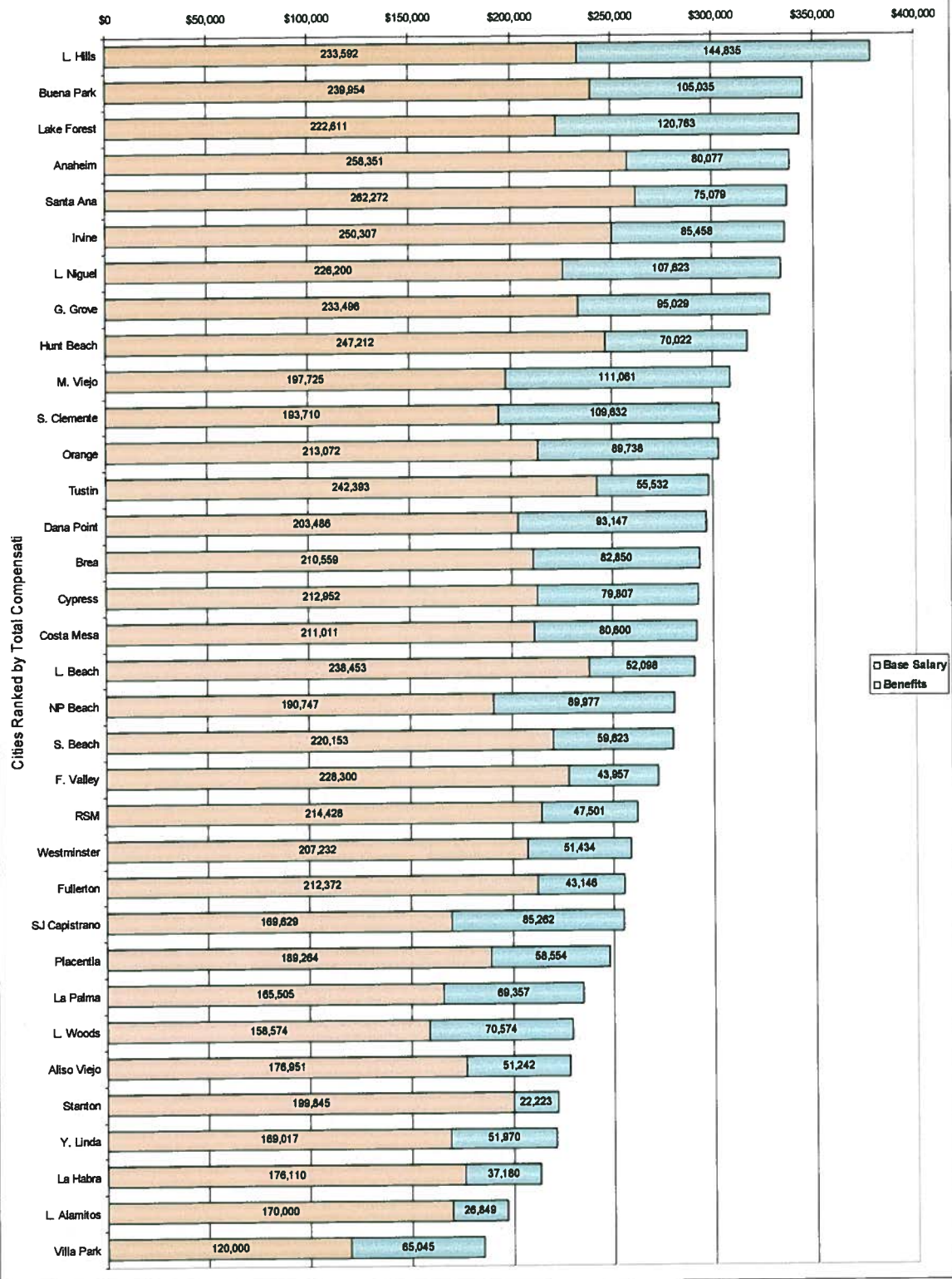
#### Description:

|                                                                  |                                                                                       |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. Base Salary (Primary Position)                                | Per payroll records                                                                   |
| 2. Base Salary (Second Position - if applicable)                 | Per payroll records                                                                   |
| 3. Board / Commission fees                                       |                                                                                       |
| 4. Management Incentives                                         | Bonuses, Awards, Performance Improvement Payments                                     |
| 5. Deferred Compensation                                         | City contribution to a deferred compensation account                                  |
| 6. Retirement Plan                                               | City cost of retirement plans such as PERS, (include Social Security - if applicable) |
| 7. Automobile Expenditures                                       | City cost of auto allowance paid for the position                                     |
| 8. Medical, Dental, Vision, Disability & Life Insurance premiums | City cost for these benefits                                                          |
| 9. Unused Paid Time off Payouts                                  | Include unused sick leave and vacation leave payments                                 |
| 10. Employer's Medicare Costs                                    | City cost for Medicare contributions                                                  |
| 11. Total per W-2                                                | Box 5 per W-2 report                                                                  |

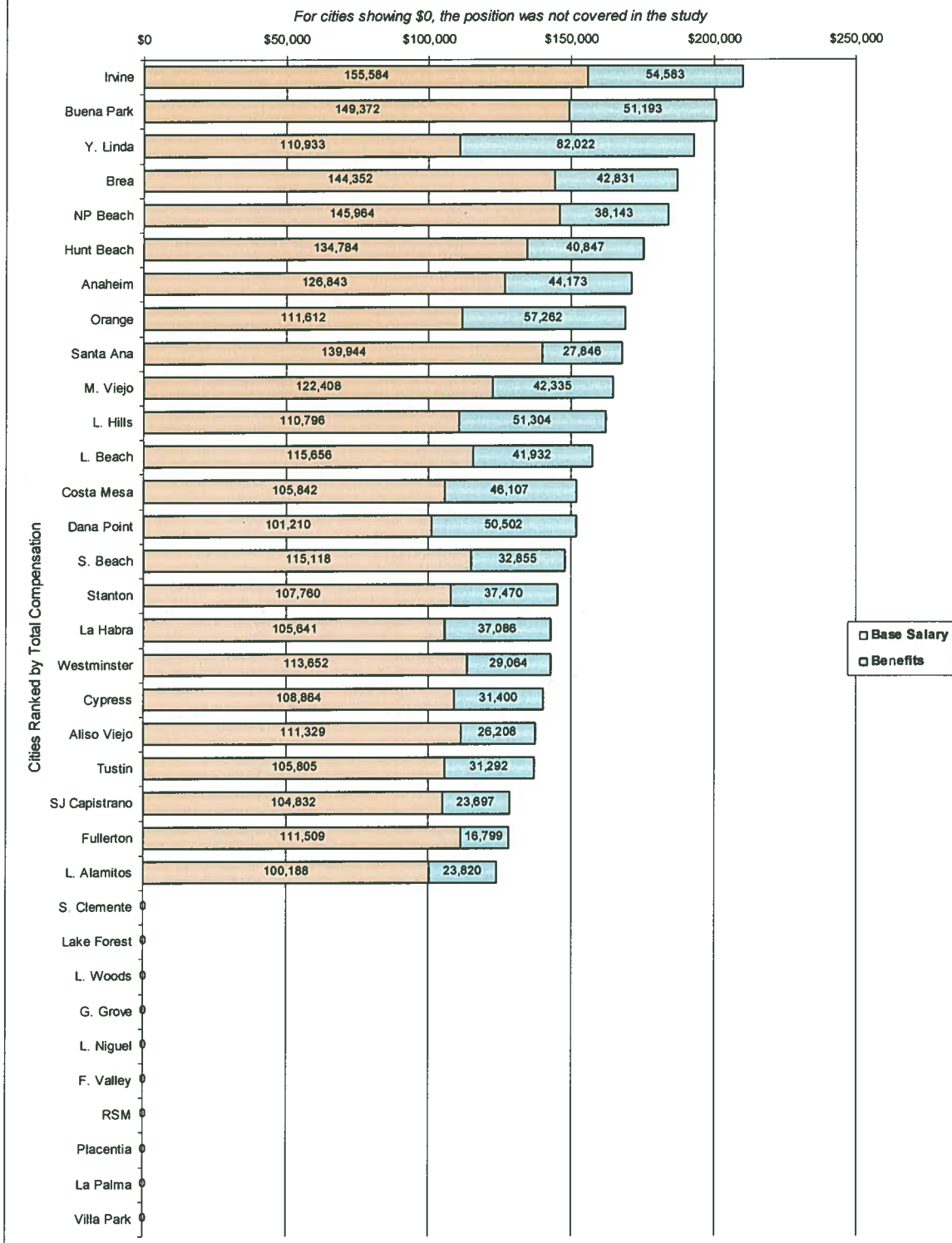
# Appendix 2(a) City Council Compensation



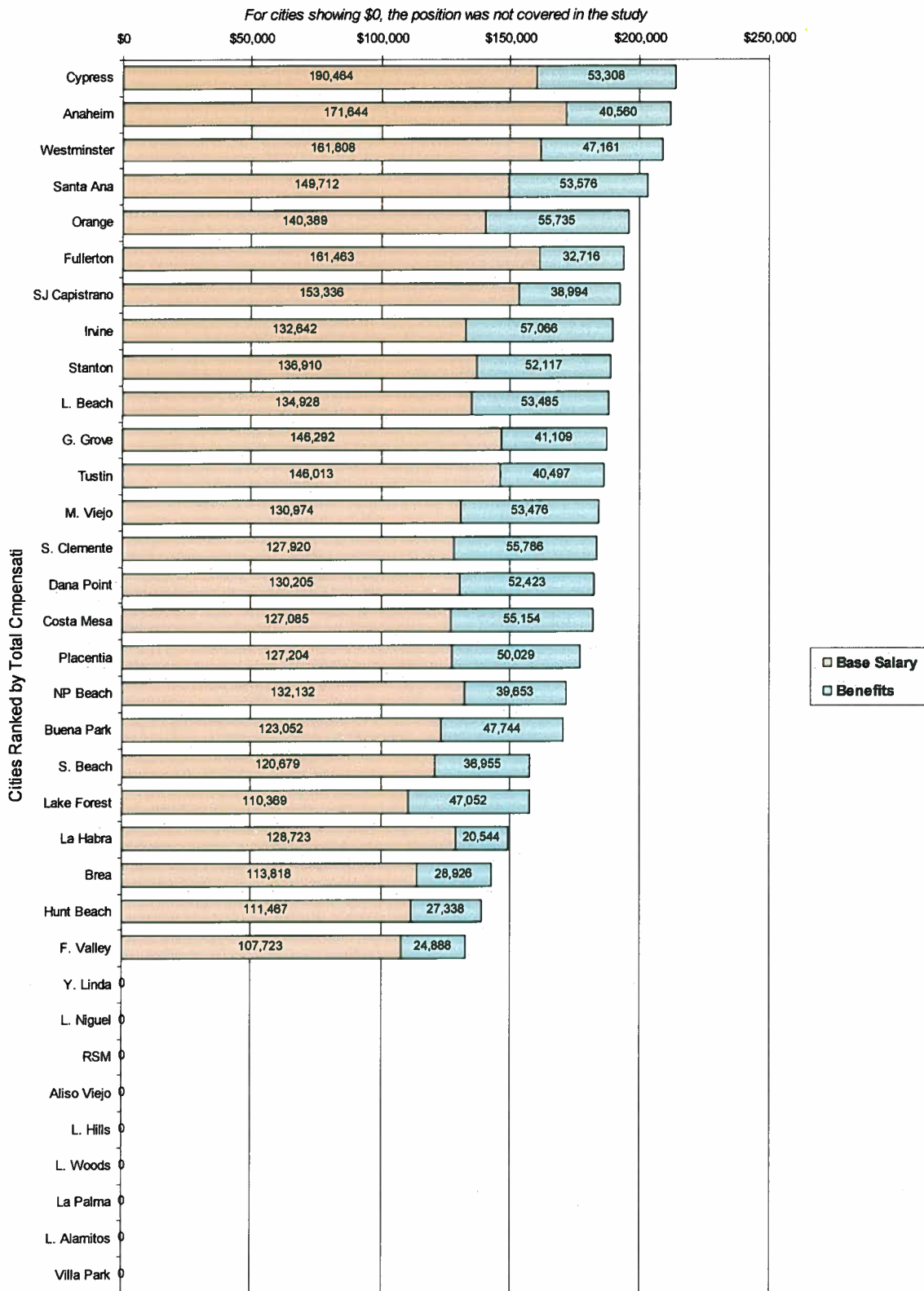
# Appendix 2(b) City Manager Compensation



### Appendix 2(c) City Clerk Compensation

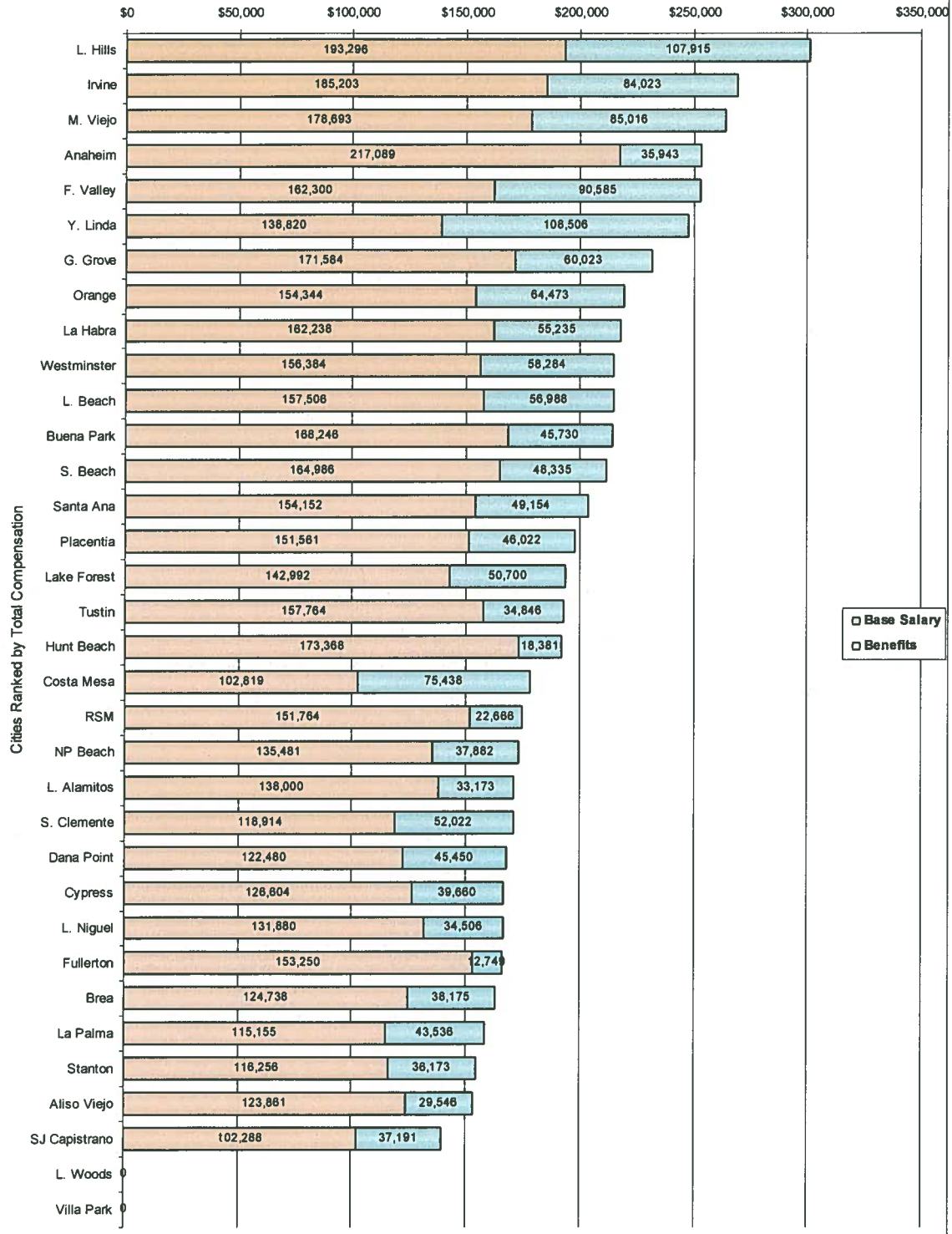


### Appendix 2(d) City Engineer Compensation

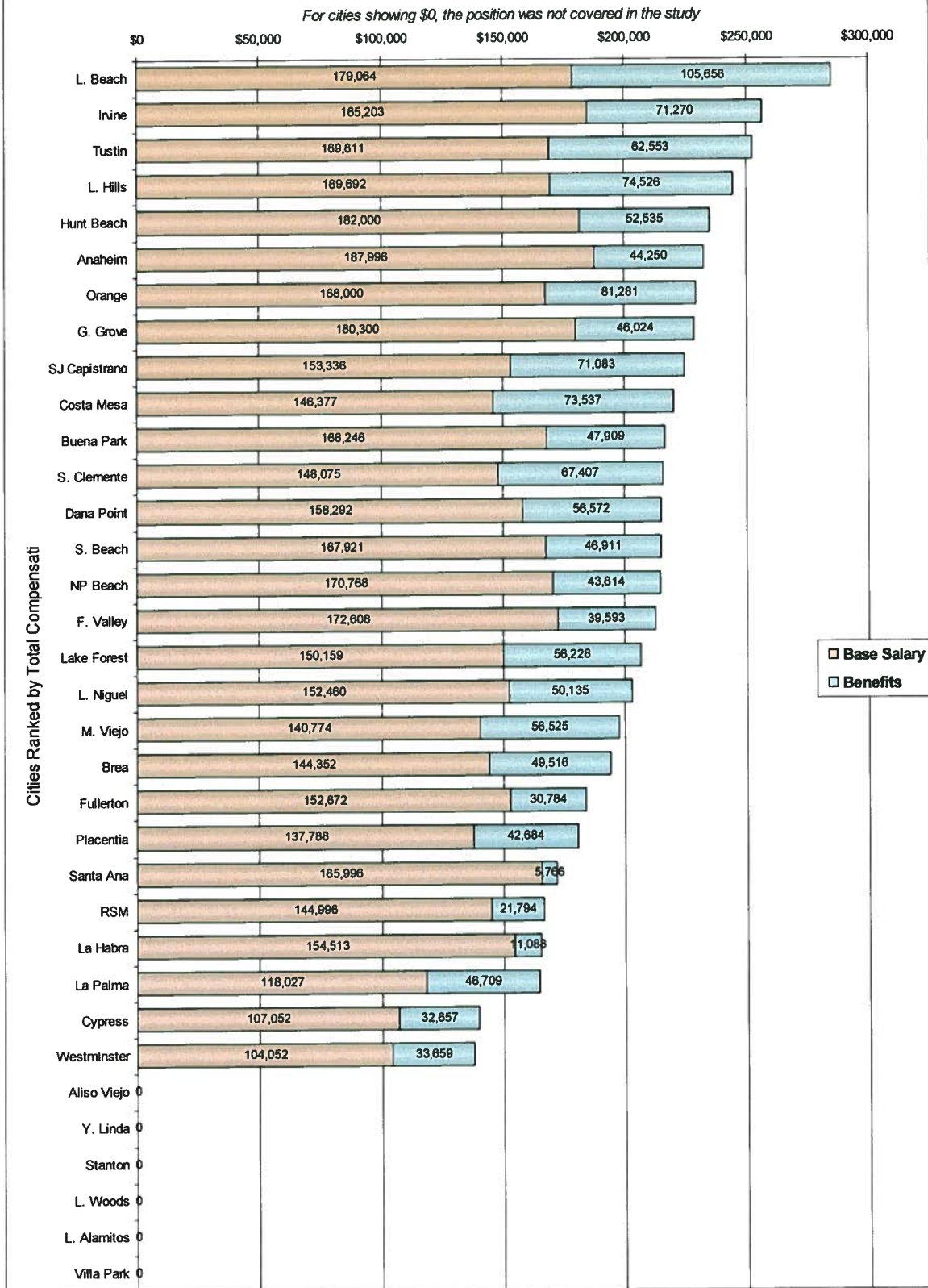


# Appendix 2(e) Finance Compensation

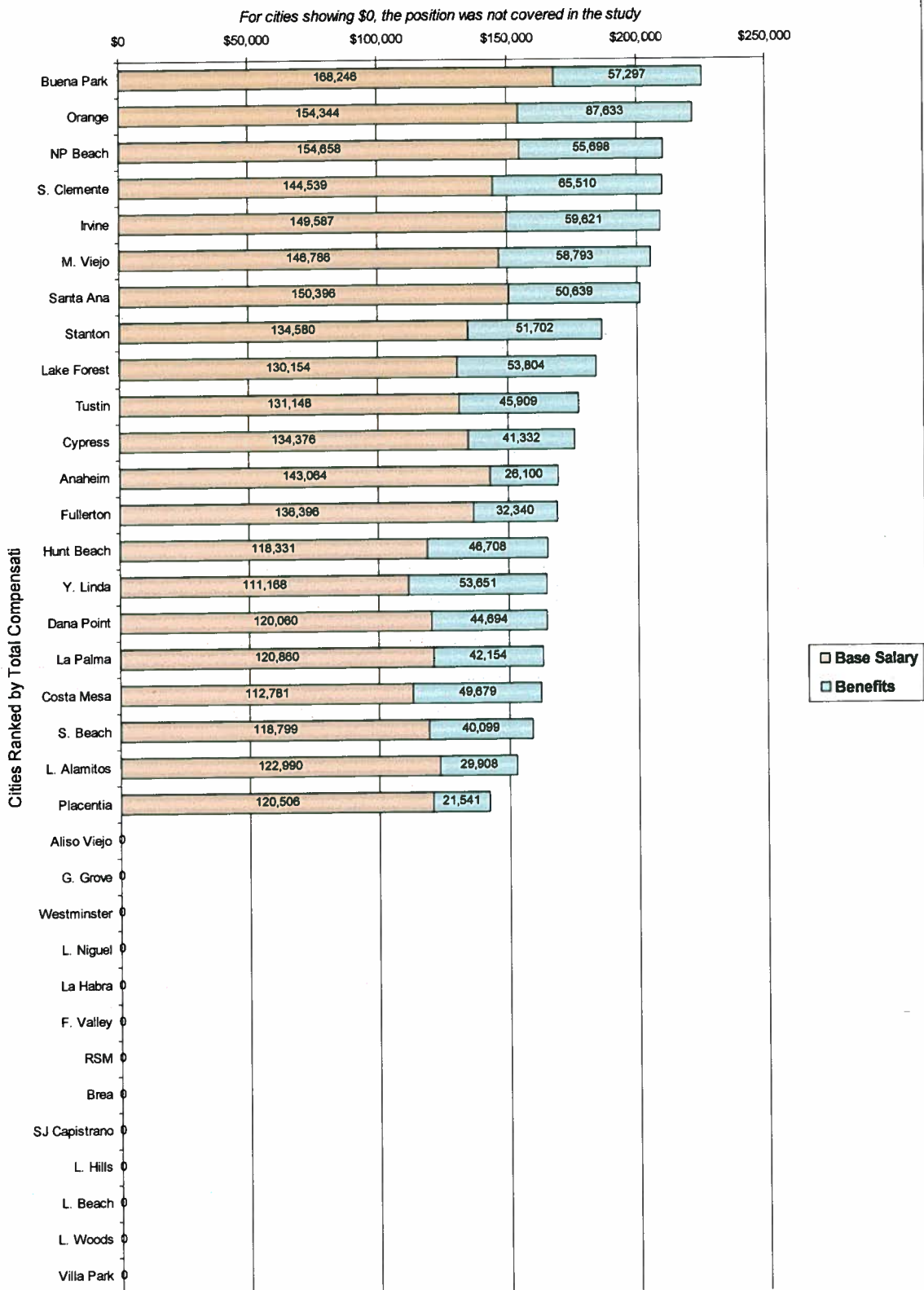
For cities showing \$0, the position was not covered in the study



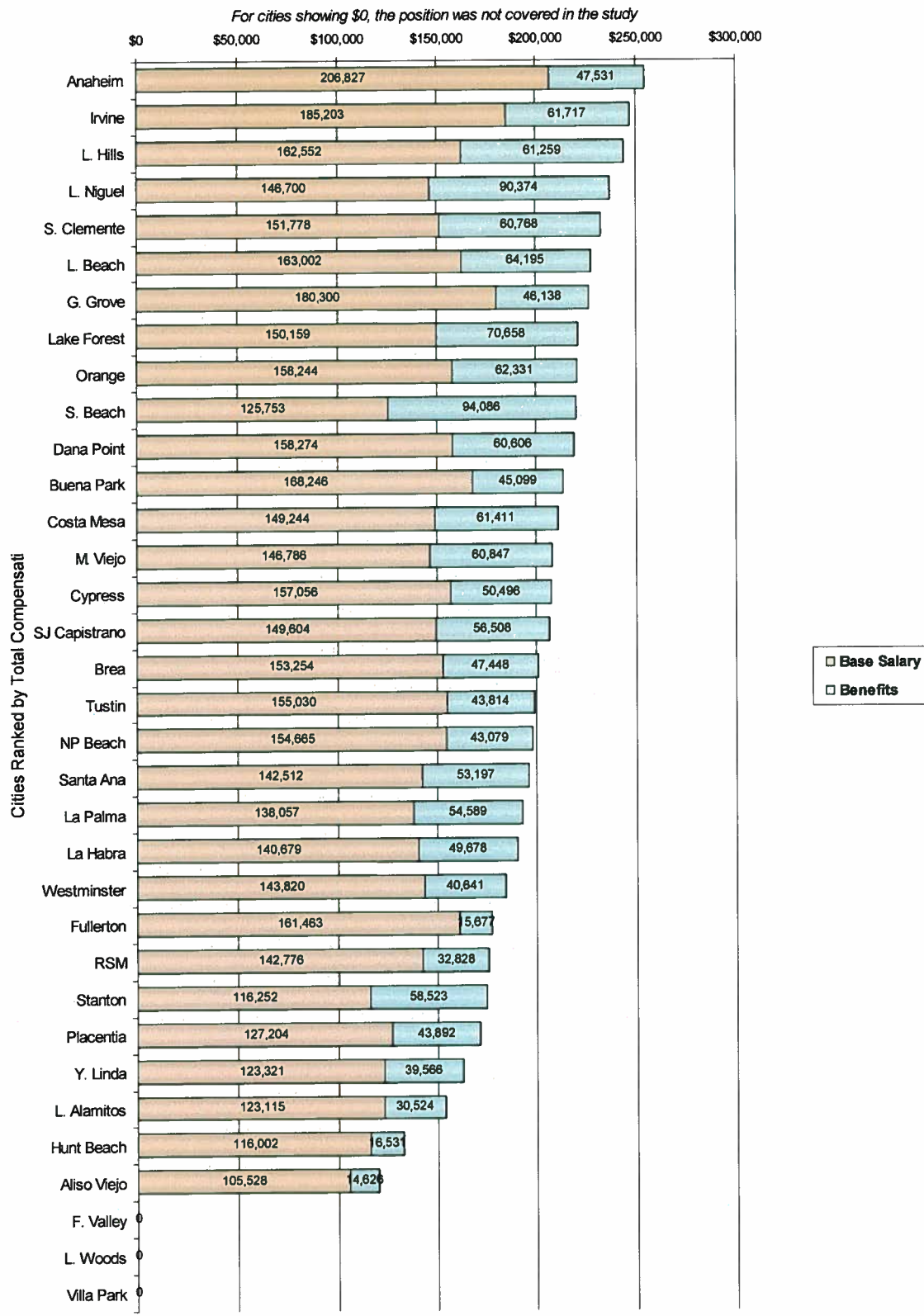
## Appendix 2(f) Public Works Compensation



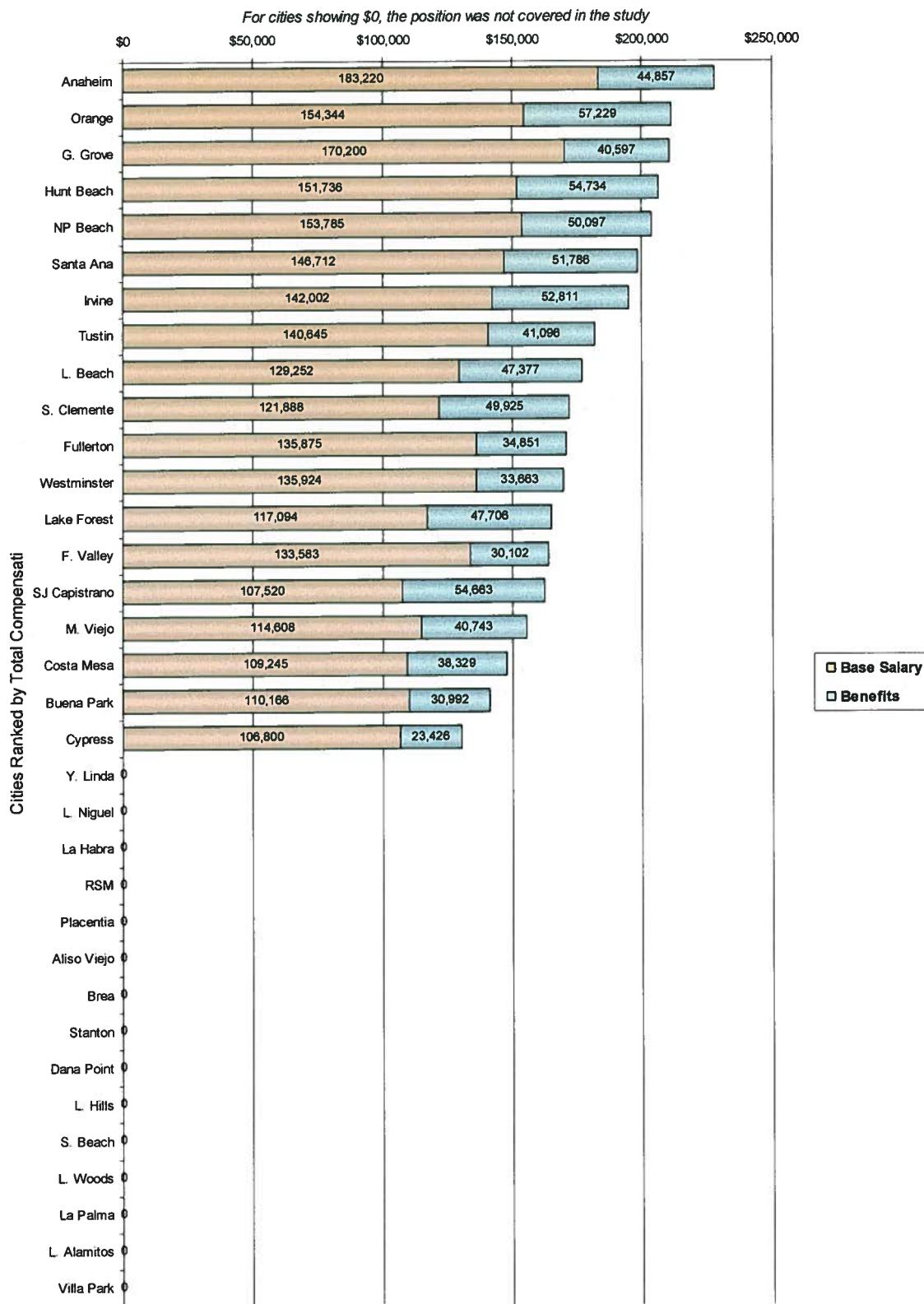
## Appendix 2(g) Parks and Recreation Compensation



## Appendix 2(h) Community Development Compensation

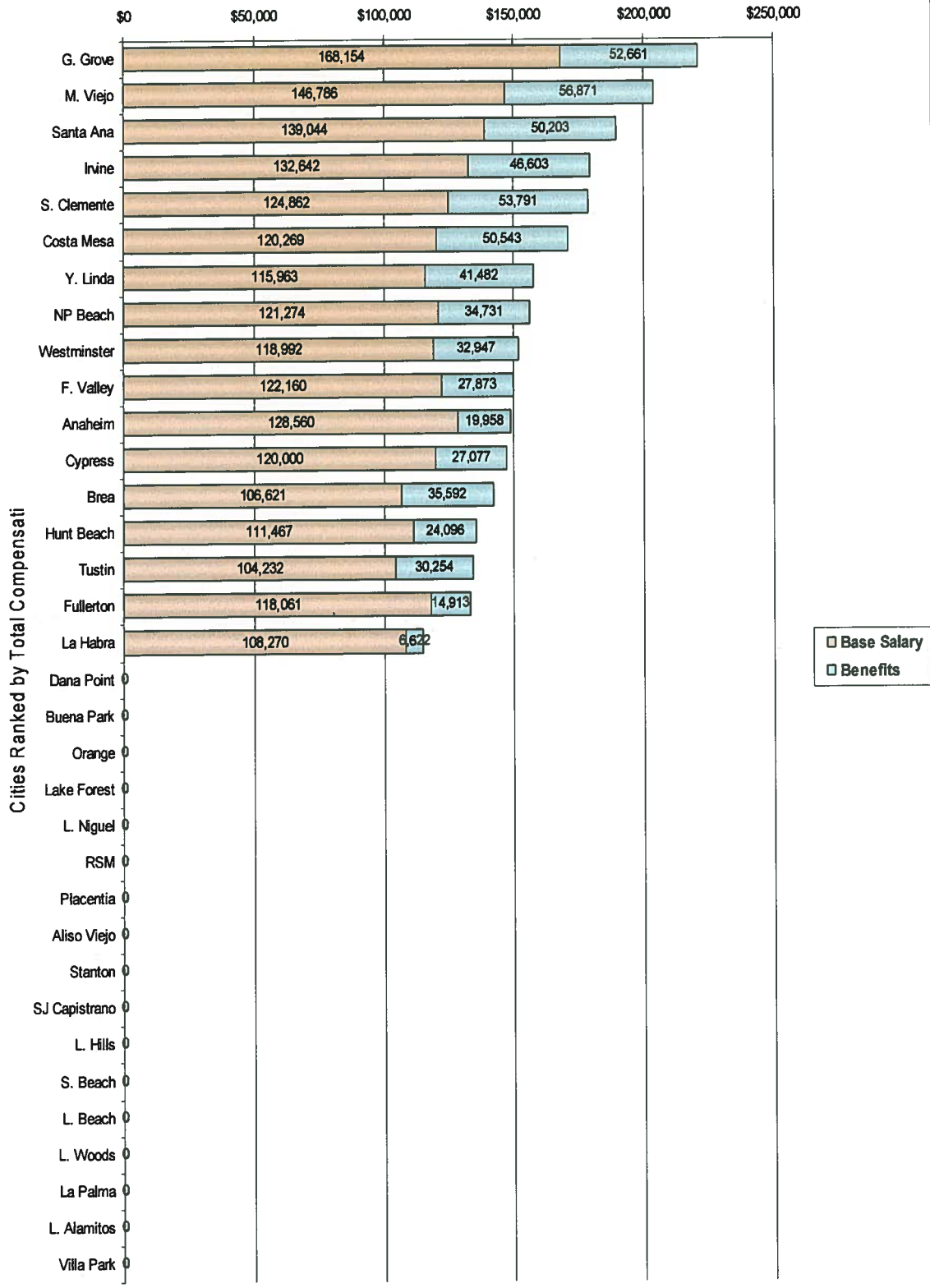


# Appendix 2(f) Human Resources Compensation

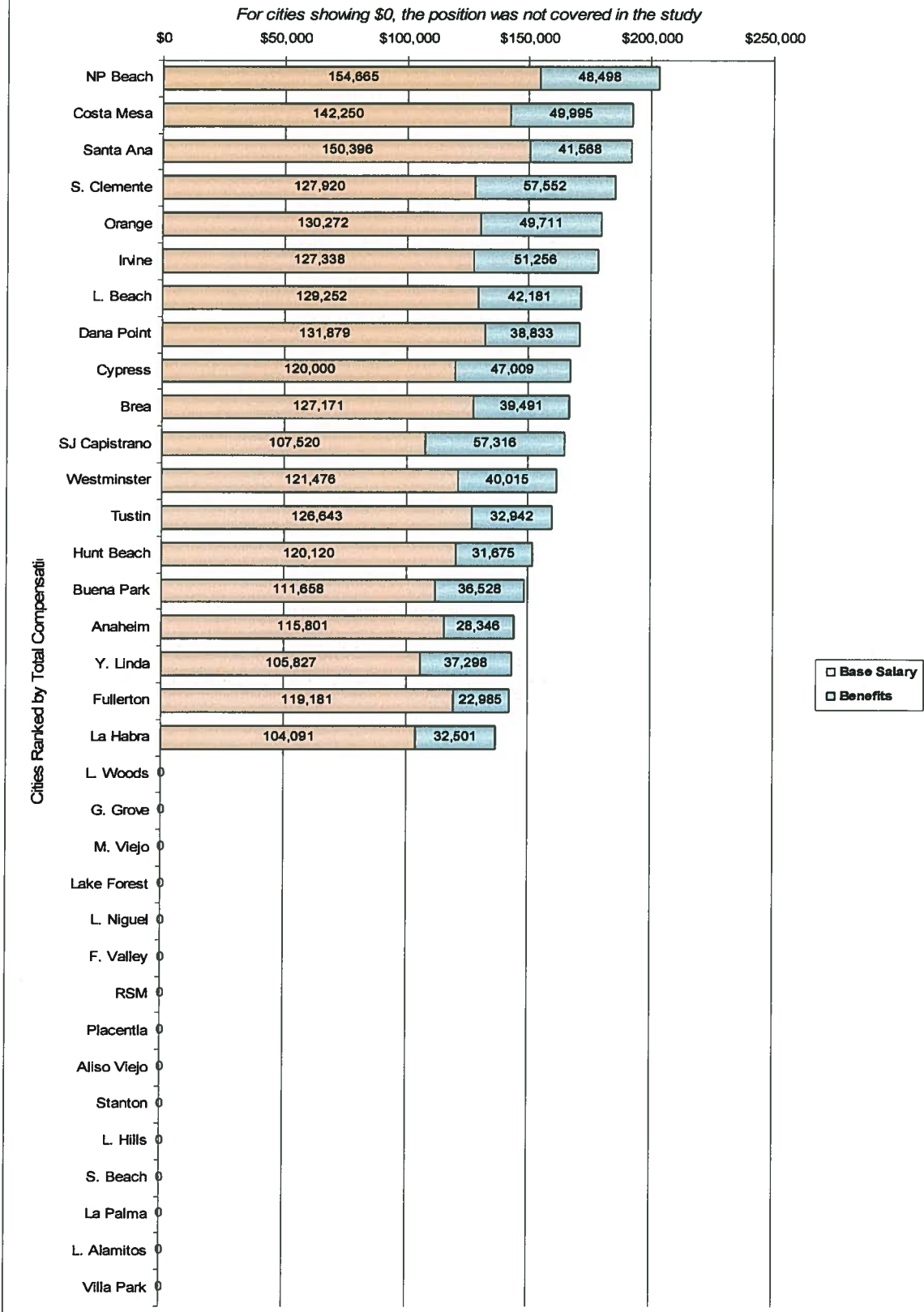


## Appendix 2(j) Information Technology Compensation

For cities showing \$0, the position was not covered in the study



# Appendix 2(k) Building Official Compensation



### Appendix 3a Number of City Positions Paying over \$100 K

| City                   | Population | No.Positions<br>over \$100K* | No. Positions<br>per 10,000<br>population |
|------------------------|------------|------------------------------|-------------------------------------------|
| Anaheim                | 348,467    | 173                          | 4.96                                      |
| Irvine                 | 212,793    | 106                          | 4.98                                      |
| Huntington Beach       | 202,480    | 90                           | 4.44                                      |
| Santa Ana              | 355,662    | 85                           | 2.39                                      |
| Newport Beach          | 86,252     | 60                           | 6.96                                      |
| Orange                 | 141,634    | 39                           | 2.75                                      |
| Costa Mesa             | 116,479    | 33                           | 2.83                                      |
| Garden Grove           | 174,715    | 33                           | 1.89                                      |
| Fullerton              | 137,624    | 31                           | 2.25                                      |
| Tustin                 | 74,825     | 28                           | 3.74                                      |
| San Clemente           | 68,316     | 25                           | 3.66                                      |
| Mission Viejo          | 100,242    | 23                           | 2.29                                      |
| Laguna Beach           | 25,208     | 22                           | 8.73                                      |
| Buena Park             | 83,385     | 21                           | 2.52                                      |
| San Juan Capistrano    | 36,870     | 18                           | 4.88                                      |
| Brea                   | 40,176     | 17                           | 4.23                                      |
| Westminster            | 93,284     | 16                           | 1.72                                      |
| Cypress                | 49,647     | 15                           | 3.02                                      |
| Fountain Valley        | 58,309     | 15                           | 2.57                                      |
| Dana Point             | 37,082     | 14                           | 3.78                                      |
| La Habra               | 62,822     | 14                           | 2.23                                      |
| Yorba Linda            | 68,399     | 14                           | 2.05                                      |
| Lake Forest            | 78,344     | 12                           | 1.53                                      |
| Laguna Niguel          | 67,201     | 11                           | 1.64                                      |
| Seal Beach             | 25,913     | 9                            | 3.47                                      |
| Stanton                | 39,480     | 8                            | 2.03                                      |
| Placentia              | 51,932     | 8                            | 1.54                                      |
| Laguna Hills           | 33,434     | 7                            | 2.09                                      |
| Aliso Viejo            | 45,683     | 6                            | 1.31                                      |
| La Palma               | 16,205     | 5                            | 3.09                                      |
| Los Alamitos           | 12,217     | 4                            | 3.27                                      |
| Rancho Santa Margarita | 49,704     | 4                            | 0.80                                      |
| Laguna Woods           | 18,477     | 2                            | 1.08                                      |
| Villa Park             | 6,276      | 1                            | 1.59                                      |
| <b>Average</b>         |            |                              | <b>3.21</b>                               |

\* Excludes Police, Fire, Great Park and Electric Utility positions

**Appendix 3b Laguna Beach Salaries over \$100K \***

| <b>POSITION</b>           | <b>SALARY</b> |
|---------------------------|---------------|
| City Manager              | 238,453       |
| Asst City Manager         | 179,064       |
| Dir of Public Works       | 179,064       |
| Dir Community Development | 163,002       |
| Dir of Finance and IT     | 157,506       |
| Asst City Engineer        | 134,628       |
| Finance Officer           | 133,120       |
| Personnel Services Mgr    | 129,252       |
| Planning Mgr              | 129,252       |
| Building Official         | 129,252       |
| Zoning Admin              | 129,252       |
| Dpty Dir of Public Works  | 129,252       |
| Building Official         | 129,252       |
| Project Dir               | 129,252       |
| City Clerk                | 115,656       |
| Senior Plan Checker       | 114,053       |
| CAD/RMS Project Mgr       | 110,676       |
| Dir of Community Services | 108,765       |
| Computer Network Admin    | 108,623       |
| Principal Planner         | 102,817       |
| Principal Planner         | 102,817       |
| Principal Planner         | 102,817       |

\* Excludes Police, Fire, Great Park and Electric Utility Positions

**Appendix 3c Newport Beach Salaries over \$100K \***

| <b>POSITION</b>           | <b>SALARY</b> |
|---------------------------|---------------|
| City Attorney             | 220,000       |
| City Mgr                  | 190,747       |
| Asst City Mgr             | 179,424       |
| Public Works Dir          | 170,768       |
| Gen Services Dir          | 166,433       |
| Asst City Attorney        | 159,805       |
| Dpty PW Dir/City Eng      | 159,224       |
| Building Dir              | 154,665       |
| Planning Dir              | 154,665       |
| Rec & SR Service Dir      | 154,658       |
| Human Resources Dir       | 153,785       |
| Dpty Admin Services Dir   | 145,964       |
| Library Services Dir      | 145,195       |
| Dpty Bldg Official        | 142,272       |
| Dpty Gen Svcs Dir         | 138,923       |
| City Traffic Eng          | 138,778       |
| Asst City Eng             | 138,778       |
| Asst City Eng             | 138,778       |
| Revenue Mgr               | 135,481       |
| Finance Officer           | 135,481       |
| Civil Eng, Principal      | 132,132       |
| Risk Mgr                  | 128,991       |
| Human Resources Mgr       | 128,991       |
| Public Infor Mgr          | 123,446       |
| IT Apps Supv              | 121,274       |
| PW Finance/Admin Mgr      | 120,910       |
| Civil Eng, Sr             | 118,851       |
| Civil Eng Sr - Plan Check | 118,851       |
| Civil Eng, Sr             | 118,851       |
| Civil Eng Sr - Plan Check | 118,851       |

| <b>POSITION</b>             | <b>SALARY</b> |
|-----------------------------|---------------|
| Civil Eng, Sr               | 118,851       |
| Civil Eng Sr - Plan Check   | 118,837       |
| Civil Eng, Sr               | 117,149       |
| Civil Eng, Sr               | 117,149       |
| Park & Tree Supt            | 116,875       |
| Civil Eng Sr - Plan Check   | 115,181       |
| Planning Mgr                | 115,138       |
| GIS Supv                    | 113,318       |
| IT Opers Supv               | 113,318       |
| Human Resources Supv        | 112,060       |
| Civil Eng Sr - Plan Check   | 111,821       |
| Recreation Supt             | 111,738       |
| Dpty City Attorney P/T      | 110,628       |
| Civil Eng, Principal        | 110,201       |
| Lifeguard Battalion Chief   | 108,493       |
| Apps Coord P.D.             | 108,056       |
| Telecom/Network Coord       | 107,588       |
| EMS Mgr                     | 106,756       |
| PIO-Video                   | 106,142       |
| Pers Comp/Network Coord     | 106,072       |
| Accountant, Principal       | 104,166       |
| Planner, Principal          | 104,125       |
| Sr Services Mgr             | 103,303       |
| Civil Eng Assoc 5%          | 102,835       |
| Construction Inspec Supt    | 102,835       |
| Civil Eng Assoc 5%          | 102,106       |
| Human Resources Analyst, Sr | 101,650       |
| Civil Eng Assoc 5%          | 101,376       |
| Field Maint Supt            | 100,581       |
| Opers Support Supt          | 100,581       |

\* Excludes Police, Fire, Great Park and Electric Utility Positions

## Appendix 4 Compensation Disclosure Model

[illegible]

**\* Includes Fees, Deferred Compensation, Incentive Bonus, Auto Allowance and Pay in Lieu of Time Off.**



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE: ESTABLISHMENT OF A NO PARKING ANYTIME ZONE ON MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE**

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### **SUMMARY:**

A resident of Mandeville Drive near Moulton Parkway recently contacted staff to report that residents of the Crestline Homeowners Association continue to park overnight along Mandeville Drive, impacting the parking supply near the resident's home. After similar complaints to the City in 2006/2007, the City established a Permit Parking Program along Gordon Road in order to accommodate parking overflow from the Crestline Development. The Permit Parking Program successfully reduced parking on Mandeville Drive and on other adjacent public streets. Due to the recent complaint received, staff recommended to the Traffic Commission that a No Overnight Parking Zone be established along the south side of Mandeville Drive from Moulton Parkway to Santa Rosa Avenue, and a No Parking Anytime Zone be established on the north side of Mandeville Drive from Moulton Parkway to the drive approach of 24441 Mandeville Drive (the first residential property). The Traffic Commission, at its meeting of July 20, 2011, approved staff's recommendation. However, after further consideration, staff is recommending a deferral of the implementation of the No Overnight Parking Zone on the south side of Mandeville Drive to allow time to survey the area residents about parking control preferences. Therefore, it is recommended that the City Council adopt a Resolution establishing a No Parking Anytime Zone on the north side of Mandeville Drive from Moulton Parkway to the drive approach of 24441 Mandeville Drive, a distance of approximately 50 feet.

### **BACKGROUND:**

A resident of Mandeville Drive, near Moulton Parkway, recently contacted staff to report that residents of the Crestline Homeowners Association continue to park overnight along Mandeville Drive, impacting the parking supply near the resident's home.

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE NORTH SIDE OF MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE."**

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Previously, to address this issue, a Permit Parking Program was authorized for Gordon Road by City Council action at its meeting of April 10, 2007. This was an effort to alleviate overflow parking that was being generated by the adjacent Crestline Development onto the nearby public streets of Mandeville Drive to the south and Sierra Bonita Drive and La Cienega Drive to the east. The April 10, 2007 City Council report is attached for reference to this staff report. Since initiation of the Permit Parking Program for Gordon Road, 94 vehicle permits have been issued to Crestline residents, and it has been considered a successful alternate parking program by staff.

Upon discussion with the concerned resident and field observations, staff prepared a report with recommendations to the Traffic Commission to establish a No Overnight Parking Zone along the south side of Mandeville Drive from Moulton Parkway to Santa Rosa Street, and a No Parking Anytime Zone on the north side of Mandeville Drive from Moulton Parkway to the drive approach of 24441 Mandeville Drive, as shown on the attached Vicinity Map. Nearby residents were invited to the July 20, 2011, Traffic Commission Meeting to discuss this matter.

The Traffic Commission supported staff's recommendation to establish new parking controls on Mandeville Drive as described. However, due to resident input, the Traffic Commission also recommended that staff survey the residents along Mandeville Drive and Santa Rosa Avenue, along with the Moulton/La Paz Homeowners Association, to evaluate neighborhood support for a Permit Parking Program.

If the No Overnight Parking Zone and the No Parking Anytime Zone are created, it is possible that the vehicles currently utilizing these spaces for parking will relocate further easterly along Mandeville Drive or onto other nearby streets. Upon further consideration, staff is now recommending a two-step process to address the Mandeville Drive parking concerns.

First, the City should establish the No Parking Zone as described, on the north side of Mandeville Drive from Moulton Parkway to the drive approach of 24441 Mandeville Drive. This No Parking Zone will address the resident's concerns and will not only eliminate the undesired parking at that location, but also create an open travel lane on the westerly bound Mandeville Drive approach to Moulton Parkway.

Second, the City should defer the implementation of a No Overnight Parking Zone to allow time for staff to survey the residents of Mandeville Drive, Santa Rosa Avenue, and Alta Loma Court to determine their support for: (a) a permit parking program; (b) a no overnight parking prohibition; or (c) a No Parking Anytime Zone before acting upon further parking controls. Staff will survey the residents and report the results back to the Traffic Commission and City Council.

Furthermore, in order to encourage permit parking along Gordon Road, staff corresponded with the Property Manager for the Crestline Homeowners Association

requesting they send a notice reminding residents about the Permit Parking Program. The Property Manager stated there had not been any changes to parking regulations in the Crestline Development and will issue an article regarding this matter in the Association's newsletter.

**FISCAL IMPACT:**

Painting red curb for approximately 50 feet, and installing new signage (if the No Overnight Parking Zone is established) will cost approximately \$500. Funds are available for this work in the Fiscal Year 2011-2012 Public Works Maintenance Budget.

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE NORTH SIDE OF MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE."**

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**ATTACHMENTS:**

- Proposed Resolution
- Vicinity Map
- April 10, 2007 Staff Report (w/o attachments)



RESOLUTION NO. 2011-08-23-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING A NO PARKING ANYTIME ZONE ON THE NORTH SIDE OF MANDEVILLE DRIVE FROM MOULTON PARKWAY TO THE DRIVE APPROACH OF 24441 MANDEVILLE DRIVE

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

WHEREAS, Mandeville Drive is a two-lane residential roadway located from Moulton Parkway to east of Las Alturas Avenue; and

WHEREAS, residents of Mandeville Drive appeared before the Traffic Commission on July 20, 2011, and raised concerns about the volume of vehicles parked along Mandeville Drive that reduced the supply of available parking in the area and prevented residents from parking in their neighborhood; and

WHEREAS, the creation of a No Parking Anytime Zone on the north side of Mandeville Drive, from Moulton Parkway to the drive approach of 24441 Mandeville Drive, will reduce the volume of vehicles and improve vehicular access to intersection of Mandeville Drive at Moulton Parkway; and

WHEREAS, the Traffic Commission, at its regularly scheduled meeting of July 20, 2011, recommended to the City Council the establishment of a No Parking Anytime Zone on the north side of Mandeville Drive, from Moulton Parkway to the drive approach of 24441 Mandeville Drive; and

WHEREAS, pursuant to Vehicle Code Section 22507, the City may, by Ordinance or Resolution, prohibit or restrict the stopping, parking, or standing of vehicles within streets or highways, where signs or markings giving adequate notice of such regulations have been placed.

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

SECTION 1. There is hereby established a No Parking Anytime Zone on the north side of Mandeville Drive, from Moulton Parkway to the drive approach of 24441 Mandeville Drive, for a distance of approximately 50 feet.

SECTION 2. The City Engineer shall cause the signs and markings to be placed giving notice of such prohibitions as necessary to implement the parking regulations established herein.

PASSED, APPROVED, AND ADOPTED this 23<sup>rd</sup> day of August 2011.

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L. ALLAN SONGSTAD, JR., MAYOR

ATTEST:

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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.  
2011-08-23- adopted by the City Council of the City of Laguna Hills, California, at a  
Regular Meeting thereof held on the 23<sup>rd</sup> day of August 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

---

PEGGY J. JOHNS, CITY CLERK



# City of Laguna Hills

## VICINITY MAP



150 0 150 Feet

Date Created: 7/12/2011

JULY 20, 2011, ITEM NO. 4.5

8/23/2011 ITEM NO. 7.3.1



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT PUBLIC SERVICES DEPARTMENT**

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**ISSUE:      PARKING CONTROLS ON GORDON ROAD AND PARKING  
              CONTROLS ON SIERRA BONITA DRIVE**

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### **SUMMARY:**

Last year, residents of Mandeville Drive near Moulton Parkway and of La Cienega Street near Aliso Hills Drive contacted staff to report a parking problem that had developed on their streets. Upon investigation, staff determined that the Crestline Homeowners Association, a condominium association located at the southeasterly corner of Moulton Parkway at Alicia Parkway, had modified its onsite parking regulations resulting in some of their residents parking their vehicles on the closest adjacent public streets. With an expectation that the City would be unable to compel Crestline Homeowners Association to change its control of its' onsite private parking, staff initiated discussions with the Traffic Commission regarding potential opportunities to relocate the newly parked vehicles to Gordon Road, a public street that partially bisects the Crestline development and that is currently posted as No Parking Anytime. At the March 21, 2007, Traffic Commission meeting, approximately 18 residents addressed the Commission about their experiences with additional vehicles parked on the streets in front of their homes. Staff's proposed solution is to convert a portion of Gordon Road to permit parking and provide permits to residents of the Crestline Homeowners Association only, in an attempt to shift the newly parked vehicles to Gordon Road. In addition, based upon testimony from the residents of La Cienega Street and staff observations, vehicles parking on Sierra Bonita Drive near the corners with Aliso Hills Drive and with La Cienega Street create traffic safety problems necessitating the need to establish No Parking Anytime Zones on portions of Sierra Bonita Drive. It is recommended that the City Council adopt a Resolution establishing a Permit Parking Program for Gordon Road, while restricting the permits to passenger vehicles that have registered addresses within the Crestline Homeowners Association, and also establish No Parking Anytime Zones on certain portions of Sierra Bonita Drive.

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**RECOMMENDATION:    THAT THE CITY COUNCIL ADOPT A RESOLUTION  
ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA  
HILLS, CALIFORNIA, ESTABLISHING: 1) A PERMIT PARKING ZONE ON GORDON  
ROAD; AND 2) A NO PARKING ANYTIME ZONE ON PORTIONS OF SIERRA  
BONITA DRIVE."**

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**BACKGROUND:**

As indicated in the attached staff report to the Traffic Commission of March 21, 2007, the Crestline Homeowners Association has modified their internal parking regulations resulting in some of their residents personal vehicles being parked on adjacent public residential streets. These residential streets include portions of Mandeville Drive and Santa Rosa Avenue near Moulton Parkway and portions of Sierra Bonita Drive, La Cienega Street, and Los Cerros Drive near Aliso Hills Drive (please see the attached vicinity map). Residents of these adjacent public streets have contacted the City to advise that the newly parking vehicles have created a parking problem on the streets in front of their homes, conflicting with their ability and that of their guests to park within the spaces available on the public street. The actions of the Crestline Homeowners Association to enforce or change their parking regulations, causing newly parked vehicles, and the need and desire of the residents of the adjacent public streets to resolve a parking problem, has led staff to attempt to find a solution to this issue involving additional parking resources.

The Crestline development was approved by the Orange County Planning Commission on March 1, 1983, with Conditions. This 40-acre site was designated as a medium density residential development within the "Aliso Hills Planned Community." The project was planned to have 108 three bedroom units, 216 two bedroom units, and 48 one bedroom units requiring a total of 848 parking spaces (covered and uncovered). The site plan identifies that the project was provided with a total of 916 parking spaces. The Conditions of Approval appear to be standard for this era and type of development and do not include explicit parking regulation conditions. The Conditions, Covenants, and Restrictions (CC&R's) for this development were briefly reviewed and explicit parking requirements, such as "all vehicles associated with the development must park within the limits of the development," also do not appear to be included in the document. The CC&R's do allow the Board of Directors to establish Rules and Regulations to manage the common areas and the Board, in 2006, modified its internal parking regulations to specify the number of allowed parking spaces per unit. This action, which appears to be consistent with the Board's authority, seemingly resulted in new vehicles being parked on the adjacent public streets.

At the Traffic Commission meeting of March 21, 2007, a member of the Crestline Homeowners Association Board addressed the Commission and advised that the Crestline parking regulations were implemented to address an increasing number of parked vehicles associated with new residents living within their housing development. The Crestline Board believes it has taken prudent steps to address this condition and to manage the Association property to the benefit of the individual homeowners within the condominium development. Staff was also advised by the Property Manager for the Association that the actions taken by the Board to require homeowners to utilize their garages for parking of vehicles and not to use them for storage, alternate recreational

**APRIL 10, 2007, ITEM NO. 6.2A**

**JULY 20, 2011, ITEM NO. 4.5**

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Parking Controls on Gordon Road  
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activities, or housing was necessary to properly manage the property. The Crestline Homeowners Association has indicated that they have no intention of changing their current parking control practices.

Residents of the adjacent public streets also addressed the Traffic Commission at the same meeting and expressed their dismay at Crestline's ability to force parking onto streets outside of Crestline. They indicated they now have a parking problem and have difficulty finding parking for themselves and their guests. They requested that the City address the issue. Moreover, they expressed frustration because there appears to be an abundance of available parking spaces within the Crestline development. A resident voluntarily took it upon himself to count the number of open parking spaces within the Crestline development on any number of nights at around the midnight hour. In each case, he reported, and provided staff a detailed spreadsheet, showing over 100 parking spaces available within the Crestline development each time of his visit. Staff requested that the Sheriff's Department perform similar counts to independently corroborate the availability of parking within the Crestline development and to also estimate the number of newly parked vehicles on the adjacent residential streets. The Sheriff's Department late night surveys found, on three different dates, open parking spaces within Crestline to be 175 or more. At the same time, parked vehicles on Sierra Bonita averaged seven, on La Cienega averaged three, and on Los Cerros averaged six, for a total of 16 in that general vicinity and averaged six on Mandeville and two on Santa Rosa for a total of eight in that general vicinity, or a total of approximately 24 vehicles parked in reasonable proximity to the Crestline development.

Assuming the City would be unable to compel Crestline Homeowners Association to modify its parking standards and acknowledging that a parking problem exists on the adjacent residential public streets, staff discussed solutions with the Traffic Commission at the meeting of March 21, 2007. Three general solutions were formulated and include "No change to parking regulations," "Establish Permit Parking on Gordon Road," or "Establish parking controls on adjacent residential public streets."

No change to parking regulations

This approach recognizes that the Crestline Homeowners Association is likely within its authority to take steps to improve its development with internal regulations and that vehicular parking on public streets is permissible. Any passenger vehicle has the authority to be parked on any residential street within the City for a period of up to 72 hours, unless otherwise regulated, regardless of the reason it is parked there.

Establish Permit Parking on Gordon Road

This approach would open Gordon Road to specified parking. In 1995, to address a truck parking problem, the City prohibited parking on Gordon Road. Portions of Gordon Road could now be re-opened to parking but, to avoid a truck parking problem, it would

**APRIL 10, 2007, ITEM NO. 6.2A**

**JULY 20, 2011, ITEM NO. 4.5**

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Parking Controls on Gordon Road  
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be necessary to either: 1) constrain the parking to a weight limit restriction, or 2) establish a Permit Parking Zone. The weight limit restriction, typically five tons, might still allow unwanted work trucks, tow trucks, and step vans to park on the street and this type of regulation is also challenging to enforce. A Permit Parking Zone, however, would allow the City to control the type and quantity of vehicles allowed to park on Gordon Road. The Permit Parking Zone would be limited to passenger vehicles only. Gordon Road could accommodate about 27 vehicles while still preserving the existing No Parking Anytime Zones within 60 feet of Moulton Parkway and at the end of the cul-de-sac. The parking permits would only be made available to residents within the Crestline Homeowners Association for a vehicle that is registered to their address. Initially, one permit per household would be offered depending upon how many permit requests are actually received. Staff does not propose to limit the number of permits to the 27 available spaces available on Gordon Road but would propose to issue as many as 100 permits on a first come first serve basis. Parking of vehicles would then be on a first come first serve basis.

Permit Parking on Gordon Road may or may not resolve all of the off-site parking on adjacent public streets as Gordon Road is not the closest off-site parking area to all of the units in the Crestline development. For some units, Sierra Bonita Drive and La Cienega Street are closer public streets. Accordingly, even with permit parking on Gordon Road, the Crestline Homeowners Association should be encouraged to work with the City to allow some of their on-site parking spaces near the easterly side of the Crestline development to be re-opened for use.

Establish parking controls on adjacent residential public streets

This approach would be to establish Permit Parking Zones on Mandeville Drive and Santa Rosa Drive (near Moulton Parkway) and on Sierra Bonita Drive, La Cienega Drive, and Los Cerros Street (near Aliso Hills Drive) as a "reverse parking control" and not make any changes to Gordon Road. In order to further evaluate this solution to the parking issue, staff initiated a survey of the residents of the above described public streets to ascertain whether or not they felt there was a parking problem on their street; if additional parking regulations were necessary; if they would support a Permit Parking Zone on their street; or, as an alternative; if they would support a No Parking Anytime Zone from 2:00 a.m. to 6:00 a.m. The survey results are provided on the attached tally sheets and, while the results indicate the existence of a parking problem, it does not indicate an overwhelming preference for a solution. Hence, this option is not recommended.

During the course of public comments to the Traffic Commission, several residents identified a potential traffic safety hazard with vehicles parking near corners on Sierra Bonita Drive between Aliso Hills Drive and La Cienega Drive. The two conditions were vehicles parking on the westerly side of Sierra Bonita Drive immediately adjacent to Aliso Hills Drive, creating a difficult corner maneuver, and the second condition was for

**APRIL 10, 2007, ITEM NO. 6.2A**

**JULY 20, 2011, ITEM NO. 4.5**

vehicles parking on the easterly side of Sierra Bonita Drive near La Cienega Drive, creating another difficult maneuver. These conditions were observed by staff and were determined to create a traffic safety problem. The establishment of specified No Parking Anytime Zones on Sierra Bonita Drive is recommended. There are no fronting residential homes on this access street from Aliso Hills Drive to La Cienega Drive. The establishment of the No Parking Anytime Zones may well shift parking vehicles further into La Cienega Street and Los Cerros Drive.

All speakers at the Traffic Commission meeting, the Crestline Homeowners Association Property Manager, and residents of the adjacent residential public streets were notified of, and invited to, the April 10<sup>th</sup> City Council meeting.

The Traffic Commission, at the meeting of March 21, 2007, recommended to the City Council the establishment of a Permit Parking Zone on Gordon Road along with the described parking restrictions on Sierra Bonita Drive.

**FISCAL IMPACT:**

The establishment of a Permit Parking Zone on Gordon Road would require modifications to the existing No Parking Anytime signage at an estimated cost of \$1,000, and the establishment of a No Parking Anytime Zone on certain portions of Sierra Bonita Drive would require the installation of approximately four signs at an estimated cost of \$800. Funds are available for both of these signage installations in the 2006-2007 Fiscal Year Public Works Maintenance Budget.

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**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ESTABLISHING: 1) A PERMIT PARKING ZONE ON GORDON ROAD; AND 2) A NO PARKING ANYTIME ZONE ON PORTIONS OF SIERRA BONITA DRIVE."**

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**ATTACHMENTS:**

- Resolution
- March 21, 2007 Traffic Commission Report
- Survey Results

APRIL 10, 2007, ITEM NO. 6.2A

JULY 20, 2011, ITEM NO. 4.5

8/23/2011 ITEM NO. 7.3.1



# **CITY OF LAGUNA HILLS**

## **AGENDA REPORT COUNCIL MEMBER KOGERMAN**

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**ISSUE: COYOTE PROBLEMS THROUGHOUT THE CITY AND REQUEST FOR  
STAFF REPORT AND RECOMMENDATIONS**

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### **BACKGROUND:**

After numerous reports last year of encounters with aggressive coyotes by Laguna Hills residents, the City held a well-attended public forum featuring presentations from representatives of Orange County Animal Control and State Department of Fish and Game. Several residents described threatening sightings and encounters that they believed endangered themselves, their children and neighbors, and their horses and smaller pets. Presenters explained the rapidly-occurring habituation of coyotes and the need for public information regarding not feeding coyotes, not leaving food out, keeping fruit picked up, shrubbery trimmed, pets secured, and the like. They also emphasized

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**RECOMMENDATION: THAT THE CITY COUNCIL DIRECT STAFF TO:  
(1) CONDUCT A STUDY WHICH PROVIDES STATISTICAL AND CONCRETE  
EVIDENCE OF ENCOUNTERS WITH AGGRESSIVE COYOTES THROUGHOUT THE  
CITY, REACHING OUT AS NEEDED TO PROPERTY MANAGERS AND  
HOMEOWNER ASSOCIATIONS THROUGHOUT THE CITY, THE STATE  
DEPARTMENT OF FISH AND GAME, AND THE ORANGE COUNTY ANIMAL  
CONTROL SERVICES, INCLUDING RELEVANT INFORMATION AS TO TIME AND  
PLACE AND THE NATURE OF THE ENCOUNTER; AND REQUEST ANY  
AVAILABLE SIMILAR INFORMATION FROM NEIGHBORING CITIES; AND BASED  
ON THIS INFORMATION TO: (2) COMPILE A REPORT OUTLINING OPTIONS FOR  
PUBLIC INFORMATION AND OUTREACH, WEBSITE SUPPORT, MANAGEMENT  
OF AGGRESSIVE COYOTES, AND COOPERATION EFFORTS AMONG  
CONTIGUOUS CITIES DIRECTED TOWARD PROTECTING OUR RESIDENTS,  
THEIR CHILDREN AND THEIR PETS FROM COYOTE HABITUATION AND  
AGGRESSION; AND (3) RETURN TO CITY COUNCIL NOT LATER THAN THE  
SEPTEMBER 27, 2011, CITY COUNCIL MEETING WITH SAID  
RECOMMENDATIONS. IT IS TO BE UNDERSTOOD THAT NOTHING IN THIS  
RECOMMENDATION SHOULD PUT A HALT TO ON-GOING MEASURES THAT ARE  
CURRENTLY BEING UNDERTAKEN.**

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Coyote Problems  
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that coyotes are becoming more aggressive as they lose their fear of people and see them increasingly as a source for food. They also emphasized that aggressive coyotes do not respect borders and that cities need to cooperate in their efforts to control the emerging problems. They recommended trapping aggressive coyotes, particularly in the spring and autumn.

Subsequently, the City began a cooperative effort with the Nellie Gail Owners Association in the spring for trapping aggressive coyotes, successfully trapping four coyotes thought to be aggressive. The City has also published an article in spring edition of *City Views* with helpful tips and contact information for reporting problem coyotes, and plans to publish another, and has recently stepped up its trapping program in Nellie Gail. The City also requests that residents report problem encounters to the City, Orange County Animal Control, and the State Department of Fish and Game. Additionally, the City reports that traps are routinely set in backyards, etc., of residents who report coyote activity on their property. (It should be noted that while the City contact number appears in the recent *City Views* article, that appears to be its only location on the City's website.)

This summer, considerable attention has been paid in the press to coyote problems in neighboring Laguna Woods, where pets have been taken and senior citizens have been injured during encounters with coyotes.

Currently, the Property Manager of the Laguna Village Homeowners Association reports that their cat population is definitely being menaced by coyotes, and many cats have gone missing. The community backs up to a preserve area.

While the increasing aggressiveness of coyotes is by no means a local issue (see <http://www.varmintal.com/attac.htm> for a compendium of attacks throughout the nation stretching back several years), I believe the attached letter from Laguna Hills resident Laurie Hrdlicka succinctly summarizes the issue as it is now faced in our City.

While anecdotal evidence of aggressive coyote activity abounds, the City needs to gather statistical data regarding the specific locations, including time of day and types of encounters, location of traps currently in place, and information gathered from neighboring cities. Then staff can prudently recommend a program and outline the options for increased public awareness, trapping efforts, city-to-city cooperation, and other measures that can be undertaken for the protection of our residents, children and pets.

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**RECOMMENDATION: THAT THE CITY COUNCIL DIRECT STAFF TO: (1) CONDUCT A STUDY WHICH PROVIDES STATISTICAL AND CONCRETE EVIDENCE OF ENCOUNTERS WITH AGGRESSIVE COYOTES THROUGHOUT THE CITY, REACHING OUT AS NEEDED TO PROPERTY MANAGERS AND HOMEOWNER ASSOCIATIONS THROUGHOUT THE CITY, THE STATE DEPARTMENT OF FISH AND GAME, AND THE ORANGE COUNTY ANIMAL CONTROL SERVICES, INCLUDING RELEVANT INFORMATION AS TO TIME AND PLACE AND THE NATURE OF THE ENCOUNTER; AND REQUEST ANY AVAILABLE SIMILAR INFORMATION FROM NEIGHBORING CITIES; AND BASED ON THIS INFORMATION TO: (2) COMPILE A REPORT OUTLINING OPTIONS FOR PUBLIC INFORMATION AND OUTREACH, WEBSITE SUPPORT, MANAGEMENT OF AGGRESSIVE COYOTES, AND COOPERATION EFFORTS AMONG CONTIGUOUS CITIES DIRECTED TOWARD PROTECTING OUR RESIDENTS, THEIR CHILDREN AND THEIR PETS FROM COYOTE HABITUATION AND AGGRESSION; AND (3) RETURN TO CITY COUNCIL NOT LATER THAN THE SEPTEMBER 27, 2011, CITY COUNCIL MEETING WITH SAID RECOMMENDATIONS. IT IS TO BE UNDERSTOOD THAT NOTHING IN THIS RECOMMENDATION SHOULD PUT A HALT TO ON-GOING MEASURES THAT ARE CURRENTLY BEING UNDERTAKEN.**

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**ATTACHMENT:**

- Letter from Laguna Hills resident Laurie Hrdlicka



LETTER FROM LAGUNA HILLS RESIDENT LAURIE HRDLICKA  
(Dated August 10, 2011)

Hi, Barbara,

Although I am, in no means, an expert on coyote behavior, I have worked with exotics (specifically carnivores) in a captive situation for 30 years and am very familiar with coyote behavior.

I have lived in Nellie Gail Ranch for 10 years. Coyotes have always lived here as well, but over the past several decades coyote behavior has changed as they have adapted to urban areas. They behave very different from rural coyotes. Rural coyotes, like wolves, are not permitted to take livestock. There are many preventions that ranchers take to protect their herds and property, and the coyotes know it. They know they will be trapped or shot. But here, we have no recourse, and they know that as well. In general, people are afraid or in awe of them, and therefore ignore them.

Unlike other wildlife like bears, wolves and mountain lions, whose numbers have been greatly reduced, the coyote thrives in urban areas, thus having no competition or predators themselves. Many generations of coyotes have been taught to hunt our pets, as it is easier for them, and their numbers have increased as well as their individual size, due to this constant supply of food, so small prey, such as rabbits and squirrels no longer satisfy them. They have adapted to urban life extremely well and have become habituated to humans to the extent that they have no fear or respect of us. When coyotes are allowed to take over an area, they will do that. It has taken many years for this to evolve into what it has. In addition, unlike bears, and mountain lions, they cannot be relocated.

Coyotes have, and will attack people, especially small children. They now hunt at all hours of the day, as they know that most pets are brought in at night. In general, they take small pets, but once they begin to hunt in packs, they will take large dogs as well. These behaviors make them dangerous. The fact that they are dragging people to the ground to take their pets off leashes is horrifying.

I have always been an animal rights advocate, but this situation is different. At this point, I believe that wildlife officials have no other choice but to implement trapping procedures to eradicate these rogue coyotes. But, education needs to be a part of the solution as well. Unfortunately, most people just want a quick fix to the problem and do not realize that there isn't one. We all need to do our part. People need to stand up to these coyotes of new generations and turn the behaviors around. Coyote fencing can help, but there are too many people that encounter these animals and do nothing. They need to be warned that we will not tolerate them on our property, but just a few people doing this is just not enough, especially when there are residents providing food for them, such as pet food, water sources, and wildlife feeding, as well as fruit trees that are not maintained. I wish there was a way to educate residents, but in my experience with past meetings, we have had very low attendance. People have to want to be educated.

This whole situation has been very frustrating for me. I moved here to have a hobby farm. That dream is now gone. I have an empty barn and chicken coop due to the coyotes. I can't enjoy having barn cats and constantly battle rats. Nellie Gail has a huge rat problem, as there are no cats left, which causes more people to poison, which is so bad for the environment. We can no longer have small dogs. I know so many people that have lost their beloved pets, who were a big part of their family. It's not about keeping your pets locked up at night or on leashes anymore. It has gone beyond that.

I truly wish I had more answers. We need to develop a more complete program. I know that for sure. It's where to begin....

I hope this helps. Sincerely, Laurie Hrdlicka

