



**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING AGENDA
JUNE 09, 2015**

**Closed Session at 6:00 PM (*when scheduled*)
General Business Session at 7:00 PM**

Dore J. Gilbert, M.D., Mayor

**Barbara Kogerman, Mayor Pro Tempore
Andrew Blount, Council Member**

**Melody Carruth, Council Member
Don Sedgwick, Council Member**

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

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

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

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE: MAYOR PRO TEMPORE KOGERMAN

ROLL CALL OF CITY COUNCIL MEMBERS

CLOSED SESSION REPORT

1. PRESENTATIONS AND PROCLAMATIONS**1.1 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON**

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

1.2 CERTIFICATE OF RECOGNITION, MATTHEW SHULMAN, LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON FOR SPRING 2015 SEMESTER

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CERTIFICATE OF RECOGNITION TO MATTHEW SHULMAN RECOGNIZING HIS SERVICE AS THE LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON.

1.3 LAGUNA HILLS 3/5 MARINE SUPPORT COMMITTEE

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AN UPDATE FROM CHAIR KAREN ROBBINS ON THE 3/5 DARK HORSE COMMITTEE.

1.4 RECOGNITION OF TRAFFIC COMMISSIONER RICK FRAZIER

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CITY PLAQUE TO RICK FRAZIER RECOGNIZING HIS SERVICE TO THE CITY.

2. PUBLIC COMMENTS

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

3. CONSENT CALENDAR

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

3.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA

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

3.2 APPROVAL OF MINUTES FOR MAY 26, 2015, REGULAR MEETING

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE MINUTES OF THE MAY 26, 2015, REGULAR MEETING.

3.3 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JUNE 09, 2015

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$369,244.68.

3.4 EQUESTRIAN TRAIL CROSSING TRAFFIC CONTROL IMPROVEMENTS IN THE NELLIE GAIL RANCH AREA

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE RECOMMENDED TRAFFIC CONTROL IMPROVEMENTS AT SPECIFIED EQUESTRIAN TRAIL CROSSING LOCATIONS IN THE NELLIE GAIL RANCH AREA.

3.5 ADOPTION OF REVISED CITY COUNCIL POLICY NO. 105 - FINANCIAL POLICIES

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT THE REVISED CITY COUNCIL POLICY NO. 105 - FINANCIAL POLICIES.

3.6 AWARD OF THE STREET SWEEPING MAINTENANCE SERVICES AGREEMENT FOR CITYWIDE STREET AND ROADWAY CLEANING TO JONSET CORPORATION, INC., DBA SUNSET PROPERTY SERVICES

RECOMMENDATION: THAT THE CITY COUNCIL AWARD THE STREET SWEEPING MAINTENANCE SERVICES AGREEMENT FOR CITYWIDE STREET AND ROADWAY CLEANING TO JONSET CORPORATION, INC., DBA SUNSET PROPERTY SERVICES AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT.

3.7 FISCAL YEAR 2015/2016 SCHOOL CROSSING GUARD AGREEMENT

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED CROSSING GUARD SERVICES AGREEMENT FOR FISCAL YEAR 2015/2016 WITH ALL CITY MANAGEMENT SERVICES AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT.

3.8 FISCAL YEAR 2015/2016 TRAUMA INTERVENTION PROGRAM AGREEMENT

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED VICTIM SUPPORT SERVICES AGREEMENT FOR FISCAL YEAR 2015/2016 WITH TRAUMA INTERVENTION PROGRAMS, INC. AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT.

3.9 ADOPTION OF ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/2016

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/2016 IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND SECTION 7910 OF THE GOVERNMENT CODE."

3.10 AWARD OF CONTRACT FOR THE COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240, AND APPROVAL OF A CAPITAL IMPROVEMENT PROGRAM BUDGET AMENDMENT

RECOMMENDATION: THAT THE CITY COUNCIL: (1) AWARD THE BASE BID CONTRACT FOR THE LAGUNA HILLS COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240, TO LEHMAN CONSTRUCTION, INC., IN THE LOW BID AMOUNT OF \$694,976.00, PLUS AWARD ALTERNATE BID ITEMS NUMBERED 2 AND 5 THROUGH 9, INCLUSIVE, IN THE NET ADDITIONAL AMOUNT OF \$21,145.00, FOR A TOTAL CONTRACT VALUE OF \$716,121.00, AND REJECT ALL OTHER BIDS; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING THE FISCAL YEAR 2013/2014 - 2014/2015 CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240."

3.11 SELECTION OF CITY AUDITOR

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED PROFESSIONAL SERVICES AGREEMENT WITH WHITE NELSON DIEHL EVANS LLP AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT FOR FINANCIAL AUDIT SERVICES FOR THE CITY FOR FISCAL YEARS 2014/2015 AND 2015/2016.

ITEMS REMOVED FROM THE CONSENT CALENDAR

4. PLANNING AGENCY

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

4.2 PUBLIC COMMENTS

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

4.3 APPROVAL OF MINUTES FOR MAY 26, 2015, REGULAR MEETING

RECOMMENDATION: THAT THE PLANNING AGENCY APPROVE THE MINUTES OF THE MAY 26, 2015, REGULAR MEETING.

4.4 ADMINISTRATIVE REPORTS

4.4.1 ADOPTION OF A RESOLUTION MAKING A FINDING OF GENERAL PLAN CONSISTENCY FOR THE FISCAL YEAR 2015/2016 AND FISCAL YEAR 2016/2017 PROJECTS OF THE SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2015/2016 TO FISCAL YEAR 2020/2021

RECOMMENDATION: THAT THE PLANNING AGENCY ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, MAKING A FINDING OF GENERAL PLAN CONSISTENCY FOR THE FISCAL YEAR 2015/2016 PROJECTS AND FISCAL YEAR 2016/2017 PROJECTS OF THE SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2015/2016 TO FISCAL YEAR 2020/2021."

4.5 PLANNING AGENCY PUBLIC HEARINGS

PLANNING AGENCY ADJOURNMENT

5. CITY COUNCIL PUBLIC HEARINGS

5.1 ADOPTION OF THE 2015-2017 BIENNIAL BUDGET, INCLUDING THE OPERATING BUDGET, DEBT SERVICE, OTHER FUNDING USES, AND THE SIX-YEAR CAPITAL IMPROVEMENT PLAN

RECOMMENDATION: THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS: (1) CONDUCT A PUBLIC HEARING REGARDING THE 2015-17 BIENNIAL OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING THE OPERATING BUDGET, CAPITAL IMPROVEMENT PROGRAM, AND OTHER APPROPRIATIONS FOR THE CITY OF LAGUNA HILLS FOR FISCAL YEARS 2015/2016 - 2016/2017."

6. ADMINISTRATIVE REPORTS**6.1 Community Development Director****6.1.1 REPORT CONCERNING DENIAL OF A TEMPORARY USE
PERMIT (TUP) TO CIRCUS VARGAS.**

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

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

The next Regular Meeting of the City Council will be June 23, 2015, in the City Council Chamber, located at 24035 El Toro Road, Laguna Hills, California.

CERTIFICATION

I, MELISSA AU-YEUNG, City Clerk of the City of Laguna Hills, do hereby certify that a copy of the foregoing Agenda was posted at Laguna Hills City Hall, Laguna Hills Community Center, and the Courtyard at La Paz Center by June 5, 2015, at 5:00 PM.



MELISSA AU-YEUNG, CITY CLERK

June 5, 2015

DATE

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

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

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



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: MELISSA AU-YEUNG
ASSISTANT TO THE CITY MANAGER**

**ISSUE: CERTIFICATE OF RECOGNITION, MATTHEW SHULMAN, LAGUNA HILLS
HIGH SCHOOL STUDENT LIAISON FOR SPRING 2015 SEMESTER**

**RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CERTIFICATE OF
RECOGNITION TO MATTHEW SHULMAN RECOGNIZING HIS SERVICE AS THE
LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON.**

SUMMARY:

The City of Laguna Hills and the Laguna Hills High School PTSA established a Student Liaison Program in 1993. Matthew Shulman has served as the Student Liaison for the spring 2015 semester. Matthew has served as the Student Liaison with distinction, and it is in order to recognize his service.

ATTACHMENTS:

- Certificate of Recognition

CERTIFICATE OF RECOGNITION

MATTHEW SHULMAN
Laguna Hills High School Student Liaison

February 10, 2015, through June 9, 2015

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

WHEREAS, Matthew Shulman was appointed to serve as the Student Liaison to the City Council and took the Oath of Office February 10, 2015; and

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

NOW, THEREFORE, I, Dore J. Gilbert, M.D., Mayor, on behalf of the City Council of the City of Laguna Hills, California, do hereby recognize Matthew Shulman for his service to the City as Student Liaison to the City Council.

Dated this 9th day of June 2015.

DORE J. GILBERT, M.D., MAYOR



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: CINDY SANDS
ADMINISTRATIVE ASSISTANT**

ISSUE: RECOGNITION OF TRAFFIC COMMISSIONER RICK FRAZIER

RECOMMENDATION: THAT MAYOR GILBERT PRESENT A CITY PLAQUE TO RICK FRAZIER RECOGNIZING HIS SERVICE TO THE CITY.

SUMMARY:

Rick Frazier, Traffic Commissioner, has resigned his position on the Traffic Commission effective April 14, 2015. Mr. Frazier was appointed to the Traffic Commission on January 15, 2002, and took his first Oath of Office on January 22, 2002. Mr. Frazier served four terms on the Traffic Commission, and was in the process of serving his fifth term. Mr. Frazier served as Chair of the Traffic Commission from March 15, 2006 to March 21, 2007, and March 16, 2011 to May 16, 2012. He also served as Vice Chair from February 16, 2005 to March 15, 2006, and March 17, 2010 to March 16, 2011.

Rick Frazier will be present at the June 9, 2015 meeting, and it is in order to recognize him for his service to the City of Laguna Hills.

**CITY OF LAGUNA HILLS, CALIFORNIA
CITY COUNCIL/PLANNING AGENCY
REGULAR MEETING
MINUTES
MAY 26, 2015**

GENERAL BUSINESS - CONVENING AT 7:00 PM

CALL TO ORDER

Mayor Gilbert called the Regular Meeting of the City Council of the City of Laguna Hills, California to order at 7:02 p.m. in the Laguna Hills City Council Chamber, 24035 El Toro Road, Laguna Hills, California.

PLEDGE OF ALLEGIANCE: Mayor Gilbert

ROLL CALL OF CITY COUNCIL MEMBERS

Present: Mayor Gilbert, Mayor Pro Tempore Kogerman, Council Member Carruth, Council Member Sedgwick

Absent: Council Member Blount

CLOSED SESSION REPORT

There was no Closed Session report.

1. PRESENTATIONS AND PROCLAMATIONS

1.1 LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON

LAGUNA HILLS HIGH SCHOOL STUDENT LIAISON MATTHEW SHULMAN WAS NOT PRESENT AT THE MEETING.

1.2 SPOTLIGHT ON LOCAL BUSINESS

THE CITY COUNCIL RECEIVED A PRESENTATION FROM TROY HAGEN, CHIEF EXECUTIVE OFFICER, CARE AMBULANCE SERVICE, INC.

1.3 LAGUNA HILLS 3/5 MARINE SUPPORT COMMITTEE

CHAIR KAREN ROBBINS PROVIDED A REVIEW OF THE CITY OF LAGUNA HILLS 2015 MEMORIAL DAY HALF MARATHON EVENT AND AN UPDATE ON THE STATUS OF THE 3/5 DARK HORSE COMMITTEE.

1.4 CERTIFICATE OF RECOGNITION, 2015 LAGUNA HILLS NATIONAL JUNIOR BASKETBALL BOYS 5TH GRADE ALL-STAR TEAM

COUNCIL MEMBER SEDGWICK PRESENTED CERTIFICATES OF RECOGNITION TO THE 2015 LAGUNA HILLS NATIONAL JUNIOR BASKETBALL BOYS 5TH GRADE ALL-STAR TEAM.

2. PUBLIC COMMENTS

There were no Public Comments.

3. CONSENT CALENDAR

MOTION TO APPROVE THE CONSENT CALENDAR, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH. APPROVED BY A VOTE OF 4-0 (COUNCIL MEMBER BLOUNT ABSENT).

3.1 WAIVE READING IN FULL OF ALL ORDINANCES AND RESOLUTIONS ON THE AGENDA

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

3.2 APPROVAL OF MINUTES FOR MAY 12, 2015, SPECIAL MEETING

THE CITY COUNCIL APPROVED THE MINUTES OF THE MAY 12, 2015, SPECIAL MEETING.

3.3 APPROVAL OF MINUTES FOR MAY 12, 2015, REGULAR MEETING

THE CITY COUNCIL APPROVED THE MINUTES OF THE MAY 12, 2015, REGULAR MEETING.

3.4 APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED MAY 26, 2015

THE CITY COUNCIL APPROVED THE WARRANT REGISTER IN THE AMOUNT OF \$933,658.49.

3.5 PROGRESS PAYMENT NO. 17 - FINAL, FOR THE LA PAZ OPEN SPACE IMPROVEMENT PROJECT, CIP NO. 615A

THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 17 - FINAL, IN THE NET AMOUNT OF \$1,895.25, TO ENVIRONMENTAL CONSTRUCTION, INC., FOR LA PAZ OPEN SPACE IMPROVEMENT PROJECT, CIP NO. 615A, AUTHORIZED THE FILING OF THE NOTICE OF COMPLETION, AND AUTHORIZED THE RELEASE OF THE RETENTION 35 DAYS POST RECORDATION OF THE NOTICE, IF NO LIENS HAVE BEEN FILED.

- 3.6 ASSIGNMENT AND ASSUMPTION AGREEMENT RELATING TO THE 2014 PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND HALL & FOREMAN, INC., FOR GEOGRAPHIC INFORMATION SYSTEM TECHNICAL SUPPORT CONSULTING SERVICES

THE CITY COUNCIL APPROVED THE ASSIGNMENT AND ASSUMPTION AGREEMENT RELATING TO THE 2014 PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND HALL & FOREMAN, INC., FOR GEOGRAPHIC INFORMATION SYSTEM TECHNICAL SUPPORT CONSULTING SERVICES AND AUTHORIZED THE CITY MANAGER TO SIGN THE ASSIGNMENT AND ASSUMPTION AGREEMENT ATTACHED HERETO.

- 3.7 APPROVAL OF FISCAL YEAR 2015-2016 LAW ENFORCEMENT SERVICES AGREEMENT

THE CITY COUNCIL APPROVED THE FISCAL YEAR 2015-2016 LAW ENFORCEMENT SERVICES AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE CITY OF LAGUNA HILLS AND AUTHORIZED THE MAYOR TO EXECUTE THE AGREEMENT.

4. PLANNING AGENCY

Mayor Gilbert 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 7:27 p.m.

- 4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Carruth, Agency Member Sedgwick

Absent: Agency Member Blount

- 4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR MAY 12, 2015

**THE PLANNING AGENCY APPROVED THE MINUTES OF THE MAY 12, 2015, REGULAR MEETING, BY/AGENCY MEMBER CARRUTH, S/AGENCY MEMBER SEDGWICK.
APPROVED BY A VOTE OF 4-0 (AGENCY MEMBER BLOUNT ABSENT).**

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Gilbert reconvened the City Council Meeting at 7:27 p.m. All Council Members were present with the exception of Council Member Blount.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 PUBLIC HEARING ON 2015 WEED, RUBBISH, AND REFUSE ABATEMENT

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

**THE CITY COUNCIL ADOPTED RESOLUTION NO. 2015-05-26-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ISSUING AN ABATEMENT ORDER AND AUTHORIZING THE DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER TO COMMENCE ENFORCING WEED, RUBBISH, AND REFUSE ABATEMENT AGAINST SPECIFIED PARCELS OF LAND, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH.
APPROVED BY A VOTE OF 4-0, (COUNCIL MEMBER BLOUNT ABSENT).**

6. ADMINISTRATIVE REPORTS

6.1 Community Development Director

6.1.1 REPORT CONCERNING DENIAL OF A TEMPORARY USE PERMIT (TUP) TO CIRCUS VARGAS.

**THE CITY COUNCIL TABLED THIS ITEM TO THE REGULAR CITY COUNCIL MEETING OF JUNE 9, 2015, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH.
TABLED BY A VOTE OF 4-0, (COUNCIL MEMBER BLOUNT ABSENT).**

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS AND MAYOR

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

8. CITY COUNCIL MEMBER COMMENTS

MAYOR PRO TEMPORE KOGERMAN

Mayor Pro Tempore Kogerman reported that the first case of West Nile Virus has been reported in Tustin. Mayor Pro Tempore Kogerman also reported on the Grand Jury report issued last week regarding the state of the seventy-four year old Orange County Animal Shelter and requested that Assistant City Manager White make a brief comment on this report.

Assistant City Manager White reported that the City is evaluating the report and is required to respond to one recommendation by August 19, 2015. The response will be brought to City Council for review and approval at the July 14, 2015, City Council meeting.

Mayor Pro Tempore Kogerman also commented on the beautiful medals from the Memorial Half-Day Marathon Event and congratulated staff on a job well done.

COUNCIL MEMBER SEDGWICK

Council Member Sedgwick reported that he had a productive weekend at the 2015 ICSC RECON Convention in Las Vegas with staff members and met with developers including mall owners - Merlone Geier Partners (MGP). Council Member Sedgwick stated that he was impressed with MGP's depth of knowledge in market targeting and reported that MGP is willing to work with City Council and staff in contacting any retailers the City is interested in seeing in the Laguna Hills Mall.

COUNCIL MEMBER CARRUTH

Council Member Carruth commented on the wonderful job Mayor Gilbert performed overseeing the Memorial Day Celebration following the Half-Marathon, 10K, 5K Race. Council Member Carruth also reported that long-time City employee, Jan Frainie, Parks Supervisor, was honored at the event as a Vietnam veteran and Purple Heart recipient.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Gilbert adjourned the City Council meeting at 7:39 p.m.

MELISSA AU-YEUNG, CITY CLERK

ATTEST:

DORE J. GILBERT, M.D., MAYOR

APPROVED AT MEETING OF JUNE 9, 2015.



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: JUNE 09, 2015
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED JUNE 09, 2015.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$369,244.68.

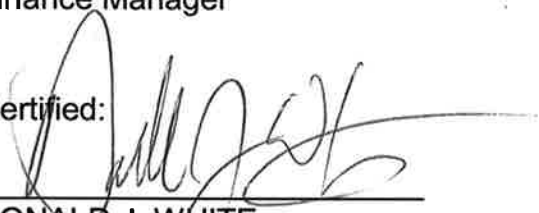
SUMMARY:

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

Prepared by:

JANICE MATEO REYES
Finance Manager

Certified:


DONALD J. WHITE
Assistant City Manager

6-2-15

DATE

FISCAL IMPACT:

The warrant register total is \$369,244.68.

ATTACHMENTS:

1. Warrant Register

Check Register Report

Warrant Register 06/09/15

Date: 06/01/2015

Time: 8:54 am

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Page: 1

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8809174	05/21/2015	Printed		A-0304	AU-YEUNG, MELISSA	Travel Reimb., May '15	534.43
8809175	05/21/2015	Printed		C-0023	COX COMMUNICATION	T1 Line & Signal System - May	493.00
8809176	05/21/2015	Printed		R-1872	REFUND, COMMUNITY SVCS PROGRAM	K. Matsen, V# 2003435.002	85.00
8809177	05/21/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	A. Hernandez, V# 2003431.002	500.00
8809178	05/21/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	V. Rayo, V# 2003432.002	500.00
8809179	05/21/2015	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Comm Ctr, Apr	30,096.82
8809180	05/21/2015	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Apr '15	402.04
8809181	05/21/2015	Printed		S-2250	SPARKLETT'S	Operating Supplies, CS, Apr'15	66.40
8809182	05/21/2015	Printed		S-1907	SPRINT	Communication Expense, CS, Apr	86.19
8809183	05/21/2015	Printed		T-2680	TRISKELION EVENT SERVICES, INC.	Sound System, 1/2 Marathon 5k	1,178.80
8809184	05/28/2015	Printed		A-0254	A. C. LANDSCAPE, INC.	Irrigation Repairs, May '15	180.00
8809185	05/28/2015	Printed		A-0249	ALISO MEADOWS CONDOMINIUM ASN.	Pmt #3&4 14/15, Aliso Mead Reh	16,560.00
8809186	05/28/2015	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 4/26-5/9	3,693.60
8809187	05/28/2015	Printed		C-1002	ANIMAL SHELTER SERVICES	Animal Care Services, Jan-Mar	23,737.00
8809188	05/28/2015	Printed		A-0309	AT&T- CALNET 2	Traffic Signal, PW, May '15	17.00
8809189	05/28/2015	Printed		A-0304	AU-YEUNG, MELISSA	Travel Reimb., ICSC, May '15	190.63
8809190	05/28/2015	Printed		B-0377	BIG TOP RENTALS	Program Expense, 1/2 Marathon	4,985.81
8809191	05/28/2015	Printed		B-0332	BRAME, MARILYN	Contract Inst Svcs, Drawing	392.00
8809192	05/28/2015	Printed		C-0412	C&D ELECTRIC, INC.	Lighting Repairs, Parks, May	103.88
8809193	05/28/2015	Printed		C-0457	CA CITY MANAGEMENT FOUNDATION	Membership, Admin Svcs	1,300.00
8809194	05/28/2015	Printed		C-0333	CALIF PARK & REC SOCIETY, INC.	Membership, Com Svcs, KC	145.00
8809195	05/28/2015	Printed		C-1154	CARRINO, MARGARET	Paleontologist Services, Apr	712.50
8809196	05/28/2015	Printed		C-1142	CARSON, ANTHONY D.	MC, 1/2 Marathon 5K Event	250.00
8809197	05/28/2015	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Rd Maint, Apr, Bldg & Sfty, Feb	50,181.19
8809198	05/28/2015	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Comp Office&Operating Supplies	1,203.03
8809199	05/28/2015	Printed		D-0461	DATA TICKET, INC.	Processing Fee, Park Cit, Apr	575.34
8809200	05/28/2015	Printed		E-0595	ECLIPSE MESSENGER SERVICE, INC	Delivery Service, May '15	23.92
8809201	05/28/2015	Printed		E-0554	ECONOMICS, INC.	Prof Svcs, Recycling Prog, Apr	3,891.40
8809202	05/28/2015	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	1,270.50
8809203	05/28/2015	Printed		E-0597	ELECTRIC CITY	1/2 Marathon 5K Supplies, CS	1,076.06
8809204	05/28/2015	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	72.80
8809205	05/28/2015	Printed		E-0587	EMC DESIGN	City Views & Aerial Updates	5,328.80
8809206	05/28/2015	Printed		G-0778	GAGGIOLI, NANCY	Training & Mileage Reimb.	117.89
8809207	05/28/2015	Printed		G-0851	GEMINI TIMING	Program Expense, 1/2 Marathon	9,796.50
8809208	05/28/2015	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Sig Mgmt Svs, Apr '15	2,222.50
8809209	05/28/2015	Printed		H-0934	HOME DEPOT	Program Supplies, CS, Apr '15	81.98
8809210	05/28/2015	Printed		H-0955	HR GREEN CALIFORNIA, INC.	Professional Svcs, CIP # 239	6,255.50
8809211	05/28/2015	Printed		J-1057	JAMEY CLARK, INC.	Gen'l Repairs, CC & Fencing	906.17
8809212	05/28/2015	Printed		J-1052	JAVED, HUMZA	Travel Reimb., May '15	785.65
8809213	05/28/2015	Printed		J-1071	JCTEES.COM CORPORATION	Program & 1/2 Marathon Supplie	41,767.12
8809214	05/28/2015	Printed		G-0709	JOE A. GONSALVES & SON	Legislative Services, Jun	2,900.00
8809215	05/28/2015	Printed		C-1007	LAW ENFORCEMENT	FingerprintID Sys & Comm Exp.	840.48
8809216	05/28/2015	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	285.60
8809217	05/28/2015	Printed		M-1529	MERCURY DISPOSAL SYSTEM, INC.	Battery & Lightbulb Recycle	254.03
8809218	05/28/2015	Printed		N-1474	NIEVES LANDSCAPE, INC.	Other Assorted Landscape	2,580.00
8809220	05/28/2015	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies, May	974.62
8809221	05/28/2015	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CS, 4/18 - 7/18	82.84
8809222	05/28/2015	Printed		O-1575	ORANGE COUNTY REGISTER-FREEDOM	Legal Advertising, Apr '15	969.97
8809223	05/28/2015	Printed		P-1809	PACIFIC COAST RACE TIMING	Program Exp, 1/2 Marathon	1,513.00
8809224	05/28/2015	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, Apr	1,449.25
8809225	05/28/2015	Printed		R-1881	R.E.S.S.	Flag Replacement, Com Center	502.20

Check Register Report

Warrant Register 06/09/15

Date: 06/01/2015

Time: 8:54 am

Page: 2

CITY OF LAGUNA HILLS

BANK: UNION BANK- GENERAL

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
UNION BANK- GENERAL Checks							
8809226	05/28/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund Permit Fees, CR# 50244	1,825.00
8809227	05/28/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund Permit Fees, CR# 49888	838.90
8809228	05/28/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund Permit Fees, CR# 49555	110.15
8809229	05/28/2015	Printed		R-1964	REFUND, COMMUNITY DEV FEES	Refund, C&D Deposit, CR# 49900	1,908.90
8809230	05/28/2015	Printed		R-1889	REFUND,FACILITY RENTAL DEPOSIT	Ca Wrestling, V# 2003438.002	500.00
8809231	05/28/2015	Printed		R-1855	RICHARD FISHER ASSOCIATES	Prof Fees,CIP# 239,240,513,410	18,216.43
8809232	05/28/2015	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, Mar - Apr '15	27.72
8809233	05/28/2015	Printed		S-2276	SEDGWICK, DON	Travel Reimb., ICSC, May '15	3.85
8809234	05/28/2015	Printed		S-2267	SINTA DESIGN	Program Expense, 1/2 Marathon	787.50
8809235	05/28/2015	Printed		S-1911	SOUTHERN CAL ASSOC OF GOVTS	Membership 15-16	3,179.00
8809236	05/28/2015	Printed		S-2095	STONE IMAGERY	Operating Supplies, May '15	270.00
8809237	05/28/2015	Printed		S-2105	SYMQUEST SERVICES	Printer Repair & Replacement	745.40
8809238	05/28/2015	Printed		S-2129	SYSTEM SOURCE, INC.	Office Chair Replacement, May	16,206.37
8809239	05/28/2015	Printed		T-2681	TOTALFUNDS BY HASLER	Postage Replenishment, Apr '15	1,000.00
8809240	05/28/2015	Printed		T-2656	TYLER TECHNOLOGIES, INC.	Maint, Energov, Jul'15 -Jun'16	16,487.10
8809241	05/28/2015	Printed		U-2163	USA DANCE, INC.	Contract Inst Svcs, Dancing	378.00
8809242	05/28/2015	Printed		V-2251	VIZUAL SYMPHONY, INC.	Maint Contract, Civic Center	24,799.78
8809243	05/28/2015	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Mar - May '15	31,755.00
8809244	05/28/2015	Printed		W-2302	WEST PUBLISHING CORPORATION	Subscription, City Clk, Apr	193.67
8809245	05/28/2015	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, Apr	25,893.47
Total Checks: 71						Checks Total (excluding void checks):	369,244.68
Total Payments: 71						Bank Total (excluding void checks):	369,244.68
Total Payments: 71						Grand Total (excluding void checks):	369,244.68



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: KENNETH H. ROSENFELD, P.E.
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER**

**ISSUE: EQUESTRIAN TRAIL CROSSING TRAFFIC CONTROL IMPROVEMENTS IN
THE NELLIE GAIL RANCH AREA**

**RECOMMENDATION: THAT THE CITY COUNCIL APPROVE RECOMMENDED
TRAFFIC CONTROL IMPROVEMENTS AT SPECIFIED EQUESTRIAN TRAIL
CROSSING LOCATIONS IN THE NELLIE GAIL RANCH AREA.**

SUMMARY:

City Council previously authorized the installation of the Equestrian Trail Crossing Sign and Markings Package (Sign Package) and other improvements at several equestrian trail crossing locations on a variety of public streets in the Nellie Gail Ranch area. Subsequently, staff held a series of meetings with the staff-directed Nellie Gail Ranch Equestrian Ad Hoc Committee (Committee) to evaluate additional equestrian trail crossings. The Committee has recommended additional improvements at a number of crossings to increase motorist's awareness of the equestrian activity and to thereby enhance traffic safety. Each crossing location has been field reviewed and evaluated by staff to identify the needed traffic controls. Not all of the locations were in need of additional traffic controls. The Traffic Commission, at its meeting of May 20, 2015, approved staff's recommendations, herein, for additional traffic controls at a variety of equestrian trail crossings. It is recommended that City Council approve the recommended improvements to the equestrian trail crossing locations as described in this report.

BACKGROUND:

In 2012, City Council approved the establishment of a staff-directed Committee to review equestrian trail crossing markings and signage in and around the Nellie Gail Ranch area. Since the formation of the Committee, 47 equestrian trail crossing locations have been reviewed and traffic control improvements have already been made at seven crossing locations of public streets. During this past year, the Committee met with staff and recommended improvements at up to 40 additional equestrian trail crossing locations. The

primary recommended enhancements at the majority of these locations include the installation of, or augmentation of, the Sign Package. Please see the attached Sign Package detail. This Sign Package was developed as a standard to be implemented at equestrian trail crossings throughout the community on an as-needed basis. In some locations, improvements other than the Sign Package have been recommended as related to trail accessibility, trail alignment, and removal of private conflicting landscape or hardscape. A “before” photograph of an existing equestrian crossing with no traffic controls as contrasted with an “after” photograph of an existing equestrian crossing with the Sign Package in place is shown on the attached “Before and After Photographs.” Not shown in the after photograph are the Equestrian Crossing Advanced Warning Signs (one in each traffic direction of travel) as this signage is several hundred feet in advance of the crossing.

The Traffic Commission reviewed the proposed traffic control improvements over several meetings. A principal comment from the Commissioners was to not automatically install the entire Sign Package at every crossing location, especially at locations that had adequate sight distance, limited usage, or no other identified traffic safety issue. Following field reviews and location evaluations by staff, additional advanced signage and yield limit lines were determined to not be installed at crossing locations where there is already adequate sight distance related to the speed limit and geography, there is limited usage of the crossing, or there are no other traffic safety concerns. Accordingly, staff has proposed implementation of new signs and/or markings at only 19 of the 40 locations reviewed by the Committee. In addition, at locations of two separate but proximate crossings, the “dual crossing location” was treated as a couplet and the signage and markings were accordingly adjusted as if it was one crossing location as viewed by the motorist.

The implementation of specified traffic controls to improve motorist’s knowledge of existing equestrian trail crossing activity is proposed at the following 19 locations:

1. On Nellie Gail Road at Sheriff Road
 - a. Add yield lines in both directions.
2. On Nellie Gail Road approximately 350’ north of Buckboard Lane
 - a. Add yield lines in both directions.
 - b. Add advanced Horse Crossing signage & striping.
3. On Nellie Gail Road approximately 150’ north of Oso Parkway
 - a. Add yield lines in both directions.
4. On Bridlewood Drive approximately 75’ south of the intersection of Bridlewood Drive and Nellie Gail Road
 - a. Add yield lines in both directions (diagonal).
5. On Buckboard Lane approximately 250’ west of Stetson Place
 - a. Add yield lines in both directions.
 - b. Add equestrian crossing signs with arrows.

- c. Add advanced Horse Crossing signage & striping in both directions.
- 6. On Buckskin Drive at Mustang Drive
 - a. Add yield lines in both directions.
 - b. Add equestrian crossing signs with arrows.
 - c. Add advanced Horse Crossing signage & striping in both directions.
- 7. On Stageline Drive approximately 50' west of Hidden Trail Road
 - a. Add yield lines in both directions.
 - b. Add equestrian crossing signs with arrows.
- 8. On Hidden Trail Road between Abeline Court and Rockridge Road
 - a. Add yield lines in both directions.
- 9. On Greenfield Drive approximately 200' north of the Toll Road
 - a. Add yield lines in both directions (diagonal).
- 10. On Rapid Falls Road at Sundowner Drive
 - a. Add yield lines in both directions.
 - b. Add advance equestrian crossing signs in both directions.
- 11. On Nellie Gail Road at Empty Saddle Drive
 - a. Add an equestrian sign with arrow in the northbound direction.
 - b. Add yield lines in both directions.
- 12. On Nellie Gail Road at Red Barn Circle
 - a. Add an equestrian sign with arrow in the southbound direction.
 - b. Add yield lines in both directions.
- 13. On Nellie Gail Road at Rocking Horse Lane
 - a. Add an equestrian sign with arrow in the southbound direction.
- 14. On Hitching Rail Road between Prairiestone Drive and Waterwheel Place
 - a. Add advanced equestrian signage.
 - b. Add equestrian signage with arrows at the crossing location.
- 15. On Hitching Rail Road between Nellie Gail Road and Waterwheel Place
 - a. Add advanced equestrian signage in the northbound direction.
 - b. Add equestrian signage with arrows at the crossing location.
- 16. On Prairiestone Drive 100' south of Nellie Gail Road
 - a. Add equestrian signage with arrows at the crossing location.
- 17. On Westridge Lane 250' west of Lost Colt Drive
 - a. Add yield lines in both directions.

18. On Lost Trail Drive at Lone Acres Lane
 - a. Add equestrian signage with arrows at the crossing location.
19. On Lost Trail Drive at Dillon Road
 - a. Add equestrian signage with arrows at the crossing location.

A map showing existing Equestrian Trail Crossings is attached and depicts: (a) the location of crossings with the existing full Sign Package in place; (b) the 19 crossing locations proposed for additional traffic controls described herein; and (c) the remainder of the crossing locations not having additional traffic controls installed.

The Nellie Gail Ranch Owners Association is, in addition to the above recommended installation of traffic controls by the City, working with the Committee and private property owners in their Association to align and improve trail connectivity at various crossing locations.

The Traffic Commission, at its meeting of May 20, 2015, approved staff's above recommendations.

FISCAL IMPACT:

The above request will add 33 signs and 38 new markings to the street system. The cost for the additional signage and striping to enhance the equestrian crossings at the above-mentioned locations is approximately \$15,000. This project was not anticipated and is not budgeted in the Fiscal Year 2014/2015 Public Works Maintenance Budget. However, funds will be available in the Fiscal Year 2015/2016 Public Works Maintenance Budget for this work.

ATTACHMENTS:

- Equestrian Trail Crossing Sign and Markings Package
- Before and After Photographs
- Equestrian Trail Crossings Map

Equestrian Trail Crossing Sign Package

W11-7



W11-7P



W16-7P



W16-7P

W11-7, W11-7P

350'

W11-7

HORSE
XING

< < *

PROPOSED
EQUESTRIAN
CROSSING

350'

W16-7P

W11-7, W11-7P

W11-7

*Addition of Chevron or Arrow Head is an option to further point out the crossing location

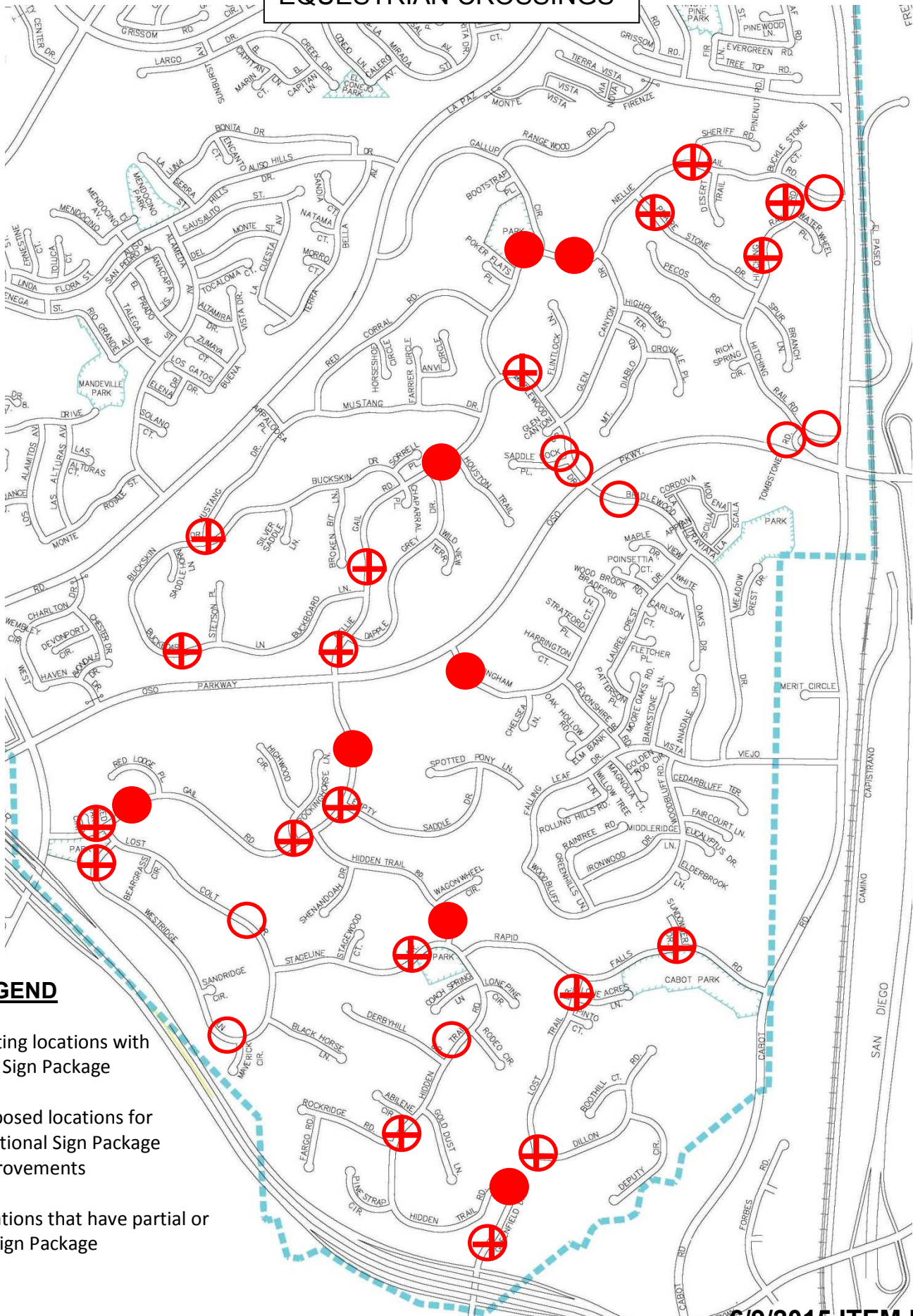


Hitching Rail Road south of Nellie Gail Road – existing condition - No Enhancements



Nottingham Court south of Oso Parkway - Full Sign Package installed

NELLIE GAIL RANCH AREA EQUESTRIAN CROSSINGS





City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD J. WHITE
ASSISTANT CITY MANAGER

ISSUE: ADOPTION OF REVISED CITY COUNCIL POLICY NO. 105 - FINANCIAL POLICIES

RECOMMENDATION: THAT THE CITY COUNCIL ADOPT THE REVISED CITY COUNCIL POLICY NO. 105 - FINANCIAL POLICIES.

SUMMARY:

As part of the development of the City's 2015-2017 Biennial Budget, staff is recommending revisions to City Council Policy No. 105 – Financial Policies. These policies underwent a major revision two years ago during the development of the 2013-2015 Biennial Budget. This time around, staff is proposing changes to Section H, Paragraph 1 regarding reserve ratios and the formula for calculating these ratios. The City Council reviewed the proposed changes at the April 14th and May 12th Budget Study Sessions. Staff is recommending adoption.

BACKGROUND:

The City's financial policies underwent a major revision two years ago during the development of the 2013-2015 Biennial Budget. As such, staff is proposing changes to Section H, Paragraph 1 dealing with the targeted Unrestricted General Fund Balance and the formulas used to calculate the Unrestricted and Unassigned General Fund Balance ratios. Currently, the policy reads that the City will strive to achieve and maintain a minimum Unrestricted General Fund Balance reserve of 40% of the annual operating budget for operating contingencies, emergencies caused by calamitous events, economic uncertainty, and to stabilize fluctuations in cash flow requirements. Staff is recommending that this percentage be changed to 35%. Staff is also recommending that the formula for calculating the ratio be changed from dividing the Unrestricted General Fund Balance by the sum of operating expenditures plus direct net debt service to dividing it by operating expenditures only. This change would likewise affect the formula for calculating the

Unassigned Fund Balance ratio. Staff is recommending these revisions for the following reasons:

- Recession readiness is best achieved through a healthy operating ratio and timely cuts in on-going operating expenditures. Reserves should only be used to buffer the effects of a recession as the last resort. During the Great Recession, the City never used reserves to balance its operating budget.
- In response to a recession, if needed, discretionary capital projects that are General Fund dependent, can be deferred indefinitely.
- The City is obligated to restrict \$1.8 million of its General Fund in a Debt Service Reserve Fund. This amount is not included in Unrestricted General Fund Balance or Unassigned General Fund Balance. These funds can only be used to pay debt service should the City be unable to do so otherwise as a result of financial distress. Arguably, the Debt Service Reserve Fund could be included in the General Fund Balance target ratio, or conversely, it could be excluded. Staff is recommending that it be excluded.
- Liability Exposures:
 - I. The City has no police, fire, or maintenance workers. All associated liability for these contracted workers has been transferred contractually.
 - II. The City carries liability insurance coverage up to \$50 million and carries a \$100,000 Self-Insured Retention (SIR), except for Employer Liability which has a \$1 million SIR. Defense costs erode the SIR.
 - III. The City carries first dollar Workers' Compensation Insurance.
- Property, Crime and Natural Disaster Exposures:
 - I. The City carries extensive property insurance, including flood, for a total insured value of \$63 million with a deductible of \$10,000 per occurrence. This includes loss of tax revenue from the Urban Village Specific Plan area at \$4.5 million.
 - II. The City carries an extensive master crime insurance policy with a \$15 million limit and a \$2,500 deductible.

III. The City carries a \$10 million earthquake insurance policy on the Civic Center.

- The end of the triple-flip next year will have the effect of evening out the receipt of sales tax revenues over the entire year rather than loading them up in January and May. As a result, the City's lower cash flow position in the months of September, October, and November will be improved.

FISCAL IMPACT:

If adopted, the new policy will have the effect of freeing up additional monies for one-time capital expenditures while still maintaining adequate reserves for the City.

ATTACHMENTS:

- Revised City Council Policy No. 105 – Financial Policies
- Redline changes to current Financial Policies

CITY OF LAGUNA HILLS



CITY COUNCIL POLICY

SUBJECT: FINANCIAL POLICIES
POLICY No. 105

Effective Date: July 1, 2015

Last Revision: July 1, 2013

PURPOSE:

Provide the framework and direction for financial planning and decision making by the City Council and City staff. These policies are designed to ensure the financial integrity of the City and a service delivery system that addresses the needs and desires of the citizens of Laguna Hills.

These policies establish financial parameters that will guide the budget development and deliberation process, safeguard financial assets, and maintain the City's strong financial condition.

BACKGROUND:

These policies have been designed to safeguard financial assets, maintain the integrity of financial and accounting systems, and ensure the long-term fiscal viability of the City. The emphasis in these policies is that the long-term implications of financial decisions are fully understood and taken into account in the decision-making process. These policies will be reviewed by the City Council at the beginning of each biennial budget development process.

POLICY:

A. BUDGETING

1. The City Manager shall present a proposed budget to the City Council on a biennial basis to be adopted no later than June 30th preceding the commencement of the two-year budget cycle. The budget will be prepared, presented, and administered by the City Manager and Assistant City Manager/Finance Director. It will serve as the policy document of the City Council for implementing City Council goals and objectives.
2. The City will maintain a long-range fiscal perspective through the use of a two-year operating budget, six-year Capital Improvement Plan, and an Eight-Year Resource Allocation Plan. The Budget will be developed and adopted with a sharp focus on long-term financial solvency and compliance with these Financial Policies.
3. The budget is a resource-allocation document and serves as the financial plan for the City. It will serve as the policy document of the City Council and will provide policy direction to the City Manager in the areas of desired service levels and funding priorities.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

4. Opportunities will be provided for public input during the City Council's public review and budget adoption process. Although not required by State or local laws, the City will hold a noticed public hearing prior to the adoption of the budget.
5. The budget document will be prepared so that it: (1) facilitates public study and (2) effectively communicates key economic issues and fiscal policies. Assumptions for underlying revenue sources and expenditure estimates will be explained and documented.
6. It is the City's policy to fund current year operating expenditures with current year operating revenues. In the budget proposal presented by the City Manager, recurring revenues shall meet or exceed recurring expenditures for ongoing operations. The City will strive to achieve and maintain an operating revenues-to-operating expenditures ratio of 1.1 to 1 or greater.

The formula for calculating this ratio is:

$$\frac{\text{Operating Revenues}^{(1)} + \text{Enterprise Fund Net Cash Flow}}{\text{Operating Expenditures} + \text{Direct Net Debt Service}}$$

(1) *For the purpose of this calculation, Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of Operating Revenues.*

7. No one-time, non-recurring revenues or Gas Tax revenues may be used in determining the ratio defined in paragraph 6 of this section. In the event this ratio is impossible to maintain without cuts in service levels, the City Manager will present recommended actions to the City Council.
8. The City Council may authorize the use of reserves and/or non-recurring revenues to balance the budget when unforeseen events occur that reduce the City's recurring revenues, and to direct the City Manager to make budgetary recommendations that will re-balance the budget within a specified timeframe.
9. All budgetary procedures will conform to state regulations and Generally Accepted Accounting Principles (GAAP) for governmental agencies.
10. The City's budget will be presented by department with a logical breakdown of programs. The budget format will clearly outline the major service areas and the associated expenditures.
11. The budgeting process will include quarterly reports to the City Council and will include budgetary status and compliance. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary modifications. The City Manager shall also inform the City Council if operating revenues are projected to decrease by more than 10% from the adopted Budget.
12. All appropriations in the Operating Budget will be automatically carried over from the first year to the second year of the two-year budget period.
13. Departmental budget control shall be the responsibility of the Department Head. Department Heads shall, with the concurrence of the Assistant City

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

Manager/Finance Director, have the authority to move appropriations between line items within their departmental budgets. At the discretion of the City Manager, expenditures may be moved from one department to another, or between funds within the Operating Budget.

14. At the discretion of the City Manager, expenditures may be moved from one capital improvement project to another within the adopted Capital Improvement Plan.
15. During the budget cycle, special circumstances may require an increase in the appropriations established in the adopted budget and would require a budget amendment. These may include:
 - a) changes to spending priorities;
 - b) increase in operating or capital expenditures;
 - c) decrease in operating revenues.
16. City Council approval is required to increase the total sum of the appropriations made for the Operating Budget or the Capital Improvement Plan from the adopted Budget Resolution. City Council approval is also required to move appropriations between the Operating Budget and the Capital Improvement Plan.

B. CAPITAL PLANNING

1. The purpose of the Capital Improvement Plan is to systematically plan, schedule, and finance capital projects as approved and prioritized by the City Council. The Capital Improvement Plan will be a six-year plan and will include major rehabilitation costs to existing infrastructure and facilities, as well as the cost of new facilities or capital improvements. Staff will inventory and assess the condition of all major capital assets every two years and make recommendations to the City Council regarding any modifications to the Capital Improvement Plan as part of the budget development process.
2. Capital projects will include projected changes in operating and maintenance costs, work force requirements, productivity, and risk management considerations.
3. A capital improvement project shall be established for all projects greater than \$100,000 with an expected useful life of at least 3 years that also meet the definition of a public project per Section 22002 of the State Public Contracts Code. These include projects involving construction, reconstruction, alteration, renovation, improvement, demolition or major repair work. This excludes routine, recurring and usual work for the preservation, protection, or maintenance of publicly owned land, improvements and equipment.
4. For purposes of this policy, the scope of a proposed capital improvement project may be defined as the work to be undertaken at a single location. However, if work at a specific location would not otherwise meet the cost threshold for establishing a separate capital improvement project and similar work is to take

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

place at other locations(s) during the six-year plan, then all such similar work shall be defined as one capital improvement project.

5. The Capital Improvement Plan process will realistically assess potential future revenues and avoid commitments for projects that lack economic feasibility. The Capital Improvement Plan will recognize the borrowing limitation of the City and the debt tolerance of the City as a whole.
6. All budgeted capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

C. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

1. The City's accounting and financial reporting systems shall be maintained in accordance with generally accepted accounting principles (GAAP) and other standards promulgated by the Governmental Accounting Standards Board (GASB).
2. The City shall prepare an annual report, in a Comprehensive Annual Financial Report (CAFR) format, which shall conform to the reporting standards established by the Governmental Accounting, Auditing and Financial Reporting (GAFR).
3. The annual financial report will be audited each year by an independent auditor. A new independent auditor shall be selected competitively, through a formal public request for proposal process, at least every six years pursuant to State law.
4. An Audit Committee shall be formed consisting of the City Manager, or his designee, and two Council Members for the purpose of providing a direct line of communication between the auditor and the City Council. The City Attorney shall be available to advise the Audit Committee.

D. CASH MANAGEMENT, INVESTMENTS, AND BANKING RELATIONS

1. Investments and cash management will be the responsibility of the Deputy Treasurer/Finance Director under the direction of the City Manager/Treasurer.
2. In accordance with Section 53646 of the Government Code, the City Council will review and update annually a specific investment and portfolio policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are: safety; compliance with Federal, State and local laws; liquidity; and yield. The policy also specifically outlines authorized investments, the acceptable percentages and maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories/dealers.
3. In the selection of banking services, a competitive public request for proposal process will be used at least every ten years.

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

E. DEBT MANAGEMENT

1. The most appropriate use of debt financing is for the purchase or construction of major capital facilities that will serve as a long-term community asset. In this instance, the use of a long-term debt instrument can spread the acquisition and construction costs of the facility over the period of years during which it will be used by the community. On the one hand, today's taxpayers need not pay for benefits enjoyed by others in the future. On the other hand, current residents should not burden their successors with costs that exceed the benefits of aging facilities.
2. The City will not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures.
3. The City's debt management shall conform to all other budgeting and financial reporting policies where applicable. All debt issuance shall comply with Federal and State requirements.
4. The term of any City debt issue shall not exceed the useful life of the assets being acquired or constructed by the debt issue.
5. Accompanying each debt issue will be an assessment of the City's capacity to repay the debt. The assessment will address the effects on the current Operating Budget, Capital Improvement Plan, and Eight-Year Resource Allocation Plan. Commitments to future operations, maintenance costs and stable debt retirement sources will also be identified.
6. For all outstanding General Fund debt, the City will not exceed a maximum debt burden of 12% of Operating Revenues. This debt service ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Service}^{(1)}}{\text{Operating Revenues}^{(2)} + \text{Enterprise Fund Net Cash Flow}}$$

(1) *Direct Net Debt is defined as any debt service paid by the General Fund and does not include self-supporting debt such as special assessments.*

(2) *For the purpose of this calculation Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of General Fund Revenues.*

7. In addition, the City shall calculate the Direct Net Debt Per Capita ratio and verify that it falls within the guidelines as recommended by Standard & Poor's bond rating agency to assure that the City maintain the best possible bond rating. The ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Outstanding}^{(1)}}{\text{Population}}$$

(1) *Direct Net Debt is defined as debt that is supported by the General Fund. It does not include any self-supporting debt such as special assessments.*

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

8. No bond issue will be undertaken without consulting appropriate external financial advisers, bond counsel and disclosure counsel. Financial advisers and bond counsel will be selected in a manner consistent with the City's customary practice of hiring professional services.
9. The City will provide full disclosure on every financial report and bond prospectus and will strive to maintain the best possible bond rating on all debt issuances including an AA implied underlying General Fund rating from Standard & Poor's, or its equivalent. Ongoing efforts will be taken to improve and enhance the City's bond rating and the marketability of its debt.

F. REVENUE AND EXPENDITURES

1. The City will maintain a level of expenditures which will provide for the health, safety and welfare of the residents of the community.
2. The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of fluctuations in any single revenue source. Efforts will be directed to optimize existing revenue sources while periodically reviewing potential new revenue sources.
3. The City will project revenues using conventional forecasting methods including trend and statistical analysis. In the case of assumption uncertainty, conservative projections will be utilized based on appropriate and available socio-political and economic factors.
4. Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the City's Capital Improvement Plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts.
5. User fees shall not exceed the reasonable estimated cost of providing the service (or for administering the regulatory program) for which the fee is charged and shall not be levied for revenue generating purposes. Such costs are to be apportioned so that charges allocated to a payer bear a fair and reasonable relationship to the payer's burdens on or benefits from the service or regulatory activity.

User fees shall be established to ensure that the fees are reasonable, fair, equitable in nature, and are proportionately representative of the costs incurred by the City. The City shall recalculate the full cost of activities supported by user fees to take into account inflation and other cost increases at least every seven years.

6. Direct development processing costs and related administrative expenses shall be totally offset by development fees, whenever possible. However, in the interest of public health, safety and welfare, the City Council may, at its discretion, establish a charge and or fee that does not fully recover the costs of providing the service.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

7. The City Manager will provide quarterly reports to the City Council that compares year-to-date actuals with revenue projections. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary measures.
8. Gas tax revenues will be annually earmarked to offset all costs in connection with the City's annual street maintenance program. The City will strive to maintain this program in such a manner that will not require the infusion of General Fund revenues.

G. FUND BALANCE

1. Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.
 - Nonspendable fund balance (inherently nonspendable)
 - Restricted fund balance (externally enforceable limitations on use)
 - Committed fund balance (self-imposed limitations on use)
 - Assigned fund balance (limitation resulting from intended use)
 - Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is prepaid items. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above.

2. Committed Fund Balance: The City Council may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
3. Assigned Fund Balance: These are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his/her designee, for the purpose of reporting these amounts in the annual financial statements.
4. Unassigned Fund Balance: These are the residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.
5. Restricted fund balance should be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, then committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

H. RESERVES

1. The City will strive to achieve and maintain a minimum Assigned and Unassigned (hereafter, Unrestricted) Fund Balance Reserve of 35% of the annual operating budget for operating contingencies, emergencies caused by calamitous events, economic uncertainty and to stabilize fluctuations in cash flow requirements. The formula for calculating this ratio is:

$$\frac{\text{Budgeted or Projected Year End Unrestricted Fund Balance}}{\text{Current Operating Expenditures}}$$

The City will also strive to achieve and maintain a minimum Unassigned Fund Balance of 25%. The formula for calculating this ratio will be the same as that above, but will exclude Assigned portions of Fund Balance.

2. In order to meet long-range maintenance and future equipment repair and replacement needs, the City shall maintain Maintenance Reserve Funds for: the Community Center; the Sports Complex; the Civic Center; and park equipment for component parts with a value of over \$ 50,000. The City shall maintain a fiscally responsible funding plan that will fully fund the long-term maintenance and replacement costs of major capital equipment within these facilities.

The City shall conduct a reserve analysis study to determine the amount required to fully fund the Maintenance Reserve at least every seven (7) years. The City will annually assign a portion of fund balance to fully fund the anticipated maintenance and replacement costs for identified components.

3. A Liability Self-Insurance Fund shall be maintained for the purpose of setting aside resources for costs not covered by the City's insurance programs such as claims within the City's self-insurance retention.
4. The City shall maintain a PERS Employer Contribution Stabilization Fund in order to reduce volatility in the employer contribution rates set by PERS. If the City's Actual Required Contribution (ARC) in any given year falls below 9%, the City shall contribute to this stabilization fund the difference between 9% and the City's actual ARC. In years when the actual ARC is above 9%, the City Manager may use monies in the Stabilization Fund to pay for any contribution amounts above 9%. The City Manager will notify the City Council when monies from this fund are used to pay any portion of the City's ARC above 9%.
5. The City shall remain in compliance with the requirement of the Government Accounting Standards Board's (GASB) most current Statements for the accounting and disclosure of information regarding the City's measurement and recognition of pension expenditures and related assets and liabilities.

I. EMPLOYEE COMPENSATION

1. The City has an established employee compensation program that is designed to attract and retain highly qualified individuals who are capable of delivering a

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

high level of service in a streamlined organization. The City will continue this commitment to competitive, market-based compensation and pay for performance.

2. For non-management employees, the City will strive to maintain a highly competitive salary and benefits program which sets the top step of salary ranges at 5% above the Comparator Agencies average for each comparable position. The Comparator Agencies are those cities identified in the City's 2011 Comprehensive Compensation Study. The City Manager will annually conduct a survey of comparable positions in the Comparator Agencies and recommend to the City Council salary adjustments in keeping with this policy, or any current Memorandum of Understanding.
3. Salary adjustments within a classification range may be given after the required comprehensive performance appraisal and will be based on merit only.

ATTACHMENTS:

None

CITY OF LAGUNA HILLS



CITY COUNCIL POLICY

SUBJECT: FINANCIAL POLICIES
POLICY No. 105

Effective Date: ~~July 1, 2013~~ July 1, 2015
Last Revision: ~~March 13, 2007~~ July 1, 2013

PURPOSE:

Provide the framework and direction for financial planning and decision making by the City Council and City staff. These policies are designed to ensure the financial integrity of the City and a service delivery system that addresses the needs and desires of the citizens of Laguna Hills.

These policies establish financial parameters that will guide the budget development and deliberation process, safeguard financial assets, and maintain the City's strong financial condition.

BACKGROUND:

These policies have been designed to safeguard financial assets, maintain the integrity of financial and accounting systems, and ensure the long-term fiscal viability of the City. The emphasis in these policies is that the long-term implications of financial decisions are fully understood and taken into account in the decision-making process. These policies will be reviewed by the City Council at the beginning of each biennial budget development process.

POLICY:

A. BUDGETING

1. The City Manager shall present a proposed budget to the City Council on a biennial basis to be adopted no later than June 30th preceding the commencement of the two-year budget cycle. The budget will be prepared, presented, and administered by the City Manager and Assistant City Manager/Finance Director. It will serve as the policy document of the City Council for implementing City Council goals and objectives.
2. The City will maintain a long-range fiscal perspective through the use of a two-year operating budget, six-year Capital Improvement Plan, and an Eight-Year Resource Allocation Plan. The Budget will be developed and adopted with a sharp focus on long-term financial solvency and compliance with these Financial Policies.
3. The budget is a resource-allocation document and serves as the financial plan for the City. It will serve as the policy document of the City Council and will provide policy direction to the City Manager in the areas of desired service levels and funding priorities.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

4. Opportunities will be provided for public input during the City Council's public review and budget adoption process. Although not required by State or local laws, the City will hold a noticed public hearing prior to the adoption of the budget.
5. The budget document will be prepared so that it: (1) facilitates public study and (2) effectively communicates key economic issues and fiscal policies. Assumptions for underlying revenue sources and expenditure estimates will be explained and documented.
6. It is the City's policy to fund current year operating expenditures with current year operating revenues. In the budget proposal presented by the City Manager, recurring revenues shall meet or exceed recurring expenditures for ongoing operations. The City will strive to achieve and maintain an operating revenues-to-operating expenditures ratio of 1.1 to 1 or greater.

The formula for calculating this ratio is:

$$\frac{\text{Operating Revenues}^{(1)} + \text{Enterprise Fund Net Cash Flow}}{\text{Operating Expenditures} + \text{Direct Net Debt Service}}$$

(1) *For the purpose of this calculation, Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of Operating Revenues.*

7. No one-time, non-recurring revenues or Gas Tax revenues may be used in determining the ratio defined in paragraph 6 of this section. In the event this ratio is impossible to maintain without cuts in service levels, the City Manager will present recommended actions to the City Council.
8. The City Council may authorize the use of reserves and/or non-recurring revenues to balance the budget when unforeseen events occur that reduce the City's recurring revenues, and to direct the City Manager to make budgetary recommendations that will re-balance the budget within a specified timeframe.
9. All budgetary procedures will conform to state regulations and Generally Accepted Accounting Principles (GAAP) for governmental agencies.
10. The City's budget will be presented by department with a logical breakdown of programs. The budget format will clearly outline the major service areas and the associated expenditures.
11. The budgeting process will include quarterly reports to the City Council and will include budgetary status and compliance. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary modifications. The City Manager shall also inform the City Council if operating revenues are projected to decrease by more than 10% from the adopted Budget.
12. All appropriations in the Operating Budget will be automatically carried over from the first year to the second year of the two-year budget period.
13. Departmental budget control shall be the responsibility of the Department Head. Department Heads shall, with the concurrence of the Assistant City

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

Manager/Finance Director, have the authority to move appropriations between line items within their departmental budgets. At the discretion of the City Manager, expenditures may be moved from one department to another, or between funds within the Operating Budget.

14. At the discretion of the City Manager, expenditures may be moved from one capital improvement project to another within the adopted Capital Improvement Plan.
15. During the budget cycle, special circumstances may require an increase in the appropriations established in the adopted budget and would require a budget amendment. These may include:
 - a) changes to spending priorities;
 - b) increase in operating or capital expenditures;
 - c) decrease in operating revenues.
16. City Council approval is required to increase the total sum of the appropriations made for the Operating Budget or the Capital Improvement Plan from the adopted Budget Resolution. City Council approval is also required to move appropriations between the Operating Budget and the Capital Improvement Plan.

B. CAPITAL PLANNING

1. The purpose of the Capital Improvement Plan is to systematically plan, schedule, and finance capital projects as approved and prioritized by the City Council. The Capital Improvement Plan will be a six-year plan and will include major rehabilitation costs to existing infrastructure and facilities, as well as the cost of new facilities or capital improvements. Staff will inventory and assess the condition of all major capital assets every two years and make recommendations to the City Council regarding any modifications to the Capital Improvement Plan as part of the budget development process.
2. Capital projects will include projected changes in operating and maintenance costs, work force requirements, productivity, and risk management considerations.
3. A capital improvement project shall be established for all projects greater than \$100,000 with an expected useful life of at least 3 years that also meet the definition of a public project per Section 22002 of the State Public Contracts Code. These include projects involving construction, reconstruction, alteration, renovation, improvement, demolition or major repair work. This excludes routine, recurring and usual work for the preservation, protection, or maintenance of publicly owned land, improvements and equipment.
4. For purposes of this policy, the scope of a proposed capital improvement project may be defined as the work to be undertaken at a single location. However, if work at a specific location would not otherwise meet the cost threshold for establishing a separate capital improvement project and similar work is to take

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

place at other locations(s) during the six-year plan, then all such similar work shall be defined as one capital improvement project.

5. The Capital Improvement Plan process will realistically assess potential future revenues and avoid commitments for projects that lack economic feasibility. The Capital Improvement Plan will recognize the borrowing limitation of the City and the debt tolerance of the City as a whole.
6. All budgeted capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

C. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

1. The City's accounting and financial reporting systems shall be maintained in accordance with generally accepted accounting principles (GAAP) and other standards promulgated by the Governmental Accounting Standards Board (GASB).
2. The City shall prepare an annual report, in a Comprehensive Annual Financial Report (CAFR) format, which shall conform to the reporting standards established by the Governmental Accounting, Auditing and Financial Reporting (GAFR).
3. The annual financial report will be audited each year by an independent auditor. A new independent auditor shall be selected competitively, through a formal public request for proposal process, at least every six years pursuant to State law.
4. An Audit Committee shall be formed consisting of the City Manager, or his designee, and two Council Members for the purpose of providing a direct line of communication between the auditor and the City Council. The City Attorney shall be available to advise the Audit Committee.

D. CASH MANAGEMENT, INVESTMENTS, AND BANKING RELATIONS

1. Investments and cash management will be the responsibility of the Deputy Treasurer/Finance Director under the direction of the City Manager/Treasurer.
2. In accordance with Section 53646 of the Government Code, the City Council will review and update annually a specific investment and portfolio policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are: safety; compliance with Federal, State and local laws; liquidity; and yield. The policy also specifically outlines authorized investments, the acceptable percentages and maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories/dealers.
3. In the selection of banking services, a competitive public request for proposal process will be used at least every ten years.

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

E. DEBT MANAGEMENT

1. The most appropriate use of debt financing is for the purchase or construction of major capital facilities that will serve as a long-term community asset. In this instance, the use of a long-term debt instrument can spread the acquisition and construction costs of the facility over the period of years during which it will be used by the community. On the one hand, today's taxpayers need not pay for benefits enjoyed by others in the future. On the other hand, current residents should not burden their successors with costs that exceed the benefits of aging facilities.
2. The City will not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures.
3. The City's debt management shall conform to all other budgeting and financial reporting policies where applicable. All debt issuance shall comply with Federal and State requirements.
4. The term of any City debt issue shall not exceed the useful life of the assets being acquired or constructed by the debt issue.
5. Accompanying each debt issue will be an assessment of the City's capacity to repay the debt. The assessment will address the effects on the current Operating Budget, Capital Improvement Plan, and Eight-Year Resource Allocation Plan. Commitments to future operations, maintenance costs and stable debt retirement sources will also be identified.
6. For all outstanding General Fund debt, the City will not exceed a maximum debt burden of 12% of Operating Revenues. This debt service ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Service}^{(1)}}{\text{Operating Revenues}^{(2)} + \text{Enterprise Fund Net Cash Flow}}$$

(1) *Direct Net Debt is defined as any debt service paid by the General Fund and does not include self-supporting debt such as special assessments.*

(2) *For the purpose of this calculation Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of General Fund Revenues.*

7. In addition, the City shall calculate the Direct Net Debt Per Capita ratio and verify that it falls within the guidelines as recommended by Standard & Poor's bond rating agency to assure that the City maintain the best possible bond rating. The ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Outstanding}^{(1)}}{\text{Population}}$$

(1) *Direct Net Debt is defined as debt that is supported by the General Fund. It does not include any self-supporting debt such as special assessments.*

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

8. No bond issue will be undertaken without consulting appropriate external financial advisers, bond counsel and disclosure counsel. Financial advisers and bond counsel will be selected in a manner consistent with the City's customary practice of hiring professional services.
9. The City will provide full disclosure on every financial report and bond prospectus and will strive to maintain the best possible bond rating on all debt issuances including an AA implied underlying General Fund rating from Standard & Poor's, or its equivalent. Ongoing efforts will be taken to improve and enhance the City's bond rating and the marketability of its debt.

F. REVENUE AND EXPENDITURES

1. The City will maintain a level of expenditures which will provide for the health, safety and welfare of the residents of the community.
2. The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of fluctuations in any single revenue source. Efforts will be directed to optimize existing revenue sources while periodically reviewing potential new revenue sources.
3. The City will project revenues using conventional forecasting methods including trend and statistical analysis. In the case of assumption uncertainty, conservative projections will be utilized based on appropriate and available socio-political and economic factors.
4. Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the City's Capital Improvement Plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts.
5. User fees shall not exceed the reasonable estimated cost of providing the service (or for administering the regulatory program) for which the fee is charged and shall not be levied for revenue generating purposes. Such costs are to be apportioned so that charges allocated to a payer bear a fair and reasonable relationship to the payer's burdens on or benefits from the service or regulatory activity.

User fees shall be established to ensure that the fees are reasonable, fair, equitable in nature, and are proportionately representative of the costs incurred by the City. The City shall recalculate the full cost of activities supported by user fees to take into account inflation and other cost increases at least every seven years.

6. Direct development processing costs and related administrative expenses shall be totally offset by development fees, whenever possible. However, in the interest of public health, safety and welfare, the City Council may, at its discretion, establish a charge and or fee that does not fully recover the costs of providing the service.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

7. The City Manager will provide quarterly reports to the City Council that compares year-to-date actuals with revenue projections. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary measures.
8. Gas tax revenues will be annually earmarked to offset all costs in connection with the City's annual street maintenance program. The City will strive to maintain this program in such a manner that will not require the infusion of General Fund revenues.

G. FUND BALANCE

1. Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.
 - Nonspendable fund balance (inherently nonspendable)
 - Restricted fund balance (externally enforceable limitations on use)
 - Committed fund balance (self-imposed limitations on use)
 - Assigned fund balance (limitation resulting from intended use)
 - Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is prepaid items. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above.

2. Committed Fund Balance: The City Council may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
3. Assigned Fund Balance: These are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his/her designee, for the purpose of reporting these amounts in the annual financial statements.
4. Unassigned Fund Balance: These are the residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.
5. Restricted fund balance should be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, then committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

H. RESERVES

1. The City will strive to achieve and maintain a minimum Assigned and Unassigned (hereafter, ~~UnencumberedUnrestricted~~) Fund Balance Reserve of ~~40%~~35% of the annual operating budget for operating contingencies, emergencies caused by calamitous events, economic uncertainty and to stabilize fluctuations in cash flow requirements. The formula for calculating this ratio is:

$$\frac{\text{Budgeted or Projected Year End } \del{UnencumberedUnrestricted} \text{ Fund Balance}}{\text{Current Operating Expenditures } + \del{Direct Net Debt Service}}$$

The City will also strive to achieve and maintain a minimum Unassigned Fund Balance of 25%. The formula for calculating this ratio will be the same as that above, but will exclude Assigned portions of Fund Balance.

2. In order to meet long-range maintenance and future equipment repair and replacement needs, the City shall maintain Maintenance Reserve Funds for: the Community Center; the Sports Complex; the Civic Center; and park equipment for component parts with a value of over \$ 50,000. The City shall maintain a fiscally responsible funding plan that will fully fund the long-term maintenance and replacement costs of major capital equipment within these facilities.

The City shall conduct a reserve analysis study to determine the amount required to fully fund the Maintenance Reserve at least every seven (7) years. The City will annually assign a portion of fund balance to fully fund the anticipated maintenance and replacement costs for identified components.

3. A Liability Self-Insurance Fund shall be maintained for the purpose of setting aside resources for costs not covered by the City's insurance programs such as claims within the City's self-insurance retention.
4. The City shall maintain a PERS Employer Contribution Stabilization Fund in order to reduce volatility in the employer contribution rates set by PERS. If the City's Actual Required Contribution (ARC) in any given year falls below 9%, the City shall contribute to this stabilization fund the difference between 9% and the City's actual ARC. In years when the actual ARC is above 9%, the City Manager may use monies in the Stabilization Fund to pay for any contribution amounts above 9%. The City Manager will notify the City Council when monies from this fund are used to pay any portion of the City's ARC above 9%.
5. The City shall remain in compliance with the requirement of the Government Accounting Standards Board's (GASB) most current Statements for the accounting and disclosure of information regarding the City's measurement and recognition of pension expenditures and related assets and liabilities.

I. EMPLOYEE COMPENSATION

1. The City has an established employee compensation program that is designed to attract and retain highly qualified individuals who are capable of delivering a

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

high level of service in a streamlined organization. The City will continue this commitment to competitive, market-based compensation and pay for performance.

2. For non-management employees, the City will strive to maintain a highly competitive salary and benefits program which sets the top step of salary ranges at 5% above the Comparator Agencies average for each comparable position. The Comparator Agencies are those cities identified in the City's 2011 Comprehensive Compensation Study. The City Manager will annually conduct a survey of comparable positions in the Comparator Agencies and recommend to the City Council salary adjustments in keeping with this policy, or any current Memorandum of Understanding.
3. Salary adjustments within a classification range may be given after the required comprehensive performance appraisal and will be based on merit only.

ATTACHMENTS:

None



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: KENNETH H. ROSENFELD, P.E.
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER**

**ISSUE: AWARD OF THE STREET SWEEPING MAINTENANCE SERVICES
AGREEMENT FOR CITYWIDE STREET AND ROADWAY CLEANING TO
JONSET CORPORATION, INC., DBA SUNSET PROPERTY SERVICES**

**RECOMMENDATION: THAT THE CITY COUNCIL AWARD THE STREET
SWEEPING MAINTENANCE SERVICES AGREEMENT FOR CITYWIDE STREET AND
ROADWAY CLEANING TO JONSET CORPORATION, INC., DBA SUNSET PROPERTY
SERVICES AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT.**

SUMMARY:

In accordance with the formal bidding section of the City's Procurement Code, staff issued a Notice Inviting Sealed Bids for Citywide Street Sweeping Services. Bids were accepted and opened on May 14, 2015. The proposed work to be contracted includes the regular sweeping of arterial and local streets to comply with water quality requirements and community standards and the miscellaneous cleaning of City sidewalks, bike trails, and parking lots. The term of the proposed agreement for street sweeping services is for five years and the option of one three-year term extension. Five bids for street sweeping services were received at the bid opening with Jonset Corporation, Inc., dba Sunset Property Services, being the lowest bid and "best qualified vendor" with an annual bid amount submittal of \$130,071.72. This bid amount is within the operating budget for this service. Award of the Street Sweeping Maintenance Services Agreement for Citywide Street and Roadway Cleaning to Jonset Corporation, Inc., dba Sunset Property Services, is recommended.

BACKGROUND:

The City provides street sweeping services with a private firm by contract consisting of weekly arterial highway cleaning, twice monthly local street cleaning, and monthly cleaning of specified sidewalks, bike trails, and parking lots. These "cleaning services" are in place

to allow the City to be in compliance with water quality regulations and to meet community expectations for the condition of the City's infrastructure.

The current contract with the service provider, Jonset Corporation, Inc., dba Sunset Property Services, will expire on June 30, 2015. This contract did include the opportunity for a one-year term extension; however, staff determined that a new five-year term contract would be more efficient to implement and would likely allow for the low end of market bid pricing to be received. In accordance with the formal bidding section of the City's Procurement Code, LHMC Section 3-08.090, staff prepared and issued a Notice Inviting Sealed Bids and Specifications for the required work. On May 14, 2015, the following bids were received:

<u>Contractor</u>	<u>Bid Amount</u>
Jonset Corp, Inc., dba Sunset Property Services	\$130,071.72
Arakelian Enterprises, Inc., dba Athens Services	\$136,447.40 (corrected value)
CR & R, Inc.	\$163,853.04 (corrected value)
R.F. Dickson Co., Inc.	\$182,106.00
CleanStreet Services	\$215,314.80

Our current street sweeping provider is the low bidder and staff has determined this firm, by virtue of its work, compliance with the current agreement, and license, is the "best qualified vendor" in terms of the Procurement Code requirements.

In analyzing the specific prices bid in comparison to currently paid rates, the "per curb mile" rate for street sweeping has been lowered by approximately 8.5%. The unit cost for other cleaning services bid had a net increase of approximately 3.4%. Overall, the bid is consistent with budget expectations.

The City Attorney's office has prepared the attached Street Sweeping Maintenance Services Agreement for Citywide Street and Roadway Cleaning and it is recommended this Agreement be awarded to and entered into with Jonset Corporation, Inc., dba Sunset Property Services.

FISCAL IMPACT:

The total amount bid is in conformance with the City's Operating Budget for street sweeping in the amount of \$135,000 in Fiscal Year 2015/2016. This budget allows for a small amount of funding for the additional services of bus stop cleaning, for emergency services, or for other extra work as may be required during the year.

ATTACHMENT:

- Street Sweeping Maintenance Services Agreement for Citywide Street and Roadway Cleaning

**STREET SWEEPING MAINTENANCE SERVICES AGREEMENT
FOR CITYWIDE
STREET AND ROADWAY CLEANING
(Jonset Corporation, Inc., dba Sunset Property Services)**

THIS STREET SWEEPING MAINTENANCE SERVICES AGREEMENT (hereinafter "Agreement") is made and entered into, to be effective this 1st day of July 2015, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California (hereinafter referred to as "City"), and JONSET CORPORATION, INC., a California corporation (hereinafter referred to as "Contractor"). City and Contractor are sometimes hereinafter individually referred to as "Party" and are hereinafter collectively referred to as the "Parties."

RECITALS

A. City has determined that there is a need to retain the services of a qualified street sweeping company to perform regularly scheduled, on-call special, and emergency street sweeping, cleaning and maintenance services for the proper cleanliness and maintenance of the City's street and roadway system, as well as to perform other related cleaning and maintenance services on an as-needed basis, in a manner acceptable to City (the "Project").

B. Contractor has submitted to City a bid proposal, May 12, 2015, to provide citywide street sweeping, cleaning and maintenance services to City for the Project pursuant to the terms of this Agreement.

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

D. City desires to retain Contractor to provide such citywide street sweeping, cleaning and maintenance services for the Project.

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

AGREEMENT

1. MAINTENANCE SERVICES

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Contractor promises and agrees to provide, furnish, and perform the citywide street sweeping, cleaning and maintenance services for the Project as set forth in Contractor's Bid Proposal/Scope of Work, dated May 12, 2015, and as set forth in City's Street

Sweeping Specifications, dated April 17, 2014, which are attached hereto as Exhibit "A" and Exhibit "B," respectively and are incorporated herein by reference (hereinafter referred to as the "Services" or "Work"). As a material inducement to the City entering into this Agreement, Contractor acknowledges and understands that the Services and Work contracted for under this Agreement require specialized skills, equipment, labor, and abilities and that, consistent with this understanding, Contractor's Services and Work shall be performed in a skillful and competent manner and shall be held to a standard of quality and workmanship prevalent in the industry for such service and work and with the standards recognized as being employed by contractors in the same discipline in the State of California. Contractor represents and warrants that it is skilled in the discipline necessary to perform the Services and Work and that it holds the necessary skills and abilities to satisfy the standard of work as set forth in this Agreement. Contractor represents and warrants that it and all of its employees and subcontractors providing services under this Agreement shall have sufficient skill and experience to perform the Services and Work assigned to them. All Services and Work shall be completed to the reasonable satisfaction of the City.

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the City's notice and request inviting bids or proposals, including the City's Street Sweeping Specifications, dated April 17, 2015; and, (3) the Contractor's signed, original Bid Proposal/Scope of Work dated May 12, 2015 ("Contractor's Proposal"), including the Contractor's Schedule of Performance and Schedule of Compensation/Fees/Rates and Unit Prices, submitted to City in response to City's notice and request inviting bids or proposals for the Project, which shall all be referred to collectively hereinafter as the "Contract Documents." The Contractor's Proposal and the City's notice and request inviting bids or proposals, including the City's Project specifications, which are both attached hereto as Exhibit "A" and Exhibit "B," respectively, are hereby incorporated by reference and are made a part of this Agreement. All provisions of this Agreement, the Contractor's Proposal, and the City's notice and request inviting bids or proposals, including the City's Project Specifications, shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms and conditions of this Agreement; (2nd) the terms, conditions, requirements, and provisions of the City's notice and request inviting bids or proposals, including the City's Street Sweeping Specifications (Exhibit "B"); and (3rd) the provisions of the Contractor's Proposal (Exhibit "A").

1.3 Compliance with Law. Contractor shall comply at all times during the term of this Agreement with all applicable federal, state, and local laws, statutes, and ordinances and all lawful orders, rules, and regulations promulgated thereunder, including without limitation all applicable fair labor standards, Cal/OSHA, and South Coast Air Quality Management District ("SCAQMD") regulations and requirements, including SCAQMD Rule 1186. Contractor shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules, and regulations in any manner affecting the performance of the Work and Services, including all Cal/OSHA and SCAQMD regulations and requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with performing the Work and Services. If Contractor performs any work or services in violation of such laws, rules, and regulations, Contractor shall be solely responsible for all penalties and costs arising therefrom. Contractor shall defend, indemnify, and hold City, its officials, officers,

employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules, or regulations.

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

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

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

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

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

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

1.9 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. Contractor agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the Work or Services provided pursuant to this Agreement, Contractor shall bear all risks of payment or non-payment of prevailing wages under California law, and Contractor hereby agrees to defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

1.10 Water Quality Management and Compliance.

1.10.1 Storm Water Management. Storm, surface, nuisance, or other waters may be encountered at various times during performance of the Services or Work. Contractor hereby acknowledges that it has investigated the risk arising from such waters, has prepared its bid or proposal accordingly, and assumes any and all risks and liabilities associated with and arising therefrom.

1.10.2 Compliance with Water Quality Laws, Ordinances, and Regulations. Contractor shall keep itself and any subcontractors, staff, agents, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by, the performance of the Services or Work, including, without limitation, all applicable provisions of: the City's ordinances regulating discharges of storm water; the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.); the California Porter-Cologne Water Quality Control Act (Cal. Water Code § 1300 et seq.); and any and all regulations, policies, or permits issued pursuant to any such authority. Contractor shall additionally comply with the lawful requirements of the City, and any other municipality, drainage district, or other local or state agency having jurisdiction over the location where the Services or Work are to be performed, conducted, or provided, regarding discharges of storm water to separate storm drain systems or other watercourses, including applicable requirements in municipal storm water management programs.

1.10.3 Compliance with DAMP and LIP. In addition to compliance with the laws, ordinances, and regulations listed in subsection 1.10.2, Contractor shall comply with all applicable requirements of the Orange County Drainage Area Management Plan ("DAMP"), the City of Laguna Hills Local Implementation Plan ("LIP"), and the applicable Water Quality Management Plan ("WQMP"). Such documents contain the Model Maintenance Procedures with Best

Management Practices ("BMPs"). These Model Maintenance Procedures contain pollution prevention and source control techniques to minimize the impact of those activities upon dry-weather urban runoff, storm water runoff, and receiving water quality. Contractor hereby acknowledges and agrees to be familiar with the DAMP, the LIP, and the WQMP, and agrees to comply with the requirements specified therein.

1.10.4 Standard of Care. Contractor represents and warrants that all employees and subcontractors performing any Services or Work hereunder shall have sufficient skill and experience to perform the work assigned to them without impacting water quality in violation of the laws, regulations, and policies described in Sections 1.10.2 and 1.10.3 of this Agreement. Contractor further represents and warrants that it, its employees and subcontractors will receive appropriate training regarding the requirements of the laws, regulations, and policies described in subsections 1.10.2 and 1.10.3 of this Agreement as they may relate to the Services.

1.10.5 Liability for Water Quality Non-Compliance.

(A) Indemnity: Failure to comply with laws, regulations, and ordinances listed in subsections 1.10.2 and 1.10.3 of this Agreement is a violation of federal and state law. Notwithstanding any other indemnity contained in this Agreement, Contractor agrees to indemnify and hold harmless the City, its elected and appointed officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the City, its elected and appointed officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the laws, regulations, and ordinances listed in subsections 1.10.2 and 1.10.3 of this Agreement arising out of or in connection with the Services, except for liability resulting from the sole negligence, willful misconduct or active negligence of the City, its elected and appointed officials, officers, agents, employees or authorized volunteers.

(B) Defense: City reserves the right to defend any enforcement action or civil action brought against the City for Contractor's failure to comply with any applicable water quality law, regulation, or policy. Contractor hereby agrees to be bound by, and to reimburse the City for the costs associated with, any settlement reached between the City and the relevant enforcement entity.

(C) Damages: City may seek damages from Contractor for delay in completing the Services caused by Contractor's failure to comply with the laws, regulations, and policies described in subsections 1.10.2 and 1.10.3 of this Agreement, or any other relevant water quality law, regulation, or policy.

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

2. COMPENSATION

2.1 Maximum Annual Contract Amount. For the Services and Work rendered pursuant to this Agreement, Contractor shall be compensated by City in accordance with the Schedule of Compensation/Fees/Rates/Unit Prices set forth in Contractor's Proposal/Scope of Work, but not exceeding the total maximum annual contract amount of One Hundred Fifty Thousand Dollars (\$150,000.00) (hereinafter referred to as the "Maximum Annual Contract Amount"), except as may be provided pursuant to Section 1.8 above and Section 2.4 below. Compensation shall be payable according to the fees and at the rates and unit prices set forth in Exhibit "A" attached hereto. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

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

2.3 CPI Adjustment of Compensation/Fees/Billing Rate Schedule. The fees, rates and/or unit prices set forth in Contractor's Proposal/Scope of Work shall remain fixed and unchanged for the first year of the term of this Agreement (i.e., from July 1, 2015 through June 30, 2016). Thereafter, Contractor may submit a request to adjust its fees, rates and/or unit prices once per year during the remainder of the term of the Agreement as provided for herein. However, approval of any request to adjust fees, rates and/or unit prices shall be made at the sole discretion of the City Manager, in writing, and is subject to the City's approved budget. Such fee, rate, and/or unit price adjustment(s), if any, shall not exceed the value of the change of the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year. In no event shall any adjustment of any fee, rate or or unit price exceed five percent (5%) per year regardless of CPI or any other cost factors.

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

2.5 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the term

of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by 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 Contractor's Proposal/Scope of Work (Exhibit "A") and as set forth in City's Street Sweeping Specifications (Exhibit "B").

3.2 Schedule of Performance. Contractor shall commence the Services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all Services or Work within the time period(s) established in the Schedule of Performance set forth in Contractor's Proposal (Exhibit "A") as set forth in City's Street Sweeping Specifications (Exhibit "B"). When requested by Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer; however, the City shall not be obligated to grant such an extension.

3.3 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of five (5) years, commencing on July 1, 2015 and ending on June 30, 2020 ("Initial Term"). The City shall have the unilateral option, at its sole discretion, to renew and extend the term of this Agreement for no more than one additional three (3) year term ("Renewal Option").

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

4. COORDINATION OF WORK

4.1 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 to be performed under this Agreement and to make all decisions in connection therewith: **John D. Howhannesian, President/CEO.** It is expressly understood that

the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services performed hereunder. The foregoing principal may not be changed by Contractor without prior written approval of the Contract Officer.

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

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

4.4 Independent Contractor.

4.4.1. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the performance of this Agreement, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents and volunteers shall have control over the conduct of

Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees, or agents shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Contractor's officers, employees, representatives or agents, or in fixing their number, compensation, or hours of service. Contractor shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

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

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

4.5 PERS Eligibility Indemnification.

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

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

5. INSURANCE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

to commence any Work or Services relating to this Agreement unless and until it has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Contractor agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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

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

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

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

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

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

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

6. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall defend (at Contractor's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold

harmless City, its officials, officers, employees, agents and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Contractor's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to 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. REPORTS AND RECORDS

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

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

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Contractor, its employees, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and the City shall indemnify the Contractor for all damages resulting therefrom. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. Contractor shall ensure that all its subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

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. All information gained by Contractor in the performance of this Agreement shall be considered confidential and shall not be released by Contractor without City's prior written authorization.

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

8. ENFORCEMENT OF AGREEMENT

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

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

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

8.4 Default of Contractor.

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

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

8.4.3. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 8.4.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Annual Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Contractor shall not limit Contractor's liability for completion of the Services as provided herein.

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

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

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

8.8 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 attorneys' 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. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

8.9 Bonds.

8.9.1 Performance Bond. If specifically requested by City, Contractor shall prior to the commencement of any Services or Work under this Agreement execute and submit to City for its acceptance and approval a Performance Bond in the amount of the Maximum Annual Contract Amount set forth in section 2.1 of this Agreement in the same format set forth in Exhibit "C" attached hereto. If such bond is required, no payment shall be made to Contractor until it has been received and approved by City.

8.9.2 Payment Bond. If required by law or otherwise specifically requested by City, Contractor shall prior to the commencement of any Services or Work under this Agreement execute and submit to City for its acceptance and approval a Payment Bond in the amount of the Maximum Annual Contract Amount set forth in section 2.1 of this Agreement in the same format set forth in Exhibit "D" attached hereto. If such bond is required, no payment shall be made to Contractor until it has been received and approved by City.

8.9.3 Bond Requirements and Surety Qualifications. Prior to approval of each bond, the City shall verify that the surety is an admitted surety in the State of California. If requested by City, the Contractor shall provide other information specified in Code of Civil Procedure Section 995.660 to enable City to verify the sufficiency of the bond. Should any bond become insufficient, Contractor shall correct the insufficiency within ten (10) calendar days after receiving notice from the City. The Contractor shall provide the City evidence of said correction within ten (10) calendar days of said correction. Should any surety at any time be unsatisfactory to the City, written notice will be given to the Contractor to that effect. No further payments shall be deemed due or will be made under the Agreement until the Contractor submits acceptable bonds from a surety or sureties accepted by the City. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety and satisfactory to the City. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the City. To the extent available, the bonds shall further provide that no change or alteration to the Agreement (including, without limitation, an increase in the Maximum Annual Contract Amount), extension of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond so requested by City, the City may terminate this Agreement for cause.

8.9.4 Provision of Bonds. If Contractor is unable to secure a single performance bond and a single payment bond for the full five (5) year term of this Agreement, Contractor may, with the approval of the City, submit a single performance bond and/or a single payment bond meeting all applicable requirements that are either renewable at the beginning of each year of the five (5) year term and any extension thereof, or may submit a new performance bond and/or new

payment bond meeting all the applicable requirements at the beginning of each year of the five (5) year term of this Agreement and any extension thereof. Failure to submit the required bonds at the beginning of each year of the five (5) year term of the Agreement and any extension thereof shall be deemed a breach of the Contractor's obligations under the Agreement and may result in termination of this Agreement. Nonetheless, no payments shall be deemed due or will be made under the Agreement and Contractor shall not perform any Work or Services hereunder until the Contractor submits acceptable bonds to the City, if specifically requested by City. Both the performance bond and the payment bond shall remain in full force and effect during the entire term of the Agreement and any extension thereof.

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

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

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

10. MISCELLANEOUS PROVISIONS

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

To City:

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

To Contractor:

Jonset Corporation, Inc., dba Sunset Property Services
Attention: John D. Howhannesian, President/CEO
16251 Construction Circle West
Irvine, California 92606
Telephone: (949) 551-5151
Facsimile: (949) 551-4371

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

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

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

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

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

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

violate any provision of any other Agreement to which the Party for which he/she is signing is bound.

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

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

"CITY"
CITY OF LAGUNA HILLS,
a California municipal corporation

DORE J. GILBERT, M.D.,
Mayor

ATTEST:

MELISSA AU-YEUNG,
City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

"CONTRACTOR"
Jonset Corporation, Inc., a California
corporation, dba Sunset Property Services



JOHN D. HOWHANNESIAN,
President



ANDREA HOWHANNESIAN,
Secretary

EXHIBIT “A”

CONTRACTOR’S BID PROPOSAL/ SCOPE OF WORK

DATED: MAY 12, 2015

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

Sunset Property Services

CITY OF LAGUNA HILLS
REQUEST FOR PROPOSAL
STREET SWEEPING RFP



Respectfully submitted to

Ms. Melissa Au-Yeung
City Clerk
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Due Date:
May 14, 2015

Setting the Standard
Since 1967

Table of Contents

I. CITY OF LAGUNA HILLS RFP	1
A. PROPOSAL LETTER.....	3
B. BID PROPOSAL – CONTRACTOR ACKNOWLEDGEMENT (P-1 & P-2).....	4
C. CONTRACTOR’S INFORMATION (P-3)	7
D. REFERENCES (P-4)	8
E. EQUIPMENT (P-5).....	9
F. NONCOLLUSION AFFIDAVIT (P-6)	10
G. PROPOSAL BID SHEETS (P-7).....	12
H. BID PROPOSAL (P-8)	13

May 12, 2015

Melissa Au-Yeung, City Clerk
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Subject: Request for Proposal—Street Sweeping Services

Dear Ms. Au-Yeung:

We are pleased to provide the city of Laguna Hills with our proposal for street sweeping services. Sunset Property Services is a family owned and operated business and we are proud to be a part of the Orange County community where our office of operations has been located for over 34 years.

Sunset offers more than 48 years of experience and a substantial amount of practiced knowledge from our current service to the city of Laguna Hills. We are a proven provider of quality street sweeping services to many Orange County municipalities and strive to bring our high level of expertise, organization and commitment to all our clients.

Our veteran team is eager to continue our immaculate partnership with your staff and the city residents. Sunset goes unparalleled, not only in the proximity of our fleet and personnel headquarters to the city of Laguna Hills (less than 14 miles away), but also in the variety and extent of services we can effectively and efficiently mobilize being so close. No other competitor can match us in the vast fleet and accompanying maintenance services that would be at the city's disposal. Our headquarters and fleet, with limited notice, can perform the task to the highest quality with little to no limitation on fleet availability or distance/time constraints.

Sunset provides the highest value and competitive pricing with the delivery of the highest quality service. Our consummate experience and service familiarity has also allowed us to revolve around continued enhancements of service and community involvement, rather than just the required aspects. We are keen to bring our continuing advancements to your city while providing cost savings.

We would like to thank you for your consideration of our proposal and look forward to the opportunity to establish a working relationship with the City of Laguna Hills.

Sincerely,



John D. Howhannesian
President

CONTRACTOR'S NAME: Sunset Property Services

**CITY OF LAGUNA HILLS
BID PROPOSAL
FOR
STREET SWEEPING MAINTENANCE SERVICES**

TO CITY OF Laguna Hills:

The undersigned CONTRACTOR hereby proposes to furnish all materials, equipment, tools, labor, and incidentals required for the above stated project as set forth in the Specification and Contract Documents therefore, and to perform all work in the manner and time prescribed therein.

CONTRACTOR declares that this Bid Proposal is based upon careful examination of the work site, Specifications, Instructions to Contractors, and Contract Documents. If this Bid Proposal is accepted for award, CONTRACTOR agrees to enter into the attached DRAFT Street Sweeping Maintenance Services Agreement with City at the unit and/or lump sum prices set forth in the following Proposal Bid Sheets.

CONTRACTOR understands that a bid is required for the entire work, that the estimated quantities set forth in the Proposal Bid Sheet are solely for the purpose of comparing proposal(s), and that final compensation under the Contract will be based upon the actual quantities of work satisfactorily completed. It is agreed that the unit and/or lump sum prices bid include all appurtenant expenses, taxes, royalties, and fees. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts.

CONTRACTOR agrees and acknowledges that he is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workman's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the CONTRACTOR will comply with such provisions of that code before commencing the performance of this Contract if awarded to it.

CONTRACTOR certifies that in all previous contracts or subcontracts, all reports which may have been due under the requirements of any agency, State or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

CONTRACTOR declares that the only persons or parties interested in this proposal as principals are those named herein; that no officer, agent, or employee of the City is personally interested, directly or indirectly, in this proposal; that this proposal is made without connection to any other individual firm, or corporation making a bid for the same work; and that this proposal is in all respects fair and without collusion or fraud.

CONTRACTOR acknowledges that it is the City's intention to Award a Contract for Street Sweeping Maintenance Services for a period commencing on or about July 1, 2015 and ending on June 30, 2020.

CONTRACTOR'S NAME: Sunset Property Services DATE May 12, 2015

CONTRACTOR'S ADDRESS:

16251 Construction Circle West
Irvine, CA 92606

BY John D. Howhannesian

TITLE President/CEO


 (Signature)

PHONE (949) 551-5151

BY Andrea Howhannesian

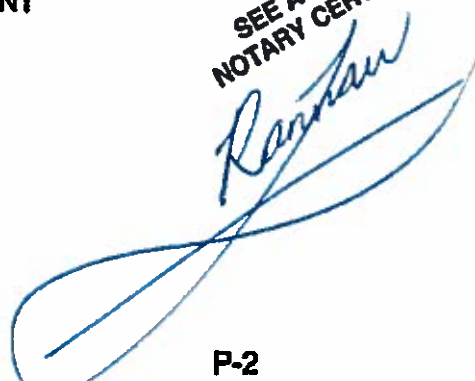
TITLE Secretary


 (Signature)

Signatures to be Notarized,
 Attach ACKNOWLEDGMENT

Continued next page

SEE ATTACHED
 NOTARY CERTIFICATE



P-2

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On 05/12/2015 before me, Rannan Jafari Eskandari, Notary Public
(insert name and title of the officer)

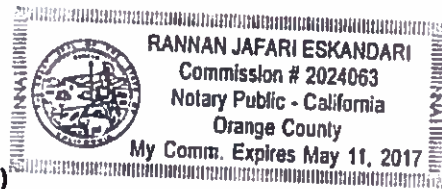
personally appeared Andrea Howhannesian and John D. Howhann^{esian}
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rannan

(Seal)



CONTRACTOR'S INFORMATION

CONTRACTOR certifies that the following information is true and correct:

Contractor Name Sunset Property Services

Business Address 16251 Construction Circle West, Irvine CA 92606

FAX No. (949) 551-4371

Telephone (949) 551-5151

E-Mail address: AHowhannesian@SunsetPropertyServices.com

State Contractor's License No. and Class N/A

Original Date Issued N/A Expiration Date N/A

Years this Company has been in the Street Sweeping Business 48 Years

The following are the names, titles, addresses, and phone numbers of all individuals, firm members, partners, joint ventures, and/or corporate officers having a principal interest in this proposal:

John D. Howhannesian, President/CEO Mission Viejo CA 949-551-5151

The dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this proposal are as follows:

None

All current and prior DBA's, alias, and/or fictitious business names for any principal having an interest in this proposal are as follows:

Sunset Property Services

BY John D. Howhannesian
(Print Name)


(Signature)

TITLE President/CEO

DATE May 12, 2015

Continued next page

CONTRACTOR'S NAME: Sunset Property Services

REFERENCES

The following are the names, addresses, and phone numbers for three public agencies for which CONTRACTOR has current contracts for street sweeping maintenance services:

1. Agency: City of Mission Viejo
Address: 27204 W. La Paz Road, Mission Viejo CA 92692
Telephone: (949) 470-8450
Primary Contact Person/Title: Bruce Trexler / Public Works Inspector
Years of service with this Agency: Over 20 Years
Term of Agreement: 4 Years Expiration Date: Current
2. Agency: City of Rancho Santa Margarita
Address: 22112 El Paseo, Rancho Santa Margarita CA 92688
Telephone: (949) 635-1805
Primary Contact Person/Title: EMaximous@cityofrsm.org
Years of service with this Agency: 9 Years
Term of Agreement: 6 Years Expiration Date: Current
3. Agency: County of Orange
Address: 2301 N. Glassell Street, Orange CA 92865
Telephone: (949) 955-0346
Primary Contact Person/Title: Kris Ruiz / Supervising Inspection Specialist
Years of service with this Agency: Over 10 Years
Term of Agreement: 5 Years Expiration Date: Current

Continued next page

CONTRACTORS NAME: Sunset Property Services**EQUIPMENT**

The CONTRACTOR shall list all equipment planned for use on this Contract.

1. Manufacturer: TYMCO
Model: 600/Freightliner Sweeper Type: Vac/Regenerative Air
Year and Month Manufactured: 2013 - December
Year and Month Purchased by Contractor: 2013 - December
Mileage: 33919 Miles Hours on Engine: 2467 Hours
Describe Service History: Currently used for municipality servicing.

2. Manufacturer: TYMCO
Model: 600/Freightliner Sweeper Type: Vac/Regenerative Air
Year and Month Manufactured: 2013 - December
Year and Month Purchased by Contractor: 2013 - December
Mileage: 31905 Miles Hours on Engine: 2431 Hours
Describe Service History: Currently used for municipality servicing.

3. Manufacturer: TYMCO
Model: 210 Sweeper Type: Vac/Regenerative Air
Year and Month Manufactured: 2013 - December
Year and Month Purchased by Contractor: 2013 - December
Mileage: 24040 Miles Hours on Engine: 2465 Hours
Describe Service History: Currently used for municipality servicing.

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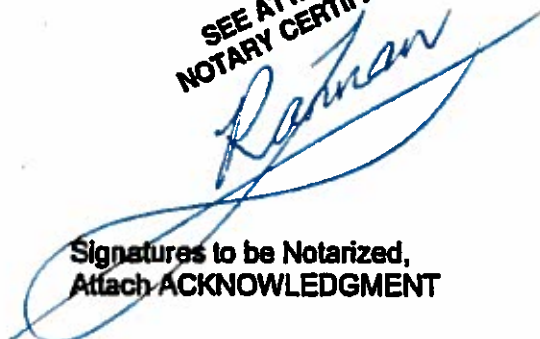
CONTRACTOR'S NAME Sunset Property ServicesNONCOLLUSION AFFIDAVIT TO BE EXECUTED BY CONTRACTOR AND
SUBMITTED WITH BIDSTATE OF CALIFORNIA)
) SS
COUNTY OF)

John D. Howhannesian, being first duly sworn, deposes and says that he or she is President/CEO of the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, contractor association, organization, or corporation; that such bid is genuine and not collusive or sham; that the contractor has not directly or indirectly induced or solicited any other contractor to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any contractor or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the contractor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the contractor or any other contractor, or to fix any overhead, profit, or cost element of the bid price, or of that of any other, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the contractor has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agency thereof to effectuate a collusive or sham bid.

Signed


John D. Howhannesian
 Name (print)

President/CEO
 Title

May 12, 2015
 Date
SEE ATTACHED
NOTARY CERTIFICATE

 Signatures to be Notarized,
 Attach ACKNOWLEDGMENT

Continued next page

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

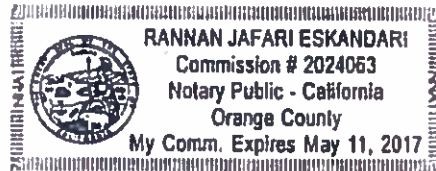
On 05/12/2015 before me, Rannan Jafari Eskandari, Notary Public
(insert name and title of the officer)

personally appeared John D. Howhannesian and
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rannan (Seal)



CONTRACTOR'S NAME Sunset Property Services

CITY OF LAGUNA HILLS

**PROPOSAL BID SHEETS
FOR
STREET SWEEPING MAINTENANCE SERVICES**

BASE BID (SEE APPENDIX A FOR MAPS OF WORK LOCATIONS)

ITEM NO.	ITEM	UNIT	QTY	UNIT PRICE	AMOUNT
1	Arterial Highway and Collector Street Weekly Street Sweeping per Year	Curbmiles	4524 (87x52)	\$15.88	\$71,841.12
2	Local Street Twice Monthly Street Sweeping per Year	Curbmiles	3024 (126x24)	\$15.88	\$48,021.12
3	Monthly Bike Trail Street Sweeping per Year	Monthly	12	\$215.29	\$2,583.48
4	Monthly Sidewalk, Stairway, Fire Gate Cleaning per Year	Monthly	12	\$347.61	\$4,171.32
5	Monthly Community Center Parking Lot Street Sweeping per Year (4 lots)	Monthly	12	\$194.16	\$2,329.92
6	Monthly Cabot Park Parking Lot Street Seeping per Year (1 lot)	Monthly	12	\$ 93.73	\$1,124.76

TOTAL BASE BID IN FIGURES:**\$ \$130,071.72****TOTAL BASE BID IN WORDS:**One hundred thirty thousand seventy one**DOLLARS****AND**seventy two**CENTS**

Quantities shown above are estimated. Actual Quantities shall be verified by the City Inspector and may be greater or less than the quantities indicated here. The determination of the lowest price bid shall be on the basis of the Total Base Bid value.

ADDITIONAL SERVICES BID AS NEEDED

ITEM NO.	ITEM	UNIT	UNIT PRICE	
7	Hourly Rate for Special Street Sweeping	Hourly	\$100.00	
8	Hourly Rate for Emergency Street Sweeping	Hourly	\$125.00	
9	Bus Stop Cleaning (Select locations on a quarterly basis or as directed)	Each	\$60.00	

Continued next page

BID PROPOSAL

IN WITNESS WHEREOF, contractor executes and submits this proposal with the names, titles, hands, and seals of all forenamed principals this Tuesday day of May 12, 2015.

NOTE: CONTRACTOR MAY, AT THEIR SOLE DISCRETION, PROVIDE A LISTING AND DESCRIPTION OF ADDITIONAL CLEANING SERVICES THEY OFFER, ADDITIONAL REFERENCES, ADDITIONAL EQUIPMENT AND ADDITIONAL COMPANY INFORMATION BY ATTACHING UP TO 10 ADDITIONAL PAGES TO THIS BID PROPOSAL. CITY MAY UTILIZE THIS INFORMATION IN ITS EVALUATION OF THE "BEST QUALIFIED VENDOR" IN ACCORDANCE WITH LPMC 3-08.100.

CONTRACTOR NAME Sunset Property Services

By John D. Howhannesian

(Print)


(Signature)

President/CEO

Title

Signatures to be Notarized,
Attach ACKNOWLEDGMENT

SEE ATTACHED
NOTARY CERTIFICATE



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange

On 05/12/2015 before me, Rannan Jafari Eskandari, Notary Public
(insert name and title of the officer)

personally appeared John D. Howhannesian
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Rannan

(Seal)

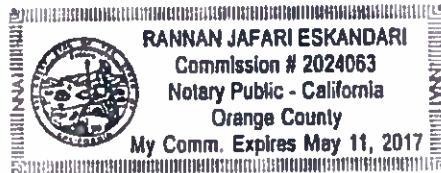


EXHIBIT “B”

CITY OF LAGUNA HILLS

NOTICE AND REQUEST INVITING BID PROPOSALS

CITY’S STREET SWEEPING SPECIFICATIONS

FOR

CITYWIDE STREET SWEEPING MAINTENANCE SERVICES

DATED: APRIL 17, 2015



**CITY OF LAGUNA HILLS
CALIFORNIA**

**SPECIFICATIONS, MAPS AND CONTRACT DOCUMENTS
FOR
STREET SWEEPING MAINTENANCE SERVICES**

APRIL 17, 2014

**CITY OF LAGUNA HILLS
24035 EL TORO ROAD
LAGUNA HILLS, CA 92653**

(949) 707-2650

BID SET

CITY OF LAGUNA HILLS
TABLE OF CONTENTS
FOR
STREET SWEEPING MAINTENANCE SERVICES

NOTICE INVITING SEALED BIDS	NB-1
INSTRUCTIONS TO BIDDERS	IB-1
SCOPE OF WORK	S-1
Objectives	S-1
Definitions	S-2
Standards of Performance	S-6
Equipment	S-8
Schedule	S-10
Disposal	S-11
Inspections	S-12
Changes	S-13
Communications	S-13
Compensation	S-14
PROPOSAL DOCUMENTS	
Proposal	P-1
Contractor's Licensing Statement	P-3
Non-Collusion Affidavit	P-6
Proposal Bid Sheets	P-7
 Street Sweeping and Cleaning Locations	 Appendix A
 DRAFT Street Sweeping and Maintenance Services Agreement	 Appendix B



**CITY OF LAGUNA HILLS
NOTICE INVITING SEALED BIDS
FOR
STREET SWEEPING MAINTENANCE SERVICES**

NOTICE IS HEREBY GIVEN that sealed bids will be received by the City of Laguna Hills, as AGENCY, for furnishing all materials, equipment, tools, labor, and incidentals as required for the above stated project in strict accordance with the Specifications and Contract Documents on file in the City Clerk's Department of the City of Laguna Hills.

Bids will be received at the office of the City Clerk, City of Laguna Hills, until 11:00 a.m. on the 14th day of May 2015, at which time and place the bids will be publicly opened and read aloud. Bids shall be submitted in sealed envelopes marked on the outside, **"SEALED BID FOR STREET SWEEPING MAINTENANCE SERVICES - DO NOT OPEN WITH REGULAR MAIL."**

The work to be performed hereunder is located in the City of Laguna Hills and includes weekly sweeping of Arterial Highways, twice monthly sweeping of Residential Streets and related cleaning services.

The Agency reserves the right, after opening bids, to reject any or all bids or to make award to the lowest bidder consistent with the best qualified vendor selection criteria set forth in Section 3-08.100 of the Laguna Hills Municipal Code, as determined solely by the City; to waive any informality in the bidding; to accept any bid or portion thereof; and to take all bids under advisement for a period of forty-five (45) days. Bids will be compared on the basis of the Engineer's estimate of the quantities of the several items of work as shown on the bid sheets.

At the time of contract award, the contractor shall possess a Class C Contractor's License necessary to perform the work herein described. The City requires either the State Compensation Insurance Fund or a carrier rated B+ or above for Worker's Compensation Insurance.

NB-1

Notice Inviting Sealed Bids
Street Sweeping Maintenance Services
Page 2

Complete sets of said contract documents may be obtained by request at no charge from the City of Laguna Hills, 24035 El Toro Road, Laguna Hills, California, 92653. Specifications can be mailed for \$10.00 (Ten dollars) per set, or call for express delivery rates.

You may obtain information regarding the bid record and who has purchased the Bid Documents by accessing the City's website at "www.ci.laguna-hills.ca.us", clicking on "Public Notices, Bids, RFP," then clicking on the specific job in which you are interested. You may also access the website after the bid date to obtain information regarding the award of bid.

Dated this 17th day of April 2015.

CITY OF LAGUNA HILLS, CALIFORNIA


MELISSA AU-YEUNG
CITY CLERK
24035 El Toro Road
Laguna Hills, CA 92653

NB-2

CITY OF LAGUNA HILLS

INSTRUCTIONS TO BIDDERS STREET SWEEPING MAINTENANCE SERVICES

1. BID PROPOSAL FORMS

Bid Proposal(s) shall be submitted in writing on the Bid Proposal forms provided by the City. All information requested therein must be clearly and legibly set forth in the manner and form indicated. The City will not consider any submission not meeting these requirements.

2. NON-COLLUSION AFFIDAVIT

Contractor shall declare that the only persons or parties interested in the proposal as principals are those named therein; that no officer, agent, or employee of the City is personally interested, directly or indirectly, in the proposal; that the proposal is made without connection to any other individual, firm, or corporation making a bid for the same work; and that the Bid Proposal is in all respects fair and without collusion or fraud. The Non-Collusion Affidavit shall be executed and submitted with the proposal.

3. PROPOSAL BID SHEET

Contractors shall give unit prices for each and all of the items set forth. No aggregate proposal(s) will be considered. The contractor shall set forth for each item of work, in clearly legible figures, a unit item price and a total for the item in the respective spaces provided for this purpose. The quantities listed in the Bid sheets are supplied to give an indication of the general scope of work, but the accuracy of figures is not guaranteed and the contractor shall make his own estimates. In case of a variation between the unit price and the totals shown by the contractor, the unit price will be considered to be the bid.

4. DELIVERY OF PROPOSAL

Proposals may be mailed or delivered by messenger. However, it is the Contractor's responsibility alone to ensure delivery of the proposal to the hands of the City's designated official by the date and time required in the Notice Inviting Sealed Bids.

5. IRREGULAR BID PROPOSALS

Unauthorized conditions, limitations, or provisions attached to a Bid Proposal will render it irregular and may cause its rejection. The completed Bid Proposal forms shall be without interlineations, alterations, or erasures. Alternative

proposals will not be considered unless specifically requested. No oral, telegraphic, or telephonic proposal, modification, or withdrawal will be considered.

6. TAXES

No mention shall be made in the proposal of Sales Tax, Use Tax, or any other tax, as all amounts bid will be deemed and held to include any such taxes which may be applicable.

7. DISQUALIFICATION OF CONTRACTORS

In the event that any contractor acting as a prime contractor has an interest in more than one proposal, all such proposals will be rejected, and the contractor will be disqualified. This restriction does not apply to subcontractors or suppliers who may submit quotations to more than one. No contract will be executed unless the contractor is licensed in accordance with the provisions of the State Business and Professions Code.

8. INTERPRETATION OF DOCUMENTS

If any person contemplates submission of a Bid Proposal for the proposed contract and is in doubt as to the true meaning of any part of the specifications or other proposed contract documents, or finds discrepancies in, or omissions from the specifications, he may submit to the City a written request for an interpretation or correction thereof. The person submitting the request will be responsible for its prompt delivery. Any interpretation or correction of the proposed documents shall be made only by addendum duly issued and copy of such addendum will be mailed or delivered to each person receiving a set of such documents. The City will not be responsible for any other explanation or interpretations of the proposed documents. Contractor shall field review the site of the project and completely familiarize themselves with all of the work necessary to complete the project as described in the Specifications.

9. ADDENDA OR BULLETINS

The effect of all addenda to the Contract Documents shall be considered in the Bid Proposal, and said addenda shall be made a part of the contract documents and shall be returned with them. Before submitting his Bid Proposal, each contractor shall inform himself as to whether or not any addenda have been issued, and failure to cover in this bid any such addenda issued, may render his bid irregular and may result in its rejection by the City.

10. LEGAL RESPONSIBILITIES

All Bid Proposals must be submitted, filed, made, and executed in accordance with State and Federal laws relating to Bid Proposal(s) for contracts of this nature whether the same are expressly referred to herein or not.

Any Contractor submitting a Bid Proposal shall by such action thereby acknowledge they have visited the full limits and extent of the work site and agree to each and all of the terms, conditions, provisions, and requirements set forth, contemplated, and referred to in the Specifications and Contract Documents, and to full compliance therewith.

11. AWARD OF CONTRACT

Following a review of the Bid Proposal(s), the City shall determine whether to award the contract or to reject all Bid Proposal(s). The award of contract, if made, will be to the lowest bidder consistent with the best qualified vendor selection criteria set forth in Section 3-08.100 of the Laguna Hills Municipal Code, as determined solely by the City. At the time of contract award, the successful Contractor shall hold a Class C Contractor's License or a combination of licenses, as required to perform the work, issued by the State of California. Additionally, the City reserves the right to reject any or all Bid Proposals, to accept any bid or portion thereof, to waive any irregularity, and to take the Bid Proposal(s) under advisement for the period of time of 30 days all as may be required to provide for the best interests of the City. In no event will an award be made until all necessary investigations are made as to the responsibility and qualifications of the Contractor to whom the award is contemplated. No Contractor may withdraw his Bid Proposal for a period of forty-five (45) days after the time set for opening thereof.

12. WORKER'S COMPENSATION CERTIFICATE

Section 3700 of the State Labor Code requires that every employer shall secure the payment compensation by either being insured against liability to pay compensation with one or more insurers or by securing a certificate of consent to self-insure from the State Director of Industrial Relations. In accordance with this Section and with Section 1861 of the State Labor Code, the contractor shall provide a Compensation Insurance Certificate as required by the contract, and submit same to City along with the other required contract documents, prior to performing any work. Reimbursement for this requirement shall be considered as included in the various items of work.

CITY OF LAGUNA HILLS
SCOPE OF WORK
STREET SWEEPING MAINTENANCE SERVICES

SCOPE OF WORK

Section A - Objectives

Primary objectives of the sweeping program are to:

- Establish and adhere to a regular schedule of performance for the twice monthly sweeping of approximately 126 curb miles of residential streets, weekly sweeping of 87 curb miles of arterial highways and collector streets, including median curbs, and miscellaneous sidewalk, stairway, bike path, and parking lot monthly cleanings. The Contractor and the City will conduct mileage verification as needed and the Contractor will be compensated for the actual curb mileage swept.
- Clean approximately 10 Bus Stop locations on a quarterly or assigned basis to include up to 40 linear feet of sidewalk at the bus stop, up to two bus benches, up to two trash receptacles and shelter structures, if any. Service will consist of pressure washing the above described facilities and the immediate surrounding area to remove all stains, graffiti, debris, and litter. Service does not include emptying the trash receptacles. All water utilized in pressure washing shall be recaptured and disposed of properly. All services shall be completed by 6:00 AM on the day scheduled.
- Maintain gutter flow lines in streets free of debris for free flow of water.
- Maintain a state of cleanliness for road and pedestrian safety acceptable to the City.
- Meet Air Quality Management District (AQMD) requirements in effect as of July 1, 2008, including but not limited to Rule 1186.a.
- Meet San Diego Regional Water Quality Control Board (SDRWQCB) and the Santa Ana Regional Water Quality Control Board (SARWQCB) MS4 Permit requirements to reduce pollutants. The City utilizes street sweeping as a method of preventing urban pollutants (i.e. sediment, trash, debris, leaves) from entering

the City's Storm Drain System and the Contractor's performance is an integral part of meeting this requirement.

Section B - Definitions

1. Definition of Terms

a. Agreement/Contract

"Agreement" and "Contract" are used interchangeably and shall mean the DRAFT Street Sweeping Maintenance Services Agreement for Citywide Street and Roadway Cleaning, attached hereto and incorporated herein as Appendix B.

b. City

"City" or "Agency" shall mean the City of Laguna Hills, California, its officers, employees, or representatives. The Director of Public Services shall serve as the primary point of contact on behalf of the City.

c. Contractor

"Contractor" shall mean the bidder, person, company, corporation, vendor or partnership, its officers, employees or representatives performing Street Sweeping Maintenance Services under contract with the City.

d. Curb Mile

"Curb Mile" shall equal 5,280 feet, by length, and is the measurement used to determine compensation under this contract for street sweeping. Compensation Curb Mile value shall be rounded to the nearest whole mile.

e. Debris

"Debris" shall mean all litter, rubbish, leaves, sand, dirt, silt, garbage, obstructions, and all other foreign material to be removed from paved streets with a street sweeper.

f. May

"May" shall be permissive.

g. Shall

"Shall" shall be mandatory.

h. Streets

"Streets" shall mean all paved, dedicated public rights-of-way within the existing or future corporate limits of the City of Laguna Hills.

i. Street Sweeping

"Street Sweeping" shall mean the removal, by vacuum street sweepers, of all debris from all portions of listed City parking lots, streets, including but not limited to street intersections, the areas adjacent to curbs and raised medians, left-turn pockets between painted center striped medians of arterial streets, bullnoses, dead spots and cross-gutters, sidewalks, fire gates, stairways and bike paths. Some locations may require curb-to-curb sweeping which shall be included in the same curb mile price for the parallel roadway curb length.

j. Sweepings

"Sweepings" shall mean all debris removed from streets, by street sweeping vehicles, equipment, and tools.

2. Term

Term of this Agreement shall be in effect from July 1, 2015, through June 30, 2020, as more particularly defined in the DRAFT Street Sweeping Maintenance Services Agreement.

3. Services Requested

Services shall include furnishing all labor, equipment, tools, fuel, materials, insurance, supervision, disposal costs, reporting costs, and all other items incidental thereto and to perform all work necessary as specified for Street Sweeping and Cleaning Services. Contractor shall provide his own yard for parking, maintenance, and storage of all equipment outside the City of Laguna Hills.

4. Water

Contractor shall furnish all water required for performance of the specifications by first making arrangements with the various governing water districts and shall pay all fees and comply with all requirements thereof. Contractor acknowledges that all sweepers are equipped with, and all drivers instructed in, the proper use of approved hydrant wrenches and anti-surge/eddy valves. In the event Contractor encounters an inoperable or "dead" fire hydrant, Contractor shall report hydrant's conditions and location to the governing water district with twenty-four (24) hours.

5. Routine/Scheduled Sweeping and Cleaning

The regular, recurring sweeping of all arterial, industrial collector, and residential streets on the current mileage inventory. Street sweeping of all streets shall be done in accordance with the Street Sweeping Schedule and Maps in Appendix A. Sweeping shall be performed weekly on arterial highways and specified collector streets (Monday through Friday) and bi-monthly on local streets as defined by City (Monday through Friday). Local street sweeping shall follow the waste (trash) pick-up schedule by one day, shall be on consistent scheduled days each month during the second and fourth week of every month, and shall not occur before 8:00 a.m. Arterial highway and specified collector sweeping may occur in the early morning hours except when noise complaints require a later start time or as otherwise referenced in Appendix A. Contractor shall adjust start times of sweeping as directed without a change in compensation. No sweeping shall occur during peak traffic hours of 6:00 AM to 9:00 AM or 4:00 PM to 7:00 PM.

Streets designated by City as "no parking during sweeping hours" shall be swept by Contractor during routine/scheduled sweeping within the specified and posted No Parking hours. Sweeping of these streets shall be initiated by Contractor within two hours of the beginning of the specified and posted No Parking hours and shall be fully completed before the end of said hours.

Street Sweeping and Cleaning includes, but is not limited to, as designated sidewalk cleaning, stairway cleaning, fire gate cleaning, bike trail cleaning, dead spot cleaning and related cleaning of sites so designated in Appendix A.

6. Special Sweeping

Occasional sweeping required by Contractor shall include add-on scheduled and non-scheduled street sweeping of special events, spills, and unusual conditions or any other sweeping requested by the City not included in routine/scheduled sweeping. Special sweeping occurs during the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Invoicing for special sweeping shall be based upon an hourly rate with travel time included to and from nearest sweeper's location in accordance with the approved fee schedule and no additional compensation will be allowed therefore. The street sweeper shall temporarily postpone scheduled sweeping and respond immediately to the location of Special Sweeping as designated. Contractor's response time shall not exceed two (2) hours once contact has been made to Contractor's office or field personnel by City staff. Scheduled sweeping will resume once Special Sweeping has been completed. Contractor will contact City personnel when Special Sweeping has been completed so location may be inspected and verified for cleanliness.

7. Emergency Sweeping

Occasional sweeping required by Contractor to include non-hazardous spills, accident clean-ups, and unusual conditions which would require non-scheduled, after-hours, weekend, or holiday responses. Responses to City-requested field location emergency sweeping shall be within two (2) hours of notification by City. Contractor shall provide City with name and toll-free telephone number of contact persons for after-hours emergency sweeping. Emergency sweeping is between the hours of 5:00 p.m. and 8:00 a.m. weekdays or anytime on weekends/holidays. Invoicing for emergency sweeping is based on an hourly rate with travel time included to and from nearest sweeper's location in accordance with the approved fee schedule and no additional compensation will be allowed therefore.

a. Response to Emergency Services

Contractor shall return a call, in response to contact, to City or Orange County Sheriff's Dispatch (whichever initiated contact for emergency response) within fifteen (15) minutes of notification in order to receive instructions.

b. Emergency Response Time

Contractor shall have manpower, equipment, and materials at designated location within two (2) hours from the time of work need notification. By submitting a Bid Proposal, the Contractor commits to being able to provide manpower and equipment on Saturdays, Sundays, holidays, and overtime, when requested.

8. Re-sweeping

Re-sweepings are those required of the Contractor when, after inspection by the City, the work effort is deemed to not have met the stated performance standards, or when a street or section has been missed during the routine/scheduled street sweeping. Re-sweepings are completed at the expense of the Contractor. Contractor shall notify City representative when re-sweepings are scheduled and upon completion. No additional compensation will be allowed for the cost of re-sweeping.

- a. Response to re-sweepings shall be within twenty-four (24) hours after being notified by City representative.**
- b. High profile and safety-related residential re-sweepings, as solely determined by City, shall be completed prior to 4:30 p.m. the same day Contractor was notified by City representative.**
- c. Arterial re-sweeps shall be completed prior to 7:00 a.m. the following day after contact by City representative. High profile and safety-related arterial re-sweeping, as solely determined by City, shall be completed prior to 4:30 p.m. the**

same day Contractor was notified by City representative. Evening sweeping may be permitted at the sole discretion of the City.

Section C – Standards of Performance

1. Sweeping Practices and Standards of Performance

a. Areas of Street

Areas of street to be cleaned by sweeping shall include curb lines along both sides of the roadway or to the edge of pavement where no curb exists, along all curbs on raised median islands, over all portions of painted median islands, painted left- and right-turn pockets, and all intersection cross-gutters. Noses or ends of curbed median islands, arterial intersection turn pockets, arterial intersection center areas and dead spots are to be maintained on the same frequency as the median island or intersection for which they are associated and included in the curb mile price for the parallel roadway section. Curb returns (radii) at intersections of arterial and residential streets will be swept along their entire length and free of debris on scheduled arterial sweeping days. Excluded from areas to be swept are those that would cause damage to the equipment used. While Contractor is normally responsible for the 8' strip (sweeper width), curb-to-curb sweeping, an additional width of street may need to be swept at some locations due to unforeseen circumstances and shall be included within the curb mile price.

b. Flow of Traffic

Sweeping shall be accomplished in the same direction as traffic flow at all times during sweeping.

c. Water

Water shall be used during all sweeping operations to minimize dust except when requested by City staff. Water costs shall be borne by the Contractor. Contractor shall demonstrate approval from the governing water district allowing access to the water supply.

d. Warning Devices

Vehicles shall be equipped with top-mounted warning lights (rotating or beacon) visible for 360° or comparable traffic safety lights when sweeping. A rear-mounted left/right arrow stick shall be required for all arterial and bike lane sweepers.

e. Sweeping Speed Performance

Sweeping speed shall be adjusted to street and debris condition with a maximum speed of eight miles per hour (8 mph). City streets swept while driver exceeds eight miles per (8 mph) will be re-swept in their entirety at Contractor's expense.

Contractor shall not allow any debris to enter storm drain inlets (catch basins) as a result of any of their operations. At the location of City catch basins that are equipped with debris shields, grates, or gates, the sweeping operation shall pause by reducing speed to one mile per hour (1 mph) to pick up all collected debris in front of and entwined within the debris shields, grates, or gates.

Contractor's drivers of street sweepers shall maintain good safety and driving records and use extreme caution during street sweeping.

f. Extra Effort

Sweeping shall normally consist of a single pass over an area. However, the Contractor shall make additional passes or such extra effort as may be required to adequately clean the street. Heavy debris such as accumulations of silt, compacted dirt, leaves, and similar debris shall be removed unless the removal cannot be accomplished without damage to equipment or infliction of personal injury. Extra effort will be required when sweeping equipment leaves a dirt/silt smear in its swept pathway. Extra effort will be strictly enforced during and after windy conditions and stormy weather. Extra effort shall include the driver manually removing the debris with shovel or other implement as may be necessary. The cost for any extra effort shall be included in the bid proposal cost per curb mile.

g. Obstructions

Non-swept or non-sweepable items such as tree limbs, palm fronds, or large quantities of rocks, silt, mud, trash, and debris shall be removed from the sweeping path by the sweeping operator rather than going around it. Larger obstructions such as impaired vertical and/or horizontal clearance by low hanging tree limbs, construction or landscape contractor debris, etc. shall be immediately reported to City when the location cannot be swept. Contractor may go around homeowner landscaping debris or construction debris only when all of the following conditions are met.

- 1) Source of debris is obvious and not natural accumulation. Debris should be bagged and/or disposed of by party responsible.
- 2) Contractor notifies City within twenty-four (24) hours. Contractor is not responsible for areas missed because of parked vehicles and other personal property.

h. Level of Cleanliness

Contractor shall remove all loose debris obstructions and material normally picked up and removable by a fully operational mechanical/vacuum street sweeper. This includes, but is not limited to: sand, gravel, glass, nails, bottles, cans, leaves, silt, mud, and litter. Debris swept onto residential and arterial driveway aprons, sidewalks, and access ramps by action of the sweeper will require additional passes by the sweeper operator. If debris cannot be re-swept, the driver/sweeping contractor will be responsible for manual clean-up. Clean-up will be completed at time of occurrence at Contractor's expense.

i. Notification of Non-Sweeping

Contractor shall provide City representative on a daily basis (when applicable) with a list of all streets not swept when the routine/scheduled sweeping schedule is interrupted for any reason and shall deduct said street from the sweeping billing for that day. Contractor shall provide a list of non-sweepable streets to the City by FAX to (949) 707-2633 or via email, as directed, at the end of the workday. The City shall notify the Contractor by phone of non-sweeping conditions due to inclement weather. The City's notification will serve as a non-sweep day and will not be paid for by the City unless an alternative sweeping schedule is coordinated by the Contractor and is submitted to the City for approval.

j. Quality of Sweeping

Street sweeper shall leave designated areas of sweeping free of dirt, litter, debris, obstructions, smears, and visual dust in accordance to the City's standards of cleanliness.

Section D - Equipment

1. Equipment Requirements

The quality and quantity of the equipment used by Contractor for the sweeping of streets shall be sufficient to perform the work required herein within the hours of work specified herein, and an absolute minimum of two (2) primary sweepers and one (1) back-up sweeper shall be available. Primary sweepers shall be a combination vacuum/broom function within the same unit. The back-up sweeper shall be mobile or vacuum/broom equivalent and shall be made available in case of a breakdown of primary sweepers. A total of at least three (3) sweepers shall be available to perform street sweeping services. Equipment shall be identified in the Bid Proposal where indicated.

Vacuum/broom or vacuum/type sweepers shall be used for the routine/scheduled sweeping of residential streets and arterial streets. All sweeping equipment used by Contractor for the City shall have the same curb mile cost. All equipment used by Contractor for the City shall meet City requirements and specifications. Contractor shall provide effective pollutant and/or debris removal (i.e. sediment, trash, leaves, debris, metals, oil, and grease). All equipment shall be kept in "like-new" condition. The primary sweeper shall be no more than three (3) years old at the beginning of the contract and all other sweeper equipment shall not be more than five (5) years old at the beginning of this contract. All equipment used shall be in compliance with South Coast Air Quality Management District Rule 1186.1, as well as all other State and Federal Regulations in effect as of July 1, 2008.

Equipment used to clean specified sidewalks, bike paths, and parking lots shall be a combination of air blowers to clean areas not readily accessible by vehicles plus light duty sweepers meeting all regulations and specifications included herein and that will not unduly load the pavement surfaces causing distress and damage. Contractor shall bear all costs for the repair of damages to pavements and facilities resultant from their operations. Hand carried backpack air blowers shall be utilized to transport sidewalk and bike trail debris to the curb line ahead of and for pick up by the vacuum/broom sweeper equipment. Areas of parking lots not reachable by the sweeper equipment shall first be blown clean by use of the hand carried backpack air blowers, as needed. Backpack air blowers shall be muffled to reduce ambient noise to the maximum extent possible.

2. Recording of Debris/Recording of Operations

All debris collected by sweeping equipment shall be recorded on a daily basis. All sweeping equipment shall be equipped with devices to record the date and time of service, travel speed while sweeping, sweeper activation and locations of sweeper when providing services to City. On a monthly basis, Contractor shall provide documentation of each sweeper equipment operations including streets swept, curb miles swept, speed while sweeping, quantity of debris collected, operator name, gallons of water used, locations that sweeping did not occur, and receipts for diversion of the waste. Monthly payment to the Contractor will be withheld until submission of this data in a form satisfactory to City.

3. Equipment Identification

All vehicles shall have safety features, shall be painted a uniform color, shall bear the City of Laguna Hills seal, and shall bear legible letters stating the Contractor's name and the following wording on both cab doors:

"Contracted to serve the City of Laguna Hills"
"Information (949) 707-2650"

The City seal shall only be displayed when the sweeper is physically within the City boundaries of the City of Laguna Hills. The City will provide magnetic backed seals, two each per vehicle, for this purpose at no charge. However, any seals lost by Contractor for any reason will be replaced at a cost to the Contractor of \$50.00 per seal, deducted from monthly payments. City seals faded shall be replaced at no cost and all seals shall be returned at the termination of this Agreement.

4. Type and Capacity

Arterial and residential sweepers must be capable of sweeping a minimum eight-foot (8') width as measured from the outside edge of the gutter broom in a single pass along the curb. Street sweepers must have a minimum hopper capacity of three (3) cubic yards. At least one sweeper must be equipped with a left-gutter broom for median work; all others may be single or dual gutter broom machines. Contractor is required to utilize vacuum/regenerative air or combination vacuum/broom (BAH) type municipal sweepers for this Contract. Alternative street sweepers will be considered if capable of meeting City requirements and standards. The type used in specific areas will be at the discretion of the City providing performance standards are met. The City maintains final determination of equipment adequacy. Sweeper equipment operators shall wear protective clothing, equipment, and an orange safety vest meeting the requirements of ANSI/SEI 107-2010 Class III at all times.

Equipment used to clean specified sidewalks, bike paths, and parking lots shall be a combination of air blowers to clean areas not readily accessible by vehicles plus light duty sweepers meeting all regulations included herein and that will not unduly load the pavement surfaces causing distress and damage. Contractor shall bear all costs for the repair of damages to pavements and facilities resultant from their operations.

5. Maintenance

Equipment shall be maintained both visually and operationally. Paint and body of street sweeper shall be maintained in good condition with no visible rust or body damage. Vehicle engines shall be routinely maintained as to insure a high level of service during all sweeping operations and must comply with all State of California Department of Motor Vehicles, CAL-OSHA, and all other applicable codes of Federal, State, County and City.

Section E - Schedule

1. Scheduling Requirements

Contractor shall follow the sweeping schedule of residential and arterial streets as provided by City. See Appendix A. Subject to City approval, the Contractor shall arrange residential sweeping routes to sweep areas adjacent to elementary schools during times of least traffic and parked vehicles. Contractor shall conform to sweeping

schedules as noted on maps and logs pre-approved by the City. No changes in sweeping schedules will be allowed without the approval of the City. Contractor shall complete all sweeping per schedule; mechanical failures or personnel shortage shall not be acceptable reasons for failure to comply. See Section B, paragraphs 5, 6, and 7 for additional requirements.

2. Hours and Days

Residential areas shall be swept between 8:00 a.m. and 4:00 p.m. Monday through Friday, one day after waste (trash) pick-up, except on City-observed holidays and holidays observed by City's franchised waste hauler. Arterials and industrial collector streets shall be swept between 12:00 a.m. and 7:00 a.m. Monday through Friday with particular time limits noted in Appendix A. Some Saturday sweeping shall be required by Contractor for area not swept due to holidays observed by City's franchised waste hauler. Saturday street sweeping shall occur at the regular sweeping rate per curb mile without additional compensation.

3. Inclement Weather/Holiday/Cancelled Sweeping

Routine/scheduled sweeping shall not be canceled for inclement weather by the Contractor without approval of the City Engineer or his designee. During inclement weather, a two-hour standby period between 7:00 a.m. and 9:00 a.m. will be observed before a scheduled residential sweep will be canceled. The City reserves the right to suspend street sweeping functions on a day-to-day basis. The City will communicate via phone the specific street locations throughout the day of locations where debris needs to be removed. This effort shall not affect the routine/scheduled sweeping.

During a holiday that interrupts the normal waste (trash) pick-up as established by the City's franchised waste hauler, Contractor shall coordinate with the waste hauler (currently CR&R, P.O. Box 1100, San Juan Capistrano, CA 92693, (949) 728-0446) to adjust the routine/scheduled sweeping schedule to a holiday schedule of one day after the waste pick-up day for the entire week affected, except, should the sweeping day then fall on a Sunday, the sweeping will be added to the immediately following Monday sweeping schedule.

In the case of cancelled or missed sweeping for any reason, including as directed by City due to construction projects or special events, Contractor shall credit City the pro-rata cost of that service not provided on the next monthly billing by reducing the monthly billing.

Section F - Disposal

1. Disposal of Debris

Contractor shall dispose of all material collected by his sweeping operations by hauling to the closest Material Recovery Facility (MRF)/Green Waste Diversion Facility. The

cost of disposal shall be included in the bid proposal cost per curb mile. A report of all material collected shall be submitted monthly to the City. The report should include, but not be limited to, the following: hauler name, contact phone number, MRF name, material type (if more than one material type, list each material type on a separate line), tons collected per month, tons diverted, and tons disposed. A total breakdown (in tons) shall be provided to the City for each Fiscal Year (July 1 through June 30) for each of the following materials:

- Soil
- Leaves
- Trash/Debris
- Other

Section G - Inspections

1. Inspections and Handling of Deficiencies

Inspections will be performed by City on a regular basis as well as spot checks and in response to complaints. Contractor shall meet monthly, within the maintained areas, with an authorized representative of the City for a drive through inspection. Said meeting shall be at the convenience of the City and may include residents of the community. In addition, drive-through interim inspections may be required by the City. Any correction work required as a result of a monthly inspection or any interim inspection by the City shall be accomplished to the satisfaction of the City within 24 hours of the notification of the deficiencies.

2. Complaints

The City shall receive and process citizen service requests and complaints. City will notify Contractor of corrections and any re-sweeping required following complaints. Citizen complaints will be forwarded to the Contractor and the frequency of such complaints will be noted in any subsequent unsatisfactory reports which may be filed against the Contractor.

In the event that the results of a sweeping are considered unsatisfactory, City will notify Contractor of location and description of deficiency. The Contractor shall re-sweep the unsatisfactory area at its expense within the time limits specified in Section B, Paragraph 8.

3. Failure to Perform

The City reserves the right to withhold payment for missed, incomplete, or unsatisfactory sweeping performance. This clause may also be used to enforce transfer site clean-up/maintenance, slow Contractor response time, and delays in special and emergency sweeping response.

4. Public Convenience and Safety

Contractor shall conduct sweeping services to interfere as little as possible with public travel, whether vehicular or pedestrian, and shall obey all traffic regulations and the California Vehicle Code. Whenever it is necessary to cross, obstruct, or close roads, driveways and walks, whether public or private, Contractor shall provide and maintain suitable and safe bridges, detours, or other temporary expedients for the accommodation of public and private travel, and shall give reasonable notice to owners of private drives before interfering with them.

5. Traffic Counters

The Contractor is cautioned that, at various times and locations, the City or other parties may install temporary portable traffic counting equipment of the type which is activated by rubber hoses placed across the roadway. Contractor shall not damage this equipment and shall bear the full cost of any replacement costs, if so damaged.

Section H - Changes

1. Changes

The City may at any time, by written order, direct that changes or extras be made in the scope, specifications or route schedule.

2. Additions/Deletions in Mileage

Additions and/or deletions to the mileage inventory or maps may be made as the City accepts new areas and/or relinquishes areas currently swept. Upon written notification to add/delete, Contractor shall be required to accurately measure the curb mileage/linear footage and submit a written detail of the addition/deletion for approval. Upon approval, a written change order will be issued stating the effective date of the change as more particularly defined in the DRAFT Street Sweeping Maintenance Services Agreement.

3. Precedent

In case of conflict between this document, including but not limited to, Specifications, Requirements, Scope of Work, and the Draft Street Sweeping Maintenance Services Agreement (Agreement), the Agreement shall take precedence as more particularly defined in the Draft Street Sweeping Maintenance Services Agreement.

Section I - Communications

1. Communications

Contractor shall maintain an office staff reachable by phone within the 949, or toll free area codes, from 7:00 a.m. to 5:00 p.m., Monday through Friday, except on legal holidays. Office staff shall have the capability of contacting sweepers and pickup equipment by two-way radio or equivalent. Contractor shall provide the City with contact personnel and telephone numbers, where designated staff can be reached during non-office hours within fifteen (15) minutes of call origination (5:00 p.m. to 7:00 a.m.) to be used in emergency/after-hour call-outs as specified in Section B, 6. Special Sweeping and Section B, 7. Emergency Sweeping.

Section J - Compensation

1. Compensation

Payment will be made monthly on the basis of road curb miles swept times the amount proposed per curb line mile for each category of road swept plus the monthly cleaning services proposed as further and more particularly defined in the DRAFT Street Sweeping Maintenance Services Agreement.

For all of the services which the Contractor is obligated to perform under the terms of this Contract, the City shall pay to the Contractor once each month a sum equal to the amount specified in Contractor's accepted Bid Proposal, or as amended by any subsequent adjustments thereto and provided hereinafter. The Contractor shall submit a detailed invoice. City, upon receipt and approval of an accepted invoice, will make payment within 30 days of receipt of invoice.

a. Method of Payment for Extra Work

The Contractor shall present to the City an itemized list of all extra work on a separate monthly invoice for extraordinary maintenance work performed during the previous month. The City shall compensate Contractor within thirty (30) days of receipt of an itemized monthly invoice. The City shall compensate Contractor for such maintenance beyond the scope of routine maintenance according to the hourly rate listed in the fee schedule.

b. Invoicing

Contractor shall submit an invoice for service performed mailed or delivered to:

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

c. CPI Adjustment of Compensation/Fees/Billing Rate Schedule.

The fees, rates and/or unit prices set forth in Contractor's Bid Proposal shall remain fixed and unchanged for the first year of the term of this Agreement (i.e., from July 1, 2015 through June 30, 2016). Thereafter, Contractor may submit a request to adjust its fees, rates and/or unit prices once per year during the remainder of the term of the DRAFT Street Sweeping Maintenance Services Agreement as provided for herein. However, approval of any request to adjust fees, rates and/or unit prices shall be made at the sole discretion of the City Manager, in writing, and is subject to the City's approved budget. Such fee, rate, and/or unit price adjustment(s), if any, shall not exceed the value of the change of the Consumer Price Index for the Los Angeles/Orange County area for the preceding one year as published for the month of April of any given year. In no event shall any adjustment of any fee, rate or or unit price exceed five percent (5%) per year regardless of CPI or any other cost factors.

d. DRAFT Street Sweeping Maintenance Services Agreement

Contractor shall be required to execute and comply with all terms and conditions within the DRAFT Street Sweeping Maintenance Services Agreement for Citywide Street and Roadway Cleaning, attached hereto and incorporated herein, see Appendix B.

CONTRACTOR'S NAME: _____

**CITY OF LAGUNA HILLS
BID PROPOSAL
FOR
STREET SWEEPING MAINTENANCE SERVICES**

TO CITY OF Laguna Hills:

The undersigned CONTRACTOR hereby proposes to furnish all materials, equipment, tools, labor, and incidentals required for the above stated project as set forth in the Specification and Contract Documents therefore, and to perform all work in the manner and time prescribed therein.

CONTRACTOR declares that this Bid Proposal is based upon careful examination of the work site, Specifications, Instructions to Contractors, and Contract Documents. If this Bid Proposal is accepted for award, CONTRACTOR agrees to enter into the attached DRAFT Street Sweeping Maintenance Services Agreement with City at the unit and/or lump sum prices set forth in the following Proposal Bid Sheets.

CONTRACTOR understands that a bid is required for the entire work, that the estimated quantities set forth in the Proposal Bid Sheet are solely for the purpose of comparing proposal(s), and that final compensation under the Contract will be based upon the actual quantities of work satisfactorily completed. It is agreed that the unit and/or lump sum prices bid include all appurtenant expenses, taxes, royalties, and fees. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts.

CONTRACTOR agrees and acknowledges that he is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workman's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the CONTRACTOR will comply with such provisions of that code before commencing the performance of this Contract if awarded to it.

CONTRACTOR certifies that in all previous contracts or subcontracts, all reports which may have been due under the requirements of any agency, State or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

CONTRACTOR declares that the only persons or parties interested in this proposal as principals are those named herein; that no officer, agent, or employee of the City is personally interested, directly or indirectly, in this proposal; that this proposal is made without connection to any other individual firm, or corporation making a bid for the same work; and that this proposal is in all respects fair and without collusion or fraud.

CONTRACTOR acknowledges that it is the City's intention to Award a Contract for Street Sweeping Maintenance Services for a period commencing on or about July 1, 2015 and ending on June 30, 2020.

CONTRACTOR'S NAME: _____ DATE _____ 2015

CONTRACTOR'S ADDRESS:

BY _____

TITLE _____

(Signature)

PHONE (____) _____

BY _____

TITLE _____

(Signature)

Signatures to be Notarized,
Attach ACKNOWLEDGMENT

Continued next page

CONTRACTOR'S INFORMATION

CONTRACTOR certifies that the following information is true and correct:

Contractor Name _____

Business Address _____

FAX No. (____) _____

Telephone(____) _____

E-Mail address: _____

State Contractor's License No. and Class _____

Original Date Issued _____ Expiration Date _____

Years this Company has been in the Street Sweeping Business _____

The following are the names, titles, addresses, and phone numbers of all individuals, firm members, partners, joint ventures, and/or corporate officers having a principal interest in this proposal:

The dates of any voluntary or involuntary bankruptcy judgments against any principal having an interest in this proposal are as follows:

All current and prior DBA's, alias, and/or fictitious business names for any principal having an interest in this proposal are as follows:

BY _____
(Print Name)

(Signature)

TITLE _____

DATE _____

Continued next page

CONTRACTOR'S NAME: _____

REFERENCES

The following are the names, addresses, and phone numbers for three public agencies for which CONTRACTOR has current contracts for street sweeping maintenance services:

1. Agency: _____
Address: _____
Telephone: _____
Primary Contact Person/Title: _____
Years of service with this Agency: _____
Term of Agreement: _____ Expiration Date: _____
2. Agency: _____
Address: _____
Telephone: _____
Primary Contact Person/Title: _____
Years of service with this Agency: _____
Term of Agreement: _____ Expiration Date: _____
3. Agency: _____
Address: _____
Telephone: _____
Primary Contact Person/Title: _____
Years of service with this Agency: _____
Term of Agreement: _____ Expiration Date: _____

Continued next page

CONTRACTORS NAME: _____

EQUIPMENT

The CONTRACTOR shall list all equipment planned for use on this Contract.

1. Manufacturer: _____
Model: _____ Sweeper Type: _____
Year and Month Manufactured: _____
Year and Month Purchased by Contractor: _____
Mileage: _____ Hours on Engine: _____
Describe Service History: _____

2. Manufacturer: _____
Model: _____ Sweeper Type: _____
Year and Month Manufactured: _____
Year and Month Purchased by Contractor: _____
Mileage: _____ Hours on Engine: _____
Describe Service History: _____

3. Manufacturer: _____
Model: _____ Sweeper Type: _____
Year and Month Manufactured: _____
Year and Month Purchased by Contractor: _____
Mileage: _____ Hours on Engine: _____
Describe Service History: _____

Continued Next Page

CONTRACTOR'S NAME _____

NONCOLLUSION AFFIDAVIT TO BE EXECUTED BY CONTRACTOR AND
SUBMITTED WITH BID

STATE OF CALIFORNIA)
) SS
COUNTY OF)

_____, being first duly sworn, deposes and says that he or she is _____ of the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, contractor association, organization, or corporation; that such bid is genuine and not collusive or sham; that the contractor has not directly or indirectly induced or solicited any other contractor to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any contractor or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the contractor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the contractor or any other contractor, or to fix any overhead, profit, or cost element of the bid price, or of that of any other, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the contractor has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agency thereof to effectuate a collusive or sham bid.

Signed

Name (print)

Title

Date

Signatures to be Notarized,
Attach ACKNOWLEDGMENT

Continued next page

CONTRACTOR'S NAME _____

CITY OF LAGUNA HILLS

PROPOSAL BID SHEETS
FOR
STREET SWEEPING MAINTENANCE SERVICES

BASE BID (SEE APPENDIX A FOR MAPS OF WORK LOCATIONS)

ITEM NO.	ITEM	UNIT	QTY	UNIT PRICE	AMOUNT
1	Arterial Highway and Collector Street Weekly Street Sweeping per Year	Curbmiles	4524 (87x52)		
2	Local Street Twice Monthly Street Sweeping per Year	Curbmiles	3024 (126x24)		
3	Monthly Bike Trail Street Sweeping per Year	Monthly	12		
4	Monthly Sidewalk, Stairway, Fire Gate Cleaning per Year	Monthly	12		
5	Monthly Community Center Parking Lot Street Sweeping per Year (4 lots)	Monthly	12		
6	Monthly Cabot Park Parking Lot Street Seeping per Year (1 lot)	Monthly	12		

TOTAL BASE BID IN FIGURES: \$ _____

TOTAL BASE BID IN WORDS: _____ DOLLARS

AND _____ CENTS

Quantities shown above are estimated. Actual Quantities shall be verified by the City inspector and may be greater or less than the quantities indicated here. The determination of the lowest price bid shall be on the basis of the Total Base Bid value.

ADDITIONAL SERVICES BID AS NEEDED

ITEM NO.	ITEM	UNIT	UNIT PRICE	
7	Hourly Rate for Special Street Sweeping	Hourly		
8	Hourly Rate for Emergency Street Sweeping	Hourly		
9	Bus Stop Cleaning (Select locations on a quarterly basis or as directed)	Each		

Continued next page

BID PROPOSAL

IN WITNESS WHEREOF, contractor executes and submits this proposal with the names, titles, hands, and seals of all forenamed principals this _____ day of _____, 2015.

NOTE: CONTRACTOR MAY, AT THEIR SOLE DISCRETION, PROVIDE A LISTING AND DESCRIPTION OF ADDITIONAL CLEANING SERVICES THEY OFFER, ADDITIONAL REFERENCES, ADDITIONAL EQUIPMENT AND ADDITIONAL COMPANY INFORMATION BY ATTACHING UP TO 10 ADDITIONAL PAGES TO THIS BID PROPOSAL. CITY MAY UTILIZE THIS INFORMATION IN ITS EVALUATION OF THE "BEST QUALIFIED VENDOR" IN ACCORDANCE WITH LPMC 3-08.100.

CONTRACTOR NAME _____

By _____
(Print)

(Signature)

Title

Signatures to be Notarized,
Attach ACKNOWLEDGMENT

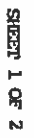
Appendix A

Street Sweeping and Cleaning Locations

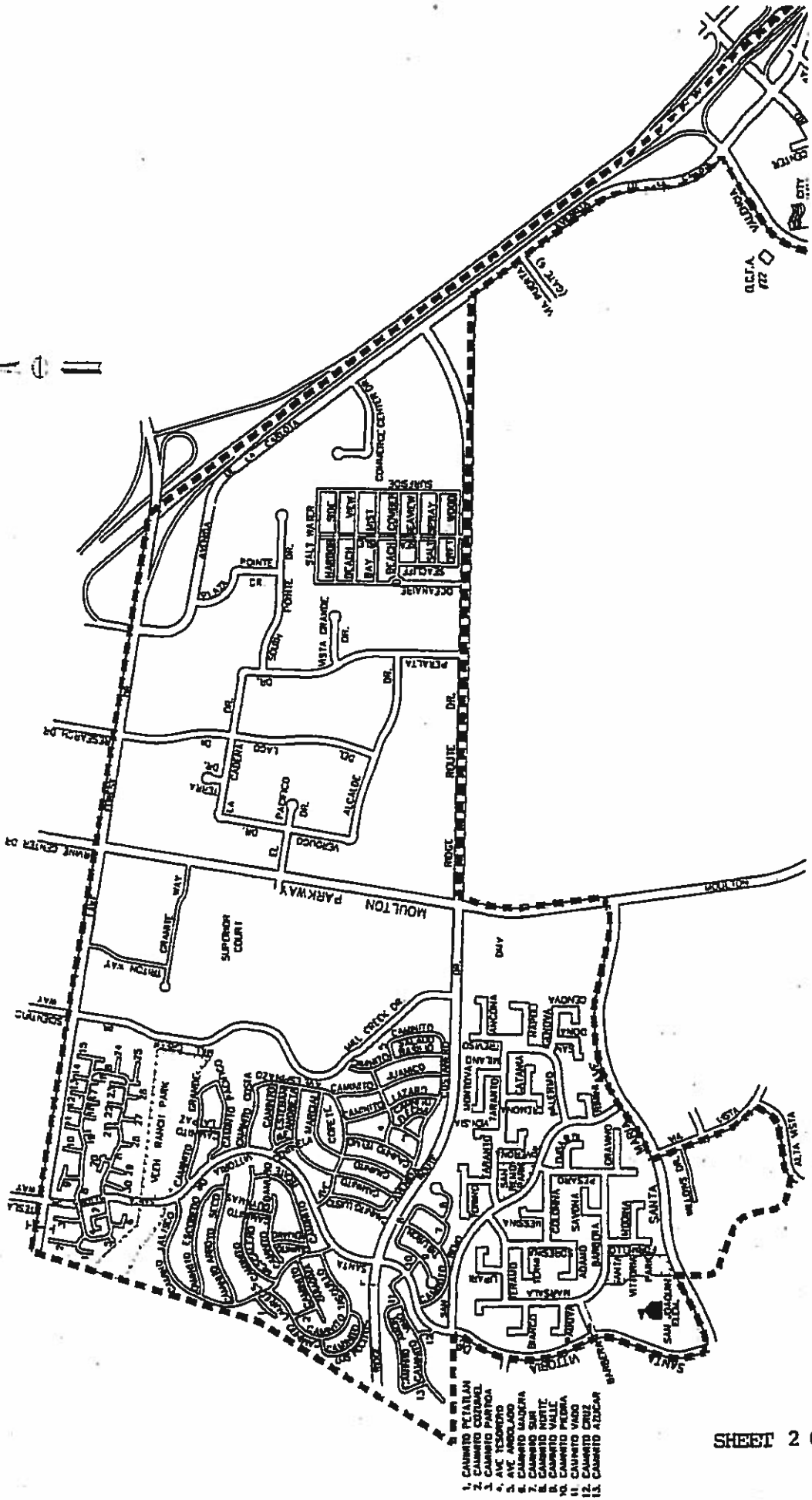
Listings and Maps

<u>Attachments:</u>	<u># of Pages</u>	<u>Page</u>
• City Map	2	A-1
• Street Sweeping Mileage	1	A-3
• Arterial Street Sweeping Schedule	1	A-4
• Posted No Parking Zones	6	A-5
• Bike and Walk Cleaning Locations	4	A-11
• Sidewalk Cleaning Locations	6	A-15
• Parking Lots	2	A-21
• Bus Stop Locations	2	A-23

— 107 —



— (1) —



6/9/2015 ITEM NO. 3.6

City of Laguna Hills
STREET SWEEPING MILEAGE

<u>ARTERIAL & COLLECTOR STREETS</u>	<u>4 PASSES</u>	<u>2 PASSES</u>	<u>TOTAL SWEEPING MILES</u>
Alicia Pkwy	1.96 miles	none	7.84 miles
Avenida de la Carlota	1.45 miles	.60 miles	7.00 miles
Bentley Lane	none	.10	.02 miles
El Toro Road	.34 miles	none	1.36 miles
Cabot Road	1.51 miles	none	6.04 miles
Commercial Area	none	2.00 miles	4.00 miles
Hon Ave	.17 miles	none	.68 miles
Indian Hills Lane	none	.37 miles	.74 miles
La Paz Road	2.39 miles	none	9.56 miles
Laguna Hills Dr.	.71 miles	none	2.84 miles
Lake Forest Drive	1.20 miles	none	4.80 miles
Los Alisos Blvd.	.42 miles	none	1.68 miles
McIntyre St.	.14 miles	none	.56 miles
Mill Creek Drive	none	.69 miles	1.38 miles
Moulton Pkwy	3.03 miles	none	12.12 miles
Oso Pkwy	1.83 miles	none	7.32 miles
Paseo de Alicia	none	.04	.08 miles
Paseo de Valencia	1.75 miles	1.70 miles	10.40 miles
Ridge Route Drive	.36 miles	1.15 miles	3.74 miles
San Remo Drive	none	.50 miles	1.00 miles
Santa Maria Drive	.17	none	.68 miles
Santa Vittoria Drive	<u>.24 miles</u>	<u>1.02 miles</u>	<u>3.00 miles</u>
 TOTAL:	 17.67 miles	 8.17 miles	 86.84 miles (Rounded to 87)
 <u>RESIDENTIAL STREETS</u>			
 TOTAL:		 62.90 miles	 125.80 miles (Rounded to 126)

ARTERIAL STREET SWEEPING SCHEDULE

TUESDAY

Alicia Pkwy: I-5 Freeway to West of Ramona (City limits)
Laguna Hills Drive: Paseo de Valencia to Moulton Pkwy
Moulton Pkwy: La Paz to West of Glenwood (City limits)
Paseo de Valencia: Alicia Pkwy to Avenida de la Carlota
Hon Ave: Alicia Pkwy to Camberwell Street
Bentley: Alicia Pkwy to Valerie Street
Paseo de Alicia: Alicia Pkwy to South end

WEDNESDAY

La Paz Road: I-5 Freeway to West of Merienda (City limits)
Moulton Pkwy: La Paz Road to I-73 (City limits)
Oso Pkwy: East of Cabot to West of Moulton Pkwy (City limits)
Paseo de Valencia: Alicia Pkwy to Cabot Road

THURSDAY

Avenida de la Carlota: Los Alisos Blvd to Lake Forest Drive
Cabot Road: La Paz Road to south of Rapid Falls (City limits)
McIntyre Street: La Paz Road to Knotty Pine Road
El Toro Road: I-5 Freeway to Paseo de Valencia

FRIDAY

Lake Forest Drive: I-5 Frwy to w/o Santa Vittoria (City limits)
Los Alisos Blvd: Paseo de Valencia to I-5 Freeway (City limits)
Mill Creek Drive: Lake Forest Drive to Ridge Route
Moulton Pkwy: Lake Forest Drive to Santa Maria
Ridge Route Drive: Moulton Pkwy to Santa Vittoria
Ridge Route Drive: Avenida de la Carlota to Moulton Pkwy
San Remo Drive: Santa Maria Ave to Santa Vittoria Drive
Santa Vittoria Drive: Lake Forest Drive to Santa Maria Ave
Commercial areas: El Pacifico, Alcalde, Verdugo, Del Lago, La
Cadena, Terra, Peralta, Vista Grande, South Pointe, Plaza
Pointe & Commerce Center

SANTA VITTORIA DRIVE

FRIDAY POSTED NO PARKING

POSTED NO PARKING AREAS

LOS ALISOS BLVD
TUESDAY POSTED
NO PARKING

OVERLAND / CAJON
WEDNESDAY POSTED
NO PARKING

VIA LOMAS
WEDNESDAY POSTED
NO PARKING

CASA DE LAGUNA HOA
TUESDAY POSTED
NO PARKING

MOULTON RANCH III HOA
MONDAY POSTED
NO PARKING

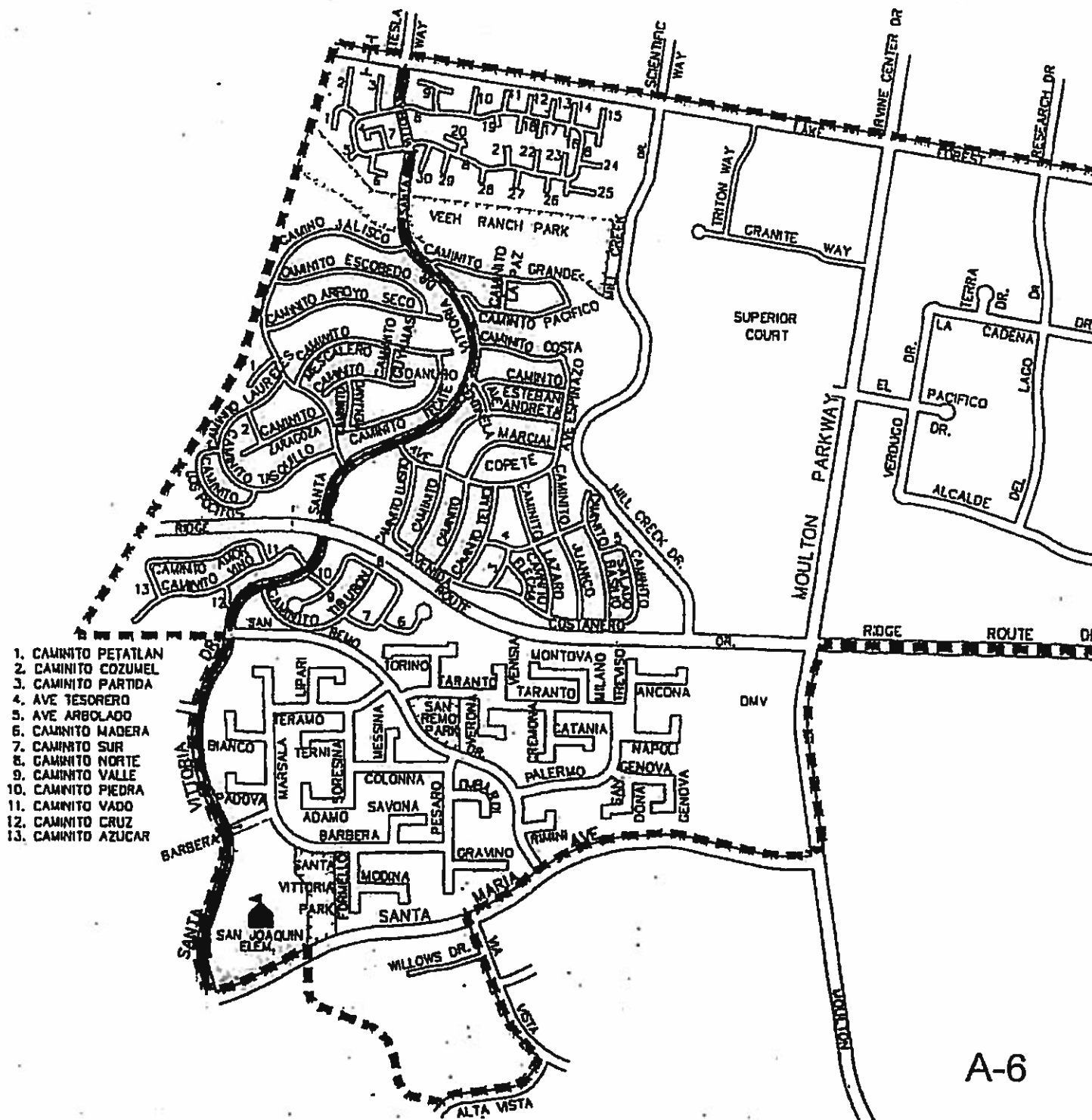


CITY OF LAGUNA HILLS
CITY MAP

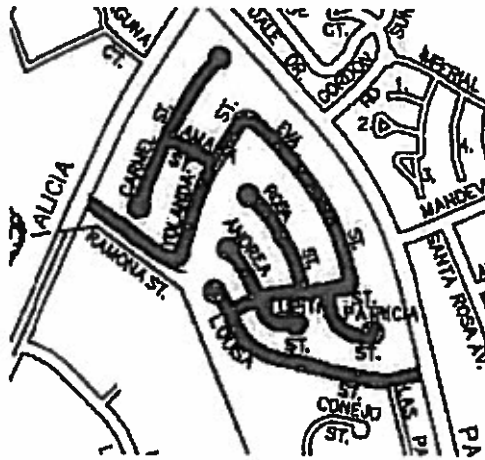


A-5

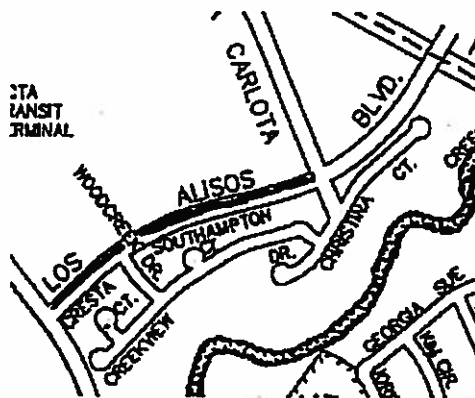
Santa Vittoria Drive
Every Friday Posted No Parking



A-6

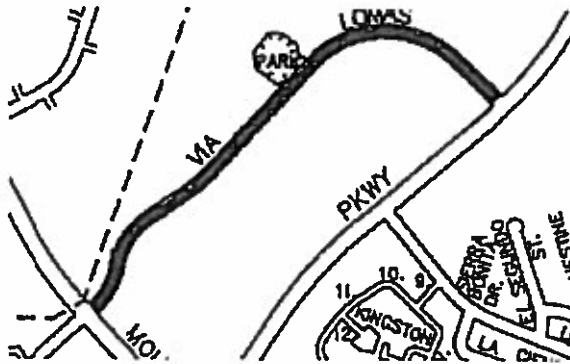


2ND & 4TH TUESDAYS
 CASA DE LAGUNA HOA



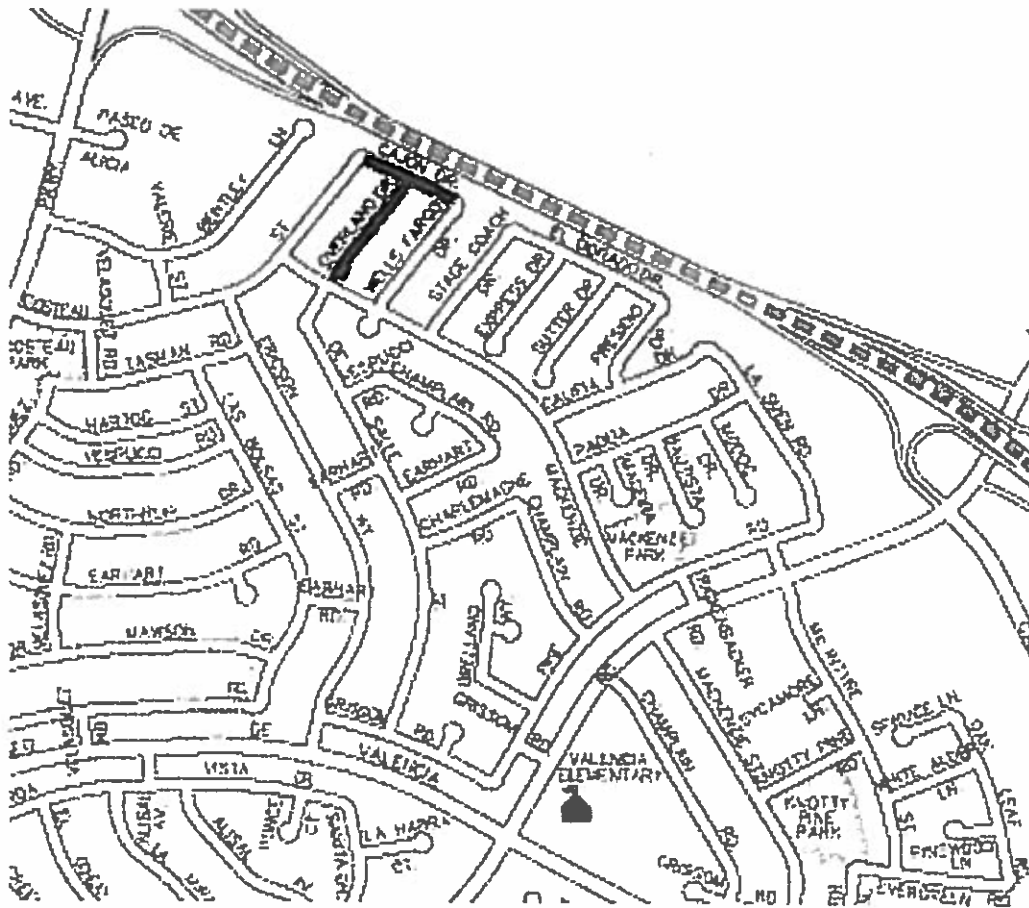
2ND & 4TH TUESDAYS

LOS ALISO BLVD W-O AVD CARLOTA NORTH SIDE



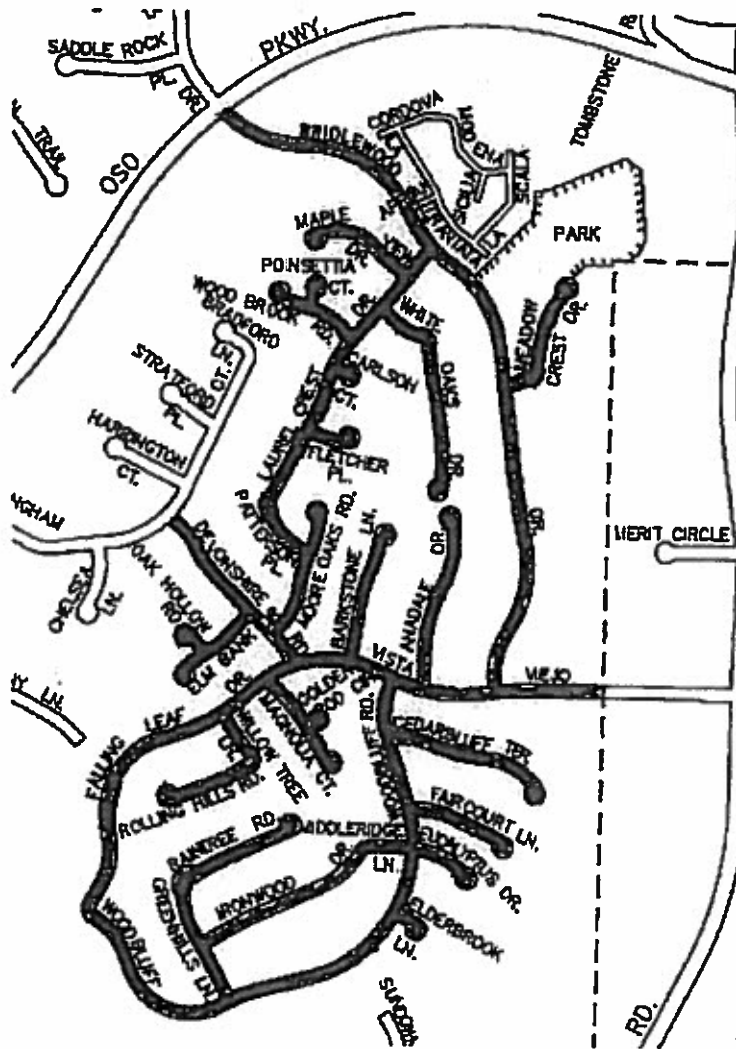
WEDNESDAYS

2ND & 4TH VIA LOMAS



2ND & 4TH WEDNESDAY

OVERLAND / CAJON



2ND & 4TH MONDAYS
MOULTON RANCH III

A-10

**BIKE TRAILS/WALK PATHS/FIRE GATES
CLEANING LOCATIONS**

Alicia Parkway Trail Community Center Drive to Moulton Parkway	3760 LF
Aliso Creek Trail Moulton Parkway to Aliso Creek	2400 LF
Aliso Creek Trail Clarington Drive to Aliso Creek	205 LF
Aliso Creek Trail Christine Court to Aliso Creek	70 LF
Oso Parkway Trail Tombstone Road to Moulton Parkway	8225 LF
Paseo de Valencia Trail Laguna Hills Drive to Hawk High Way	415 LF
Fire Gates at Beckenham, Stockport & Wilkes	3 Each

SIDEWALK CLEANING LOCATIONS

Contractor shall remove weeds, sweep/blow sidewalk and sweep gutter on a monthly basis at the following locations:

Alicia Pkwy

Between Paseo de Valencia and Costeau Park Southside (2878 l. f.)

Between Hon and Costeau Northside (623 l. f.)

Alicia Pkwy/Barents stairway and walk path (located East of Paseo de Valencia Southside (92 l. f.)

Avenida de la Carlota

150 feet South of Via Puerta (40 l. f.)

700 feet North of Paseo de Valencia (westside 60 l. f.)

Barbera

Between Marsala and Savona (820 l. f.)

Beckenham

At Wilkes two fire gates (400 l. f.)

El Toro Rd

Under I-5 underpass to City Limit - North side only (100 l. f.)

La Paz Rd.

Between Aliso Hills Dr. and Alameda Northside (3984 l. f.)

Between Charlton Dr. and Appaloosa Southside (2430 l. f.)

Between Rickenbacker and Paseo de Valencia North side (1400 l. f.)

Between Paseo de Valencia to 750 feet East along school frontage (750 l. f.)

Los Alisos Blvd.

Between Paseo de Valencia to City limits Southside (1400 l. f.)

Marsala

Between Barbera and Teramo Eastside (610 l. f.)

Moulton Pkwy

Between I-73 and Oso Pkwy Eastside (1270 l. f.)

Between Ridge Route Dr. and Granite Way Eastside (2260 l. f.)

Paseo de Valencia

Between Cabot Rd. and Alicia Pkwy Eastside (7334 l. f.)

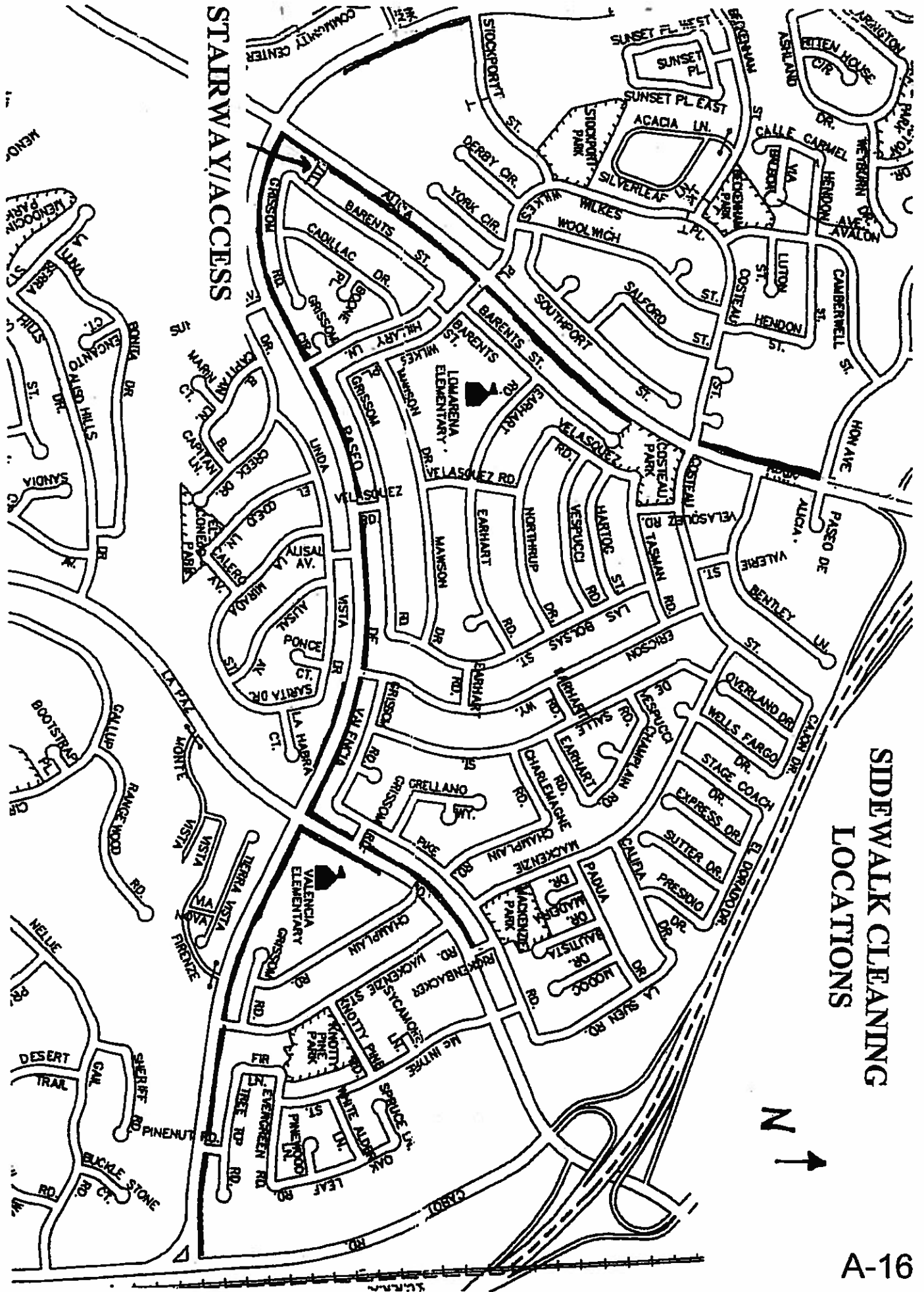
Between Ericson Way and La Paz Rd. Westside (768 l. f.)

Santa Vittoria

Between Santa Maria and Barbera Eastside (1019 l. f.)

Stockport St

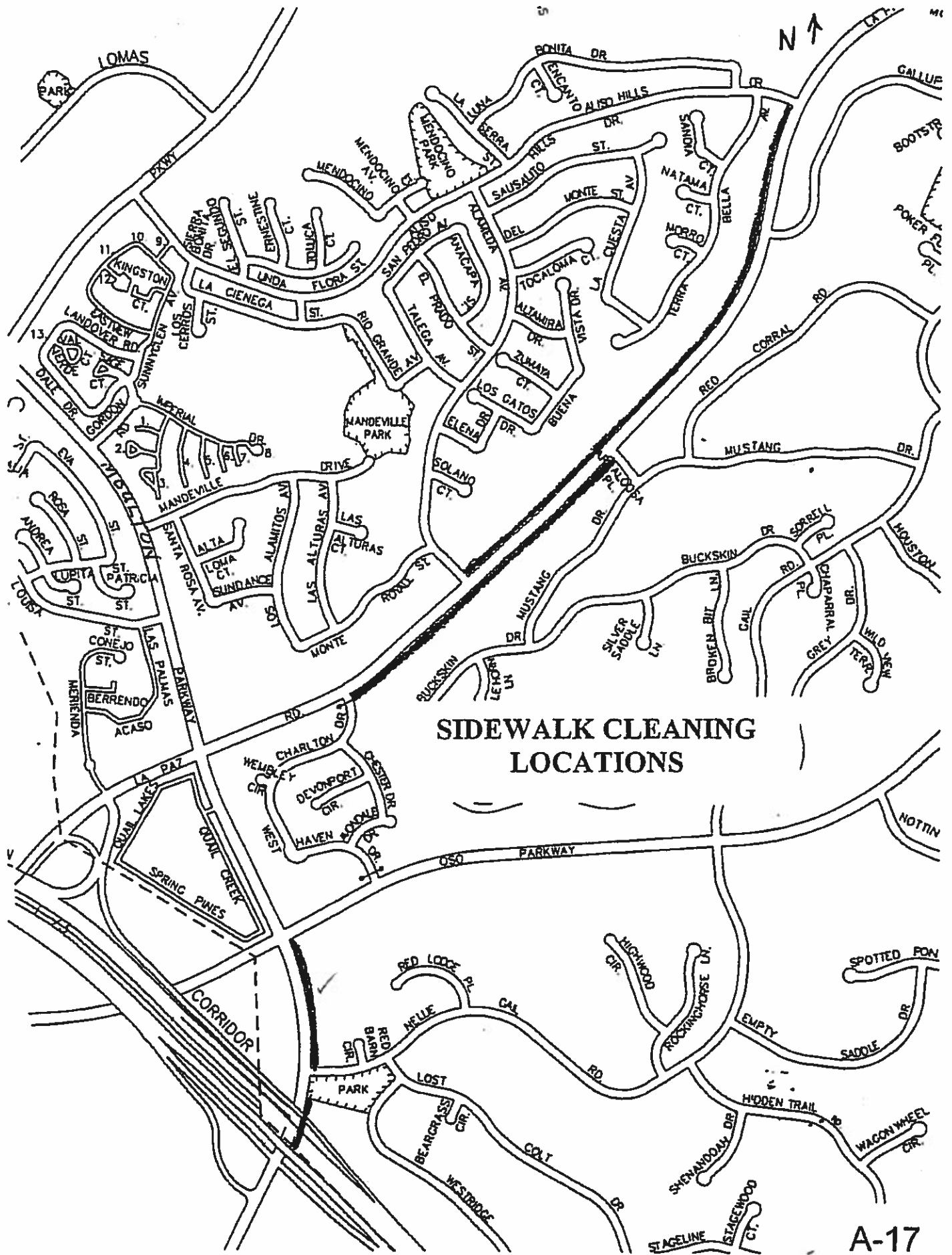
At fire gate 200 (l. f.)

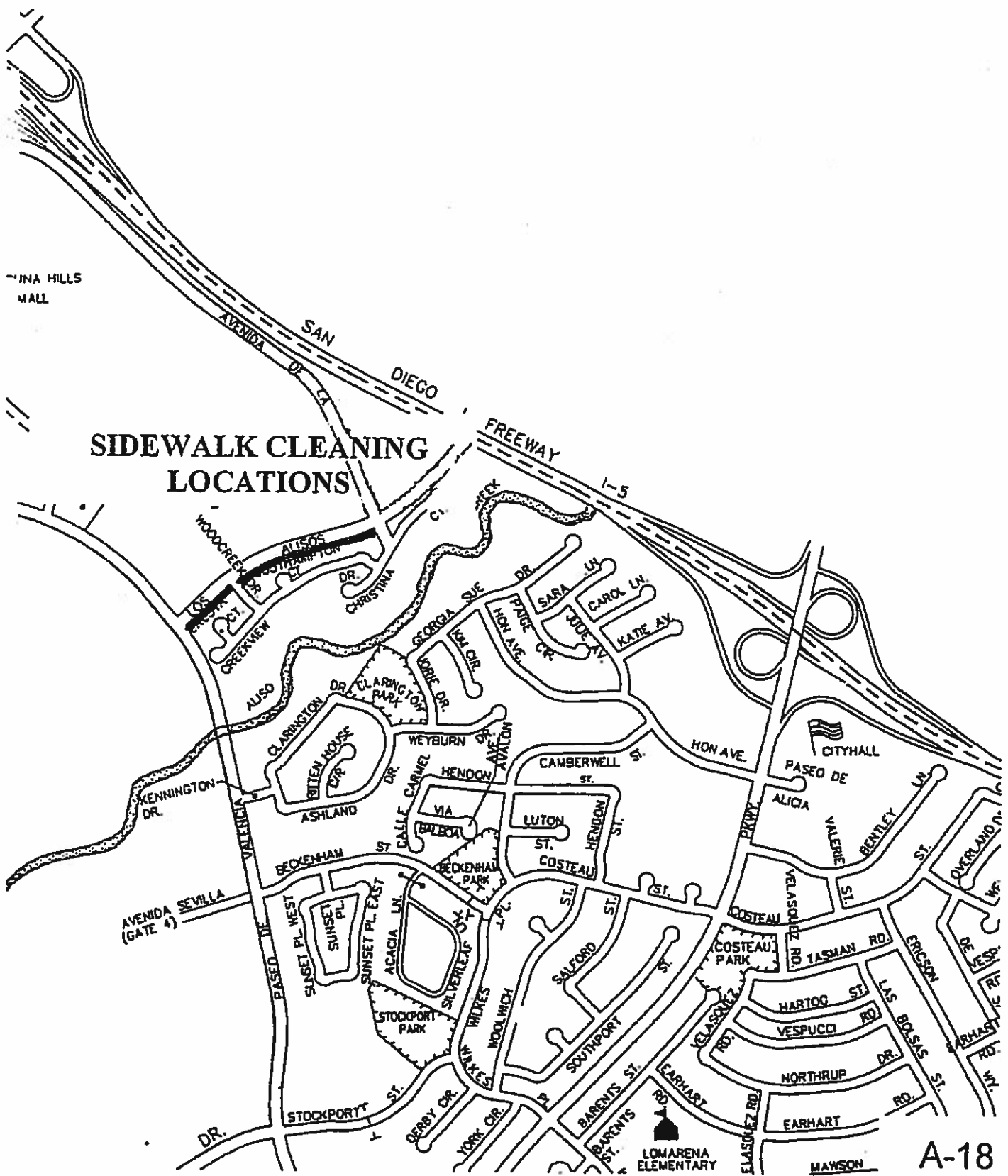


SIDEWALK CLEANING
LOCATIONS



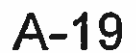
A-16



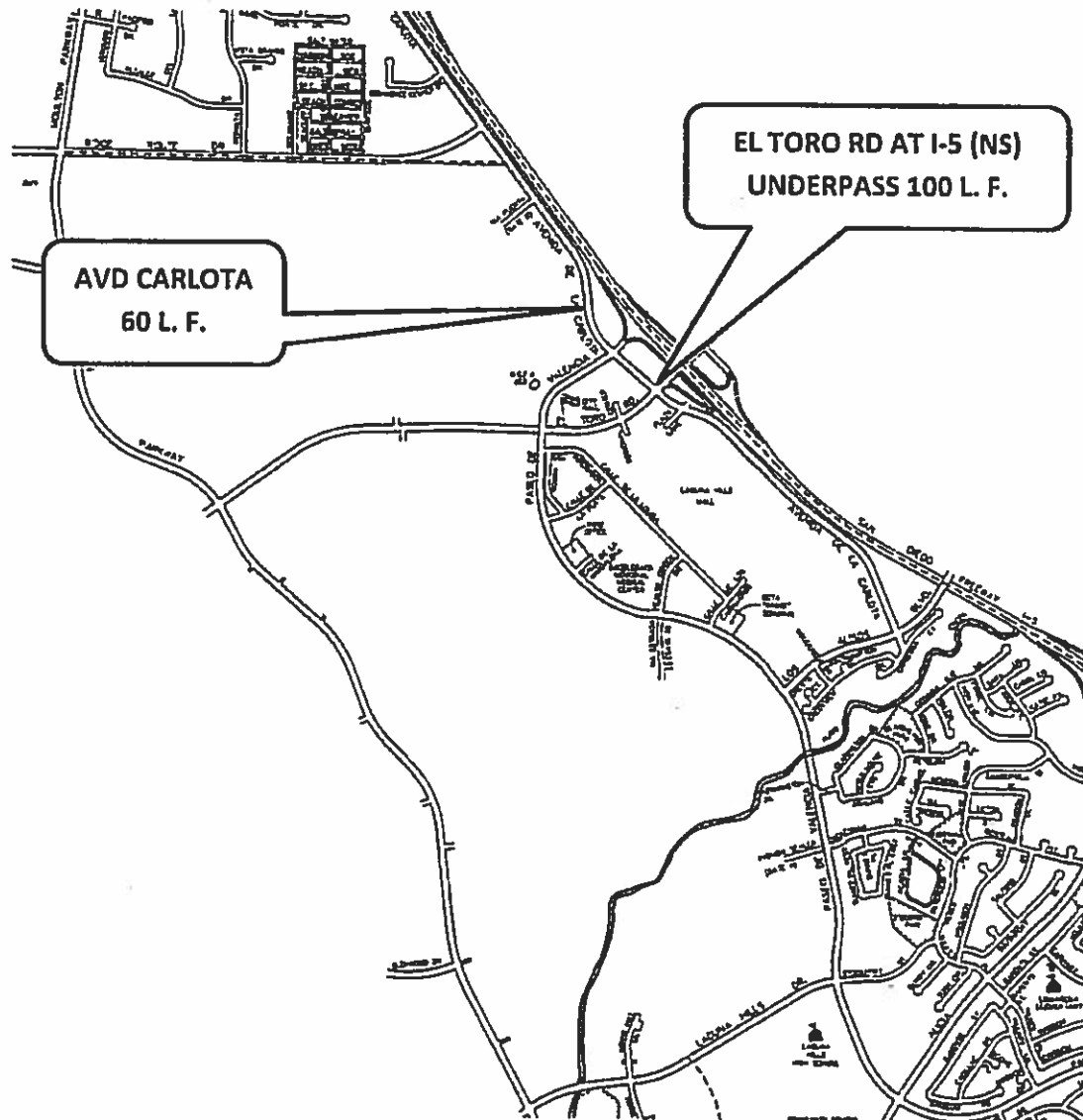


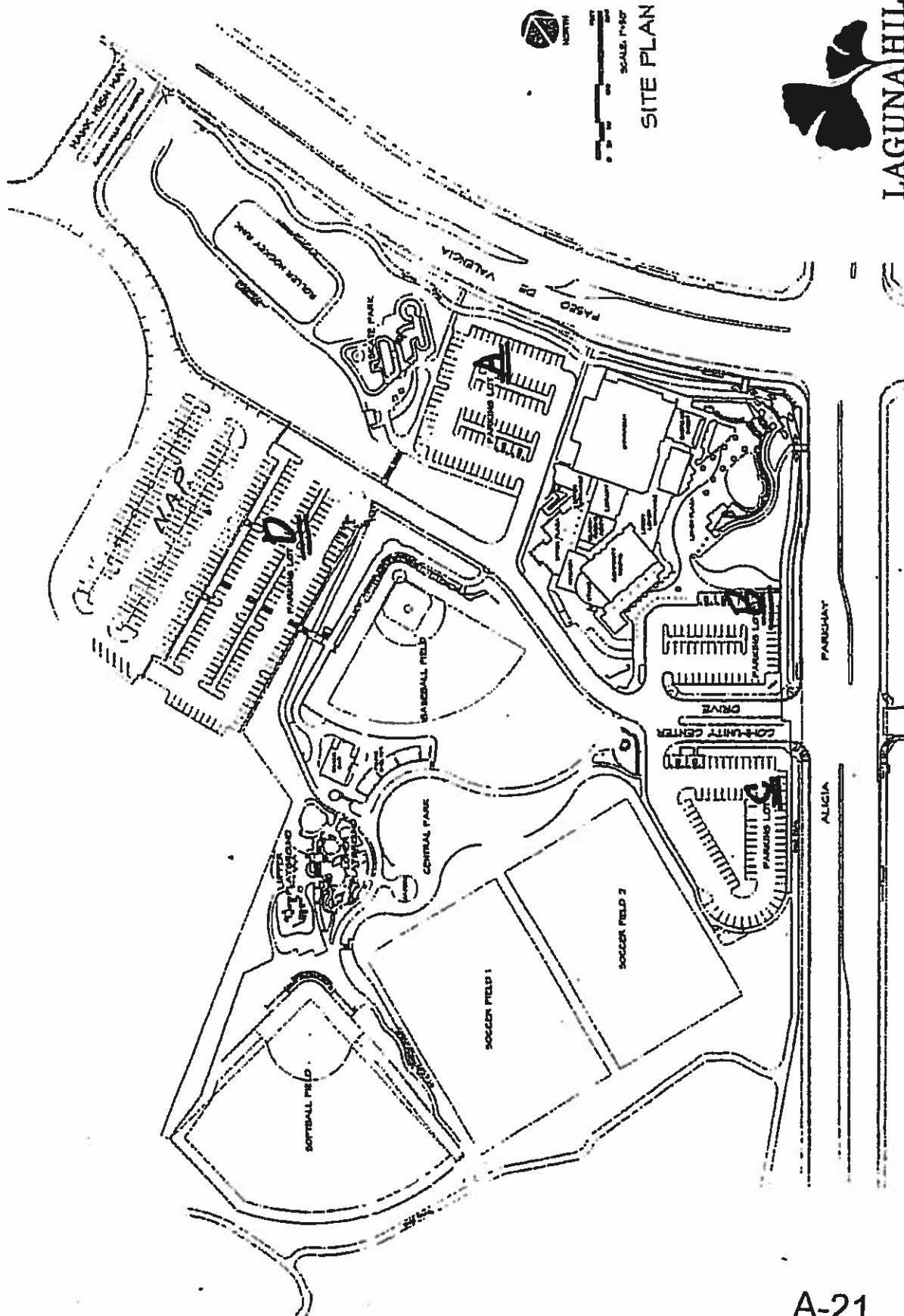
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SIDEWALK CLEANING LOCATIONS





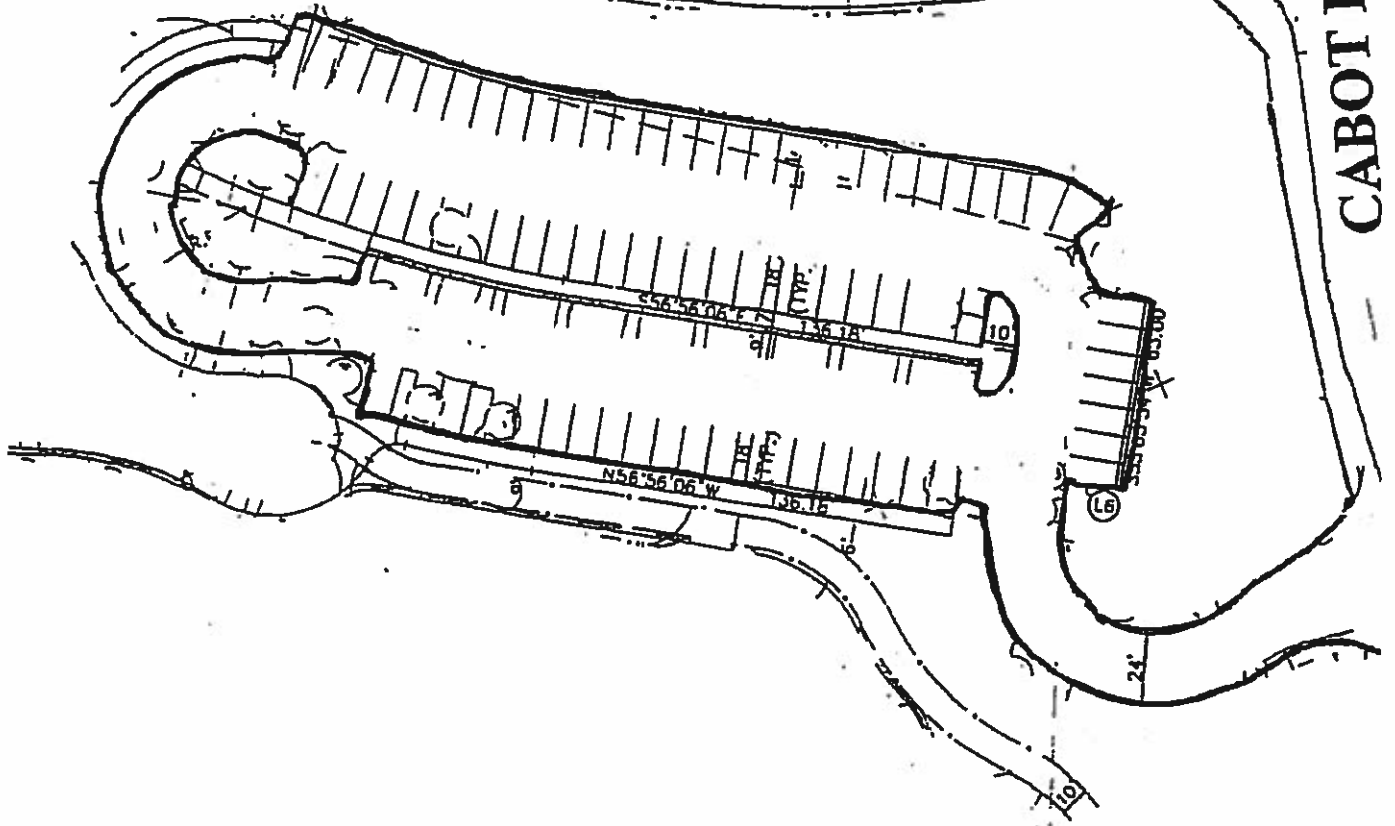
COMMUNITY CENTER PARKING LOTS

A-21

DVD David Yeh Design
Landscape Architecture & Civil Engineering

RAPID FALLS RD.

CABOT RD.



**CABOT PARK
PARKING LOT**

A-22

CITY OF LAGUNA HILLS

(60) Bus Bench Locations (61) Benches & trash receptacles

Alicia Parkway

O. C. Bus Stop

- | | |
|--|------------|
| 1. 200 feet w/o Hon Ave. 5-96 | [3890] |
| 2. 120 feet w/o Costeau St. 5-96 | [3891] |
| 3. 120 feet w/o Wilkes Place 5-96 | [3892] |
| 4. 220 feet w/o Paseo de Valencia 5-96 | [3893] * |
| 5. 750 feet w/o Via Lomas 5-96 | [3894] |
| 6. 1960 feet w/o Via Lomas (near Moulton Pkwy) | [3895] |
| 7. 950 feet e/o Ramona (near Moulton Pkwy) | [3883] |
| 8. 100 feet e/o Aliso Hills Dr. | [3884] |
| 9. 200 feet e/o Paseo de Valencia | [3886] * |
| 10. 120 feet e/o Wilkes Place | [3887] |
| 11. 120 feet e/o Costeau Street | [3888] |

Avenida de la Carlota

O. C. Bus Stop

- | | |
|------------------------------|----------|
| 1. 200 feet s/o El Toro Road | [3898] |
|------------------------------|----------|

Cabot Road

O. C. Bus Stop

- | | |
|---|------------|
| 1. 300 feet s/o La Paz Road 5-7-07 | [3904] |
| 2. 3000 feet s/o La Paz Road (near Paseo de Valencia) | [3905] |
| 3. 120 feet s/o Nellie Gail Road | [3906] |
| 4. 2250 feet s/o Nellie Gail Road (near El Paseo) | [3907] |
| 5. 120 feet s/o Hitching Rail Road | [3908] |
| 6. 2000 feet n/o Paseo de Valencia (near McDonald's) | [3903] * |

El Toro Road

O. C. Bus Stop

- | | |
|---|------------|
| 1. 200 feet e/o Paseo de Valencia (2 benches/3 trash receptacles) | [3910] * |
|---|------------|

La Paz Road

O. C. Bus Stop

- | | |
|-----------------------------------|----------|
| 1. 120 feet e/o Paseo de Valencia | [3912] |
| 2. 150 feet e/o McIntyre Street | [3913] |
| 3. 120 feet w/o McIntyre Street | [3915] |

Laguna Hills Drive

O. C. Bus Stop

- | | |
|-----------------------------------|----------|
| 1. 200 feet w/o Paseo de Valencia | [4643] |
|-----------------------------------|----------|

200 feet e/o Moulton Pkwy 4-06

[5204]

Moulton Parkway

O. C. Bus Stop

- | | |
|---|------------|
| 1. 150 feet s/o Lake Forest Dr. | [3927] |
| 2. 120 feet s/o Ridge Route Dr. | [3930] * |
| 3. 120 feet s/o Glenwood Dr. | [5162] |
| 4. 1400 feet s/o Aliso Viejo Pkwy (across Indian Hill) | [5164] |
| 5. 150 feet s/o Via Lomas | [3931] |
| 6. 200 feet s/o Alicia Pkwy | [3932] |
| 7. 1500 feet s/o Alicia Pkwy (across Mandeville) 5-7-07 | [3933] |
| 8. 330 feet s/o Louisa | [3934] |
| 9. 200 feet s/o La Paz Road | [3935] |
| 10. 120 feet n/o Oso Parkway | [3919] |
| 11. 120 feet n/o La Paz Road | [3920] |
| 12. 120 feet n/o Mandeville | [3921] |
| 13. 250 feet n/o Alicia Parkway | [3922] |
| 14. 120 feet n/o Indian Hill Ln. | [5159] |
| 15. 120 feet n/o Laguna Hills Dr. | [5160] |
| 16. 120 feet n/o Indian Creek Ln. | [5161] |
| 17. 120 feet n/o Ridge Route Dr. | [3923] * |
| 18. 120 feet n/o El Pacifico | [3924] |
| 19. 2000 feet n/o El Pacifico (120 ft S/O Lake Forest Dr.) 4-06 | [3926] |

Paseo de Valencia

O. C. Bus Stop

- | | |
|---|------------|
| 1. 140 feet s/o El Toro Road | [4654] * |
| 2. 120 feet s/o Calle de la Plata | [4655] |
| 3. 1750 feet s/o Calle de la Plata (near Via Estrada) | [4656] |
| 4. 3385 feet s/o Via Estrada (near Avenida Sevilla) | [3957] |
| 5. 200 feet s/o Laguna Hills Dr. | [3950] |
| 6. 120 feet s/o Alicia Pkwy | [3951] * |
| 7. 120 feet s/o Alisal Avenue | [3953] |
| 8. 120 feet s/o La Paz Rd. | [3955] |
| 9. 120 feet n/o La Paz Rd. | [3939] |
| 10. 200 feet n/o Ericson | [3940] |
| 11. 200 feet n/o Velasquez | [3941] |
| 12. 120 feet n/o Hillary Lane | [3942] |
| 13. 120 feet n/o Alicia Parkway | [3943] * |
| 14. 120 feet n/o Stockport Street | [3944] |
| 15. 120 feet n/o Beckenham Street | [3945] |
| 16. 120 feet n/o Los Alisos Boulevard | [3946] |
| 17. 120 feet n/o Calle de la Plata | [3948] |

* Quarterly Locations

APPENDIX B

STREET SWEEPING MAINTENANCE SERVICE AGREEMENT FOR CITYWIDE STREET AND ROADWAY CLEANING

EXHIBIT “C”

PERFORMANCE BOND

[ATTACHED]

(PAGE 1 OF 2)

CITY OF LAGUNA HILLS

FAITHFUL PERFORMANCE BOND
FOR
STREET SWEEPING MAINTENANCE SERVICES AGREEMENT NO. _____

KNOW ALL MEN BY THESE PRESENTS that,

as
CONTRACTOR, _____ and
_____, as

SURETY, are held and firmly bound unto the City of **Laguna Hills**, as AGENCY, in the penal sum of _____ dollars (\$ _____), which is one hundred (100%) of the yearly total contract amount, as set forth in Section 2.1 of the Agreement for the above stated project, for the payment of which sums, CONTRACTOR and SURETY agree to be bound, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas CONTRACTOR has been awarded and is about to enter into the annexed Contract Agreement with AGENCY for the above stated project, if CONTRACTOR faithfully performs and fulfills all obligations under the contract documents, which are incorporated herein by reference, in the manner and time specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of AGENCY; provided that any alterations in the obligations or time for completion made pursuant to the terms of the contract documents shall not in any way release either CONTRACTOR or SURETY, and notice of such alterations is hereby waived by SURETY.

WITNESS our hands this _____ day of _____, 2015.

CONTRACTOR (CORPORATION)-TYPE

(SEAL)

By _____
President

By _____
Secretary/Treasurer

FAITHFUL PERFORMANCE BOND
(PAGE 2 OF 2)

SURETY'S NAME-TYPE

MAILING ADDRESS (SURETY)

BY: _____
Name

(SEAL)

Title

NOTE: SIGNATURES OF CORPORATE OFFICIALS AND SURETY
MUST BE NOTARIZED, ATTACH JURAT.

BOND APPROVED AS TO FORM:

GREGORY E. SIMONIAN, CITY ATTORNEY
CITY OF LAGUNA HILLS

EXHIBIT “D”

PAYMENT BOND

[ATTACHED]

(PAGE 1 OF 2)

CITY OF LAGUNA HILLS
PAYMENT BOND
FOR

STREET SWEEPING MAINTENANCE SERVICES AGREEMENT NO. _____

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, THE CITY OF LAGUNA HILLS, has awarded to _____,
hereinafter designated as the "Contractor," a contract for the work described as
follows:

_____ and

WHEREAS, said Contractor is required by the provisions of said contract to
furnish a bond in connection with said contract, as hereinafter set forth.

NOW THEREFORE, WE, the undersigned Contractor, as Principal, and

(Name and Address of Surety)

duly authorized to transact business under the laws of the State of California, as
Surety, are held and firmly bound unto the City of Laguna Hills in the sum of
_____ dollars(\$

), said sum being not less than one hundred percent (100%) of the yearly
amount payable to the said Contractor under the terms of Section 2.1 of the
Agreement, for which payment will and truly be made, we bind ourselves, our
heirs, executors and administrators, successors and assigns, jointly and severally
firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION IS SUCH that, if said
Principal or his subcontractors, or heirs, executors, administrators, successors or
assigns thereof, shall fail to pay any of the persons named in Section 3181 of the
Civil Code of the State of California for any materials, provisions, provender or
other supplies used in, upon, for or about the performance of the amounts due
under the Unemployment Insurance Code with respect to work or labor performed
by any such claimant or any amounts required to be deducted, withheld, and paid
over to the Franchise Tax Board from the wages of employees of the Contractor
and his subcontractor pursuant to Section 18806 of the Revenue and Taxation
Code, with respect to such work and labor, then said Surety will pay for the same,
in an amount not exceeding the sum set forth hereinabove, and in addition, in case
suit is brought upon the bond, will pay a reasonable attorney's fee to be fixed by
the court. This bond shall insure to the benefit of any and all persons named in the
aforesaid Civil Code Section 3181 so as to give a right of action to them or their
assigns in any suit brought upon the bond.

Further, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the contract documents or of the work to be performed thereunder shall in any way affect its obligations on this bond; and it hereby waives notice of any and all such changes, extensions of time, and alterations or modifications of the contract documents and /or of the work to be performed thereunder.

IN WITNESS WHEREOF, we have hereunto set our hand and seals this _____ day of _____, 2015.

CONTRACTOR

By: _____
President

(SEAL)

By: _____
Secretary/Treasurer

SURETY'S NAME-TYPE

MAILING ADDRESS (SURETY)

(SEAL)

BY: _____
Name

Title

NOTE: SIGNATURES OF CORPORATE OFFICIALS AND SURETY MUST BE NOTARIZED, ATTACH JURAT.

BOND APPROVED AS TO FORM:

GREGORY E. SIMONIAN, CITY ATTORNEY
CITY OF LAGUNA HILLS



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: LIEUTENANT ROLAND CHACON
CHIEF OF POLICE SERVICES**

ISSUE: FISCAL YEAR 2015/2016 SCHOOL CROSSING GUARD AGREEMENT

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED CROSSING GUARD SERVICES AGREEMENT FOR FISCAL YEAR 2015/2016 WITH ALL CITY MANAGEMENT SERVICES AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT.

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 Fiscal Year 2015/2016.

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 Fiscal Year 2015/2016 shall not exceed seventy-two thousand, five-hundred thirty-two dollars and eighty cents (\$72,532.80). This proposal includes an increase of the current hourly billing rate of \$15.32 per hour to \$16.79 per hour.

ATTACHMENTS:

- Crossing Guard Services Agreement

CONTRACT SERVICES AGREEMENT

All-City Management Services, Inc.
(Crossing Guard Services – Fiscal Year 2015/2016)

THIS AGREEMENT FOR CROSSING GUARD SERVICES (hereinafter “Agreement”) is made and entered into, to be effective this 1st day of July 2015, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California, (hereinafter referred to as “City”) and ALL-CITY MANAGMEMENT, INC., a California corporation (hereinafter referred to as “Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has determined that there is a need to retain the professional services of a qualified contractor equipped and specially trained in appropriate procedures for crossing pedestrians in designated marked crosswalks for general pedestrian safety within designated crosswalks in the City, including but not limited to school crossing areas (the “Project”).

B. Contractor has submitted to City a proposal, dated March 13, 2015, to provide professional crossing guard services to City for the Project pursuant to the terms of this Agreement

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

D. City desires to retain Contractor to provide such professional crossing guard services for the Project.

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

AGREEMENT

1. SERVICES OF CONTRACTOR

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Contractor agrees to provide and perform the professional crossing guard services for the Project as set forth in the Proposal/Scope of Work, dated March 13, 2015, which is attached hereto as Exhibit “A” and is incorporated herein by reference (hereinafter referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to the City entering into this Agreement, Contractor acknowledges and understands

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

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and, (2) the Contractor's proposal, dated March 13, 2015, submitted to the City ("Contractor's Proposal"), which shall all be referred to collectively hereinafter as the "Contract Documents." The Contractor's Proposal, attached hereto as Exhibit "A," is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms of this Agreement; and, (2nd) the provisions of the Contractor's Proposal.

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

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

of the Work and Services required by this Agreement, and shall defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

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

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

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Contractor shall be compensated by City for the services performed in accordance with the rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Seventy Two Thousand Five Hundred Thirty Two Dollars and Eighty Cents (\$72,532.80) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

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

2.3 Changes in Scope.

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

other work product, or work; and/or (b) to provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Contractor's profession.

B. Notwithstanding the foregoing, the City shall have the right, at its sole discretion, to determine the hours and locations where and when such Services and Work shall be performed by Contractor. The Contract Officer is authorized to modify, adjust, decrease or delete from, or otherwise revise the work schedule/crossing guard locations established and set forth in Contractor's Proposal/Scope of Work, attached hereto as Exhibit "A," at any time during the term of this Agreement. The Contract Officer shall promptly notify Contractor in writing of such changes or modifications to the work schedule/crossing guard locations. Such changes or modifications to the work schedule/crossing guard locations shall not be considered a change in the Scope of Services and shall not require a written amendment to this Agreement, provided such changes or modifications do not result in increasing the level of service established in Contractor's Proposal/Scope of Work.

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

3. SCHEDULE OF PERFORMANCE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by 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 (Exhibit "A").

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

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

delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this section.

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall continue in full force and effect for a period of twelve (12) months, commencing on July 1, 2015 and ending on June 30, 2016.

4. COORDINATION OF WORK

4.1 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 to be performed under this Agreement and make all decisions in connection therewith: **Baron Farwell, President/General Manager**. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the Work or Services performed hereunder. The foregoing principal may not be changed by Contractor without prior written approval of the Contract Officer.

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

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

4.4 Independent Contractor.

A. The legal relationship between the Parties is that of an independent contractor, and nothing herein shall be deemed to make Contractor a City employee. During the

performance of this Agreement, Contractor and its officers, employees, and agents shall act in an independent capacity and shall not act as City officers or employees. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The personnel performing the Services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officials, officers, employees, agents or volunteers shall have control over the conduct of Contractor or any of its officers, employees, or agents, except as set forth in this Agreement. Contractor, its officers, employees or agents, shall not maintain a permanent office or fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Contractor's officers, employees, representatives or agents or in fixing their number, compensation, or hours of service. Contractor shall pay all wages, salaries, and other amounts due its employees in connection with the performance of Services under this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Contractor in its business or otherwise a joint venturer or a member of any joint enterprise with Contractor.

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

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

4.5 PERS Eligibility Indemnification.

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

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors

providing any Work or Services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

5. INSURANCE

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

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

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

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

C. **Workers' Compensation Insurance.** Contractor shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of Workers' Compensation Insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Contractor agrees to waive and obtain endorsements from its workers' compensation insurer waiving all subrogation rights

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

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

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

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

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

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

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

5.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be approved in writing by the City in advance and shall protect the City, its officials, officers, employees, agents and volunteers, in the same manner and to the same extent

as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

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

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

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

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

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

5.11 Insurance for Subconsultants. Contractor shall include all subconsultants or subcontractors engaged in any Work or Services for Contractor relating to this Agreement as additional insureds under the Contractor's insurance policies, or Contractor shall be responsible for causing its subconsultants or subcontractors to procure and maintain the appropriate insurance in compliance with the terms of the insurance requirements set forth in this section, including adding the City, its officials, officers, employees, agents and volunteers, as additional insureds to their respective policies. All policies of Commercial General Liability Insurance provided by Contractor's subconsultants or subcontractors performing any Work or Services related to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers, as additional insureds. Contractor shall not allow any subconsultant or subcontractor to commence any Work or Services relating to this Agreement unless and until it has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Contractor agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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

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

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

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

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

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

Contractor agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

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

6. INDEMNIFICATION

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

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

7.2 Reports. 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.

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

7.4 Release of Documents. All drawings, specifications, reports, records,

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

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

8. ENFORCEMENT OF AGREEMENT

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

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

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

8.4 Waiver. No waiver of any provision of this Agreement shall be effective unless

in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions hereof.

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

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

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

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

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

9.3 Covenant Against Discrimination. In connection with its performance under this Agreement, Contractor shall not discriminate against any employee or applicant for

employment because of race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Contractor shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, disability, medical condition, religion, color, sex, sexual orientation, age, marital status, ancestry, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

10. MISCELLANEOUS PROVISIONS

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

To City:

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

To Contractor:

All City Management, Inc.
Attention: Baron Farwell, General Manager
10440 Pioneer Boulevard, Suite #5
Sante Fe Springs, California 90670
Telephone: (310) 202-8284
Facsimile: (310) 202-8325

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

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

deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

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

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

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

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

[SIGNATURES ON NEXT PAGE]

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

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

DORE J. GILBERT, M.D.
Mayor

ATTEST:

(SEAL)

MELISSA AU-YEUNG,
City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“CONTRACTOR”
All City Management, Inc., a California
corporation

By:

BARON FARWELL, President

By:

DEMETRA FARWELL, Secretary

EXHIBIT “A”

CONTRACTOR’S PROPOSAL

DATED: MARCH 13, 2015

AND

DESCRIPTION OF SCOPE OF SERVICES/WORK

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ FEES



ALL CITY MANAGEMENT SERVICES

March 13, 2015

Chief Roland Chacon
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

It is once again the time of the year when many agencies are formulating their budgets for the coming fiscal year. Toward that end, please allow this letter to serve as confirmation of our interest in extending our agreement for Crossing Guard services with the City of Laguna Hills for the 2015-2016 fiscal year.

As you may know for the second consecutive year the minimum wage rate will increase another \$1.00 per hour. Effective January 1, 2016 the California Minimum Wage rate will increase to \$10.00 per hour.

Additionally, in 2014 the California Assembly passed and the Governor approved Bill AB No.1522 which enacts the Healthy Workplaces, Healthy Families Act of 2014. This law mandates among other things that all part-time employees are now entitled to be paid or accrue sick-time time. Per this mandate effective July 1, 2015, Crossing Guards will accrue sick time at a rate of 1 hour for every 30 hours worked. As this is a new benefit for all part-time employees it will obviously impact our hourly pricing.

The bottom line is that this year we must again appeal for an increase. This year we must request an increase in our pricing to simply keep pace with these costs. Our proposed adjustment will increase your hourly rate to \$16.79 per hour. If this price is acceptable we would agree to a multiple year cost freeze as we do not anticipate additional government mandated cost increases.

To facilitate the calculation of the program cost for your Crossing Guard program, we have included a Client Worksheet. This worksheet is our estimation of the projected hours and cost of your program as it is currently staffed.

We remain committed to providing a safe, cost-effective and professional School Crossing Guard Program. If you have any questions or need additional information please contact me at (800) 540-9290. Take care.

Sincerely,



Baron 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

6/9/2015 ITEM NO. 3.7

All City Management Services Inc.

Client Worksheet 2015 - 2016

Department: 3101

Billing Rate for 2015/2016: \$16.79

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

KEY:

Traditional Calendar:

For sites with no regularly scheduled early release days, use 180 regular days

For sites with one regularly scheduled early release day/week, use 144 regular days and 36 minimum days

Summer School

For schools with Summer School sessions use 19 days

Sites with traditional calendar:

		24		180		\$16.79	=	\$72,532.80
6	Sites at 4.0 hrs per day	Total Hrs/day	X	days/yr	X	Hourly Billing Rate		

Summer School Sites

No estimate for Summer School based on 2014/2015

TOTAL PROJECTED HOURS	4320	TOTAL ANNUAL PROJECTED COST	\$72,532.80
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EXHIBIT "A"**ALL CITY MANAGEMENT SERVICES****Matrix**

Payne, Carrie Ph:714.231.9369		203101 / Laguna Hills Division 2				
Last Updated:03/18/2013		MON	TUE	WED	THU	FRI
Alicia/Wilkes Lomarena Elem. 949.581.1370 Dis:Saddleback Valley	1.1 / CERT Holder,Marcy Reg:4 Other:4 H: 949.707.4549	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 01:05 - 01:50	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 02:20 - 03:05
Alicia/Wilkes Lomarena Elem. 949.581.1370 Dis:Saddleback Valley	1.2 / CERT Nieradka,Denise Reg:4 Other:4 H: 949.586.1144	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 01:05 - 01:50	07:35 - 08:20 02:20 - 03:05	07:35 - 08:20 02:20 - 03:05
Earhart/Barents Lomarena Elem. 949.581.1370 Dis:Saddleback Valley	2 / CERT Bostwick,Jennifer Reg:4 Other:4 H: 949.433.0474	07:40 - 08:25 02:20 - 03:05	07:40 - 08:25 02:20 - 03:05	07:40 - 08:25 01:00 - 01:45	07:40 - 08:25 02:20 - 03:05	07:40 - 08:25 02:20 - 03:05
Santa Victoria/Barbera San Joaquin Elem. 949.581.3450 Dis:Saddleback Valley	3 / CERT Miller,John Reg:4 Other:0 H: 949.315.8142	07:25 - 08:10 01:45 - 02:30	07:25 - 08:10 01:45 - 02:30	07:25 - 08:10 01:45 - 02:30	07:25 - 08:10 01:45 - 02:30	07:25 - 08:10 01:45 - 02:30
La Paz/ Paseo De Valencia Valencia Elem. 949.830.3650 Dis:Saddleback Valley	4.1 / CERT Sullivan,Carol Reg:4 Other:0 H: 949.859.6774	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05
La Paz/Paseo De Valencia Valencia Elem. 949.830.3650 Dis:Saddleback Valley	4.2 / CERT Bledsoe,Christina Reg:4 Other:0 H: 949.228.3568	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05	08:00 - 08:45 02:20 - 03:05
ALT / CERT Amann,Whitney Reg:0 Other:0 C: 949.829.9278						
ALT / PEND Clyne,Wendy Reg:0 Other:0 C: 949.648.7076						



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: LT. ROLAND CHACON
CHIEF OF POLICE SERVICES**

**ISSUE: FISCAL YEAR 2015/2016 TRAUMA INTERVENTION PROGRAM
AGREEMENT**

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED VICTIM SUPPORT SERVICES AGREEMENT FOR FISCAL YEAR 2015/2016 WITH TRAUMA INTERVENTION PROGRAMS, INC. AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT.

SUMMARY:

The City of Laguna Hills has given financial support to Trauma Intervention Programs, Inc. (TIP) since June 24, 1997. The services provided by TIP are invaluable to victims of traumatic events and their families that live in, or are visitors, to the City. TIP counselors also offer valuable assistance to our Public Safety Officers when needed. This arrangement remains both effective and cost efficient. The Agreement will provide the City with TIP services 24-hours a day for the year.

BACKGROUND:

The level of services provided by TIP will remain the same as in years past. They will ensure volunteer availability on a 24-hour a day basis. Some of the services TIP provides are grief counseling, referral services, shelter, food, and transportation arrangements.

FISCAL IMPACT:

The total cost of the service is \$3,641.28 which equates to \$0.12 per capita based on the 2010 City population estimate of 30,344 from the 2010 United States Census Report. The cost per capita did not increase over last year.

ATTACHMENTS:

- Fiscal Year 2015/2016 Trauma Intervention Program Agreement

CONSULTING SERVICES AGREEMENT
Trauma Intervention Programs, Inc.
(On-Call Trauma Victim Support Services – Fiscal Year 2015/16)

THIS AGREEMENT FOR TRAUMA VICTIM SUPPORT SERVICES (hereinafter “Agreement”) is made and entered into, to be effective this 1st day of July 2015, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California, (hereinafter referred to as “City”) and TRAUMA INTERVENTION PROGRAMS, INC., a California corporation (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has determined that there is a need to retain the professional services of a qualified consultant equipped and specially trained in appropriate procedures to provide emotional aid and practical support services to victims of traumatic events and their families in the first few hours following tragedy in the City of Laguna Hills on an as-needed basis (the “Project”).

B. Consultant has submitted to City a proposal to provide professional victim support services to City for the Project pursuant to the terms of this Agreement

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

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

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

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform the professional trauma victim intervention and support services for the Project as set forth in the Proposal/Scope of Work, which is attached hereto as Exhibit “A” and is incorporated herein by reference (hereinafter referred to as the “Scope of Services,” the “Services” or “Work”). As a material inducement to the City entering into this Agreement, Consultant acknowledges and understands

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

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

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

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

City, its officials, officers, employees, agents and volunteers, free and harmless from and against any claim or liability arising out of any failure or alleged failure to obtain such license, permits, and approvals of whatever nature that are legally required to perform the Work or Services.

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

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the professional rates and charges set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Three Thousand Six Hundred Forty-One Dollars and Twenty-Eight Cents (\$3,641.28) (i.e., 30,344 population x 12 cents) (hereinafter referred to as the "Maximum Contract Amount"). The method of compensation shall be as set forth in Exhibit "A". The maximum amount of City's payment obligation under this Agreement is the amount specified in this section.

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

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

2.4 Appropriations. This Agreement is subject to and contingent upon funds being appropriated therefore by the Laguna Hills City Council for each fiscal year covered by the term

of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

3. SCHEDULE OF PERFORMANCE

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

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

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

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall continue in full force and effect for a period of twelve (12) months, commencing on July 1, 2015 and ending on June 30, 2016.

4. COORDINATION OF WORK

4.1 Representative of Consultant. The following principal of Consultant is hereby designated as being the principal and representative of Consultant authorized to act in its behalf with respect to the Services to be performed under this Agreement and make all decisions in connection therewith: **Wayne Fortin, Founder & CEO.** It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the Work or Services performed

hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.

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

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

4.4 Independent Contractor.

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

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

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

4.5 PERS Eligibility Indemnification.

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

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

5. INSURANCE

5.1 Compliance with Insurance Requirements. Consultant shall obtain, maintain, and keep in full force and effect during the term of this Agreement, at its sole cost and expense, and in a form and content satisfactory to City, all insurance required under this section. Consultant shall not commence any Work or Services under this Agreement unless and until it has provided evidence satisfactory to City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant or subcontractor to commence any Work or Services until it has provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section. If Consultant's existing

insurance policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

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

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

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

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

5.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of 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. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly

upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify, protect, and hold harmless City, its officials, officers, employees, agents and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not

limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, or from any violation of any federal, state, or local law or ordinance, which Claims arise out of, pertain to, or are related to Consultant's performance under this Agreement. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder.

7. REPORTS AND RECORDS

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

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

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

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

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

8. ENFORCEMENT OF AGREEMENT

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

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

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

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

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

8.6 Legal Action. In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for

any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

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

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

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

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

10. MISCELLANEOUS PROVISIONS

10.1 Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or

overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Notices or other communications shall be addressed as follows:

To City:

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

To Consultant:

Trauma Intervention Programs, Inc.
Attention: Wayne Fortin, Founder & CEO
24301 Airport Way
Laguna Niguel, California 92677
Telephone: (714) 314-0744

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

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

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

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

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

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

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

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

DORE J. GILBERT, M.D.
Mayor

ATTEST:

(SEAL)

MELISSA AU-YEUNG,
City Clerk

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“CONSULTANT”
Trauma Intervention Programs, Inc.,
a California corporation

By:

WAYNE FORTIN,
Founder & CEO

By:

MARYANNE VINCI,
Admin Secretary /Assistant Treasurer

EXHIBIT “A”

CONSULTANT’S PROPOSAL

AND

DESCRIPTION OF SCOPE OF SERVICES/WORK

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ FEES

EXHIBIT “A”

CONSULTANT’S SCOPE OF SERVICES/WORK

Schedule of Fees

Trauma Intervention Programs, Inc., shall invoice City of Laguna Hills annually for professional services rendered. Invoices under this Agreement shall not exceed the total maximum contract amount of \$3,641.28 (30,344 population x 12¢).

Schedule of Performance and Services

Trauma Intervention Programs, Inc., hereinafter referred to as “TIP”, shall provide a range of emotional and practical support services to Laguna Hills victims of traumatic events and their family members in the City of Laguna Hills (hereinafter referred to as “clients”) including, but not limited to providing on-scene emotional comfort and support to clients; help arrange for shelter, clothing, food, and transportation for clients; assist police officers with death notifications; serve as liaisons between the victims and the emergency personnel; provide information and referrals to appropriate agencies for ongoing support of clients; and serve as temporary protectors for vulnerable victims.

TIP volunteers shall be available 24 hours a day, 365 days a year and assist with:

- Family members and friends following a natural or unexpected death of a loved one
- Victims of crime, including rape, assault, robbery or burglary
- Victims of fire and floods
- Disoriented or lonely older persons
- Persons involved in vehicle accidents
- Person who are distraught and seeking immediate support
- Survivors of suicide
- Employees after workplace tragedies

TIP shall make available to the City sufficient information to enable the City to contact the appropriate TIP volunteer, including 24-hour on-call phone number, address, and names of volunteers, supervisors (when appropriate), as well as alternate or backup telephone numbers.

TIP or TIP’s employees and/or volunteer’s shall provide all vehicles and equipment necessary for the performance of services in this Agreement and shall be responsible for maintenance of said equipment and vehicles.

TIP shall provide all personnel, volunteers, supplies, and equipment necessary for the efficient and effective operation of the services and programs provided for herein.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD J. WHITE,
ASSISTANT CITY MANAGER**

**ISSUE: ADOPTION OF ANNUAL APPROPRIATIONS LIMIT FOR FISCAL
YEAR 2015/16**

**RECOMMENDATION: THAT THE CITY COUNCIL ADOPT A RESOLUTION
ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA
HILLS, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2015/2016 IN ACCORDANCE WITH ARTICLE XIII B OF THE
CONSTITUTION OF THE STATE OF CALIFORNIA AND SECTION 7910 OF THE
GOVERNMENT CODE."**

SUMMARY:

In accordance with Article XIII B of the California Constitution, which placed limits on the amount of revenue that can be spent by public entities from proceeds of taxes, the City is required to establish a new appropriations limit each year. By applying the allowable population and per capita income growth factors, the appropriations limit for the City of Laguna Hills for Fiscal Year 2015/2016 is calculated to be \$34,015,765. Staff has determined that the City will be under the limit by \$22,351,258 for the budget year 2015/2016. A Resolution establishing the limit for Fiscal Year 2015/2016 is attached to this report. The accompanying schedules and appropriation summary page show how this limit was calculated.

BACKGROUND:

As required by law, the voters approved an appropriations limit of \$9,102,336 for Fiscal Year 1993/1994. This limit serves as the "base year" and is adjusted annually based on population and inflation factors. In Fiscal Year 1996/1997, the limit was adjusted by \$2,032,217 in order to account for the anticipated increase in revenues due to the annexation of North Laguna Hills. This amount was based on the information available from the County. Subsequently, actual revenues exceeded the initial forecast, thus an additional revenue amendment of \$1,858,438 was factored into the Fiscal Year 1999/2000

limit calculation. In Fiscal Year 2001/2002, the limit was amended in order to use the City's actual population change to reflect the increase in the City's population as a result of the Westside annexation.

Applying the allowable population and per capita income growth factors, the appropriations limit for the City of Laguna Hills for Fiscal Year 2015/2016 is calculated to be \$34,015,765. This calculation must be made available to the public for 15 days prior to adoption. This requirement has been satisfied.

Pursuant to State Law, the City may not appropriate any proceeds of taxes it receives in excess of \$34,015,765 for Fiscal Year 2015/2016. The anticipated proceeds of taxes minus the capital outlays and other qualified exclusions for this Fiscal Year resulted in an amount of \$11,664,507 subject to the limit, which is well below the legal limit by \$22,351,258. The following calculation shows the amount under the limit for Fiscal Year 2015/2016:

Appropriations Limit

Total Fiscal Year 2015/2016 Appropriations Limit	\$34,015,765
Less: Total Subject to Appropriations Limit	<u>11,664,507</u>
Amount Under the Appropriations Limit	<u><u>\$ 22,351,258</u></u>

State law also requires that the annual calculation of the limit be reviewed as part of an annual financial audit. This annual review evaluates the accuracy of the computations and the adequacy of documentation. In compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution, an agreed upon procedures engagement is performed by the City's auditors as part of the annual financial audit each fiscal year.

ATTACHMENTS:

- Resolution
- Schedules calculating the Appropriations Limit for Fiscal Year 2015/2016

RESOLUTION NO. 2015-06-09-X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015/2016 IN ACCORDANCE WITH ARTICLE XIIIB OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND SECTION 7910 OF THE GOVERNMENT CODE

WHEREAS, Article XIIIB requires public entities in the State of California to set an annual Appropriations Limit; and

WHEREAS, the League of California Cities issued in March 1991 uniform guidelines for the implementation of the provision of Article XIIIB of the California Constitution; and

WHEREAS, Government Code Section 7910 calls for the adoption of the annual Limit prior to the beginning of the Fiscal Year 2015/2016; and

WHEREAS, Article XIIIB requires the City Council to select the population and inflation factors for the year's Appropriations Limit calculation; and

WHEREAS, the Appropriations Limit must be adhered to in adopting the City's Biennial Budget.

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

SECTION 1. That in accordance with Article XIIIB of the Constitution of the State of California and Section 7910 of the Government Code and as set forth in detail in the attached Exhibit "A" the Appropriations Limit beginning July 1, 2015, is established at \$34,015,765.

SECTION 2. That the inflation factor being utilized to calculate the Fiscal Year 2015/2016 is based on the California per capita income.

SECTION 3. That the population factor being utilized to calculate the Fiscal Year 2015/2016 Appropriations Limit is the population growth for the County of Orange.

SECTION 4. That the Appropriations Limit shall not be exceeded in the adopted budget nor by any proposed amendment to the budget.

PASSED, APPROVED, AND ADOPTED this 9th day of June, 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of
Resolution No. 2015-06-09-X adopted by the City Council of the City of Laguna Hills,
California, at a Regular Meeting thereof held on the 9th day of June 2015, by the
following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Exhibit A
CITY OF LAGUNA HILLS
Appropriations Limit Summary

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "Gann Initiative." The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue, which can be spent by all entities of government from the "proceeds of taxes." Proposition 4 became effective for the 1980-81 fiscal year, but the formula for calculating the limit was based on the 1978-79 "base year" revenues.

Section 9710 of the California Government Code, added in 1980 by the State Legislature, provides that "each year, the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year..."

In order to address the increasing number of complaints by agencies about the restrictions of Proposition 4, and to provide guidelines for local governments in adopting their limits, the voters approved Proposition 111 in June 1990. Among other things, Proposition 111 provided new adjustment formulas, which make the Appropriations Limit more responsive to local growth issues. Proposition 111 also established a requirement for an annual review of Limit calculations.

Comparing the FY 2015/16 Appropriations Limit of \$34,015,765 and the Appropriations Subject to the Limit of \$11,664,507 indicates that the City will be well below its Appropriations Limit. The City's budgeted revenues for FY 2015/16 subject to limitation will be below its legal limit by \$22,351,258.

2014/15 Appropriations Limit

2014/15 factor - change in per capita personal income	-0.23%
2014/15 factor - change in County population	0.93%
\$32,189,463 x 0.9977 x 1.0093	\$ 32,414,101

2015/16 Appropriations Limit

2015/16 factor - change in per capita personal income	3.82%
2015/16 factor - change in County population	1.08%
\$32,414,101 x 1.0382 x 1.0108	\$ 34,015,765

CITY OF LAGUNA HILLS ANNUAL APPROPRIATIONS LIMIT

Fiscal Year Appropriation Limit	Inflation Adjustment ^{(a) (e)} Factor	Population Adjustment ^(a) Factor	Total Growth Factor	Appropriations Limit	Adjustment for Annexation	Adjusted Appropriations Limit
1993-94	1.0272	1.0215	1.04928	\$9,102,336 ^b		
1994-95	1.0071	1.0164	1.02362	\$9,317,301		
1995-96	1.0472	1.0172	1.06521	\$9,924,899		
1996-97	1.0467	1.0105	1.05772	\$10,497,813	\$2,032,217 ^c	\$12,530,030
1997-98	1.0467	1.0107	1.05791	\$13,255,633		\$13,255,633
1998-99	1.0415	1.0169	1.05915	\$14,039,638		\$14,039,638
1999-00	1.0453	1.0177	1.06380	\$14,935,393	\$1,858,438 ^d	\$16,793,831
2000-01	1.0491	1.0156	1.06547	\$17,893,255		\$17,893,255
2001-02	1.0782	1.0817	1.16629	\$20,868,705		\$20,868,705
2002-03	0.9873	1.0113	0.99846	\$20,836,494		\$20,836,494
2003-04	1.0231	1.0165	1.03998	\$21,669,561		\$21,669,561
2004-05	1.0328	1.0142	1.04747	\$22,698,123		\$22,698,123
2005-06	1.0526	1.0113	1.06449	\$24,162,025		\$24,162,025
2006-07	1.0396	1.0083	1.04823	\$25,327,327		\$25,327,327
2007-08	1.0442	1.0084	1.05297	\$26,668,948		\$26,668,948
2008-09	1.0429	1.0102	1.05354	\$28,096,739		\$28,096,739
2009-10	1.0062	1.0102	1.01646	\$28,559,303		\$28,559,303
2010-11	0.9746	1.0101	0.98444	\$28,115,019		\$28,115,019
2011-12	1.0251	1.0070	1.03228	\$29,022,451		\$29,022,451
2012-13	1.0377	1.0089	1.04694	\$30,384,635		\$30,384,635
2013-14	1.0512	1.0078	1.05940	\$32,189,463		\$32,189,463
2014-15	0.9977	1.0093	1.00698	\$32,414,101		\$32,414,101
2015-16	1.0382	1.0108	1.0494	\$34,015,765		\$34,015,765

^(a) Source: California Department of Finance

^(b) Permanent Limit of \$9,102,336 was adopted following the first fiscal year of operations. The Limit was approved by voters on November 8, 1994 and adopted by Resolution 94-06-28-3.

^(c) The Appropriations Limit was increased by the transfer of revenues from the County following the annexation effective July 1, 1996.

^(d) The Appropriations Limit was adjusted by amending the revenues attributable to annexation, based on actual receipts for FY96/97 & FY97/98.

^(e) Subdivision (e) of Section 8 of Article XIII B of the California Constitution defines "change in the cost of living" as either (1) the percentage change in California per capital personal income from the preceding year or (2) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local nonresidential new construction.

CITY OF LAGUNA HILLS
ANNUAL APPROPRIATIONS LIMIT
FISCAL YEAR 2015/16

APPROPRIATIONS LIMIT

Fiscal Year 2014/15 Appropriations Limit	\$	32,414,101
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Adjustment Factors

A. Inflation adjustment factor	1.0382	
B. Population adjustment factor	1.0108	
Total Adjustment Factor (A x B)	1.0494	

Annual Adjustment		1,601,664
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Fiscal Year 2015/16 Appropriations Limit	\$	34,015,765
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APPROPRIATIONS SUBJECT TO LIMITATION

	Fiscal Year 2015/16 Budget
Proceeds of Taxes	
Property Tax	\$ 9,662,081
Sales Tax	6,307,000
Transient Occupancy Tax	1,258,200
Interest Earned from Net Invested Taxes	27,695
Total Proceeds of Taxes	\$ 17,254,976
Less: Exclusions	
Federal Mandates	\$ 3,452,082
Qualified Capital Outlays	337,000
Qualified Debt Service	1,801,387
Total Exclusions	\$ 5,590,469
Total Appropriations Subject to Limitation	\$ 11,664,507
(Over)/Under Appropriations Limit	22,351,258



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: KENNETH H. ROSENFELD, P.E.
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER**

**ISSUE: AWARD OF CONTRACT FOR THE COMMUNITY CENTER SOFTBALL
FIELD IMPROVEMENTS, CIP NO. 240, AND APPROVAL OF A CAPITAL
IMPROVEMENT PROGRAM BUDGET AMENDMENT**

RECOMMENDATION: THAT THE CITY COUNCIL: (1) AWARD THE BASE BID CONTRACT FOR THE LAGUNA HILLS COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240, TO LEHMAN CONSTRUCTION, INC., IN THE LOW BID AMOUNT OF \$694,976.00, PLUS AWARD ALTERNATE BID ITEMS NUMBERED 2 AND 5 THROUGH 9, INCLUSIVE, IN THE NET ADDITIONAL AMOUNT OF \$21,145.00, FOR A TOTAL CONTRACT VALUE OF \$716,121.00, AND REJECT ALL OTHER BIDS; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING THE FISCAL YEAR 2013/2014 - 2014/2015 CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240."

SUMMARY:

In accordance with City Council authorization, bids for the subject project were opened on May 28, 2015, at which time five bids were received. The apparent low bidder, Lehman Construction, Inc., (Lehman) provided the lowest Base Bid in the amount of \$694,976.00, provided satisfactory references, and is licensed for the contemplated work. In addition, of the nine alternate bid items provided by Lehman, staff is recommending the award of the below described Alternate Bid items numbered 2 and 5 through 9, inclusive, in the additional amount of \$21,145.00. The total contract award value is \$716,121.00. The Softball Field Improvements would begin construction by late July 2015, and would replace the natural turf with synthetic turf, enhance the field lighting, enhance the barrier fencing, and provide a variety of site improvements. Award of the contract to Lehman in the amount of \$716,121.00 is recommended. In addition, a Budget Amendment is required to acknowledge the overall project costs as well as the funding sources of Quimby Act Fees and water conservation rebates from both MNWD and MWDOC.

Approval of the attached Resolution to amend the Capital Improvement Program Budget is also recommended.

BACKGROUND:

On May 28, 2015, five bids for the Laguna Hills Community Center Softball Field Improvements, CIP No. 240, were opened as follows:

<u>Bidder</u>	<u>Base Bid</u>	<u>Alternate Bids</u>
Lehman Construction, Inc.	\$694,976.00	\$162,956.00
Micon Construction, Inc.	\$726,958.96	\$134,258.00
Act 1 Construction, Inc.	\$881,390.00	\$212,200.00
Environmental Construction, Inc.	\$889,489.00	\$150,890.00
C.S. Legacy Construction, Inc.	\$1,081,742.00	\$201,886.00

The determination of the lowest bid price for the award of this contract is on the basis of comparison of the Base Bid only. The apparent low bidder, Lehman, provided the lowest Base Bid, provided satisfactory references, and is licensed to perform the contemplated work. Lehman is recommended for the award of this contract.

The Alternate Bid items are a combination of improvements requested by the Laguna Hills Little League or otherwise necessary in order to accommodate the Little League requested amenities. The Alternate Bid items and pricing provided by Lehman were as follows:

Item	Description	#	Unit	Bid Price
1	Electronic scoreboard & electrical service	1	LS	\$27,465.00
2	Outlet behind home plate	1	LS	\$ 5,908.00
3	Batting cage	1	EA	\$68,445.00
4	Bullpen	1	EA	\$45,901.00
5	Prefab storage container	1	EA	\$ 8,554.00
6	Remove 42" block wall outside right field	1	LS	\$ 2,086.00
7	Remove chain-link storage outside right field	1	LS	\$ 1,534.00
8	Clear & grub existing turf outside right field	1	LS	\$ 1,861.00
9	Install 3" layer of brick dust outside right field	1	LS	\$ 1,202.00
TOTAL				\$162,956.00

In reviewing the Alternate Bid items, staff recommends awarding only items numbered 2 and 5 through 9, inclusive, above, in the total amount of \$21,145.00. Staff does not recommend awarding Alternate Bid Item 1 - the scoreboard, Item 3 - the batting cage, and Item 4 - the bullpen, due to the overall cost of these three items of \$141,811.00. The

balance of the Alternate Bid items, if implemented, provides the Little League with the requested power outlet behind home plate (Item 2) and the storage unit (Item 5), removes no longer needed material bins (Items 6 and 7), and removes the remaining irrigated turf outside of the right field line (items 8 and 9). The combination of this work will still allow for the not selected Alternate Bid amenities to be added in the future if funding becomes available or is otherwise provided. It is noted that the portable pitcher's mound for the Little League was included in the Base Bid per previous City Council direction. The total contract award value of the Base Bid and selected Alternate Bid items is \$716,121.00.

FISCAL IMPACT:

The Community Center Softball Field Improvement, CIP No. 240, is included in the Fiscal Year 2014/15 Capital Improvement Program Budget in the amount of \$200,000. Since the time of the development of this budget item, a determination was made that converting this field to dual usage, allowing both softball and baseball activities, and the desire to remove the irrigated turf for water conservation purposes required a substantially revised project.

The total cost of this project is estimated to be \$1,240,261. This value consists of design costs of \$51,000, construction costs of \$716,121, synthetic turf costs of \$398,140, and inspection and construction support services costs of \$75,000. The funding for this project consists of \$921,000 from Quimby Act Developer Fees and \$320,000 in water conservation rebates from MNWD and MWDOC, for a total project commitment of \$1,241,000. No General Fund contribution is committed to this project.

The Capital Improvement Program Budget will need to be amended to reflect the currently proposed project costs and fund sources. The attached Resolution provides for a budget amendment to the Fiscal Year 2014/15 Capital Improvement Program. Approval of the Resolution is recommended.

ATTACHMENT:

- Resolution

RESOLUTION NO. 2015-06-09 -X

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, AMENDING THE FISCAL YEAR 2013/2014 - 2014/2015 CAPITAL IMPROVEMENT PROGRAM BUDGET FOR THE COMMUNITY CENTER SOFTBALL FIELD IMPROVEMENTS, CIP NO. 240

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

WHEREAS, the City Council of the City of Laguna Hills adopted Resolution No. 2013-06-25-5 on June 25, 2013, adopting the Biennial Budget and Capital Improvement Plan and Other Appropriations for Fiscal Years 2013/2014 and 2014/2015; and

WHEREAS, the Community Center Softball Field Improvements, CIP 240, ("Project") was budgeted in the total amount of \$200,000; and

WHEREAS, the City Council subsequently directed the Project be revised to include the dual field use for both softball and baseball purposes and to replace all natural turf with synthetic turf for water conservation purposes; and

WHEREAS, the City sought, and was successful in acquiring, additional funding for the Project; and

WHEREAS, it is necessary to recognize the funding sources, funding allocations and revised budget for the Project.

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

SECTION 1. The Capital Improvement Program Budget for Fiscal Years 2013/2014 - 2014/2015 for the Community Center Softball Field Improvements, CIP 240, shall be amended to be \$1,241,000 with the following funding sources:

Quimby Act Developer Fees	\$921,000
Water Conservation Rebates	\$320,000

PASSED, APPROVED, AND ADOPTED this 9th day of June 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No.
2015-06-09-__ adopted by the City Council of the City of Laguna Hills, California, at a
Regular Meeting thereof held on the 9th day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD J. WHITE
ASSISTANT CITY MANAGER**

ISSUE: SELECTION OF CITY AUDITOR

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE PROPOSED PROFESSIONAL SERVICES AGREEMENT WITH WHITE NELSON DIEHL EVANS LLP AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT FOR FINANCIAL AUDIT SERVICES FOR THE CITY FOR FISCAL YEARS 2014/2015 AND 2015/2016.

SUMMARY:

In accordance with City Council Policy No. 105, entitled Financial Policies, the City's annual financial report shall be audited each year by an independent external auditor and that a new auditor shall be selected competitively at least every six years. The City's audit engagement with Moss, Levy & Hartzheim, LLP, expired with the conclusion of the financial audit for the fiscal year ended June 30, 2014. Accordingly, staff issued Request for Proposals (RFPs). Proposals received in response to the RFP were evaluated and the Audit Committee interviewed the three highest ranked audit firms. On the basis of the established selection criteria, the Audit Committee is recommending that the City Council authorize the Mayor to execute a two-year agreement with White Nelson Diehl Evans LLP to perform the audit of the City's financial statements for Fiscal Years 2014/2015 and 2015/2016.

BACKGROUND:

It is common practice and prudent financial management to have a City's financial records audited on an annual basis. As the City's existing policy dictates that the City conduct a competitive selection to change auditors at least every six years, the City issued an RFP which complies with the City's policy and process for hiring professional services. Nine audit firms responded to the RFP and the following three top rated firms were interviewed:

- Lance, Soll & Lunghard, LLP

- Vavrinek, Trine, Day & Company, LLP
- White Nelson Diehl Evans LLP

The Audit Committee is recommending White Nelson Diehl Evans LLP. A copy of the proposal from White Nelson Diehl Evans LLP is attached to this report.

The engagement period specified in the RFP was for two fiscal years, namely Fiscal Year 2014/2015 and 2015/2016, which may be renewed for another four fiscal years.

The negotiated fees with White Nelson Diehl Evans LLP are presented below and were found to be competitive with the other proposals:

	<u>FY 2014-15</u>	<u>FY 2015-16</u>
Standard Financial Reports	\$ 22,720	\$ 23,175
Single Audit	2,715	2,770
State Controller's Report	<u>4,080</u>	<u>4,160</u>
Total	<u>\$ 29,515</u>	<u>\$ 30,105</u>

FISCAL IMPACT:

The total cost proposal is in conformance with the City's Operating Budget for annual financial audit services in Fiscal Year 2015/2016 (\$32,000) and 2016/2017 (\$33,000).

ATTACHMENTS:

- Professional Services Agreement for Audit Services

PROFESSIONAL SERVICES AGREEMENT

White Nelson Diehl Evans LLP

(Independent Financial Audit Services – City Audits for Fiscal Years 2014/15 & 2015/16)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter “Agreement”) is made and entered into, to be effective this 9th day of June 2015, by and between the CITY OF LAGUNA HILLS, a municipal corporation organized and existing under the laws of the State of California, (hereinafter referred to as “City”) and WHITE NELSON DIEHL EVANS LLP, a California Limited Liability Corporation (hereinafter referred to as “Consultant”). City and Consultant are sometimes hereinafter individually referred to as “Party” and are hereinafter collectively referred to as the “Parties.”

RECITALS

A. City has determined that there is a need to retain the professional services of a qualified certified public accounting firm for the purpose of serving as independent auditors for the City of Laguna Hills to perform independent audit services for Fiscal Years 2014/15 and 2015/16, as well to provide the City with other auditing and accounting services (the “Project”).

B. Consultant has submitted to City a proposal, dated April 24, 2015, to provide professional independent auditing services, as well as other auditing and accounting services, to City for the Project pursuant to the terms of this Agreement.

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

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

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

AGREEMENT

1. SERVICES OF CONSULTANT

1.1 Scope of Services and Standard of Performance. In compliance with all terms and conditions of this Agreement, Consultant agrees to provide and perform the professional independent auditing services for Fiscal Years 2014/15 and 2015/16, as well as other auditing and accounting services, to City for the Project as described, specified and as set forth in the Proposal/Scope of Work, dated April 24, 2015, which is attached hereto as Exhibit “A” and is incorporated herein by reference (hereinafter referred to as the “Scope of Services,” the

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

1.2 Contract Documents. The Agreement between the Parties shall consist of the following: (1) this Agreement; and, (2) the Consultant’s signed, original April 24, 2015 proposal submitted to the City (“Consultant’s Proposal”), which shall all be referred to collectively hereinafter as the “Contract Documents.” The Consultant’s Proposal, attached hereto as Exhibit “A,” is hereby incorporated by reference and is made a part of this Agreement. All provisions of the Contract Documents shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1st) the terms of this Agreement; and, (2nd) the provisions of the Consultant’s Proposal.

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

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

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

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

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

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

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

1.9 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other contractors, consultants, or vendors for services similar to the services that

are the subject of this Agreement. Consultant further acknowledges that City may have its own employees perform services similar to the services that are the subject of this Agreement.

2. COMPENSATION

2.1 Maximum Contract Amount. For the Services and Work rendered pursuant to this Agreement, Consultant shall be compensated by City for the services performed in accordance with the all-inclusive maximum professional rates set forth in the Schedule of Compensation/Fees, which is attached hereto as Exhibit "A" and is incorporated herein by reference, but not exceeding the total maximum contract amount of Sixty Five Thousand Dollars (\$65,000.00) (hereinafter referred to as the "Maximum Contract Amount"), except as may be provided pursuant to Section 1.8 above. The method of compensation shall be as set forth in Exhibit "A". Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated pursuant to Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation/Fees. The Maximum Contract Amount shall include the attendance of Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant hereby acknowledges that it accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation therefore, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of City's payment obligation under this Agreement is the amount specified in this section. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall nevertheless complete the Services and Work without liability on the City's part for further payment beyond the Maximum Contract Amount.

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

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

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

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

3. SCHEDULE OF PERFORMANCE

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

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

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

3.4 Term. Unless earlier terminated as provided elsewhere in this Agreement, this Agreement shall commence upon the effective date of this Agreement and shall continue in full force and effect for a period of two (2) years, commencing on June 9, 2015 and ending on June 30, 2017, unless extended by mutual written agreement of the Parties.

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

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

4. COORDINATION OF WORK

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

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

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

4.4 Independent Contractor.

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

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

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

4.5 PERS Eligibility Indemnification.

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

the responsibility of the City.

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

5. INSURANCE

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

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

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

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

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

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

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

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

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

5.3 Acceptability of Insurers. Insurance required by this section shall be issued by a licensed company authorized to transact business in the state by the Department of Insurance for the State of California with a current rating of A-VII or better (if an admitted carrier), or a

current rating of A:X or better (if offered by a non-admitted insurer listed on the State of California List of 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. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified herein.

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

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

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

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

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

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

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

5.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability Insurance shall contain or be endorsed to waive subrogation against the

City, its officials, officers, employees, agents and volunteers, or shall specifically allow Consultant or others providing insurance evidence in compliance with the requirements set forth in this section to waive their right to recovery prior to a loss. Consultant hereby agrees to waive its own right of recovery against the City, its officials, officers, employees, agents and volunteers, and Consultant hereby agrees to require similar written express waivers and insurance clauses from each of its subconsultants or subcontractors.

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

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

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

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

has received satisfactory evidence of their compliance with all insurance requirements under this Agreement, to the extent applicable. Consultant agrees to provide satisfactory evidence of compliance with this subsection upon request of the City.

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

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

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

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

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

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

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

6. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense with legal counsel reasonably acceptable to City), indemnify and hold the City, its

officials, officers, employees, agents and volunteers, free and harmless from any and all claims, demands, orders, causes of action, costs, expenses, liabilities, losses, penalties, judgments, arbitration awards, settlements, damages or injuries of any kind, in law or in equity, including but not limited to property or persons, including wrongful death, (collectively "Claims") in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officers, directors, employees, subcontractors, consultants or agents, in connection with Consultant's performance under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent that the Work or Services performed by Consultant are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability hereunder. Notwithstanding the foregoing, such obligation to defend, hold harmless and indemnify the City, its officials, officers, employees, agents and volunteers, shall not apply to the extent that such Claims are caused in part by the sole negligence, active negligence, or willful misconduct of the City.

7. REPORTS AND RECORDS

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

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

7.3 Ownership of Documents. All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subconsultants, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no

claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Consultant may retain copies of such documents for its own use. Consultant shall have an unrestricted right to use the concepts embodied therein. Consultant shall ensure that all of its subconsultants and subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Consultant fails to secure such assignment, Consultant shall indemnify City for all damages resulting therefrom.

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

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

8. ENFORCEMENT OF AGREEMENT

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

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

8.3 Termination. City may terminate this Agreement for any reason, with or without cause, upon giving Consultant thirty (30) days written notice. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice,

Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. Thereafter, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement pursuant to this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. In addition, Consultant reserves the right to terminate this Agreement at any time upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

8.4 Default of Consultant.

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

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

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

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

8.6 Rights and Remedies Cumulative. Except with respect to rights and remedies

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

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

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

9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

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

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

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

10. MISCELLANEOUS PROVISIONS

10.1 Patent and Copyright Infringement.

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

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

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

To City:

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

To Consultant:

White Nelson Diehl Evans LLP
Attention: Nitin P. Patel, CPA, Engagement Partners
2875 Michelle Drive, Suite 300

Irvine, CA 92606-5165
Telephone: (714) 978-1300
Facsimile: (714) 978-7893

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

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

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

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

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

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

10.9 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"). Consultant agrees to fully comply with all applicable federal and state labor laws (including, without limitation, if applicable, the Prevailing Wage Laws). It is agreed by the Parties that, in connection with the Work or Services provided pursuant to this Agreement, Consultant shall bear all risks of payment or non-payment of prevailing wages under California law, and Consultant hereby agrees to defend, indemnify, and hold the City, its officials, officers, employees, agents and volunteers, free and harmless from

any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. The foregoing indemnity shall survive termination of this Agreement.

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

[SIGNATURES ON NEXT PAGE]

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

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

DORE J. GILBERT, M.D.
Mayor

ATTEST:

(SEAL)

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

APPROVED AS TO FORM:

GREGORY E. SIMONIAN,
City Attorney

“CONSULTANT”
White Nelson Diehl Evans LLP,
a California limited liability partnership

By: _____
NITIN P. PATEL, CPA
Engagement Partner

EXHIBIT “A”

CONSULTANT’S PROPOSAL/ SCOPE OF WORK

DATED: APRIL 24, 2015

SCOPE OF SERVICES FOR PROJECT

INCLUDING,

SCHEDULE OF PERFORMANCE

AND

SCHEDULE OF COMPENSATION/ FEES

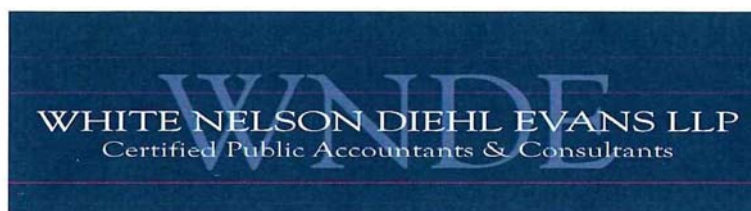
**CITY OF LAGUNA HILLS
PROFESSIONAL AUDITING
SERVICES PROPOSAL**

FOR THE TWO YEARS ENDING JUNE 30, 2016

**(WITH AN OPTION FOR THE FOUR YEARS
ENDING JUNE 30, 2020)**



Submitted By:



TITLE PAGE

RFP Subject: Certified Audits on the City of Laguna Hills
For the Two Years Ending June 30, 2016
(With an Option for the Four Years
Ending June 30, 2020)

Name of Proposer: White Nelson Diehl Evans LLP
Certified Public Accountants and Consultants

Local Address: 2875 Michelle Drive, Suite 300
Irvine, CA 92606-5165

Telephone: (714) 978-1300

Fax: (714) 978-7893

Federal Identification Number: 33-0686301

California CPA License Number: PAR 6123

Website: www.wndecpa.com

Email: npatel@wndecpa.com

Contact Persons: Nitin P. Patel, CPA
Engagement Partner

Robert J. Callanan, CPA
Technical Review Partner

Date: April 24, 2015

CITY OF LAGUNA HILLS

TABLE OF CONTENTS

April 24, 2015

	<u>Page Number</u>
Letter of Transmittal	1 - 2
Firm Profile and Qualifications:	
Licensing and Independence	3
Insurance	3
Size and Location of Firm	3
Range of Activities	4
Participation in "Quality Review" Programs	4
Education Programs	4
Participation in Professional Organizations	5
GFOA Award Program	6
Computer Auditing Capabilities	7
Partner, Supervisory and Staff Qualifications and Experience:	
Audit Team	8
Commitment Related To Personnel	8
Nondiscrimination Policy	8
Resumes of Audit Team Personnel	9 - 12
Firm Experience with Governmental Entities:	
Similar Engagements with Other Municipal Entities and References	13
City Client References	13
Enterprise Fund Experience	14
Single Audit Experience	15
Experience with Preparation of State-Mandated Reports	15
Special Districts	16
Nonprofit Corporations and Joint Power Authorities	16
Scope of Work, Timing and Audit Approach:	
Entity to Be Included In Audit	17
Reports To Be Issued and Due Dates	17
Audit Timing	18
Commitment to Deliver Reports on a Timely Basis	18
Audits To Be In Accordance With GAAS and Other Requirements	18 - 19
Audit Approach	19 - 21
Audit Approach Redevelopment Agency/Successor Agency	21
Approach To Internal Control	21
Single Audit Approach	22

CITY OF LAGUNA HILLS

TABLE OF CONTENTS
(CONTINUED)

April 24, 2015

	<u>Page Number</u>
Scope of Work, Timing and Audit Approach (Continued):	
Determining Laws and Regulations Subject to Audit	22
Method of Sampling	23
Analytical Procedures	23
Management Letters	23
Potential Audit Problems	23
Retention of and Access to Audit Workpapers	23
Other Professional Services	24
Irregularities and Illegal Acts	24
Segmentation of the Audit Hours, By Partner and Staff Level	24
Segmentation of the Audit Hours, By Phases of the Audits:	
City Services	24
Single Audit	24
 Discussion of Relevant Accounting Issues:	
GASB Statement No. 68	25
GASB Statement No. 69	25
GASB Statement No. 71	25
 Implementation of GASB Statement No. 68	26
 Work Required by City Staff	27
 Consulting Services Department:	
Overview of Services Provided	28
 Attachment I:	
Current City Client References	
Lists of City and Special District Engagements - Performed in the Last 5 Years	
 Attachment II - Results of Outside Quality Review	

April 24, 2015

Ms. Janice Mateo Reyes
Finance Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Ms. Mateo Reyes:

We are pleased to present our proposal to serve as independent auditors for the City of Laguna Hills. We have prepared this information in accordance with the guidelines set forth in your request for proposal.

Why We Are The Best Qualified Firm

We consider ourselves to be the best qualified firm to perform auditing and accounting services for the City of Laguna Hills. Please consider these qualifications:

- A significant part of our practice is devoted to providing professional services to the governmental industry and over the past year, the firm provided services to approximately 100 governmental organizations and on an annual basis our firm issues over 150 reports on audits of governmental agencies including, Cities, the Successor Agency to Redevelopment Agencies, Special Districts and Joint Power Authorities.
- Our firm has devoted a substantial amount of time and resources in order to provide governmental agencies with quality audits. Our knowledge of the industry is best demonstrated by the fact that our clients who apply for the "Certificate of Achievement in Financial Reporting" issued by the Government Finance Officers Association (GFOA) consistently receive that award. A list of these clients is presented on page 6 of this proposal.
- We are in a professional alliance with BDO Seidman, a National Accounting Firm, and a network of accounting firms allowing us the ability to provide quality attestation services. The BDO Alliance provides us access to BDO's personnel and technical resources which allows White Nelson Diehl Evans LLP to deliver the range of services and capabilities of a large national firm, including the use of specialists to support the needs of our clients.
- We are a full service CPA firm. Our Consulting Services Department can provide the City with a variety of services, including investment policy compliance reviews, litigation support, dispute resolution services, and consulting on a wide array of governmental issues.
- Our audits include extensive use of information technology as described in detail on page 7 of this proposal.

Why We Are The Best Qualified Firm (Continued)

- We understand that we provide a service to the City. We are committed to providing an effective and efficient audit that will meet the proposed timing of the project deliverables by assigning experienced governmental auditors. Understanding the size of the City of Laguna Hills and the scope of work requested in the proposal, we are proposing an engagement team with extensive governmental audit experience. The staffing plan includes Nitin Patel, CPA, the engagement partner with 29 years of experience, Kassie Radermacher, CPA, with 10 years of experience who will manage the audit and be on-site supervising the audit fieldwork and Jesse Pattison, CPA, a senior with 4 years of experience who will be on-site performing the fieldwork. We are confident that the proposed staffing plan with an engagement team experienced in governmental audits and who are familiar with municipal procedures will result in an effective and efficient audit that meets the project timing and deliverables requirements with minimum disruption to your staff.

The scope of our services for the two years ending June 30, 2016 would be as follows:

- A financial audit and preparation of the basic financial statements of the City of Laguna Hills in accordance in with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, to be included in the Comprehensive Annual Financial Report (CAFR).
- A Single Audit of Federal Grants to be performed to meet the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133.
- An agreed-upon procedures review of the calculation of the City's GANN Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution.
- A compliance review of the City's Investment Policy.
- Preparation of the City's California State Controller's Office Annual Street Report and Annual Financial Report.
- A management letter containing any comments or recommendations resulting from our review of the systems of internal controls in connection with the financial audits.
- A report communicating information related to the audit to those in charge of governance at the conclusion of the audits.
- Verify the implementation of recommended improvement from prior year submission to GFOA under the CAFR award program.
- Participate in a minimum of two audit committee meetings.

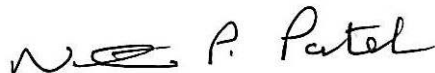
We make a commitment to deliver all necessary reports based on the timetable presented herein on page 17. Also, a more detailed discussion of our understanding of the work to be performed is set forth on pages 17 through 24.

Our goal is to provide the City with the highest quality of service, including a CAFR which meets all required reporting standards. We are confident that our service and experience will be of benefit to the City and will provide added value over and above the performance of the audit itself. Throughout the year, you should feel comfortable in calling us for advice regarding accounting and auditing matters, as we are never too busy to meet the needs of our clients.

We thank the City for the opportunity to present our proposal. Please feel free to contact me, or Mr. Robert J. Callanan, CPA, at (714) 978-1300 if you have any questions. This proposal constitutes a firm and irrevocable offer for 60 days from the date of this letter. Mr. Callanan and I are authorized to represent our firm, and bind the firm to a contract.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP



Nitin P. Patel, CPA
Engagement Partner



FIRM PROFILE AND QUALIFICATIONS

LICENSING AND INDEPENDENCE

Our firm, and all of our certified personnel, are properly licensed to practice public accounting in California.

Also, we meet the independence requirements of "Government Auditing Standards", as published by the U.S. General Accountability Office. We have no conflict of interest with the City and will provide written notice to the City of any professional relationships contemplated with the City during our term as auditors. We have not provided auditing or any other services to the City during the past five years.

INSURANCE

The firm has the following insurance coverage:

Insurance Type	Each Occurrence Limit	Aggregate Limit	Deductible
Umbrella Policy	\$ 4,000,000	\$ 4,000,000	\$ 10,000
General Liability	1,000,000	2,000,000	-
Auto Liability - Hired & Nonowned	1,000,000	1,000,000	-
Workers' Compensation	1,000,000	1,000,000	-
Professional Liability	5,000,000	10,000,000	75,000

SIZE AND LOCATION OF THE FIRM

White Nelson Diehl Evans LLP is a California accounting firm with offices in Irvine, Carlsbad and Escondido.



Our firm has approximately 140 employees, which includes 23 partners with separate assurance and tax departments. Your City would be served by the assurance department from our Irvine office, which has approximately 45 professional staff members, including 9 partners, 15 managers and supervisors. The Irvine Office assurance department staff with governmental experience consists of four partners, five managers, four supervisors, ten seniors and twelve staff accountants.

White Nelson Diehl Evans LLP has extensive experience in providing auditing, accounting and consulting services in the governmental sector. Over twenty thousand hours per year are devoted to this area of our practice for over 100 governmental units including cities, successor agencies, special districts, nonprofit corporations and joint power authorities.



RANGE OF ACTIVITIES

White Nelson Diehl Evans LLP is a full service CPA firm. We offer a broad range of services, including:

Certified Audits
Compilations and Reviews
Agreed-Upon Procedure Reviews
Financial Services

Tax Planning and Consulting
Income Tax Preparation and Representation
Consulting Services
Litigation Support Services

Our specific services available to governmental agencies are more fully set forth in this proposal.

PARTICIPATION IN "QUALITY REVIEW" PROGRAMS

In July 2012, our firm underwent a quality review, by an independent CPA firm, under provisions of the AICPA Quality Review Program. This review is required every three years and covered our audits of governmental agencies. A final report dated August 3, 2012 with a pass rating on our systems and procedures was received. A copy of the independent CPA firm's report is included herein at Attachment II. Accordingly, we are confident that our current auditing standards and techniques meet all existing requirements.

No regulatory action has ever been taken against any office of our firm due to substandard work. We had no significant deficiencies noted in any federal or state desk reviews over the past three years.

EDUCATION PROGRAMS

White Nelson Diehl Evans LLP has a formal continuing education program. All firm auditors are required to obtain 80 hours of continuing education every two years in the accounting and auditing area as required by Government Auditing Standards, and at least 24 hours of government related continuing education courses. Our staff is continually expanding their knowledge of the governmental industry through our in-house training programs, programs offered by the AICPA, GFOA, the California Society of Certified Public Accountants and other professional organizations, and through on-the-job training.

Noted below is a description of certain in-house education courses taken by our partners and staff to meet the governmental continuing education requirements. All personnel involved with governmental auditing are required to attend these courses.

- Understanding the Risk Assessment Standards
- Understanding of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments
- Understanding, and Auditing, Deposits and Investments of California Governmental Units
- Understanding GASB Statements 43 and 45 related to Other Post Employment Benefits
- Reviews of Internal Controls in Accordance With Statements on Auditing Standards
- Assessing Audit Risk and Materiality in Conducting An Audit
- Consideration of Fraud in a Financial Statement Audit
- Computer Auditing in the Governmental Environment
- The Single Audit - New Provisions under OMB Circular A-133
- Laws and Regulations in the Government Sector
- Understanding GASB Statement 54 related to Fund Balance Reporting and Governmental Fund Type Definitions
- Understanding GASB Statement 65 related to reporting of Deferred Outflows and Deferred Inflows of Resources
- Understanding the new GASB Pension Standards



PARTICIPATION IN PROFESSIONAL ORGANIZATIONS

Our partners and staff are actively involved in professional organizations in the governmental accounting field. Noted below is a summary of our participation in various national and California governmental organizations.

AICPA

Our firm is a member of the AICPA Governmental Audit Quality Center. The Center is a firm-based voluntary membership Center whose primary purpose is to promote the importance of quality governmental audits to purchasers of governmental audit services. The Center provides members with an online forum tool for sharing best practices, as well as discussions on audit, accounting, and regulatory issues. As a member of the Center, the firm receives updates on changes in auditing and accounting standards that effect governmental audits. The quality control partner is required to attend an annual web cast to discuss auditing and reporting issues effecting governmental audits. Our firm uses the resources of the Center to maintain the quality of our governmental audits.

GFOA, GASB and FASB

Our firm is an associate member of the Government Finance Officers Association of the United States and Canada (GFOA).

Also, we have web based access to the latest pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standard Board (FASB), including Interpretations, Technical Pronouncements and Newsletters. We regularly analyze these pronouncements and advise our governmental clients of changes in accounting rules.

CSMFO

Our Irvine office partners and our Director of Consulting Services are associate members of the California Society of Municipal Finance Officers (CSMFO). Our personnel regularly attend local CSMFO chapter meetings throughout Southern California, and the annual statewide conference. We often provide public speakers for these meetings.

CSCPA

Several partners and principals of the firm have been members of the Governmental Accounting and Auditing (GAA) Committee of the Orange County Chapter of the California Society of Certified Public Accountants (CSCPA). Mr. Patel, Mr. Ludin and Mr. Morgan have each served as chairman of this committee. Firm personnel have been involved over the years in preparing position papers issued for professional organizations on governmental accounting matters. Currently, Mr. Patel and Mr. Callanan are members of the State Governmental Accounting and Auditing Committee.

GFOA AWARD PROGRAM

The partner and manager will be involved in all phases of report preparation or review. Reporting checklists will be used to assure compliance with all reporting requirements. In addition, another member of the firm, not associated with the audit, and with extensive governmental auditing and accounting experience, will review each financial statement audited and related reports. Based on the high quality of our review process, we have been able to assist various clients in obtaining the GFOA "Certificate of Achievement for Excellence in Financial Reporting". The recent clients that have received the award are:

Cities:

Alhambra
Bellflower
Beverly Hills
Burbank
Camarillo
Campbell
Colton
Costa Mesa
Cypress
Del Mar
Downey
Fountain Valley
Goleta
Highland
Lake Forest
Lakewood
Lancaster
Newport Beach
Palm Desert
Pico Rivera
Port Hueneme

Cities (Continued):

Rancho Palos Verdes
Rancho Santa Margarita
San Buenaventura
San Gabriel
Sanger
Signal Hill
Stanton
Tustin
West Covina
West Hollywood
Westminster

Special Districts:

Costa Mesa Sanitary District
Inland Empire Utilities Agency
Las Virgenes Municipal Water District
Olivenhain Municipal Water District
Otay Water District
Rancho California Water District
Santa Ana Watershed Project Authority
Yorba Linda Water District

COMPUTER AUDITING CAPABILITIES

White Nelson Diehl Evans LLP uses technology to make the audit process more effective. We utilize a paperless audit software, ProSystem fx Engagement, which allows us to manage our audit documentation electronically. Some of the benefits of paperless audit are:

- Receive the City's schedules in either hard copy or electronic format.
- Import and integrate trial balance data from virtually any accounting system. We avoid the time and expense of keying in account numbers, descriptions and account balances. We simply take your electronic trial balance and import it directly into our audit software.
- Create our own lead sheets, which can include prior year balances. This helps us to easily identify significant fluctuations between fiscal years.
- CAFR schedules are linked to trial balances. CAFR is updated automatically for any last minute journal entries, if any.

Our approach includes using IDEA (Interactive Data Extraction and Analysis) which is a data analysis software that can be used to analyze large amounts of information. It allows the firm to extract data from the City's accounting records to tailor specific audit tests based on risk assessments. Some audit procedures that IDEA can be utilized for are:

- Mechanical accuracy of worksheets or general ledgers.
- Exception and gap/completeness testing for missing check numbers.
- Cross checking different data bases for common information such as employee names.
- Duplicate testing of invoice numbers.
- Completeness of general ledger balances.

The firm also has document management software which allows our clients to access our web portal. We utilize the web portal to transfer data files that are confidential or too large to be sent by e-mail.



PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

AUDIT TEAM

The audit team assembled consists of individuals who have extensive experience auditing governmental agencies and are familiar with municipal accounting. In addition, each team member's skill and experience developed working in other industries our firm serves can be applied to the individual requirements of the City of Laguna Hills.

The personnel assigned to the engagement team are as follows:

The engagement partner will be Mr. Nitin P. Patel, CPA. Mr. Patel has over 29 years of experience with audits of local governments. He will be involved with all phases of the audit including (a) the planning phase of the audit to assess risks related to the audit (b) a final review of all the work papers and financial reports, and (c) attending any meetings with City's management and City council at the conclusion of the audit. He will be responsible for assuring that all work for the City is performed in a complete and timely manner.

Mr. Robert J. Callanan, CPA, will be the Technical Review Partner and will perform a quality review of all reports issued in connection with the audit. Mr. Callanan has over 25 years of experience with audits of local governments. He will also consult on the accounting treatment of unusual transactions or audit issues.

Ms. Kassie Radermacher, CPA, will serve as the audit manager. Ms. Radermacher has over 10 years of experience with audits of local governments. She will be the primary contact for the City and related audits. She will (a) be on-site supervising staff accountants, (b) perform the initial review of the work papers including a review of the work completed related to internal controls, (c) supervise the completion of the financial reports and management letter and (d) assist in the audit of any complex or unusual audit areas.

The audit senior will be Mr. Jesse Pattison, CPA. Mr. Pattison has over 4 years of public accounting experience. He will be on-site performing the fieldwork including performing tests of internal controls, substantive tests of account balances, and analytical tests. He will also draft the financial statements and various reports required for this engagement.

Resumes for the above partners and personnel are included at pages 9 through 12.

COMMITMENT RELATED TO PERSONNEL

We make a commitment to retain the same personnel on the City from year to year, except where such personnel leave the firm, or where the change is approved by the City. If a staff member is replaced, we make a commitment to replace that person with staff of at least equal experience.

NONDISCRIMINATION POLICY

Our firm has a policy to provide equal employment opportunities to all qualified persons without regard to race, color, age, sex, religion, national origin or handicap.



NITIN P. PATEL, CPA



Position

Engagement Partner

Education

University of California at Irvine
Bachelor of Arts in Economics
California State University at Long Beach
Masters of Accounting Program

Licensing

Certified Public Accountant in California since 1988

Professional Organizations

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
California Society of Municipal Finance Officers (CSMFO) - Associate Member
Governmental Accounting and Auditing Committee of Orange County - Committee Chairman (2001-2002)
California Governmental Accounting and Auditing Committee Member

Range of Experience

Has been with the firm since 1986 with emphasis in governmental accounting and financial reporting and is responsible for firm's in-house governmental accounting and auditing training programs.

Experience includes supervision of over one hundred audits of governmental agencies including cities, successor agencies/redevelopment agencies, non-profit corporations, joint powers authorities and special districts.

CSMFO Report Reviewer for Award Program.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Other experience includes providing consulting services for governmental agencies including special internal control reviews, cost allocation plans, cable television rate reviews, reviews of City Treasurer operations and transient occupancy tax reviews of city hotels/motels.

Mr. Patel was the engagement partner on the following local government audits in 2014:

Cities:

Alhambra
Artesia
Bellflower
Burbank
Colton
Costa Mesa
Cypress
Gilroy
Lake Forest
Newport Beach
Palm Desert
Port Hueneme
Rialto
San Gabriel
Stanton

Cities (Continued):

West Hollywood
Westminster

Special Districts:

Chino Basin Desalter Authority
Costa Mesa Sanitary District
Cypress Recreation and Park District
Inland Empire Regional Composting Authority
Inland Empire Utilities Agency
La Habra Heights County Water District
La Puente Valley County Water District
Orchard Dale Water District
Rancho California Water District
South Coast Water District
Yorba Linda Water District

Continuing Professional Education

Total hours were 191 in the last three years, of which 168 hours were for meeting the requirements of the Government Audit Standards.



ROBERT J. CALLANAN, CPA



Position

Technical Review Partner

Education

Aquinas College, Grand Rapids, Michigan

Bachelor of Arts, Business Administration, 1988

Bachelor of Science, Accounting, 1988

Licensing

Certified Public Accountant in California since 1993

Professional Organizations

American Institute of Certified Public Accountants - Member

California Society of Certified Public Accountants - Member

California Society of Municipal Finance Officers (CSMFO) - Associate Member

California Governmental Accounting and Auditing Committee Member

Range of Experience

Twenty-five years with the firm specializing in governmental audit, accounting and consulting services.

Two years of experience as Chief Financial Officer of a mortgage lending corporation.

Responsible for the firm's in-house governmental accounting and auditing training programs.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Mr. Callanan was the engagement partner on the following local government audits in 2014:

Cities:

Camarillo

Campbell

Del Mar

Hawaiian Gardens

Oxnard

Pico Rivera

Rancho Santa Margarita

San Buenaventura

Special Districts:

Laguna Beach County Water District

Pico Rivera Water Authority

Pomona-Walnut-Rowland Joint Water

Line Commission

Rowland Water District

Sunset Beach Sanitary District

Surfside Colony Stormwater Protection District

Surfside Community Services District

Ventura Port District

Continuing Professional Education

Total hours were 202 in the last three years, of which 179 hours were for meeting the requirements of the Government Audit Standards.



KASSIE RADERMACHER, CPA



Position

Audit Manager

Education

West Virginia University

Masters of Professional Accountancy, 2005

Bachelor of Science, 2003

Licensing

Certified Public Accountant in California since 2010

Certified Public Accountant in Virginia since 2006

Professional Organizations

California Society of Certified Public Accountants (CSCPA)

Range of Experience

Ms. Radermacher has been with the firm since June 2009. Ms. Radermacher has performed all phases of local governmental audits including cities, successor agencies/redevelopment agencies, single audit of federal grants, special districts, compliance audits and agreed-upon procedures engagements. As an audit manager, she is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants and preparation of financial statements. Ms. Radermacher served as the Audit Manager on the following local government audits in 2014:

City of Artesia

City of Bellflower

City of Cypress

City of Del Mar

City of Fountain Valley

City of Lake Forest

City of Newport Beach

City of Rancho Santa Margarita

City of Rialto

City of San Gabriel

City of Stanton

La Puente Valley County Water District

Lake Elsinore & San Jacinto

Watersheds Authority

Local Agency Formation Commission (LAFCO) -

Orange County

Orchard Dale Water District

Orange County Vector Control District

Pico Water District

Santa Ana Watershed Project Authority

Sunset Beach Sanitary District

Surfside Colony Community Service District

Surfside Colony Storm Water Protection District

Yorba Linda Water District

Prior to joining the firm, Ms. Radermacher was senior in-charge of compilations, reviews, single audits, and financial audits for non-profit and business clients with Rager, Lehman & Houck, P.C. in Frederick, MD. She was also responsible for educating and monitoring the staff.

Continuing Professional Education

Total hours were 193 in the last three years, of which 181 hours were for meeting the requirements of the Government Audit Standards.



JESSE PATTISON, CPA



Position

Audit Senior

Education

University of Arizona

Masters of Accounting, 2011

Bachelors of Science, 2010

Licensing

Certified Public Accountant in California since December 2014

Range of Experience

Mr. Pattison has been with the firm since August 2012. Mr. Pattison has performed all phases of audits including Non-profit Corporations, Cities, Single Audit of Federal Grants, Special Districts, Compliance Audits, Business Entities, and Agreed-Upon Procedures engagements. He has been involved with planning the audit, performing fieldwork for all aspects of the audit and preparation of financial statements. Mr. Pattison has been involved with the following Non-profit, Governmental and Business clients:

Governmental:

City of Alhambra
City of Artesia
City of Beverly Hills
City of Burbank
City of Gilroy
City of Highland
City of Hawaiian Gardens
City of La Habra Heights
City of Lake Forest
City of Newport Beach
City of Sanger
California Joint Powers Insurance
Authority
Los Angeles Local Agency
Formation Commission
Orchard Dale Water District

Non-profit Corporations:

Boys and Girls Clubs of Garden Grove
Collwood Terrace
Human Options, Inc.

Business Entities:

Aubrey Group
Ganahl Lumber Company
Independent Capital Management
Ironman
LeVecke Corporation
Meridian Graphics
Pacific American Fish, Co.
Park West
Pool Water Products
Security Signal Devices, Inc.
Trussed, Inc.
Venus Textiles, Inc.

Prior to joining the firm, Mr. Pattison was a staff accountant and performed reviews, single audits, and financial audits for non-profit and business clients with Eide Bailly in Phoenix, Arizona.

Continuing Professional Education

Total hours for the period of August 1, 2012 through December 31, 2014 were 96, of which 96 hours were for meeting the requirements of the Government Audit Standards.



FIRM EXPERIENCE WITH GOVERNMENTAL ENTITIES

SIMILAR ENGAGEMENTS WITH OTHER MUNICIPAL ENTITIES AND REFERENCES

The scope of work and client references for five comparable city clients are included below. A complete list of similar engagements for the past five years is included in Attachment I of this proposal.

City of Costa Mesa

Ms. Colleen O'Donoghue
Assistant Finance Director
(714) 754-5421

Scope of work:

City, Housing Authority,
Financing Authority, and
AQMD audits
Single audit
GANN report

City of Lake Forest

Mr. Keith Neves
Director of Finance
(949) 461-3400

Scope of work:

City and Housing Authority
audits
Preparation of the CAFR
Single audit
GANN report

City of Newport Beach

Mr. Dan Matusiewicz
Director of Finance
(949) 644-3126

Scope of work:

City audit
Single audit
GANN Report

City of Rancho

Santa Margarita

Ms. Stefanie Turner
Finance Director
(949) 635-1812

Scope of work:

City audit
GANN report

City of Stanton

Mr. Stephen Parker
Administrative Services
Director
(714) 379-9222

Scope of work:

City and Successor Agency
audits
Preparation of the CAFR
GANN report

CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our clients over the past year. We are including the names and phone numbers of the city clients as presented in Attachment I of this proposal. We encourage you to contact any of these individuals and verify our level of service.



ENTERPRISE FUND EXPERIENCE

Most cities audited by our firm have a water utility enterprise fund. Noted below is a partial listing of other enterprise funds audited by our firm in recent years:

<u>City</u>	<u>Enterprise</u>
Alhambra	Water, Sewer, Storm Drain, Sanitation, Golf Course
Avalon	Harbor, Sewer, Saltwater, Solidwaste, Hospital
Bellflower	Water
Beverly Hills	Water, Solidwaste, Wastewater, Stormwater
Burbank	Water Reclamation, Sewer, Golf, Electric Utility Water Utility, Refuse Collection and Disposal
Camarillo	Water, Sanitary, Solidwaste, Transit
Colton	Electric Utility, Water Utility, Wastewater Utility
Cypress	Sewer
Del Mar	Water, Wastewater, Cleanwater
Downey	Water, Sewer, Golf Course, Transit System
Fountain Valley	Water, Solidwaste
Gilroy	Water, Sewer
Hesperia	Water, Sewer
Lakewood	Water
Lancaster	Power Authority
Newport Beach	Water, Sewer
Oxnard	Water, Wastewater, Environmental Resource, Performing Arts and Convention Center, Housing Authority, Golf Course
Palm Desert	Golf Course
Pico Rivera	Water, Sports Arena, Golf
Port Hueneme	Water, Wastewater, Solidwaste, Housing
Rancho Palos Verdes	Water Quality Flood Protection
Rialto	Airport, Cemetery, Recreation, Wastewater, Water
San Buenaventura	Water, Sewer
Sanger	Water, Sewer, Disposal, Ambulance
Signal Hill	Water
Stanton	Sewer
Tustin	Water
West Covina	Simulator, Computer
West Hollywood	Sewer District, Sewer Charge, Solid Waste, Landscape District and Street Maintenance
Westminster	Water

SINGLE AUDIT EXPERIENCE

We perform single audit services for most of our cities and special districts that receive federal funds as required by OMB Circular A-133. In recent years, Single Audits were performed for the following cities and special districts.

Cities:

City of Alhambra	City of Lakewood
City of Artesia	City of Lancaster
City of Bellflower	City of Newport Beach
City of Beverly Hills	City of Oxnard
City of Burbank	City of Palm Desert
City of Camarillo	City of Pico Rivera
City of Campbell	City of Port Hueneme
City of Colton	City of Rancho Palos Verdes
City of Costa Mesa	City of Rancho Santa Margarita
City of Cypress	City of Rialto
City of Del Mar	City of San Buenaventura
City of Downey	City of San Gabriel
City of Fountain Valley	City of Sanger
City of Gilroy	City of Signal Hill
City of Goleta	City of Stanton
City of Hawaiian Gardens	City of Tustin
City of Hesperia	City of West Covina
City of Highland	City of West Hollywood
City of La Habra Heights	City of Westminster
City of Lake Forest	

Special Districts:

- Inland Empire Utilities Agency
- Las Virgenes Municipal Water District
- Olivenhain Municipal Water District
- Rancho California Water District
- Valley Wide Recreation and Park District

EXPERIENCE WITH PREPARATION OF STATE-MANDATED REPORTS

We have experience with the preparation of various state-mandated reports, such as the State Controller's Report and the Annual Street Report. Specifically, with regard to cities, we have prepared the state mandated reports, in recent years, for the Cities of Alhambra, Avalon, Bellflower, Colton, Del Mar, Goleta, La Habra Heights, Lancaster, Pico Rivera, Rancho Palos Verdes, San Buenaventura, Sanger, Tustin and West Hollywood.

SPECIAL DISTRICTS

Noted below is a listing of special districts audited by our firm in recent years:

Borrego Water District	Olivenhain Municipal Water District
Chino Basin Desalter Authority	Orange County Vector Control District
Costa Mesa Sanitary District	Orchard Dale Water District
Cypress Recreation and Park District	Otay Water District
Downey Cemetery District	Padre Dam Municipal Water District
El Toro Water District	Rancho California Water District
Grossmont Healthcare District	Rowland Water District
Heber Public Utilities District	Santa Ana Watershed Project Authority
Inland Empire Regional Composting Authority	South Coast Water District
Inland Empire Utilities Agency	South County Regional Wastewater Authority
La Habra Heights County Water District	Sunset Beach Sanitary District
La Puente Valley County Water District	Surfside Colony Stormwater
Laguna Beach County Water District	Drainage District
Lake Elsinore and San Jacinto	Surfside Community Services District
Joint Powers Authority	Vallecitos Water District
Las Virgenes Municipal Water District	Valley Wide Recreation and Park District
Leucadia Wastewater District	Ventura Port District
Midway City Sanitary District	Yorba Linda Water District

NONPROFIT CORPORATIONS AND JOINT POWER AUTHORITIES

Noted below is a partial listing of nonprofit corporations and joint power authorities audited by our firm over the past year. Some of these entities are "component units" which are combined into the basic financial statements of governmental organizations which exercise oversight responsibility.

Anaheim District of the Churches of the Nazarene	Pomona-Walnut-Rowland Joint Water Line Commission
Cal State L.A. Metrolink Authority	Public Cable Television Authority
California Transplant	The RARE Project
Casa de las Campanas	Trinity Youth Services
Casa Romantica Cultural Center	United Cerebral Palsy Association
Child Abuse Prevention Center	Valencia Heights Water Company
Palm Desert Recreational Facilities Corporation	Westview Services, Inc. 403(b) Plan

SCOPE OF WORK, TIMING AND AUDIT APPROACH

ENTITY TO BE INCLUDED IN AUDIT

City of Laguna Hills

REPORTS TO BE ISSUED AND DUE DATES

	<u>Draft Due Dates</u>	<u>Final Due Dates</u>
City of Laguna Hills:		
Comprehensive Annual Financial Report	2 nd week in November	4 th Tuesday in November
Management Letter	2 nd week in November	4 th Tuesday in November
Audit Committee Letter	2 nd week in November	4 th Tuesday in November
Single Audit Reports:	2 nd week in November	4 th Tuesday in November
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> - Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards.		
Report on Compliance with Article XIII B Appropriation Limit (GANN Review)	2 nd week in November	4 th Tuesday in November
Report on Compliance regarding the City's Investment Policy	2 nd week in November	4 th Tuesday in November
State Controllers' Office Reports:		
Annual Street Report	N/A	As required by SCO
Annual Financial Report	N/A	As required by SCO

AUDIT TIMING

Assuming that the City's books are closed and ready for examination and that all necessary schedules and documents are available for our use by the 2nd week in September each year, the suggested time schedule for the various phases of the audit would be approximately as follows:

	<u>Completed By</u>
Entrance conference with key City staff. Discussion of any prior audit concerns and the performance of interim work.	June 30
Interim audit fieldwork and management review	3 rd or 4 th week in July
Final audit fieldwork and management review	4 th week in September
Exit conference to summarize the results of the fieldwork and to review significant findings	4 th week in September
Deliver draft copies of reports	See page 17
Deliver Final Reports	See page 17

COMMITMENT TO DELIVER REPORTS ON A TIMELY BASIS

If all books and records, schedules and documents are made available to us by 2nd week of September, we make a commitment to have audit team members available and to provide all reports by the due dates specified above.

AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS

We will audit the financial statements of the City and any component units. The financial statements of all entities where the City exercises oversight will be combined with the City's financial statements, in accordance with GASB requirements. Our audit will be in accordance with auditing standards generally accepted in the United States of America as set forth by the AICPA, and will include such auditing procedures as we consider necessary under the circumstances. We will apply certain limited procedures, which consist principally of inquiries of management regarding methods of measurement and presentation of required supplementary information. However, we do not audit such information and do not express an opinion on it. Any supplemental financial statements will be subjected to auditing procedures as we consider necessary in relation to the financial statements taken as a whole. The scope of our audit will not include any statistical information, and we will not express an opinion concerning it.

Our audits will conform with the guidelines set forth in the AICPA's Industry Audit Guide, Audits of State and Local Governmental Units. Also, each examination will comply with the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office, the provisions of the Single Audit Act and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133.



AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS (CONTINUED)

Also, we will perform an agreed-upon procedures review of the City's Gann Spending Limitation Computation as required by Section 1.5 of Article XIII B of the California Constitution. Our review will be performed in conformance with the provision of the "League of California Cities Uniform Guidelines".

AUDIT APPROACH

- Our audit approach is tailored to meet the technical requirements while maintaining professional skepticism without forgetting that we provide a service. The following aspects of our audit approach will add additional value to the audit services and minimize the amount of time spent by the City's staff in dealing with the audit.
- We will assign experienced staff auditors including the in-charge field auditor having at least 3 years of experience. For first year engagements, all other staff will have at least 1 year of experience. You will not spend time training our auditors.
- Whenever possible, we will use same format for audit supporting schedules used in prior years for the current year audit. This will reduce time spent by the City staff in dealing with the audit when a different audit firm is chosen.
- Throughout the year we are available as a resource to our clients in researching technical questions, dealing with new pronouncements, reviewing complex financial entries and helping with any other issues as they arise.
- The work papers will be reviewed by the manager or partner as field work is being completed to minimize additional questions after the fieldwork is completed.

Our firm uses a governmental audit program which will be modified to the City of Laguna Hills's operations to accommodate specific client circumstances. Our audit programs are organized by the financial statement approach and general procedures. The requirements by the Standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.

AUDIT APPROACH (CONTINUED)

1. Audit Planning Procedures:

- Pre-audit conference with the City to establish process of communication between the audit team and City staff.
- Discuss any new accounting pronouncements to be implemented in the current year.
- Establish scope of work and timing of fieldwork.

2. Interim Fieldwork:

Gather information about the City and its environment, including internal control:

- Evaluate the design of internal controls that are relevant to the audit and determine whether the control, either individually or in combination is capable of effecting, preventing or detecting and correcting material misstatements.
- Determine that the controls have been implemented, that is, that the controls exist and that the City is using it.
- Specific areas to review include:
 - Accounts payable/cash disbursements
 - Accounts receivable/cash receipts
 - Payroll disbursements
 - Utility billing process
 - Investment compliance
 - Property and equipment
- Review of minutes of the City of Laguna Hills.
- Review of important contracts and debt agreements.
- Interim exit conference with the City to review results of interim fieldwork, including any findings.

3. Final Audit Work:

During the final audit work, we will assess “risk” of material misstatement based on understanding of the City’s audit environment, including its internal control, to identify account balances to audit that appear in the City’s financial statements. Our audit programs will be specifically tailored to address any significant risks identified. The Prepared by Client (PBC) list will be provided at least one month in advance of fieldwork. Our work may include:

- Confirmation of cash and investments balances and testing of bank reconciliations.
- Confirm significant receivable balances or review subsequent cash receipts to verify receivable balance.
- Search for unrecorded liabilities.
- Testing of interfund balances and transfers.
- Test capital asset additions and depreciation expense.
- Confirm long-term debt balances and review the accounting treatment of debt issued or refunded.
- Test support for other significant assets or liabilities.
- Analytical procedures on balance sheet and revenue and expenditure accounts, to evaluate and explain unusual fluctuations from prior year balances or current year budgeted amounts.

AUDIT APPROACH (CONTINUED)

3. Final Audit Work (Continued):

- Review of attorney letters for significant legal matters affecting the City's financial position.
- An exit conference will be held to review any significant adjustments or findings.

The audit workpapers will be reviewed by our management team as the work is being performed in the field so that at the conclusion of the fieldwork we are able to report any adjustments or findings.

AUDIT APPROACH REDEVELOPMENT AGENCY/SUCCESSOR AGENCY

Recent legislation related to the dissolution of Redevelopment Agencies will impact our audit approach as detailed below.

Our procedures will include:

- Audit the balances reported for cash, investments, receivables, payables, capital assets and long term liabilities as of end of the year.
- Review the activity reported on ROPS.
- Review the activities of the Successor Agency to ensure compliance with AB 26, AB 1484 and other relevant legislation enacted.

APPROACH TO INTERNAL CONTROL

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our understanding of the internal controls will be completed by completing narratives and checklists for various processes related to internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.



SINGLE AUDIT APPROACH

The single audit will be performed in accordance with all the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133 and Government Auditing Standards issued by the GAO (the “Yellow Book”) for cities that expend greater than \$500,000 in federal awards in fiscal year 2014-2015 and greater than \$750,000 for fiscal year 2015-2016 and subsequent years.

- We will identify the Major and Nonmajor Federal Programs of the City through the risk-based approach required by OMB Circular A-133. This approach includes consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the federal program.
- We will review all federal and industry-specific publications and guidance and inform the City of any recent changes.
- We will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with applicable compliance requirements. If weaknesses in the internal controls are noted, we will modify our audit program as needed.
- Our audit will include tests of transactions related to major federal award programs for compliance with applicable compliance requirements and certain provisions of laws, regulations, contracts and grant agreements. Beginning in fiscal year 2015-2016, we will test compliance with the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (also known as the OMB Super Circular).
- Our procedures will consist of the applicable procedures described in the OMB Circular A-133 “Compliance Supplement” for the types of compliance requirements that could have a direct and material effect on each of the City’s major programs. The purpose of those procedures will be to express an opinion on the City’s compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.
- We will assist the City in completing and filing the Data Collection Form.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT

Under provisions of AICPA Auditing Standards, management of the City is responsible for identifying to its outside auditors any laws and regulations which would have a significant effect on the audit. This would include federal laws (such as federal grant regulations), State laws (such as permitted investments under the California Government Code) and local laws (such as restrictions on special revenues levied by the City). After our selection as auditors, we will consult with City officials regarding these matters, to determine what laws and regulations need to be evaluated in connection with our audit. If a City is not able to identify specific laws and regulations that effect it, we have references (California Government Code and Health and Safety Code) to the more common laws, rules and regulations in our standard audit programs for the usual activities of a California City or Successor Agency to the Redevelopment Agency which will assist us in identifying laws and regulations to review in the audit.



METHOD OF SAMPLING

Our approach is to utilize random sampling based in our testing of the internal control systems related to cash receipts, cash disbursements, payroll and utility billings. Based on a statistical conclusion used by the firm our sample sizes can range from 25 to 60 transactions for each system. A random sample selection allows each item in the population of an equal chance of being selected. In addition, for disbursements, we may select a stratified sample of all transactions over a specified dollar amount for review.

ANALYTICAL PROCEDURES

Analytical procedures are used in the planning and final stages of the audit. In the planning phase, we use analytical procedures to identify unusual financial transactions and comparing relationships to expected results. We compare current year information to the prior years for balance sheet items, revenues and expenditures. In addition, revenues and expenditures are compared to budgets to identify unexpected results. In the final stages of the audit, the financial statements are reviewed to identify expected relationships such as comparing debt paid to expenditures recorded on governmental funds, transfers between funds, depreciation expense, etc. For all significant relationships identified, explanations are obtained as to why the situation occurred and additional audit procedures are applied to resolve any concerns.

MANAGEMENT LETTERS

In connection with each audit, a complete review of internal controls will be made of all significant accounting procedures. Our firm uses an internal control questionnaire, computer systems questionnaire and narration to gain an understanding of the internal control process as part of our audit. We will identify weaknesses and after discussion with the appropriate City staff, we will submit a management letter which will identify weaknesses observed during these reviews and throughout the audit. The management letter will also assess the effect of the management letter comments on the financial reporting process and recommend steps towards eliminating the weaknesses.

POTENTIAL AUDIT PROBLEMS

We do not anticipate any significant potential audit problems. If any potential audit problems are identified, we will immediately discuss them with the City's management. Our approach is to coordinate the resolution of any problems with the City's management. Considering our experience with auditing governmental entities and resources, we expect minimal disruption to the City's management in resolving any identified audit problems.

RETENTION OF AND ACCESS TO AUDIT WORKPAPERS

In accordance with provisions of OMB Circular A-133, GAO requirements, and the California Board of Accountancy, our audit workpapers will be maintained for at least seven years after the date of the report. These workpapers will be made available as necessary to your cognizant audit agency (or its designee), to GAO representatives, or to any other federal or state agency needing access to the workpapers. Also, our firm will respond to any reasonable inquiries of successor auditors and we will allow any successor auditors to review our workpapers.



OTHER PROFESSIONAL SERVICES

We will be available for any other professional assistance you require to research and answer accounting and reporting problems raised by the City, regardless of the time of year. Such assistance may include, but is not limited to, tax questions, the review of bond documents, cost allocation programs and employee benefit programs. We have provided several tax opinions to City audit clients for matters relating to deferred compensation, fringe benefits, stipends and allowances, and other issues. We also will keep the City informed of new developments affecting municipal finance and reporting, changes in grant rules and regulations, etc.

IRREGULARITIES AND ILLEGAL ACTS

We will make an immediate, written report of all irregularities, illegal acts or indications of illegal acts of which we become aware, to those charged with governance.

SEGMENTATION OF THE AUDIT HOURS, BY PARTNER AND STAFF LEVEL

Description of Services	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
City Audit, including CAFR Preparation and GANN Limit Review Report	24	32	64	96	10	226
State Controller's Office Reports:						
Annual Street Report	-	-	-	14	-	14
Annual Financial Report	-	4	-	30	-	34
Total Hours - City Services	24	36	64	140	10	274
Single Audit and Related Reports	1	4	-	24	1	30

SEGMENTATION OF THE AUDIT HOURS, BY PHASES OF THE AUDIT – CITY SERVICES

	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
Planning	4	4	4	10	-	22
Interim Fieldwork	4	8	14	40	-	66
Final Fieldwork and Review	16	24	46	90	10	186
Total Hours	24	36	64	140	10	274

SEGMENTATION OF THE AUDIT HOURS, BY PHASES OF THE AUDIT – SINGLE AUDIT

	Partners	Manager	Supervisory		Clerical	Total
			Staff	Staff		
Planning	-	1	-	3	-	4
Final Fieldwork and Review	1	3	-	21	1	26
Total Hours	1	4	-	24	1	30

DISCUSSION OF RELEVANT ACCOUNTING ISSUES

GASB STATEMENT NO. 68

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, is effective for periods beginning after June 15, 2014. This Statement improves the accounting and financial reporting by state and local governments for pension plans. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed.

GASB STATEMENT NO. 69

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term, *government combinations*, includes mergers, acquisitions, and transfers of operations.

GASB STATEMENT NO. 71

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68 are required to be applied simultaneously with the provisions of Statement 68. The requirements of the Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.

IMPLEMENTATION OF GASB STATEMENT NO. 68

Our firm has been involved with providing guidance and assistance to our clients in the implementation of GASB 68. Our partners are members of the State Governmental Accounting Auditing Committee which has collaborated with the CCMA in the development of a CCMA white paper that will provide California-specific guidance for the implementation of GASB 68.

Over the past year, we have provided the following guidance:

- Presented a GASB 68 update at a monthly CSMFO meeting
- Consulted with GASB 68 for specific guidance for employers in regards to establishing separate trusts and the impact of these trusts on the financial statements of the governmental client
- Provided communications to our clients on CALPERS efforts to provide GASB 68 information

For the 2015 audit, we will provide to each client the following guidance:

- Provide assistance in the preparation of the restatement that will recognize the cumulative effect of the retroactive application of GASB 68 to the beginning net position balances as of July 1, 2014.
- Provide guidance in the preparation of any journal entries required for the implementation of GASB 68.
- If applicable, consult with the local agency on the allocation of the GASB 68 liability to proprietary and the private-purpose trust fund.
- We will assist in how to identify the information needed for meeting the requirements of GASB 68 from CALPERS actuarial reports.
- We will inform the local agencies their responsibility in reviewing the census data submitted to CALPERS which is the basis for the GASB 68 liability.
- Provide the local agency of an example note and Required Supplementary Information
- We will perform census data tests required for defined benefit plans.

WORK REQUIRED BY CITY STAFF

Our fixed annual fees contemplate that conditions satisfactory to the normal progress and completion of the examination will be encountered and that City accounting personnel will furnish the agreed-upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work, we shall report such conditions to the responsible City officials and provide the City with an estimate of the additional accounting fees involved.

Noted below is a listing of work required by City staff to assist in the audit.

1. Technical assistance in familiarizing our staff with:
 - The flow of information through the various departments and accounting systems.
 - Reports generated by your accounting system.
 - The system of internal controls.
 - Controls established to monitor compliance with federal grants.
2. Preparation of trial balances for all funds, after posting of all year end journal entries.
3. Preparation of schedules supporting all major balance sheet accounts, and selected revenue and expenditure accounts.
4. Typing of all confirmation requests.
5. Pulling and refiling of all supporting documents required for audit verification.
6. Assistance with the preparation of the CAFR and footnotes, including:
 - a. Preparation of the introductory section, the management's discussion and analysis, and portions of the statistical section for the CAFR.

CONSULTING SERVICES DEPARTMENT

OVERVIEW OF SERVICES PROVIDED

White Nelson Diehl Evans LLP offers a wide range of consulting services to governmental agencies. This section of our proposal summarizes the primary types of services provided by the firm.

The firm's Director of Consulting Services is Mr. William S. Morgan, CPA. Mr. Morgan has over thirty years of experience in providing accounting, auditing and consulting services to California cities, counties, successor agencies/redevelopment agencies, water districts, special districts, joint power authorities and nonprofit corporations. Many of the firm's consulting projects are planned, supervised and reviewed by Mr. Morgan.

Our firm provides the following types of services:

- Governmental Tax Consulting
- Performance and Operational Studies
- Redevelopment Consulting Services
- Reviews of City Treasurer Operations
- Cable Television and Broadband Consulting Services
- Reviews of Solid Waste Haulers and
Assistance With Trash Rate Negotiations
- Litigation Support and Dispute Resolution Services
- Fraud Investigations
- Hotel/Motel Transient Occupancy Tax Reviews
- Business License Operation Reviews

With regard to these engagements, we would intend to perform limited procedures reviews in connection with each assignment, in accordance with the AICPA's attestation standards. Under the provisions of the attestation standards, the City would designate what specific procedures it wishes to have performed. We would then perform those procedures and report on our findings. This type of engagement would not constitute a certified audit in accordance with auditing standards generally accepted in the United States of America. Such special services are not part of our standard fee arrangements and would be subject to a separate fee quotation.



ATTACHMENT I

CURRENT CITY CLIENT REFERENCES AND LISTS OF CITY AND SPECIAL DISTRICT ENGAGEMENTS PERFORMED IN THE LAST 5 YEARS

CURRENT CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our existing clients. We are including the names and phone numbers of our city clients over the past year. We encourage you to contact any of these individuals.

City of Alhambra
Mr. Paul Espinoza
Finance Director
(626) 570-5027

City of Artesia
Ms. Justine Menzel
Deputy City Manager
(562) 865-6249

City of Bellflower
Mr. Tae Rhee
Director of Finance
(562) 804-1424

City of Beverly Hills
Mr. Don Rhoads
Finance Director
(310) 285-2429

City of Burbank
Mr. Dino Balos
Accounting Manager
(818) 238-5518

City of Camarillo
Mr. Ronnie Campbell
Finance Director
(805) 388-5320

City of Campbell
Mr. Jesse Takahashi
Finance Director
(408) 866-2113

City of Colton
Ms. Anita Agramonte
Finance Director
(909) 370-5039

City of Costa Mesa
Ms. Colleen O'Donoghue
Assistant Finance Director
(714) 754-5421

City of Cypress
Mr. Matt Burton
Director of Finance and
Administrative Services
(714) 229-6718

City of Del Mar
Ms. Teresa McBroome
Director of Finance/Treasurer
(858) 755-9354

City of Fountain Valley
Mr. David Cain
Finance Director/Treasurer
(714) 593-4501

City of Gilroy
Ms. Christina Turner
Finance Director
(408) 846-0750

City of Goleta
Ms. Genie Wilson
Finance Director
(805) 961-7527

City of Hawaiian Gardens
Ms. Susan Hartman
Interim Finance Director
(562) 420-2641

City of Hesperia
Mr. Brian Johnson
Director of
Administrative Services
(760) 947-1442

City of Highland
Mr. Chuck Dantuono
Director of Administrative
Services
(909) 864-6861

City of Lake Forest
Mr. Keith Neves
Director of Finance
(949) 461-3400

City of Lancaster
Ms. Barbara Boswell
Finance Director
(661) 723-6035

City of Newport Beach
Mr. Dan Matusiewicz
Director of Finance
(949) 644-3126

City of Oxnard
Mr. David Millican
Interim CFO (Consultant)
(805) 385-7475

City of Palm Desert
Mr. Paul Gibson
Director of Finance
(760) 346-0611

City of Pico Rivera
Mr. Kambiz Borhani
Senior Finance Manager
(562) 801-4395

City of Port Hueneme
Mr. Robert Bravo
Finance Director
(805) 986-6506

City of Rancho Santa Margarita
Ms. Stefanie Turner
Finance Director
(949) 635-1812

City of Rialto
Mr. George Harris, II
Director of Administrative
and Community Services
(909) 421-7219

City of San Buenaventura
Mr. Rudy Livingston
Assistant Chief Financial
Officer
(805) 654-7859

City of San Gabriel
Mr. Thomas Marston
Director of Finance
(626) 308-2812

City of Sanger
Ms. Debby Sultan
Administrative Services
Director
(559) 876-6300

City of Stanton
Mr. Stephen Parker
Administrative Services
Director
(714) 379-9222

City of Tustin
Ms. Pamela Arends-King
Finance Director
(714) 573-3061

City of West Covina
Mr. Dennis Swink
Finance Director
(626) 939-8449

City of West Hollywood
Ms. Lorena Quijano
Accounting Services Manager
(323) 848-6513

City of Westminster
Ms. Sherry Johnson
Accounting Manager
(714) 898-3311

LIST OF CITY ENGAGEMENTS

We have listed below the cities which were under contract with us during the past five fiscal years.

City	Period of Service		Scope of Work
	From	To	
Alhambra	2005	Present	CA, RDA, SA, SCR
Artesia	2012	Present	CA, RDA, SA
Avalon	2006	2012	CA, RDA, OCU, SCR
Bellflower	2013	Present	CA, SA, SCR, Financing Authority, Public Facilities Corp.
Beverly Hills	2012	Present	CA, SA
Buena Park	2004	2010	CA, RDA, SA, OCU, SCR
Burbank	2013	Present	CA, AQMD, SA, Water & Utility Enterprise Fund
Camarillo	2012	Present	CA, RDA, SA
Campbell	2013	Present	CA, SA, T, Solid Waste Management Authority
Colton	2014	Present	CA, SA, SCR, Child Care Program
Costa Mesa	2012	Present	CA, RDA, PFA, SA, Housing Authority
Cypress	2012	Present	CA, RDA, RA, SA
Del Mar	2014	Present	CA, SA, SCR
Downey	1987	2013	CA, RDA, AQMD, PFA, SA, OCU
Fountain Valley	2013	Present	CA, SA, Housing Authority, Financing Authority
Fullerton	2004	2010	CA, RDA, AQMD, SA, SCR, Cost Allocations
Gilroy	2013	Present	CA, SA
Goleta	2013	Present	CA, SA, SCR, SR
Hawaiian Gardens	2012	Present	CA, RDA, PFA, SA
Hesperia	1997	Present	CA, RDA, SA
Highland	2012	Present	CA, SA
Irvine	2000	2010	CA, RDA, AQMD, PP, SA, OCU
La Habra Heights	2008	2013	CA, SA, SCR
Lake Elsinore	2005	2012	CA, RDA, PFA, RA, SA
Lake Forest	2011	Present	CA, RDA, SA, Housing Authority
Lakewood	1974	2013	CA, RDA, SA
Lancaster	2013	Present	CA, SA, SCR - City, SCR - Power Authority
Los Alamitos	2008	2010	CA, SA (when required)
Newport Beach	2011	Present	CA, SA
Oxnard	2013	Present	CA, SA, OCU
Palm Desert	2008	Present	CA, RDA, SA, Housing Authority
Pico Rivera	2012	Present	CA, PFA, SA, SCR, Water Authority
Port Hueneme	2012	Present	CA, SA, Housing Authority, Surplus Property Authority
Rancho Palos Verdes	2008	2012	CA, RDA, PI, SA, SCR, SR
Rancho Santa Margarita	2012	Present	CA, SA
Rialto	2013	Present	CA, SA
San Buenaventura	2011	Present	CA, RDA, PFA, SA, SCR
San Fernando	2007	2011	CA, RDA, SA
San Gabriel	2013	Present	CA, SA
San Juan Capistrano	2005	2010	CA, RDA, SA, Community Housing Corp.
Sanger	2011	Present	CA, RDA, PFA, SA, SCR
Signal Hill	1962	2013	CA, RDA, SA
Stanton	2012	Present	CA, RDA, SA
Tustin	2011	Present	CA, RDA, SA, SCR
West Covina	2011	Present	CA, RDA, AQMD, SA
West Hollywood	2014	Present	CA, SA, SCR
Westminster	1997	Present	CA, RDA, AQMD, SA

Legend:

AQMD - Air Quality Management District Audit

CA - City Audit

OCU - Other Component Unit Audits

PFA - Public Financing Authority

PI - Public Improvement

PP - Pension Plans

RA - Recreation Authority

RDA - Former Redevelopment Agency Audit

SA - Single Audit

SCR - State Controllers' Reports

SR - Street Report

T - Transportation

Substantially all of the above engagements were performed through the firm's Irvine office.

LIST OF SPECIAL DISTRICT ENGAGEMENTS

We have listed below the special districts which were under contract with us during the past five fiscal years.

Client Name	Period of Service	
	From	To
Borrego Water District	2006	2013
Chino Basin Desalter Authority	2011	Present
Costa Mesa Sanitary District	2005	Present
Cypress Recreation and Park District	2012	Present
Downey Cemetery District	1987	2013
El Toro Water District	2008	2013
Grossmont Healthcare District	2011	Present
Heber Public Utilities District	2014	Present
Inland Empire Regional Composting Authority	2011	Present
Inland Empire Utilities Agency	2011	Present
La Habra Heights County Water District	2002	Present
La Puente Valley County Water District	1986	Present
Laguna Beach County Water District	2002	Present
Lake Elsinore and San Jacinto Joint Powers Authority	2013	Present
Las Virgenes Municipal Water District	2007	2013
Leucadia Wastewater District	2010	Present
Midway City Sanitary District	2012	Present
Municipal Water District of Orange County	2007	2011
Olivenhain Municipal Water District	2009	Present
Orange County Vector Control District	2013	Present
Orange County Water District	2006	2010
Orchard Dale Water District	2012	Present
Otay Water District	2009	2013
Padre Dam Municipal Water District	2009	Present
Puente Basin Water Agency	2005	2011
Rancho California Water District	2012	Present
Rowland Water District	2007	Present
Santa Ana Watershed Project Authority	2013	Present
South Coast Water District	2011	Present
South County Regional Wastewater Authority	2013	Present
Sunset Beach Sanitary District	1986	Present
Surfside Colony Stormwater Drainage District	2010	Present
Surfside Community Services District	2010	Present
Vallecitos Water District	2010	Present
Valley Wide Recreation and Park District	1986	Present
Ventura Port District	2011	Present
Walnut Valley Water District	2002	2011
Yorba Linda Water District	2008	Present

Substantially all of the above engagements were performed through the firm's Irvine office.

ATTACHMENT II
RESULTS OF OUTSIDE QUALITY REVIEW



System Review Report

August 3, 2012

To the Owners of
White Nelson Diehl Evans, LLP
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP (the firm) in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. White Nelson Diehl Evans, LLP has received a peer review rating of *pass*.

Heidenreich & Heidenreich

Heidenreich & Heidenreich, CPAs, PLLC

**SEALED DOLLAR COST PROPOSAL
FOR THE CITY OF LAGUNA HILLS
FOR PROFESSIONAL AUDITING SERVICES**

FOR THE TWO YEARS ENDING JUNE 30, 2016

**(WITH AN OPTION FOR THE FOUR YEARS
ENDING JUNE 30, 2020)**



Submitted by:



WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

April 24, 2015

Ms. Janice Mateo Reyes
Finance Manager
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653

Dear Ms. Mateo Reyes:

At your request, we have submitted our statement of qualifications under a separate cover.

The following information is included herein:

1. Total All-Inclusive Maximum Price.
2. Hourly Rates for Special Services.

By signing below, I am certifying to you that I am entitled to represent the firm, empowered to submit this bid, and authorized to sign a contract with the City. Please contact us if there are any questions regarding the fees or hourly rates quoted herein.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP



Nitin P. Patel, CPA
Engagement Partner

CITY OF LAGUNA HILLS

TOTAL ALL-INCLUSIVE MAXIMUM PRICE

Our maximum fees for the six years ending June 30, 2020 will be as follows:

Description of Services	Fiscal Year					
	2014-15	2015-16	Option Periods			
	2016-17	2017-18	2018-19	2019-20		
City Audit, including CAFR Preparation and GANN Limit Review Report	\$ 22,720	\$ 23,175	\$ 23,640	\$ 24,115	\$ 24,600	\$ 25,090
State Controller's Office Reports:						
Annual Street Report	1,120	1,140	1,165	1,190	1,210	1,235
Annual Financial Report	2,960	3,020	3,080	3,140	3,205	3,270
TOTAL FOR FISCAL YEAR (NOT-TO-EXCEED) - CITY SERVICES	\$ 26,800	\$ 27,335	\$ 27,885	\$ 28,445	\$ 29,015	\$ 29,595
Single Audit and Related Reports (1)	\$ 2,715	\$ 2,770	\$ 2,825	\$ 2,880	\$ 2,940	\$ 3,000

(1) This fee contemplates auditing one major program. Additional major programs will be audited for an additional cost of \$1,500 each.



CITY OF LAGUNA HILLS

HOURLY RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If the City wishes us to perform consulting or other services outside the scope of the services described herein, a separate written request from the City will be required. Our hourly rates for these services during each year under the basic contract will be as follows:

Position	Fiscal Year					
	Option Periods					
	2014-15	2015-16	2016-17	2017-18	2017-18	2018-19
Partners	\$ 175	\$ 179	\$ 182	\$ 186	\$ 189	\$ 193
Managers	140	143	146	149	152	155
Supervisory Staff	90	92	94	96	97	99
Staff	80	82	83	85	87	88
Clerical	60	61	62	64	65	66



THE CITY COUNCIL APPROVED PROGRESS PAYMENT NO. 17 - FINAL, IN THE NET AMOUNT OF \$1,895.25, TO ENVIRONMENTAL CONSTRUCTION, INC., FOR LA PAZ OPEN SPACE IMPROVEMENT PROJECT, CIP NO. 615A, AUTHORIZED THE FILING OF THE NOTICE OF COMPLETION, AND AUTHORIZED THE RELEASE OF THE RETENTION 35 DAYS POST RECORDATION OF THE NOTICE, IF NO LIENS HAVE BEEN FILED.

3.6 ASSIGNMENT AND ASSUMPTION AGREEMENT RELATING TO THE 2014 PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND HALL & FOREMAN, INC., FOR GEOGRAPHIC INFORMATION SYSTEM TECHNICAL SUPPORT CONSULTING SERVICES

THE CITY COUNCIL APPROVED THE ASSIGNMENT AND ASSUMPTION AGREEMENT RELATING TO THE 2014 PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF LAGUNA HILLS AND HALL & FOREMAN, INC., FOR GEOGRAPHIC INFORMATION SYSTEM TECHNICAL SUPPORT CONSULTING SERVICES AND AUTHORIZED THE CITY MANAGER TO SIGN THE ASSIGNMENT AND ASSUMPTION AGREEMENT ATTACHED HERETO.

3.7 APPROVAL OF FISCAL YEAR 2015-2016 LAW ENFORCEMENT SERVICES AGREEMENT

THE CITY COUNCIL APPROVED THE FISCAL YEAR 2015-2016 LAW ENFORCEMENT SERVICES AGREEMENT BETWEEN THE COUNTY OF ORANGE AND THE CITY OF LAGUNA HILLS AND AUTHORIZED THE MAYOR TO EXECUTE THE AGREEMENT.

4. PLANNING AGENCY

Mayor Gilbert 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 7:27 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Present: Chair Gilbert, Vice Chair Kogerman, Agency Member Carruth, Agency Member Sedgwick

Absent: Agency Member Blount

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR MAY 12, 2015

**THE PLANNING AGENCY APPROVED THE MINUTES OF THE MAY 12, 2015, REGULAR MEETING, BY/AGENCY MEMBER CARRUTH, S/AGENCY MEMBER SEDGWICK.
APPROVED BY A VOTE OF 4-0 (AGENCY MEMBER BLOUNT ABSENT).**

4.4 ADMINISTRATIVE REPORTS

There were no Administrative Reports.

4.5 PLANNING AGENCY PUBLIC HEARINGS

There were no Planning Agency Public Hearings.

PLANNING AGENCY ADJOURNMENT

Mayor Gilbert reconvened the City Council Meeting at 7:27 p.m. All Council Members were present with the exception of Council Member Blount.

5. CITY COUNCIL PUBLIC HEARINGS

5.1 PUBLIC HEARING ON 2015 WEED, RUBBISH, AND REFUSE ABATEMENT

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

**THE CITY COUNCIL ADOPTED RESOLUTION NO. 2015-05-26-1, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ISSUING AN ABATEMENT ORDER AND AUTHORIZING THE DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER TO COMMENCE ENFORCING WEED, RUBBISH, AND REFUSE ABATEMENT AGAINST SPECIFIED PARCELS OF LAND, BY M/MAYOR PRO TEMPORE KOGERMAN, S/COUNCIL MEMBER CARRUTH.
APPROVED BY A VOTE OF 4-0, (COUNCIL MEMBER BLOUNT ABSENT).**

6. ADMINISTRATIVE REPORTS

6.1 Community Development Director

6.1.1 REPORT CONCERNING DENIAL OF A TEMPORARY USE PERMIT (TUP) TO CIRCUS VARGAS.



City of Laguna Hills

Planning Agency Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: CHAIR AND AGENCY MEMBERS

**FROM: KENNETH H. ROSENFELD, P.E.
DIRECTOR OF PUBLIC SERVICES/CITY ENGINEER**

**ISSUE: ADOPTION OF A RESOLUTION MAKING A FINDING OF GENERAL PLAN
CONSISTENCY FOR THE FISCAL YEAR 2015/2016 AND FISCAL YEAR
2016/2017 PROJECTS OF THE SIX-YEAR CAPITAL IMPROVEMENT
PROGRAM FOR FISCAL YEAR 2015/2016 TO FISCAL YEAR 2020/2021**

**RECOMMENDATION: THAT THE PLANNING AGENCY ADOPT A RESOLUTION
ENTITLED: "A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, MAKING A FINDING OF GENERAL PLAN
CONSISTENCY FOR THE FISCAL YEAR 2015/2016 PROJECTS AND FISCAL YEAR
2016/2017 PROJECTS OF THE SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR
FISCAL YEAR 2015/2016 TO FISCAL YEAR 2020/2021."**

SUMMARY:

In accordance with Section 65401 of the California Government Code, a Capital Improvement Program (CIP) is required to be submitted to the City's Planning Agency for review and determination as to its conformance with the adopted General Plan. Staff recommends that the Planning Agency make a finding that the Fiscal Year 2015/2016 and Fiscal Year 2016/2017 projects included in the CIP are in conformance with the General Plan by adopting a Resolution entitled: "A Resolution of the Planning Agency of the City of Laguna Hills, California, making a finding of General Plan Consistency for the Fiscal Year 2015/2016 Projects and Fiscal Year 2016/2017 Projects of the Six-Year Capital Improvement Program for Fiscal Year 2015/2016 to Fiscal Year 2020/2021."

BACKGROUND:

California Government Code Section 65401 requires that departments within municipalities responsible for implementing CIPs prepare and present the following to the Planning Agency: (1) a comprehensive list of the proposed CIPs for the following budget cycle; and (2) a report as to conformity of that plan with the adopted General Plan.

The CIP will be recommended for adoption by the City Council on June 9, 2015. The specific projects included in Fiscal Year 2015/2016 and Fiscal Year 2016/2017 of the CIP, along with the accompanying General Plan goals they support, are described below. The referenced CIP project numbers correspond to the budget project numbers and categories as listed in Exhibit A of the attached Resolution.

Streets, Signals and Lighting

The following projects meet the **Mobility Goal M-1** (Provide a safe and efficient local transportation system consistent with the general County standards and the regional system) and **Mobility Goal M-2** (Implement improvements that foster improved traffic safety on the circulation system for all drivers, pedestrians, and cyclists).

- **Annual Street Maintenance (CIP 101)** – Provides an annual street maintenance program aimed at increasing pavement life as well as improving the appearance and ride quality of the City's roadway network.
- **Traffic Signal Improvements/Coordination Projects (CIP 168)** – Provides for the interconnection and synchronization of traffic signals for improved traffic flow and traffic safety.
- **Paseo de Valencia Widening (CIP 145)** – Provides compliance with the Master Plan of Arterial Highways and Mobility Element to expand the traffic carrying capacity of the roadway and traffic safety.
- **La Paz Road Sidewalk Widening (CIP 171)** – Provides for the expansion of sidewalk areas to improve pedestrian safety and mobility.
- **Arterial Highway Pavement Maintenance (CIP 175)** - Provides a roadway maintenance program aimed at increasing pavement life as well as improving the appearance and ride quality of the City's roadway network.

Parks

The following projects meet **Conservation and Open Space Goal COS-2** (Expand and maintain the City's integrated parks, recreation, and trails system to meet the needs of residents of all ages).

- **Community Center and Sports Complex Field Renovations (CIP 238)** – Provides for the existing sports turf at the Community Center and Sports Complex to be replaced, primarily upon the two soccer fields, to maintain safety and playability on the fields.

- **General Park Renovations (CIP 241)** – Provides for the renovation of existing park and playground improvements throughout the City's local park system to include the replacement of worn out site amenities as well as minor playground improvements to update worn surfacing.

Streetscapes

The following project meets **Conservation and Open Space Goal COS-1.1** (Reduce Water Consumption by encouraging the use of low water use landscaping ... in public projects) and **Mobility Goal M-4** (Enhance the City's streetscapes and beautify the overall driving experience in Laguna Hills).

- **Alicia Parkway Median Islands Landscape Rehabilitation (CIP 301)** - Provides for the replacement of high water use turf with drought tolerant/low-water use plantings and beautifies this arterial highway.

The following project meets the **Mobility Goal M-1** (Provide a safe and efficient local transportation system consistent with the general County standards and the regional system)

- **Wayfinding Signs (CIP 329)** – Provides for the replacement of worn directional signage for efficient traffic navigation and traffic safety.

Flood Control and Water Quality

The following projects meet **Conservation and Open Space Goal COS-1** (Manage limited resources so that future generations can enjoy the environmental and scenic wealth this community has to offer).

- **Storm Drain/Slope Repairs (CIP 403)** – Provides funding for drainage or slope repair projects resulting from storm events causing unexpected adverse infrastructure impacts.
- **NPDES/Water Quality Program (CIP 410)** – Provides a variety of water quality improvement initiatives and environmental enhancements to reduce pollutants within water runoff reaching the storm drain systems, in accordance with the NPDES permits. This project meets the above mentioned Conservation and Open Space Goal as well as the following:
 - **Safety Goal S-6** (Reduce injuries and danger to life, property damage, and public health hazards associated with flooding).

- **Water Quality (2) Improvements (CIP 412)** – Provides for the installation of debris gates over the inlets of catch basins at approximately 600 locations throughout the City, thereby improving pollution prevention and water quality.

Public Facilities

The following project meets **Community Services and Facilities Goal CSF-1** (Establish and maintain a high level of community facilities and services to meet the needs of the community and enhance the quality of life in Laguna Hills) and **Conservation and Open Space Goal COS-2** (Expand and maintain the City's integrated parks, recreation, and trails system to meet the needs of residents of all ages).

- **Community Center Renovation (CIP 513)** – Provides for various scheduled maintenance and equipment replacement at the Community Center building, including security upgrades, audio/visual equipment upgrades, refurbishment of the elevator, and HVAC system.

The projects included in Fiscal Year 2015/2016 and Fiscal Year 2016/2017 CIP are consistent with the goals established within the General Plan. The Fiscal Year 2015/16 and Fiscal Year 2016/17 CIP projects included in the Six-Year CIP were discussed in detail at the CIP & Operating Budget Study Session on May 12, 2015. Staff recommends that the Planning Agency find that the Fiscal Year 2015/2016 and Fiscal Year 2016/2017 projects included in the CIP are in conformance with the City's General Plan by adoption of the attached Resolution.

FISCAL IMPACT:

None.

CEQA:

This General Plan conformity determination does not constitute "approval" of any of the listed projects and, for that reason, this action of the Planning Agency is exempt from the requirements of the California Environmental Quality Act (CEQA). All projects listed in the CIP will be reviewed individually pursuant to the requirements in CEQA and the Planning Agency's review for General Plan consistency does not commit the City to any one of the listed projects. In addition, the CEQA guidelines (Section 15378) specifically exclude organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

ATTACHMENTS:

- Resolution

RESOLUTION NO. PA2015-

A RESOLUTION OF THE PLANNING AGENCY OF THE CITY OF LAGUNA HILLS, CALIFORNIA, MAKING A FINDING OF GENERAL PLAN CONSISTENCY FOR THE FISCAL YEAR 2015/2016 PROJECTS AND FISCAL YEAR 2016/2017 PROJECTS OF THE SIX-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2015/2016 TO FISCAL YEAR 2020/2021

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

WHEREAS, on December 20, 1991, the City of Laguna Hills incorporated;
and

WHEREAS, on July 14, 2009, the City of Laguna Hills adopted the Laguna Hills General Plan; and

WHEREAS, California Government Code Section 65401 requires that the City's Planning Agency review a comprehensive list of proposed capital improvement projects for the ensuing Fiscal Years 2015/2016 and 2016/2017, and report as to conformity of that plan with the adopted General Plan; and

WHEREAS, the City Engineer has reviewed each project included in the Fiscal Year 2015/16 and Fiscal Year 2016/2017 of the Six Year Capital Improvement Program for Fiscal Year 2015/2016 to Fiscal Year 2020/2021 and recommends that the Planning Agency find that each of said projects is consistent with the City's adopted General Plan.

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

SECTION 1. Each of the projects included in Exhibit A, attached hereto and incorporated herein by reference, is consistent with the City's General Plan based on the information and findings set forth on Exhibit B, attached hereto and incorporated by reference.

SECTION 2. The Planning Agency finds that this action is exempt from the California Environmental Quality Act ("CEQA"). This General Plan conformity determination does not constitute "approval" of any of the listed projects, and for that reason, this action is exempt from the requirements of CEQA. All projects listed in the CIP will be reviewed individually pursuant to the requirements in CEQA, and the Commission's review for General Plan consistency does not commit the City to any one of the listed projects. In addition, the CEQA guidelines section 15378, specifically

excludes organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

PASSED, APPROVED, AND ADOPTED this 9th day of June 2015.

DORE G. GILBERT, M.D., CHAIR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO
HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No.
PA2015- _____ adopted by the Planning Agency of the City of Laguna
Hills, California, at a Regular Meeting thereof held on the 9th day of June 2015, by the
following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

EXHIBIT A

2015/16 TO 2020/21 CAPITAL IMPROVEMENT PROGRAM LIST AND BUDGET

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT		TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
STREET, SIGNALS AND LIGHTING										
101	Annual Street Maintenance	IV- 10	\$ 4,430,000	\$ -	\$ 730,000	\$ -	\$ 1,800,000	\$ -	\$ 1,900,000	\$ -
112	Traffic Signals	IV- 12	250,000	-	-	-	-	-	-	250,000
139	Cabot Widening - La Paz to Paseo de Valencia	IV- 14	3,150,000	-	-	-	-	-	-	3,150,000
145	Paseo de Valencia Widening	IV- 16	6,600,000	-	400,000	-	-	-	-	6,200,000
168	Traffic Signal Improvements/Coordination Projects	IV- 18	3,809,000	2,309,000	-	-	-	-	-	1,500,000
170	Access Ramp Construction	IV- 20	1,875,000	-	-	-	-	-	-	1,875,000
171	La Paz Road Sidewalk Widening	IV- 22	565,000	175,000	390,000	-	-	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	IV- 24	1,270,000	100,000	1,170,000	-	-	-	-	-
178	South Moulton Pavement Rehabilitation (VIA Lomas to SCL)	IV- 26	1,575,000	-	-	-	-	-	-	1,575,000
181	Oso Parkway Pavement Rehabilitation (Cabot to WCL)	IV- 28	1,750,000	-	-	-	-	-	-	1,750,000
182	Lake Forest Drive Pavement Rehabilitation (ECL to WCL)	IV- 30	1,200,000	-	-	-	-	-	-	1,200,000
183	Avenida Carlota Pavement Rehabilitation (El Toro Rd to Los Alisos Blvd)	IV- 32	825,000	-	-	-	-	-	-	825,000
184	La Paz Road Widening (McIntyre to Cabot)	IV- 34	1,450,000	-	-	-	-	-	-	1,450,000
185	Replacement of Illuminated Street Name Signs at all Traffic Signal Locations	IV- 36	300,000	-	-	-	-	-	-	300,000
188	Ridge Route Pavement Rehabilitation - Moulton Parkway to Santa Vittoria Drive	IV- 38	700,000	-	-	-	-	-	-	700,000
	Sub-Total		\$ 29,749,000	\$ 2,584,000	\$ 2,690,000	\$ -	\$ 1,800,000	\$ -	\$ 1,900,000	\$ 20,775,000

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT	TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
	STREETSCAPE								
301	Alicia Parkway Median Islands Landscape Rehabilitation IV- 42	\$ 980,000	\$ -	\$ 980,000	\$ -	\$ -	\$ -	\$ -	-
305	La Paz Median Islands IV- 44	3,890,000	-	-	-	-	-	-	3,890,000
307	Entry Monuments IV- 46	500,000	-	-	-	-	-	-	500,000
312	Paseo de Valencia Median Island Rehabilitation IV- 48	3,375,000	-	-	-	-	-	-	3,375,000
314	Paseo de Valencia Median Islands IV- 50	1,425,000	-	-	-	-	1,425,000	-	-
315	Rehabilitation of Oso Median Islands IV- 52	2,450,000	-	-	-	-	-	-	2,450,000
319	Alicia Parkway South Side Slope IV- 54	1,150,000	-	-	-	-	-	-	1,150,000
321	Paseo de Valencia East Side Slope IV- 56	825,000	-	-	-	-	-	-	825,000
322	Rehabilitation of Moulton Median Island IV- 58	1,650,000	-	-	-	-	-	-	1,650,000
323	Rehabilitation of Laguna Hills Drive Median Island IV- 60	675,000	-	-	-	-	-	-	675,000
324	Rehabilitation of La Paz Median Island IV- 62	525,000	-	-	-	-	-	-	525,000
325	Ridge Route Median Islands - Santa Vittoria to Moulton Pkwy IV- 64	1,175,000	-	-	-	-	-	-	1,175,000
326	Laguna Hills Drive Median Islands and North Parkway IV- 66	540,000	-	-	-	-	-	540,000	-
329	Wayfinding Signs IV- 68	50,000	25,000	25,000	-	-	-	-	-
330	Alicia Pkwy & Paseo de Valencia Street Tree Program IV- 70	525,000	-	-	-	-	-	-	525,000
331	Synthetic Landscape Turf Median Islands IV- 72	815,000	-	-	-	-	-	-	815,000
333	Ridge Route Medians - Moulton Pkwy to Avenida de la Carlota IV- 74	1,700,000	-	-	-	-	-	-	1,700,000
334	Aliso Hills Drive North Down Slope IV- 76	825,000	-	-	-	-	-	-	825,000
335	La Paz Road South Side Slope Renovation IV- 78	3,200,000	-	-	-	-	-	-	3,200,000
336	Palermo and Taranto Slope Renovation IV- 80	200,000	-	-	-	-	-	-	200,000
337	San Remo Drive Slope Renovation IV- 82	600,000	-	-	-	-	-	-	600,000
338	Paseo De Valencia East and West Parkway Renovation IV- 84	1,200,000	-	-	-	-	-	-	1,200,000
339	Paseo de Valencia Southwest Parkway Renovation IV- 86	500,000	-	-	-	-	-	-	500,000
340	Nottingham Ct Entry Median Island IV- 88	85,000	-	-	-	-	-	-	85,000
	Sub-Total	\$ 28,860,000	\$ 25,000	\$ 1,005,000	\$ -	\$ -	\$ 1,425,000	\$ 540,000	\$ 25,865,000

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT		TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
FLOOD CONTROL & WATER QUALITY										
403	Storm Drain/Slope Repairs	IV- 92	\$ 150,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
406	F23 Canada Channel (Veeh Park)	IV- 94	750,000	-	-	-	-	-	-	750,000
407	Aliso Creek Watershed	IV- 96	500,000	-	-	-	-	-	-	500,000
410	NPDES / Water Quality Program	IV- 98	1,105,000	440,000	255,000	205,000	205,000	-	-	-
411	Largo Storm Drain Improvements (secondary outlet)	IV- 100	300,000	-	-	-	-	-	-	300,000
412	Water Quality (2) Improvements	IV- 102	225,000	75,000	75,000	75,000	-	-	-	-
413	Oso Parkway Wetlands	IV- 104	450,000	-	-	-	-	-	-	450,000
	Sub-Total		\$ 3,480,000	\$ 515,000	\$ 380,000	\$ 280,000	\$ 255,000	\$ -	\$ 50,000	\$ 2,000,000
PARKS										
234	Aliso Hills Park	IV- 108	\$ 2,775,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,775,000
238	Community Center and Sports Complex Field Renovations	IV- 110	710,000	-	225,000	-	235,000	-	250,000	-
241	General Park Renovations	IV- 112	895,000	210,000	-	225,000	-	235,000	-	225,000
	Sub-Total		\$ 4,380,000	\$ 210,000	\$ 225,000	\$ 225,000	\$ 235,000	\$ 235,000	\$ 250,000	\$ 3,000,000
PUBLIC FACILITIES										
506	Skate Facility Enhancements	IV- 116	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
508	Equipment & Supply Storage Building	IV- 118	525,000	-	-	-	-	-	-	525,000
510	Public Art Program - Civic Center	IV- 120	200,000	-	-	-	-	-	-	200,000
512	Roller Hockey Roof Structure	IV- 122	1,000,000	-	-	-	-	-	-	1,000,000
513	Community Center Renovation	IV- 124	487,820	12,874	-	67,018	272,815	57,626	77,487	-
514	Sports Complex Renovations	IV- 126	51,012	-	-	30,360	13,485	-	7,167	-
515	Community Center and Sports Complex Energy Efficient Field Lights	IV- 128	285,000	-	-	-	-	-	-	285,000
	Sub-Total		\$ 2,848,832	\$ 12,874	\$ -	\$ 97,378	\$ 286,300	\$ 57,626	\$ 84,654	\$ 2,310,000

6/9/2015 ITEM NO. 4.4.1

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT	TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
TRAILS AND OPEN SPACE									
601	Trails Master Plan - Other Projects IV- 132	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,000,000
606	Trail Head Plazas IV- 134	1,200,000	-	-	-	-	-	-	1,200,000
607	Aliso Hills Channel Pedestrian Crossing JO5PO3 IV- 136	315,000	-	-	-	-	-	-	315,000
608	Multi-use Trail - Alicia to La Paz IV- 138	4,200,000	-	-	-	-	-	-	4,200,000
609	Multi-use Trail - Community Center to Indian Hill IV- 140	600,000	-	-	600,000	-	-	-	-
610	Loop Trails in Alicia Open Space IV- 142	400,000	-	-	-	-	-	-	400,000
611	La Paz Multi-use Trail - Alameda to Paseo de Valencia IV- 144	1,675,000	-	-	-	-	-	-	1,675,000
612	Alicia Pedestrian Bridge at Trail IV- 146	1,000,000	-	-	-	-	-	-	1,000,000
613	Trail along SJHTC IV- 148	300,000	-	-	-	-	-	-	300,000
614	Alicia Open Space Landscaping IV- 150	11,000,000	-	-	-	-	-	-	11,000,000
615	La Paz Open Space Riparian Habitat- Alameda to Paseo de Valencia IV- 152	4,900,000	-	-	-	-	-	-	4,900,000
616	Aliso Hills Area Open Space IV- 154	4,700,000	-	-	-	-	-	-	4,700,000
617	Oso Parkway Open Space Landscape IV- 156	8,600,000	-	-	-	-	-	-	8,600,000
618	Ridge Route Open Space IV- 158	800,000	-	-	-	-	-	-	800,000
619	Slope Renovation South of Aliso Creek IV- 160	600,000	-	-	-	-	-	-	600,000
620	Miscellaneous Landscape Renovations - Various Areas IV- 162	1,750,000	-	-	-	-	-	-	1,750,000
621	Recycled Water Conversions IV- 164	1,050,000	-	-	-	-	-	-	1,050,000
	Sub-Total	\$ 46,090,000	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 45,490,000
	Grand Total	\$ 115,407,832	\$ 3,346,874	\$ 4,300,000	\$ 1,202,378	\$ 2,576,300	\$ 1,717,626	\$ 2,824,654	\$ 99,440,000

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM**

FUNDING SOURCES

FUNDING SOURCE	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE	TOTAL
General Fund	\$ 337,000	\$ 1,260,000	\$ 1,035,000	\$ 440,000	\$ 1,660,000	\$ 790,000	\$ 225,000	\$ 5,747,000
Gas Tax	100,000	1,400,000	-	1,800,000	-	1,900,000	-	5,200,000
Measure M2 Competitive	2,092,000	370,000	70,000	-	-	-	-	2,532,000
Quimby Act Fees	210,000	225,000	-	-	-	-	-	435,000
HSIP	133,000	345,000	-	-	-	-	-	478,000
CARITS	40,000	100,000	-	-	-	-	-	140,000
Capital Reserve	12,874	50,000	97,378	336,300	57,626	134,654	-	688,832
RSTP Federal Map-21	-	500,000	-	-	-	-	-	500,000
City Participants	422,000	-	-	-	-	-	-	422,000
Public Arts Fund	-	-	-	-	-	-	200,000	200,000
Water Agency Rebate	-	50,000	-	-	-	-	-	50,000
Unfunded	-	-	-	-	-	-	99,015,000	99,015,000
GRAND TOTAL	\$ 3,346,874	\$ 4,300,000	\$ 1,202,378	\$ 2,576,300	\$ 1,717,626	\$ 2,824,654	\$ 99,440,000	\$ 115,407,832

**CITY OF LAGUNA HILLS
YEAR FISCAL 2015/16
SOURCES OF FUNDS
CAPITAL PROGRAM**

PROJECT NO.	PROJECT	FISCAL YEAR 2015/16	GENERAL FUND	GAS TAX	MEAS M COMPETITIVE	QUIMBY ACT FEES	HSIP	CARITS	CAPITAL RESERVES FUND	OTHER - CITY PARTICIPANTS
STREET, SIGNALS AND LIGHTING (100)										
168	Traffic Signal Improvements/Coordination Projects	2,309,000	-	-	1,847,000	-	-	40,000	-	422,000
171	La Paz Road Sidewalk Widening	175,000	42,000	-	-	-	133,000	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	100,000	-	100,000	-	-	-	-	-	-
	Sub-Total	\$ 2,584,000	\$ 42,000	\$ 100,000	\$ 1,847,000	\$ -	\$ 133,000	\$ 40,000	\$ -	\$ 422,000
STREETSCAPE (300)										
329	Wayfinding Signs	25,000	25,000	-	-	-	-	-	-	-
	Sub-Total	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FLOOD CONTROL & WATER QUALITY (400)										
410	NPDES / Water Quality Program	440,000	265,000	-	175,000	-	-	-	-	-
412	Water Quality (2) Improvements	75,000	5,000	-	70,000	-	-	-	-	-
	Sub-Total	\$ 515,000	\$ 270,000	\$ -	\$ 245,000	\$ -	\$ -	\$ -	\$ -	\$ -
PARKS (200)										
241	General Park Renovations	210,000	-	-	-	210,000	-	-	-	-
	Sub-Total	\$ 210,000	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -
PUBLIC FACILITIES (500)										
513	Community Center Renovation	12,874	-	-	-	-	-	-	12,874	-
	Sub-Total	\$ 12,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,874	\$ -
	Grand Total	\$ 3,346,874	\$ 337,000	\$ 100,000	\$ 2,092,000	\$ 210,000	\$ 133,000	\$ 40,000	\$ 12,874	\$ 422,000

CITY OF LAGUNA HILLS
FISCAL YEAR 2016/17
SOURCES OF FUNDS
CAPITAL PROGRAM

PROJECT	PROJECT	FISCAL YEAR 2016/17	GENERAL FUND	GAS TAX	MEAS M COMPETITIVE	QUIMBY ACT FEES	HSIP	CARITS	CAPITAL RESERVE FUND	RSTP FEDERAL MAP-21	OTHER - WATER AGENCY REBATE
STREET, SIGNALS AND LIGHTING (100)											
101	Annual Street Maintenance	730,000	-	730,000	-	-	-	-	-	-	-
145	Paseo de Valencia Widening	400,000	-	-	300,000	-	-	100,000	-	-	-
171	La Paz Road Sidewalk Widening	390,000	45,000	-	-	-	345,000	-	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	1,170,000	-	670,000	-	-	-	-	-	500,000	-
	Sub-Total	\$ 2,690,000	\$ 45,000	\$ 1,400,000	\$ 300,000	\$ -	\$ 345,000	\$ 100,000	\$ -	\$ 500,000	\$ -
STREETSCAPE (300)											
301	Alicia Parkway Median Islands Landscape Rehabilitation	980,000	930,000	-	-	-	-	-	-	-	50,000
329	Wayfinding Signs	25,000	25,000	-	-	-	-	-	-	-	-
	Sub-Total	\$ 1,005,000	\$ 955,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
FLOOD CONTROL & WATER QUALITY (400)											
403	Storm Drain/Slope Repairs	50,000	-	-	-	-	-	-	50,000	-	-
410	NPDES / Water Quality Program	255,000	255,000	-	-	-	-	-	-	-	-
412	Water Quality (2) Improvements	75,000	5,000	-	70,000	-	-	-	-	-	-
	Sub-Total	\$ 380,000	\$ 260,000	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
PARKS (200)											
238	Community Center and Sports Complex Field Renovations	225,000	-	-	-	225,000	-	-	-	-	-
	Sub-Total	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -
	Grand Total	\$ 4,300,000	\$ 1,260,000	\$ 1,400,000	\$ 370,000	\$ 225,000	\$ 345,000	\$ 100,000	\$ 50,000	\$ 500,000	\$ 50,000

EXHIBIT B

FISCAL YEAR 2015/16 AND FISCAL YEAR 2016/17
CAPITAL IMPROVEMENT PROGRAM PROJECTS
GENERAL PLAN CONFORMITY FINDINGS

Streets, Signals and Lighting

The following projects meet the **Mobility Goal M-1** (Provide a safe and efficient local transportation system consistent with the general County standards and the regional system) and **Mobility Goal M-2** (Implement improvements that foster improved traffic safety on the circulation system for all drivers, pedestrians, and cyclists).

- **Annual Street Maintenance (CIP 101)** – Provides an annual street maintenance program aimed at increasing pavement life as well as improve the appearance and ride quality of the City's roadway network.
- **Traffic Signal Improvements/Coordination Projects (CIP 168)** – Provides for the interconnection and synchronization of traffic signals for improved traffic flow and traffic safety.
- **Paseo de Valencia Widening (CIP 145)** – Provides compliance with the Master Plan of Arterial Highways and Mobility Element to expand the traffic carrying capacity of the roadway and traffic safety.
- **La Paz Road Sidewalk Widening (CIP 171)** – Provides for the expansion of sidewalk areas to improve pedestrian safety and mobility.
- **Arterial Highway Pavement Maintenance (CIP 175)** - Provides a roadway maintenance program aimed at increasing pavement life as well as improve the appearance and ride quality of the City's roadway network.

Parks

The following projects meet **Conservation and Open Space Goal COS-2** (Expand and maintain the City's integrated parks, recreation, and trails system to meet the needs of residents of all ages).

- **Community Center and Sports Complex Field Renovations (CIP 238)** – Provides for the existing sports turf at the Community Center and Sports Complex to be replaced, primarily upon the two soccer fields, to maintain safety and playability on the fields.
- **General Park Renovations (CIP 241)** – Provides for the renovation of existing park and playground improvements throughout the City's local park system to include the replacement of worn out site amenities as well as minor playground improvements to update worn surfacing.

Streetscapes

The following project meets **Conservation and Open Space Goal COS-1.1** (Reduce Water Consumption by encouraging the use of low water use landscaping ... in public

projects) and **Mobility Goal M-4** (Enhance the City's streetscapes and beautify the overall driving experience in Laguna Hills).

- **Alicia Parkway Median Islands Landscape Rehabilitation (CIP 301)** - Provides for the replacement of high water use turf with drought tolerant/low water use plantings and beautifies this arterial highway.

The following project meets the **Mobility Goal M-1** (Provide a safe and efficient local transportation system consistent with the general County standards and the regional system)

- **Wayfinding Signs (CIP 329)** – Provides for the replacement of worn directional signage for efficient traffic navigation and traffic safety.

Flood Control and Water Quality

The following projects meet **Conservation and Open Space Goal COS-1** (Manage limited resources so that future generations can enjoy the environmental and scenic wealth this community has to offer).

- **Storm Drain/Slope Repairs (CIP 403)** – Provides funding for drainage or slope repair projects resulting from storm events causing unexpected adverse infrastructure impacts.
- **NPDES/Water Quality Program (CIP 410)** – Provides a variety of water quality improvement initiatives and environmental enhancements to reduce pollutants within water runoff reaching the storm drain systems, in accordance with the NPDES permits. This project meets the above mentioned Conservation and Open Space Goal as well as the following:
 - **Safety Goal S-6** (Reduce injuries and danger to life, property damage and public health hazards associated with flooding).
- **Water Quality (2) Improvements (CIP 412)** – Provides for the installation of debris gates over the inlets of catch basins at approximately 600 locations throughout the City, thereby improving pollution prevention and water quality.

Public Facilities

The following project meets **Community Services and Facilities Goal CSF-1** (Establish and maintain a high level of community facilities and services to meet the needs of the community and enhance the quality of life in Laguna Hills) and **Conservation and Open Space Goal COS-2** (Expand and maintain the City's integrated parks, recreation, and trails system to meet the needs of residents of all ages).

- **Community Center Renovation (CIP 513)** – Provides for various scheduled maintenance and equipment replacement at the Community Center building, including security upgrades, audio/visual equipment upgrades, refurbishment of the elevator and HVAC system.

The projects included in Fiscal Year 2015/16 and Fiscal Year 2016/17 CIP are consistent with the goals established within the General Plan.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: BRUCE E. CHANNING
CITY MANAGER

ISSUE: ADOPTION OF THE 2015-2017 BIENNIAL BUDGET, INCLUDING THE OPERATING BUDGET, DEBT SERVICE, OTHER FUNDING USES, AND THE SIX-YEAR CAPITAL IMPROVEMENT PLAN

RECOMMENDATION: THAT THE CITY COUNCIL TAKE THE FOLLOWING ACTIONS: (1) CONDUCT A PUBLIC HEARING REGARDING THE 2015-2017 BIENNIAL OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM; AND (2) ADOPT A RESOLUTION ENTITLED: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING THE OPERATING BUDGET, CAPITAL IMPROVEMENT PROGRAM, AND OTHER APPROPRIATIONS FOR THE CITY OF LAGUNA HILLS FOR FISCAL YEARS 2015/2016 - 2016/2017.

SUMMARY:

Every two years, the City sets aside approximately six months to focus on the budget preparation process. This year, three City Council Study Sessions were held for the purpose of obtaining policy direction from the City Council and input on a Draft Operating Budget and Capital Improvement Program (CIP). The proposed Biennial Budget consists of expenditures in the amount of \$49,429,874. A more detailed budget analysis can be found in the City Manager's Budget Message in the budget binder included with this staff report.

BACKGROUND:

In preparation for the Public Hearing on the 2015-2017 Biennial Operating Budget and Six-Year CIP, the City Council has conducted the following public review and discussion of the Biennial Budget:

- | | |
|------------------|----------------------------------|
| • March 10, 2015 | Strategic Planning Study Session |
| • April 14, 2015 | CIP Budget Study Session |
| • May 12, 2015 | Operating Budget Study Session |

Under separate cover, the City Council will find a complete Operating Budget and CIP. These proposed budgets are the same as the drafts presented to the City Council at the Operating Budget Study Session on May 12, 2015.

Operating Budget

The table below shows the proposed operating expenditures and revenues for the next two-year budget cycle. The Operating Budget includes 11 Major Plans approved by the City Council during the March 10th Strategic Planning Study Session.

	FY 2014/15	FY 2015/16	FY 2016/17
Budgeted Operating Expenditures	\$17,883,214	\$ 18,584,086	\$ 18,914,391
% Change from prior year budget		3.9%	1.8 %
Budgeted Operating Revenues	\$ 20,594,624	\$ 21,397,256	\$ 21,778,711
% Change from prior year budget		3.9%	1.8%

Capital Improvement Program

The 2015-2017 Biennial Budget includes a six-year CIP which contains a total expenditure of \$15,967,832. For the upcoming Biennial Budget cycle, the budget allocates \$7,646,874 towards 13 capital projects. These projects will be funded over the course of the two-year budget cycle with Special Revenues and Reserve Funds in the amount of \$6,049,874, or 79% of the required funding. The balance of \$1,597,000 will be supported by the City's General Fund.

2013-2015 Capital Projects	Budget FY 2015/16	Budget FY 2016/17
Capital Expenditures	\$ 3,346,874	\$ 4,300,000
<i>Funding Sources:</i>		
Special Revenue/Reserve Funds	\$ 3,009,874	\$ 3,040,000
General Fund	\$ 337,000	\$ 1,260,000

FISCAL IMPACT:

The attached Resolution authorizes the following expenditures for the 2015-2017 Biennial Budget cycle:

	FY 2015/16	FY 2016/17
Operations	\$ 18,584,086	\$ 18,914,391
Capital Projects	\$ 3,346,874	\$ 4,300,000
Debt Service	\$ 1,801,387	\$ 1,799,387
Recycling Funds	\$ 103,039	\$ 80,300
Senior Mobility Fund	\$ 28,776	\$ 110,328
CDBG	\$ 70,380	\$ 70,000

A Consolidated Report of Funding Sources and Uses can be found in the “Budget Summaries” section of the Budget Binder. It should be noted that expenditures related to the enterprise activity of the Laguna Hills Civic Center are approved by the City Council under a separate budget and on a single fiscal-year basis.

ATTACHMENTS:

- 2015-2017 Budget Resolution
- 2015-2017 Budget Binder (under separate cover)

RESOLUTION NO. 2015-06-09-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING THE OPERATING BUDGET, CAPITAL IMPROVEMENT PROGRAM, AND OTHER APPROPRIATIONS FOR THE CITY OF LAGUNA HILLS FOR FISCAL YEARS 2015/2016 - 2016/2017

WHEREAS, the City Manager of the City of Laguna Hills has submitted to the City Council a proposed budget for Fiscal Years 2015/2016 - 2016/2017; and

WHEREAS, the City Council did consider said proposed budget and fixed June 9, 2015, as the date of public hearing; and

WHEREAS, after duly giving notice, the City Council did hold such public hearing, and all comments presented to the City Council were considered and evaluated.

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

SECTION 1. The City Manager's proposed operating budget shall be adopted in the amount of \$18,584,086, for Fiscal Year 2015/2016 and \$18,914,391 for Fiscal Year 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted on June 9, 2015.

SECTION 2. The City Manager's proposed Capital Improvement Plan shall be adopted in the amount of \$3,346,874 for Fiscal Year 2015/2016 and \$4,300,000 for Fiscal Year 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted on June 9, 2015.

SECTION 3. The City Manager's proposed debt service appropriation shall be adopted in the amount of \$1,801,387 for Fiscal Year 2015/2016 and \$1,799,387 for Fiscal Year 2016/2017.

SECTION 4. The City Manager's following proposed appropriations for Other Funding Uses shall be adopted in the amount listed below for Fiscal Year 2015/2016 and Fiscal Year 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted June 9, 2015:

	<u>FY 15/16</u>	<u>FY 16/17</u>
Recycling Funds	\$ 103,039	\$ 80,300
Senior Mobility Fund	\$ 28,776	\$ 110,328
CDBG Fund	\$ 70,380	\$ 70,000
Use of Reserves	\$ 250,000	\$ 50,000
Distribution to Civic Center Leasing Operations	\$ 60,030	\$ -

SECTION 5. The City Manager is hereby authorized to make such transfers within the budget as deemed desirable and necessary during each fiscal year in order to meet the City's needs and in compliance with the City's Financial Policies.

SECTION 6. That all budgeted capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

SECTION 7. That all other unexpended appropriations ordered pursuant to Sections 1, 3 and 4 will be automatically carried over from the first fiscal year to the second fiscal year of the two-year budget period.

PASSED, APPROVED, AND ADOPTED this 9th day of June 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2015-06-09-__ adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 9th day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



CITY OF LAGUNA HILLS CALIFORNIA

BIENNIAL BUDGET FISCAL YEARS 2015/16 - 2016/17





CITY OF LAGUNA HILLS CALIFORNIA

BIENNIAL BUDGET FISCAL YEAR 2015/16 – 2016/17

MAYOR

Dore Gilbert, M.D.

MAYOR PRO-TEM

Barbara Kogerman

COUNCIL MEMBERS

Andrew Blount

Melody Carruth

Don Sedgwick

CITY MANAGER

Bruce E. Channing

ASSISTANT CITY MANAGER

Donald J. White

PREPARED BY

Janice Mateo Reyes, Finance Manager

Melissa Au-Yeung, Assistant to the City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Laguna Hills
California**

For the Biennium Beginning

July 1, 2013

Executive Director

CITY OF LAGUNA HILLS

Table of Contents

Introduction

Budget Message	I - 1
Organizational Chart	I - 15
Elected Officials	I - 16
Appointed Officials	I - 17

Budget Summaries

Total Budget:	
8-Year Resource Allocation Plan	II - 2
8-Year Ratio Analysis	II - 3
Consolidated Report of Funding Sources and Uses	II - 4
Total Budget	II - 6
Operating Budget	
Operating Budget	II - 13
Operating Revenues	II - 14
Operating Expenditures	II - 15
General Fund Budget	
General Fund Budget	II - 19
General Fund Revenues	II - 20
General Fund Expenditures	II - 21
Special Revenues	II - 29

Department Plans & Budgets

General Government	III - 1
Non - Departmental	III - 7
Community Development	III - 11
Public Services	III - 17
Community Services	III - 23
Public Safety	III - 29

Capital Improvement Plan

Six Year Capital Improvement Program - Project Summary	IV - 1
Six Year Capital Improvement Program - Funding Sources	IV - 5
FY 2015/16 Capital Program - Sources of Funds	IV - 6
FY 2016/17 Capital Program - Sources of Funds	IV - 7
Capital Improvement Programs - Project Detail:	
Streets, Signals, and Lighting	IV - 9
Streetscape	IV - 41
Flood Control and Water Quality	IV - 91
Parks	IV - 107
Public Facilities	IV - 115
Trails and Open Space	IV - 131

Appendix

Financial Policies	A1
Major Plans	A2
Budget Process, Budgetary Basis and Accounting Principles	A3
Budget Calendar	A4
Appropriations Limit	A5
Budget Resolution	A6
Personnel Allocation	A7
Debt Information	A8
Laguna Hills at a Glance	A9
Glossary	A10
Community Profile	A11



INTRODUCTION



CITY OF LAGUNA HILLS

Budget Message

Biennial Budget

FY 2015/16 – 2016/17

Honorable Mayor and Council Members:

We are pleased to present to you the City of Laguna Hills' 2015-2017 Biennial Budget. This lengthy and informative document is comprised of a 2-year operating plan, a 6-year capital improvement program, and an appropriation for debt service and other uses. Moreover, it is a reflection of your leadership in shaping the service priorities and goals of the Laguna Hills community while maintaining fiscal prudence and oversight.

This budget message will provide you with an overview of the City's financial program for the next two years and the major priorities and issues that helped shape the budget. The information in this budget document is organized into the following five sections:

1. Introduction: This section introduces the reader to the budget and includes this budget message, a list of the City Council Members and appointed officials, and the City's functional organizational chart.
2. Budget Summaries: This section includes the 8-Year Resource Allocation Plan, Consolidated Report of all Funding Sources and Uses, and the Total Budget for all funds.
3. Department Plans and Budgets: The City plans and budgets are organized by departments: General Government, Non-Departmental, Community Development, Public Services, Community Services, and Public Safety. For each department,

information provided includes its mission, functional areas, major plans and work programs, budgeted staffing allocations, and a historical trend graph of expenditures.

4. Capital Improvement Plan: This section includes summary pages listing the capital projects which are intended to be carried out in the next six years and their related funding sources. The individual capital projects are presented in a two-page side-by-side format which provides detailed information on each project.
5. Appendices: This section contains the following supporting documentation: Financial Policies, Major Plans (and their associated collective ranking by the City Council), Budgetary Basis and Accounting Principles, Budget Calendar, Appropriations Limit Calculation, Resolution Adopting the Budget, Personnel Allocation Schedule, Debt Information, Glossary, and Demographics.

Budget Highlights, Assumptions & Priorities

In the five years since the end of the “Great Recession”, a structural correction has effectively worked its way through much of the general economy. The landscape of the State and region has transformed substantially since that time, and, while government revenues at the local and regional level were particularly affected, the City has consistently maintained and continues to maintain a healthy financial condition. Before the Great Recession began, the City’s General Fund revenues hit a peak of \$20,260,741 in FY 2006/07 before falling to a low of \$17,318,731 in FY 2011/12, representing an unprecedented decline of \$2,942,010, or 14.5%. Utilizing revenue projections for this biennial budget cycle, it is anticipated that General Fund revenues will surpass pre-recessionary highs in nominal terms in FY 2015/16. However, even though, we are beginning to see the return of many of our revenues, on an inflationary adjusted basis, revenues are not expected to recover fully until the redevelopment of the Laguna Hills Mall is completed.

The City remains committed to its conservative financial policies, as they played a critical role in allowing the City to respond quickly to the post-Recession difficulties prevalent in the economy the past few years, and will help the City weather slower economic conditions that may arise in the future. These conservative financial policies have greatly influenced the development of this 2015-2017 Biennial Budget.

During the last biennial budget cycle, a concerted effort was made to limit the growth of budgeted ongoing expenditures. These cost-savings measures will continue during the 2015-2017 Biennial Budget.

As mentioned earlier, we remain cautiously optimistic that the City will see stronger signs of recovery in the local tax base going forward, especially as general economic activity in the City continues to increase and new businesses open.

This budget was developed with the following annualized average growth assumptions over the next eight years:

General Inflation	2.69%
Taxable Sales:	3.49%
Assessed Valuation:	3.19%
Sheriff's Contract:	2.32%

It should be noted that while it is anticipated that development will occur throughout the City, particularly at the Laguna Hills Mall, there has been no positive impact factored into the budget or in the 8-Year Resource Allocation Plan. Overall, the assumptions included within this biennial budget are generally conservative and assume a continued low inflationary environment.

In developing the budget, the City is faced with challenges in prioritizing the City's operating and capital goals, adequately forecasting revenues, and appropriately allocating each Department's budget to accomplish these goals. These challenges are magnified to the extent that we are striving to manage expenditures while maintaining a high level of service for our residents. Without a doubt, the City Council's financial policies have served us well over the years. A conservative minimum operating ratio of 1.10 provided a substantial cushion as the City headed into this past recession. The City has continued to maintain healthy reserves while maintaining an operating surplus. This continues to remain the case for the 2015-2017 Biennial Budget.

The following provides the major highlights of the 2015-2017 Biennial Budget as well as the major assumptions, measures, and priorities used in preparing this budget:

1. The table below shows the Operating Budget's forecasted revenues and expenditures that will enable the City to continue providing its basic City services as well as implement the 11 new Major Plans approved by the City Council.

2015-2017 Operating Budget	Budget FY 2015/2016	Budget FY 2016/2017
Operating Expenditures	\$ 18,584,086	\$ 18,914,391
General Fund Revenues	\$ 20,659,766	\$ 20,981,461

2. Operating revenues for FY 15/16 are anticipated to increase by 4.18% from the FY 14/15 year-end estimate. Revenues for the following year (FY 16/17) are projected to increase by 1.56%.

3. During this last 2013-2015 Biennial Budget cycle, the City Council approved substantial cost-savings measures including putting out to competitive bid both the street maintenance and the traffic signal maintenance contract, resulting in savings of \$150,000 in ongoing operating costs; personnel reorganizations within the City Clerk's Office and the Community Services Department, resulting in approximately \$180,000 in savings; and restructuring of the Police Services contract to achieve greater contract equity and to eliminate one motorcycle position, resulting in \$628,000 in ongoing cost-savings.
4. The number of budgeted full-time and extended part-time City personnel will decrease from the last budget cycle due to the personnel reorganizations that took place within the City Clerk's Office and the Community Services Department. The 2015-2017 Biennial Budget cycle includes 39.875 full-time equivalents directly employed by the City.
5. Thirteen (13) capital projects are scheduled for completion during the Biennial Budget period for a total estimated cost of \$7,646,874. Of this amount, \$1,597,000 is required from the General Fund and another \$62,874 is funded out of capital reserve funds. The remaining \$5,987,000 will come from various Special Revenue funds. The table below reflects the projected capital costs in each fiscal year, as well as total funding sources.

2015-2017 Capital Projects	Budget FY 2015/2016	Budget FY 2016/2017
Capital Expenditures	\$ 3,346,874	\$ 4,300,000
<i>Funding Sources:</i>		
Special Revenue	\$ 3,009,874	\$ 3,040,000
General Fund	\$ 337,000	\$ 1,260,000

Personnel Costs

Personnel costs, particularly pensions, medical, and retiree medical coverage, have been the focus of public attention and concern for the past few years. In governmental agencies, personnel costs can often comprise the largest expense in municipal budgets. In Laguna Hills, the City directly employs 28 full-time employees and 11.875 extended part-time employees. However, consistent with a contract city model, a large portion of the workforce is provided by other governmental agencies or private sector employers who contract with the City.

The table on the following page shows the projected personnel costs over the life of the City's 8-year plan as a percentage of the total operating budget.

Fiscal Year	Operating Budget	Personnel Costs	% of Total Operating Budget
FY 14/15	\$17,796,327	\$ 4,785,741	26.89%
FY 15/16	\$18,584,086	\$ 4,918,341	26.47%
FY 16/17	\$18,914,390	\$ 5,101,854	26.97%
FY 17/18	\$19,335,910	\$ 5,220,440	27.00%
FY 18/19	\$19,733,561	\$ 5,383,791	27.28%
FY 19/20	\$20,226,101	\$ 5,561,590	27.50%
FY 20/21	\$20,950,073	\$ 5,737,254	27.39%
FY 21/22	\$21,627,254	\$ 5,915,608	27.35%
FY 22/23	\$22,358,977	\$ 6,059,307	27.10%

As is shown in the table above, personnel costs as a percentage of the budget are anticipated to remain between 26.47% to 27.50% through FY 22/23.

It should be stated that the City of Laguna Hills does not have any financial obligation to provide health insurance for its retirees. Contractual commitments for retiree health insurance and Other Post-Employment Benefits (OPEB) are rapidly becoming a significant budgetary problem for cities across California, but not for Laguna Hills.

Funding Sources

The proposed budget focuses on three major categories of funding sources for the City's financial activities, namely General Fund Revenues, Special Revenues and Other Funding Sources.

OPERATING REVENUES

The principal sources of the City's Operating revenues are property taxes, franchise fees, transient occupancy taxes, sales and use tax allocation, fees from licenses and permits, service charge fees, fines and forfeitures, vehicle in-lieu fees, and interest income. Each of these revenue sources is discussed in further detail on page II-22. The major sources of Operating Revenue, and their respective percentages of the total Operating Revenues, are exhibited in Figure 1.

BIENNIAL BUDGET
FY 2015/16 – 2016/17

OPERATING REVENUES
% of Total Operating Revenues

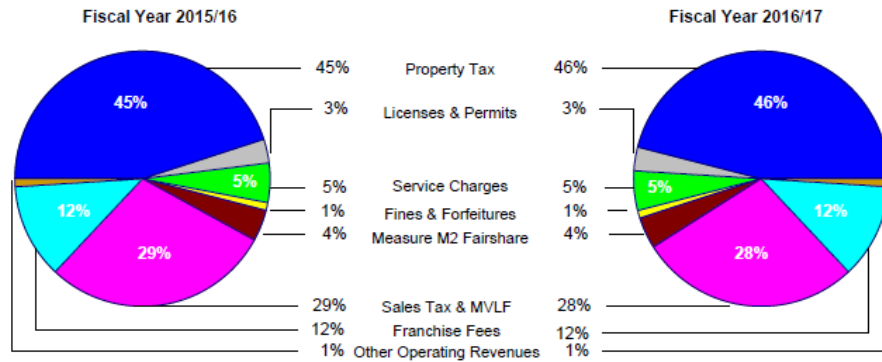


Figure 1

For the first year of the Biennial Budget (FY 15/16), Operating Revenues are anticipated to increase by 4.18% from the FY 14/15 year-end estimate to \$20,659,766. Operating Revenues are projected to increase by an additional 1.56% in FY 16/17.

The following table depicts the projected percentage change for the two primary revenue sources for the new budget cycle.

Operating Revenue Sources	Year-End Estimate 2014/2015	Budget FY 15/16	Budget FY 16/17
1) Sales Tax	\$ 5,677,000	\$ 6,307,000	\$ 6,201,744
% Change from prior year		11.1%	-1.7%
2) Property Tax	\$ 9,257,754	\$ 9,662,081	\$ 9,973,907
% Change from prior year		4.4%	3.2%

SPECIAL
REVENUES

Special Revenue for FY 15/16 is budgeted at approximately \$4.27 million, and approximately \$3 million in FY 16/17. The City's special revenues consist of annual allocations, as well as special grants and subventions tied in with specific capital projects. The annual allocation is comprised mainly of the State's subvention for gasoline tax, Measure M2 Local Fair Share, and AB 2766 for air quality management. The City also receives special grants, which are one-time allocations awarded on a competitive basis such as the Coastal Area Road Improvement and Traffic Signals (CARITS) and Measure "M" Competitive Funding.

The special revenue funds are discussed in the “Major Sources of Special Revenue Funds” on page II-30.

OTHER FUNDING SOURCES	Other Funding Sources include reimbursements for specified capital projects from the proceeds of the debt financing, interest on trust funds, as well as the distributions from the leasing operation of the Laguna Hills Civic Center office building. The anticipated revenue for the budget period is \$50,000 in the first year, and \$75,000 in the second year.
--------------------------	---

Funding Uses

The City's appropriation of its total financial resources is classified into three major categories: General Fund Operating Expenditures, Capital Improvement Plan and Other Funding Uses.

GENERAL FUND OPERATING EXPENDITURES	General Fund Operating Expenditures are the costs directly associated with the general governmental functions of the City which are listed in the table below broken out by department.
--	---

In FY 15/16, General Fund operating expenditures are projected to be \$18,584,086, an increase of \$787,758, or 4.43%, from the FY 14/15 year-end budget. Total General Fund operating expenditures are projected to increase by 1.78% to \$18,814,391 in FY 16/17. The 1.78% increase is a result of a concerted effort to limit increases in expenditures across all City departments. Figure 2 below shows each Department's spending level as a percentage of total operating expenditures for both Biennial Budget fiscal years.

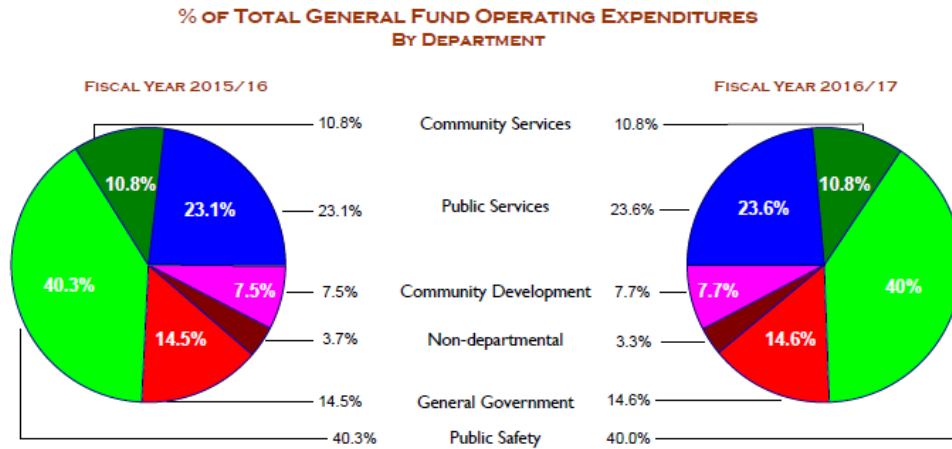


Figure 2

Figure 3 on the following page illustrates the City's expenditure classifications as a percentage of total Operating Expenditures in both years of the Biennial Budget.

**GENERAL FUND EXPENDITURE CLASSIFICATIONS
% OF TOTAL GENERAL FUND OPERATING EXPENDITURES**

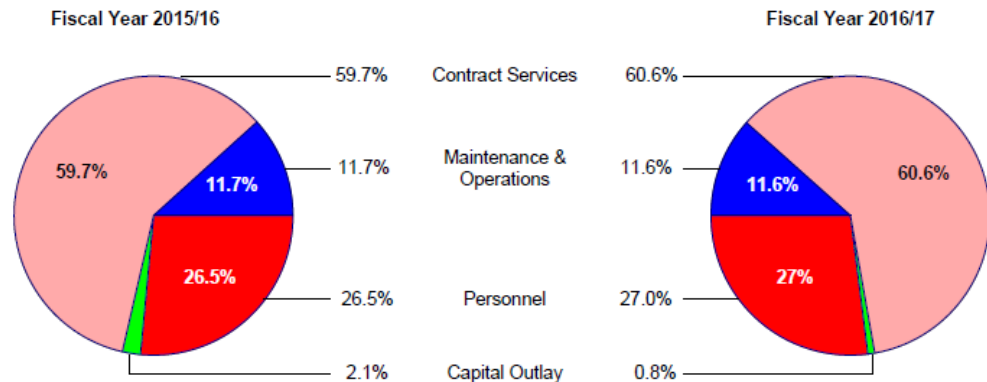


Figure 3

As a contract city, the Contract Services classification has historically represented the largest share of the total operating expenditures. That remains the case for this Biennial Budget.

**CAPITAL
IMPROVEMENT
PROJECTS**

The 2015-2017 Biennial Budget includes a 6-Year Capital Improvement Program which contains a total of 73 capital projects at a cost of almost \$103 million. The estimated total cost for 17 capital projects that fall within the next 6-Year Capital Improvement Program is \$15,967,832. The balance of projects fall into the “Future” category (see the Capital Improvement Program section of the budget).

For the 2015-2017 Biennial Budget, the City has allocated \$7,646,874 towards 13 capital projects. These projects will be funded over the course of the 2-year budget with Special Revenue funds in the amount of \$6,049,874, or 79% of the funding. The balance of \$1,597,000, or 21% of the funding, will be supported by the City’s General Fund.

The following list highlights the major capital expenditures among the 13 capital projects scheduled during the 2015-2017 Biennial Budget:

- Traffic Signal Improvements/Coordination \$ 2.3 million
- Arterial Highway Pavement Maintenance \$ 1.2 million
- Alicia Parkway Median Island Rehabilitation \$ 980,000
- Annual Street Maintenance \$ 730,000
- Water Quality Program \$ 695,000

- La Paz Sidewalk Widening \$ 565,000
- Paseo de Valencia Widening \$ 400,000

Figure 4 shows the capital project expenditures by CIP category for the Biennial Budget cycle. The City has allocated a total of \$3,346,874 in FY 15/16, and \$4,300,000 in FY 16/17 toward the City's capital improvements.

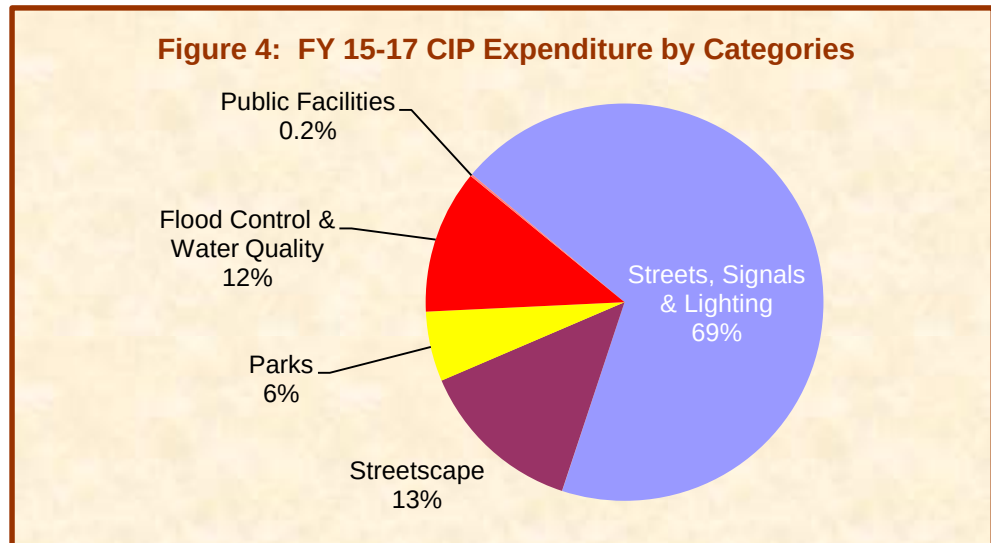
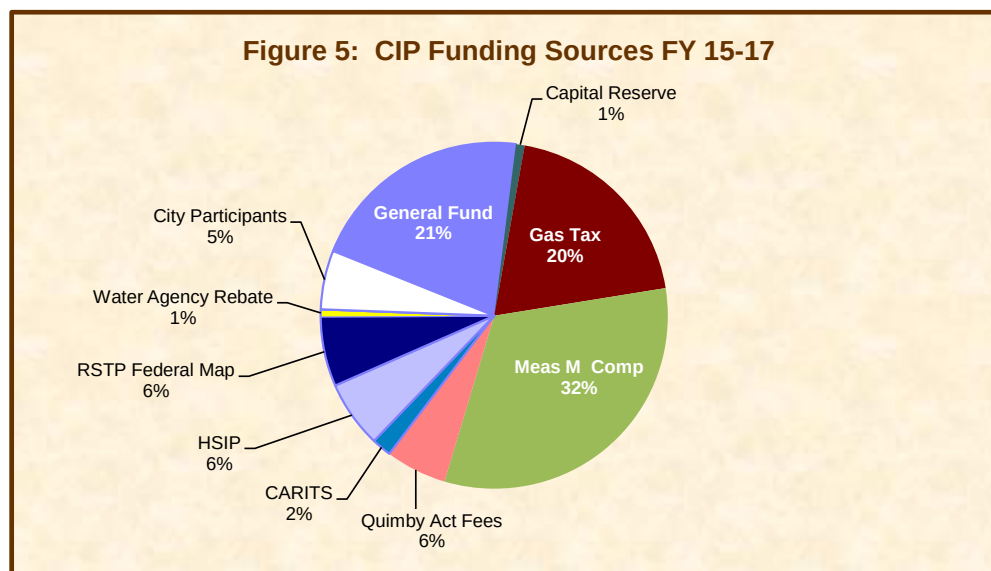


Figure 5 presents the various capital funding sources for the Biennial Budget cycle.



The “Capital Improvement Program” section of the budget provides a detailed listing and description of all the capital projects contained in the CIP.

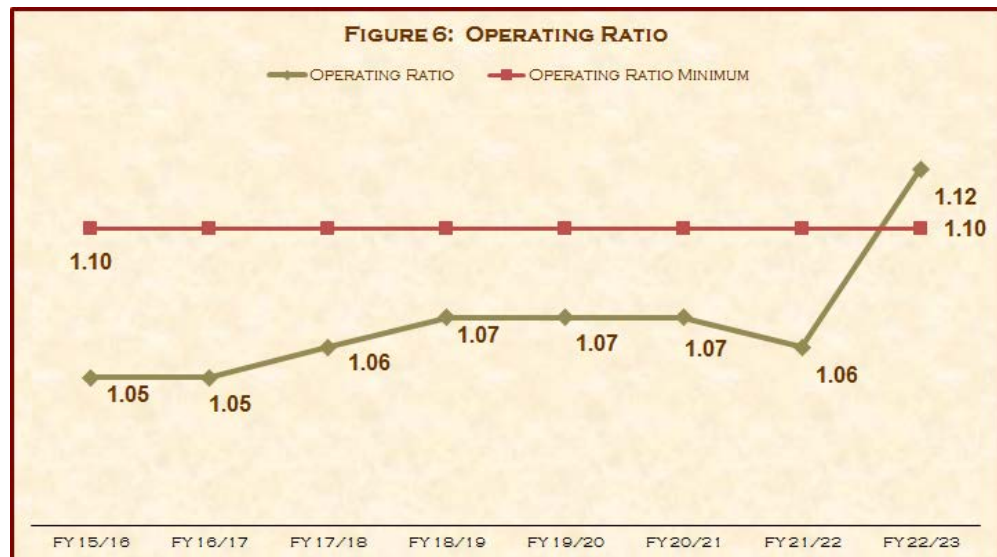
OTHER FUNDING USES	The 2015-2017 Biennial Budget also includes Other Funding Uses for budget activity accounted for separately from the CIP and Operating Budget. The total for Other Funding Uses in FY 15/16 is \$2,313,612 and \$2,110,015 in FY 16/17. Other Funding Uses includes the following activity:
-----------------------	---

- Debt Service payments in the amount of \$1,801,387 in FY 15/16 and \$1,799,387 in FY 16/17. These debt service payments are for the refinanced Certificates of Participation for the Community Center and Sports Complex. It should be noted that these payments are included in the operating ratio calculation.
- Recycling Fund for expenditures related to the implementation of recycling programs, public information, and the payment of recycling consultant services.
- CDBG Fund for expenses related the CDBG grant money used for the rehabilitation of affordable housing units.
- Senior Mobility Program (SMP) Funds for expenses related to assisting with transportation services for senior citizens. These funds are currently utilized to support a Dial-A-Taxi program for seniors.

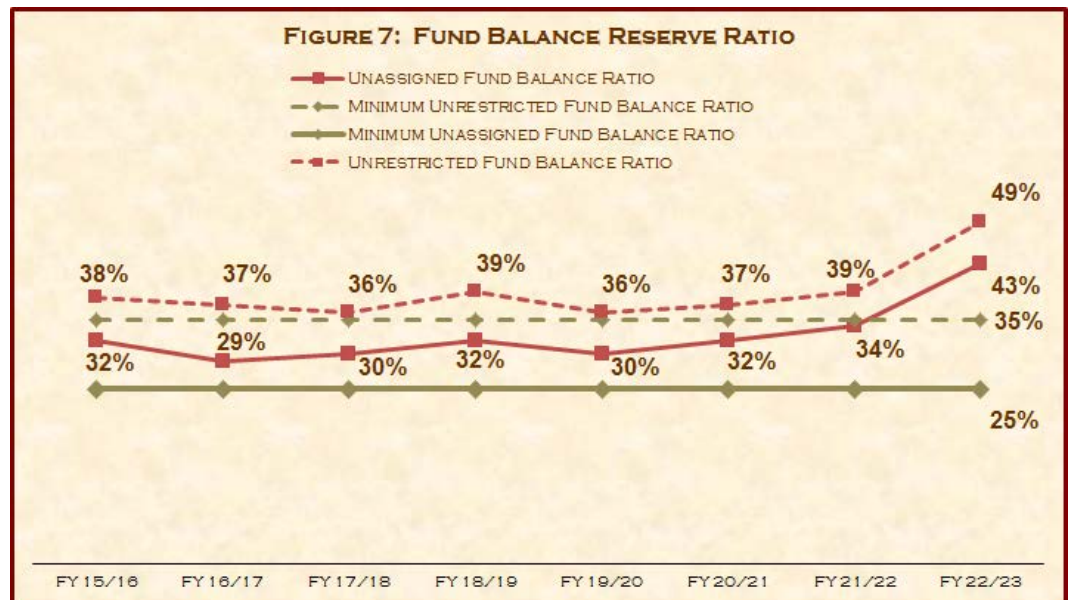
8-Year Resource Allocation Plan

The City's Financial Policies document is contained in Appendix 1 of this budget document. The emphasis contained within these policies is that the long-term implications of current financial decisions must be fully understood and taken into account in the Biennial Budget decision-making process. To assist the City Council in this effort, staff has created a customized eight-year financial model for Laguna Hills. This 8-Year Resource Allocation Plan is included in the Budget Summaries Section, on page II - 1. Please note that the 8-Year Resource Allocation Plan does not include some special revenues and may, therefore, not directly reconcile with total Funding Sources and Funding Uses presented earlier in this Budget Message.

The 8-Year Resource Allocation Plan is specifically designed to project the City's operating and reserve policy ratios over the course of the next eight years. While continually striving to maintain the operating ratio minimum of 1.10, the operating ratios for Years 1 & 2 are projected at 1.05 for both years. The operating ratio is anticipated to exceed the operating ratio minimum in the final year of the 8-Year Resource Allocation Plan. As included within the City's financial policies, a reserve policy minimum of 35% for the Unrestricted Fund Balance and 25% for the Unassigned Fund Balance has been incorporated within this budget. As mentioned previously, the City has taken a number of cost savings measures over the last three Biennial Budget cycles as a direct result of the structural correction that has taken place. Consequently, the Operating Ratio is anticipated to increase to 1.12 in FY 22/23, as shown in Figure 6 below.



The Unrestricted Fund Balance ratio is anticipated to remain above the newly-established policy minimum of 35% for all years of the 8-Year Resource Allocation Plan. The Unrestricted Fund Balance is projected to be 38% at the end of FY 15/16, and 37% at the end of FY 16/17. By the end of the following Biennial Budget cycle (FY 18/19), the Unrestricted Fund Balance ratio is anticipated to rise to 39% and increase to as high as 49% in Year 8 (FY 22/23) of the plan, which is well above the Unrestricted Fund Balance ratio minimum of 35%. The Unassigned Fund Balance ratio is anticipated to be at 32% and 29% for both Years 1 & 2, respectively, of the budget cycle. The Unassigned Fund Balance ratio will rise steadily from 29% in FY 16/17 to 43% in Year 8 (FY 22/22). Figure 7 plots the Unrestricted Fund Balance ratio as well as the Unassigned Fund Balance ratio over the span of the 8-Year Resource Allocation Plan.



It is projected that the City will have an Unrestricted General Fund Balance of approximately \$6.944 million and an Unassigned General Fund Balance of \$5.576 million at the end of this Biennial Budget cycle.

Conclusion

This budget is a product of the City Council's sound leadership, prudent fiscal stewardship, and consistent policy direction. Moreover, it represents the City's continued commitment to provide a high level of municipal services to its constituents without compromising the City's historically sound financial policies.

Accordingly so, we believe that this 2015-2017 Biennial Budget is a well-crafted, two-year financial plan that effectively manages costs while simultaneously positioning the City for future growth. The City Council's conservative fiscal policies have paid off and the commitment to manage costs will see the City through the next two years. Still, this 2015-2017 Budget provides for the necessary investment in our capital infrastructure, maintains our high level of services, and continues to focus the City's attention on economic development and future growth. We look forward to the next two years and to the implementation of this budget plan.

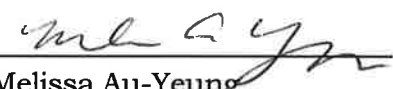
Respectfully submitted,



Bruce E. Channing
City Manager



Donald J. White
Assistant City Manager



Melissa Au-Yeung
Assistant to the City Manager

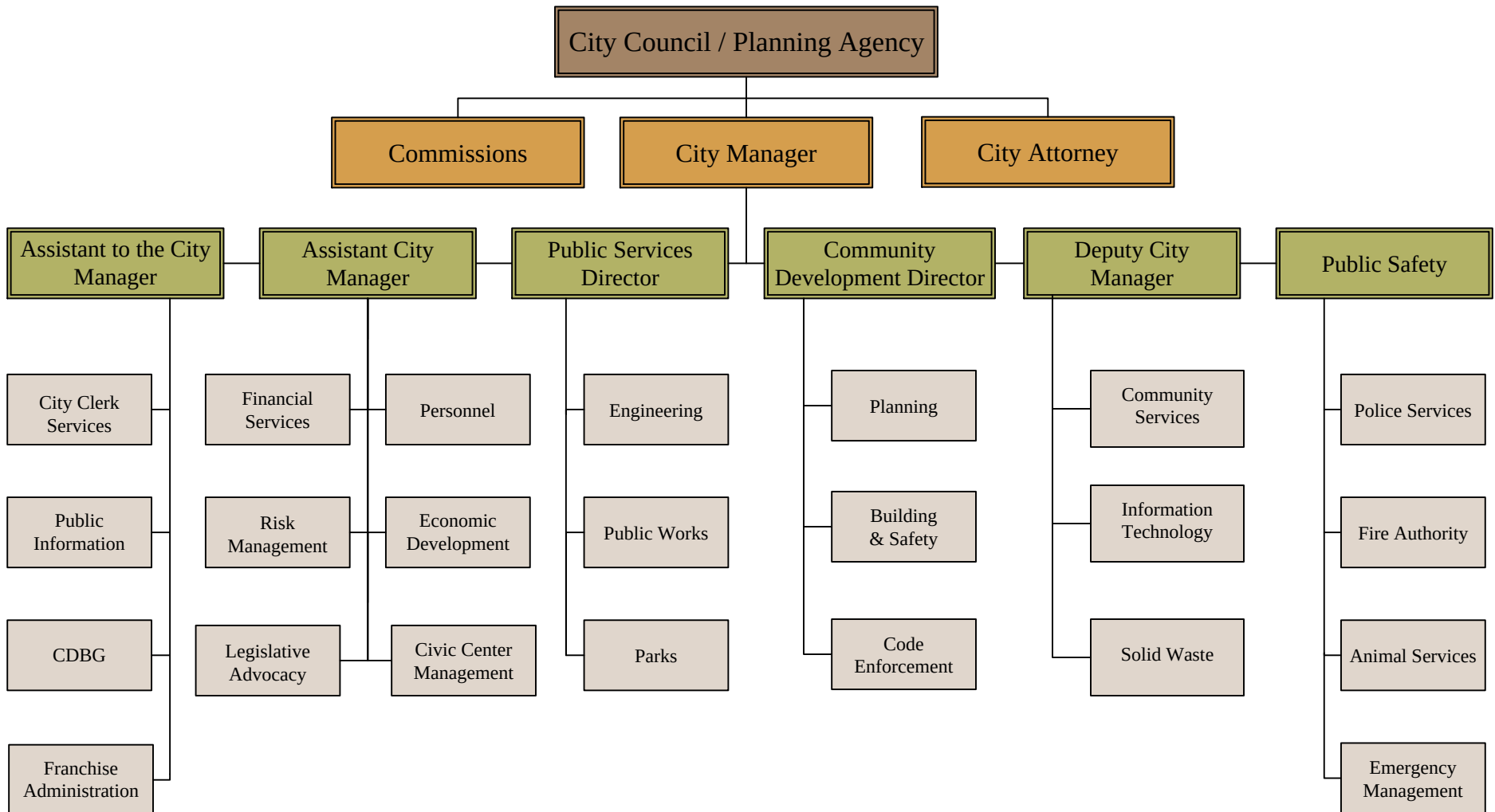


Janice Mateo Reyes
Finance Manager

CITY OF LAGUNA HILLS

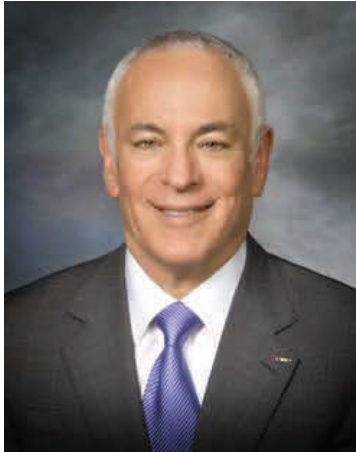
ORGANIZATIONAL CHART

June 30, 2015



CITY OF LAGUNA HILLS

ELECTED OFFICIALS As of June 30, 2015



Dore Gilbert
Mayor



Barbara Kogerman
Mayor Pro Tem



Andrew Blount
Council Member



Melody Carruth
Council Member



Don Sedgwick
Council Member

CITY OF LAGUNA HILLS

MANAGEMENT STAFF As of June 30, 2015



Donald J. White
Assistant City Manager/Deputy Treasurer



Bruce E. Channing
City Manager/Treasurer

- | | |
|--------------------------------|--|
| ♦ Melissa Au-Yeung | Assistant to the City Manager |
| ♦ Gregory E. Simonian | City Attorney |
| ♦ David Chantarangsu | Community Development Director |
| ♦ David T. Reynolds | Deputy City Manager |
| ♦ Kenneth H. Rosenfield | Director of Public Works/City Engineer |
| ♦ Lt. Roland Chacon | Police Chief (O.C. Sheriff Department) |
| ♦ Bryan Brice | Division Chief (OC. Fire Department) |

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BUDGET SUMMARIES



BUDGET SUMMARIES

TOTAL BUDGET

**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17**

8-YEAR RESOURCE ALLOCATION PLAN (\$ 000)

	Biennial Budget		FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
	FY 15/16	FY 16/17						
Beginning Balance	10,175	10,913	9,646	10,617	10,334	10,875	10,506	12,049
General Fund Revenues	20,660	20,981	21,550	22,082	22,731	23,375	23,984	24,609
Special Revenues	3,383	2,018	970	900	950	950	950	950
Other Funding Sources	687	722	754	786	814	829	829	829
Civic Center Operations - Transfers In	50	75	100	100	100	100	100	100
Total Funding Sources	24,780	23,796	23,374	23,868	24,595	25,254	25,863	26,488
Operating Expenditures	18,584	18,914	19,336	19,734	20,226	20,950	21,627	22,359
Capital Expenditures	3,347	4,300	1,202	2,576	1,717	2,285	300	2,400
Civic Center Operations - Transfers Out	60							
Elimination of Pension Unfunded Liability						500	500	1,100
Use of Reserve Funds	250	50	80	50	308	102	95	50
Debt Service	1,801	1,799	1,785	1,791	1,803	1,786	1,798	389
Total Funding Uses	24,042	25,063	22,403	24,151	24,054	25,623	24,320	26,298
Change in Fund Balance	738	(1,267)	971	(283)	541	(369)	1,543	190
Ending Balance	10,913	9,646	10,617	10,334	10,875	10,506	12,049	12,239
Less the following fund balances:								
Reservation for Debt Service	1,804	1,804	1,804	1,804	1,804	1,805	1,805	389
Non-Major Governmental Funds	1,965	898	1,798	898	1,848	898	1,848	898
Unrestricted General Fund Balance	7,144	6,944	7,015	7,632	7,223	7,803	8,396	10,952
Less the following designations:								
Total Capital Replacement Funds	968	1,168	1,091	1,049	1,056	957	910	1,132
Insurance Reserve Funds	200	200	200	200	200	200	200	200
Unassigned General Fund Balance	5,976	5,576	5,724	6,383	5,967	6,646	7,286	9,619

Ratio Analysis

Operating Ratio (>1.1)	1.05	1.05	1.06	1.07	1.07	1.07	1.06	1.12
Debt Service Ratio (<12%)	8%	8%	8%	8%	8%	7%	7%	2%
Unrestricted General Fund Balance Ratio (>35%)	38%	37%	36%	39%	36%	37%	39%	49%
Unassigned General Fund Balance Ratio (25%)	32%	29%	30%	32%	30%	32%	34%	43%

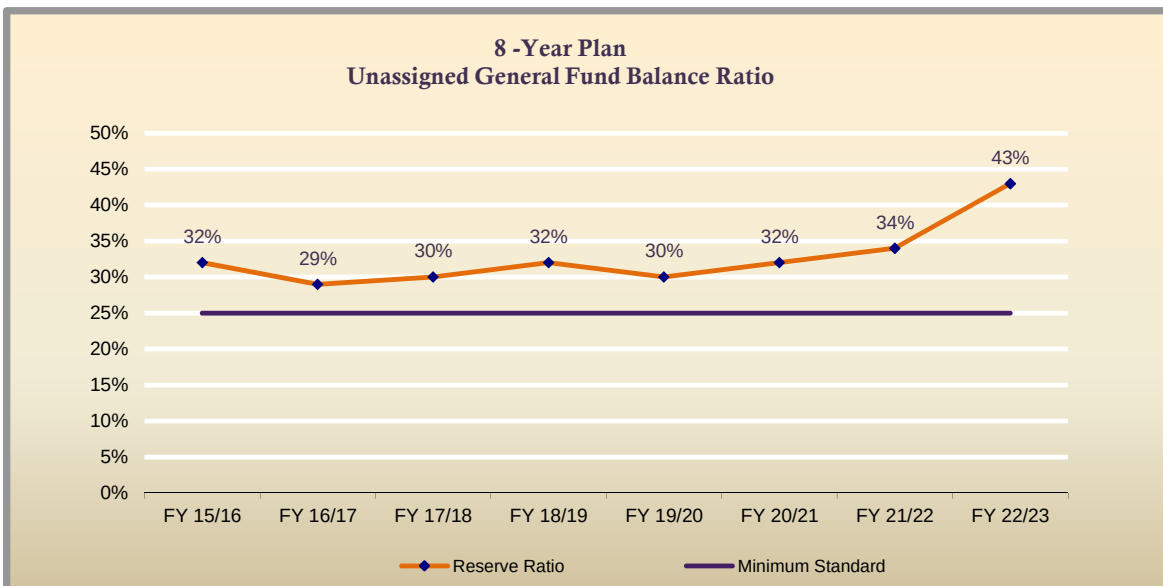
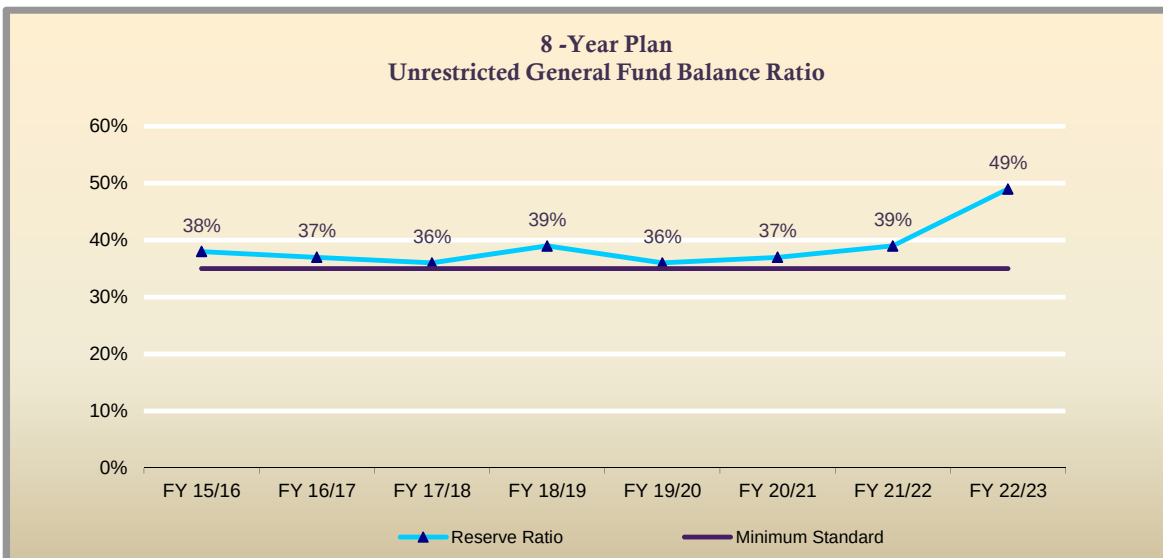
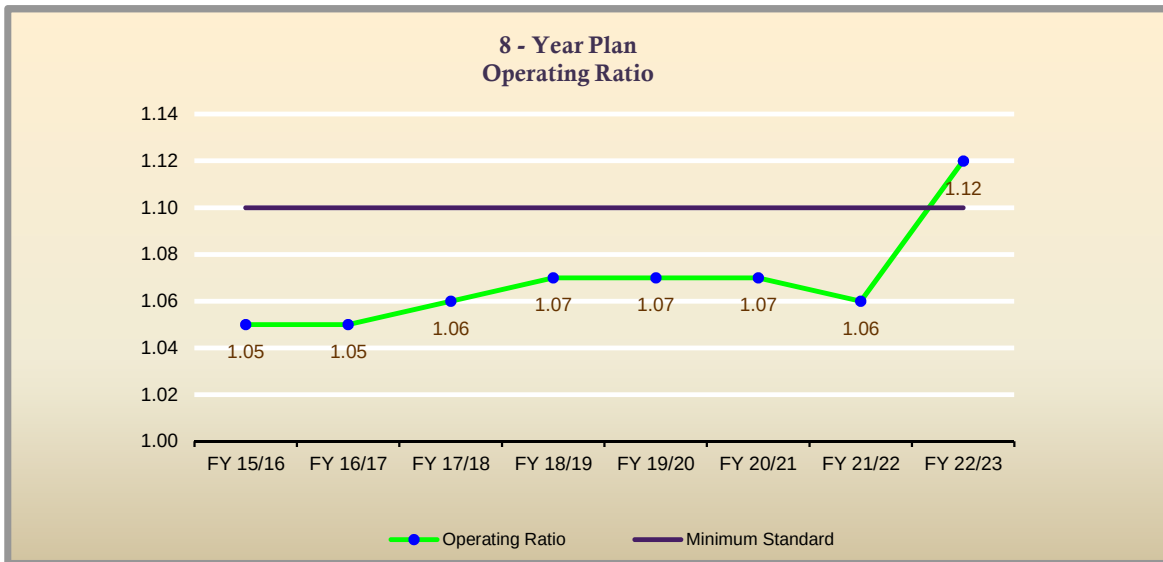
Reserve Policy Analysis

Minimum Unrestricted General Fund Reserve (>35%)	6,504	6,620	6,768	6,907	7,079	7,333	7,569	7,826
Unrestricted Amount - (Under)/Over	640	324	247	725	144	471	827	3,126
Minimum Unassigned Fund Balance Reserve (25%)	5,096	5,178	5,280	5,381	5,507	5,684	5,856	5,687
Unassigned Amount - (Under)/Over	880	398	444	1,002	460	962	1,430	3,932

Assumptions:

General Inflation	2.00%	2.25%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%
Taxable Sales Growth Rate	11.10%	-1.67%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Assessed Value Growth Rate	4.45%	3.26%	3.34%	3.25%	3.24%	3.00%	2.50%	2.50%
Sheriff's Contract Increase	-2.93%	4.17%	2.41%	2.07%	2.35%	3.50%	3.50%	3.50%

CITY OF LAGUNA HILLS BIENNIAL BUDGET 8-YEAR PLAN RATIO ANALYSIS



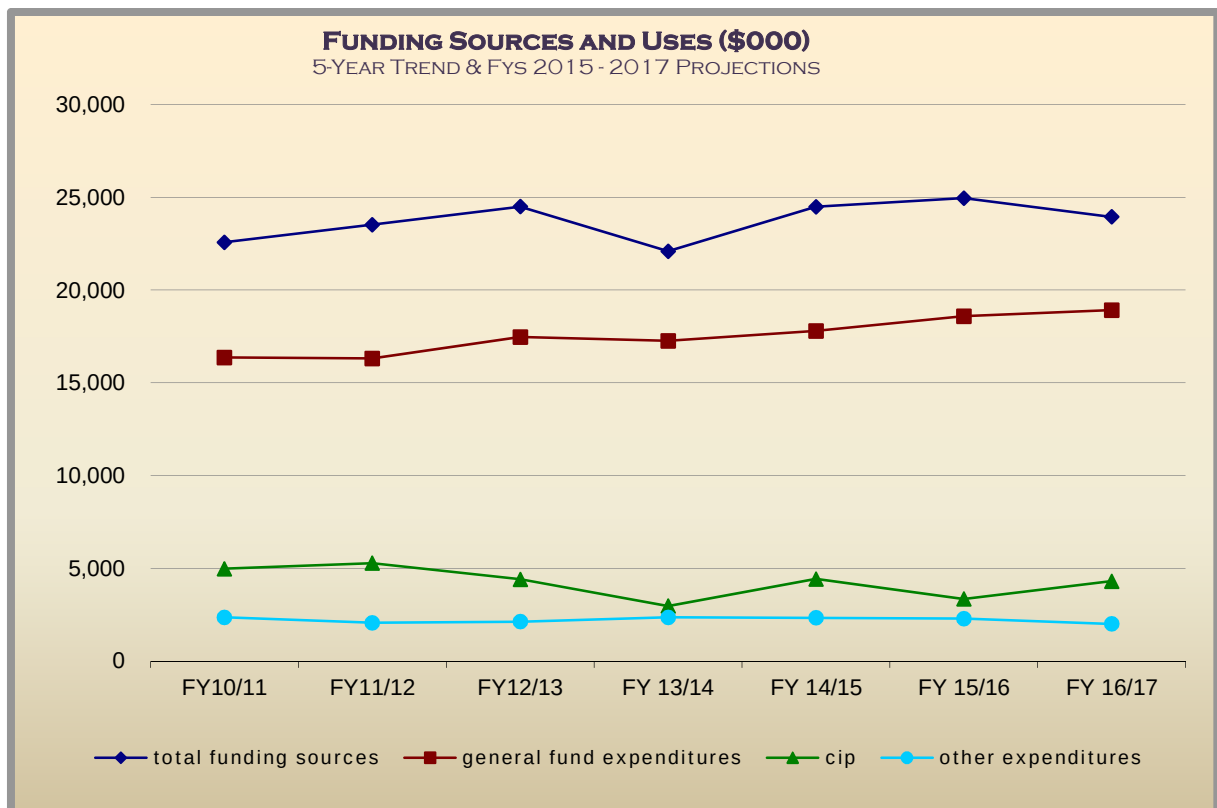
CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 - 2016/17

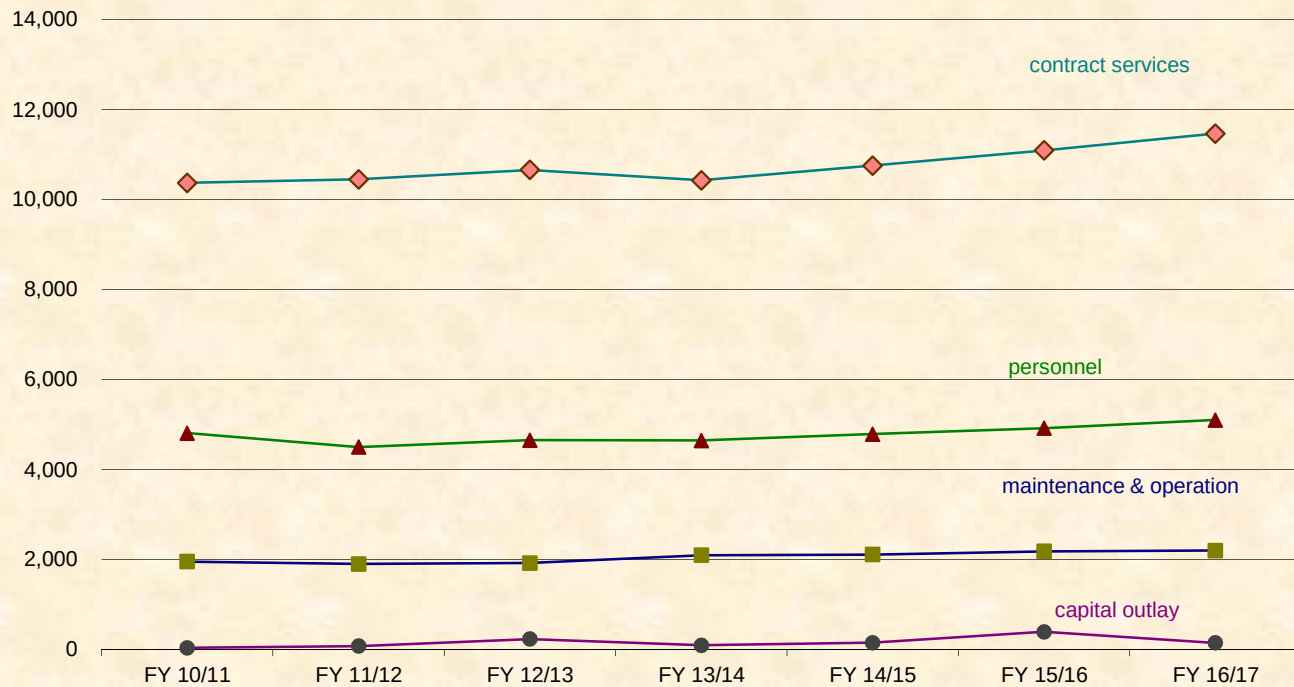
CONSOLIDATED REPORT OF FUNDING SOURCES AND USES

	PRIOR YEAR'S ACTUAL FY 13/14	FY 14/15		FY 15/16	FY 16/17
		AMENDED BUDGET	YEAR-END ESTIMATE		
FUNDING SOURCES					
General Fund Revenues	\$ 18,698,041	\$ 19,727,142	\$ 19,830,417	\$ 20,659,766	\$ 20,981,461
Special Revenues	3,371,865	2,539,966	4,655,134	4,244,638	2,890,855
Other Funding Sources	21,608	275,000	-	50,000	75,000
Total Funding Sources	22,091,514	22,542,108	24,485,551	24,954,404	23,947,316
FUNDING USES					
General Fund Expenditures	17,262,780	17,883,214	17,796,328	18,584,086	18,914,391
Capital Improvement Program (CIP)	2,965,511	4,097,293	4,418,873	3,346,874	4,300,000
Special Revenue Fund Expenditures	232,318	271,067	271,067	173,419	150,300
Debt Service	1,806,542	1,801,387	1,801,387	1,801,387	1,799,387
Other Funding Uses	315,446	87,251	250,000	310,030	50,000
Total Funding Uses	22,582,597	24,140,212	24,537,655	24,215,796	25,214,078
NET CHANGE IN FUND BALANCE	(491,082)	(1,598,104)	(52,104)	738,608	(1,266,762)
FUND BALANCE					
Beginning Balance	10,718,643	10,227,561	10,227,561	10,175,456	10,914,064
Ending Balance	\$ 10,227,561	\$ 8,629,457	\$ 10,175,456	\$ 10,914,064	\$ 9,647,302

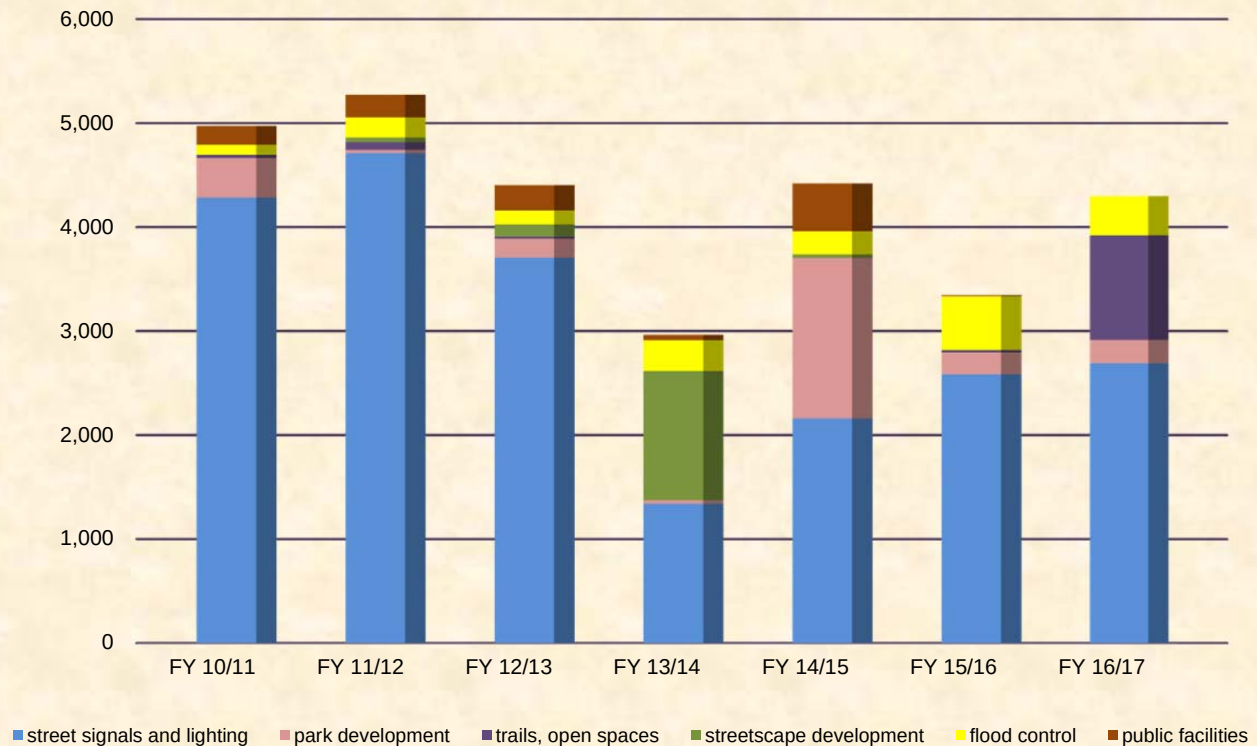


CITY OF LAGUNA HILLS

GENERAL FUND EXPENDITURES, BY CATEGORIES (\$000)
5-YEAR TREND & FYS 2015-2017 PROJECTIONS



CAPITAL IMPROVEMENT PROGRAM (\$000)
5-YEAR TREND & FYS 2015-2017 PROJECTIONS



CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
TOTAL BUDGET

FUNDING SOURCES

General Fund Revenues

Property Taxes

Secured, Unsecured, Public Utility, Supplementals, Homeowners' Exemption	\$ 6,023,337	\$ 6,182,122	\$ 6,279,409	\$ 6,553,658	\$ 6,765,165
Interest & Penalties	18,932	28,966	29,422	30,707	31,698
Miscellaneous Prior Years	76,821	99,370	100,934	105,342	108,742
Property Transfer Taxes	234,653	225,000	228,540	238,522	246,220
Property Taxes In-Lieu of VLF	2,472,528	2,578,866	2,619,449	2,733,852	2,822,082
Total Property Taxes	8,826,271	9,114,324	9,257,754	9,662,081	9,973,907

Franchise Taxes

Utility Franchise Fees					
Cable TV	504,866	523,211	539,662	530,371	542,303
San Diego Gas & Electric	186,880	192,000	198,037	194,627	199,006
Southern California Edison	206,139	192,000	198,037	194,627	199,006
Southern California Gas Co.	78,908	78,797	81,275	79,875	81,672
<i>Sub-total Utility Franchise Fees</i>	<i>976,793</i>	<i>986,008</i>	<i>1,017,011</i>	<i>999,500</i>	<i>1,021,987</i>
Waste Disposal/Recycling Fees					
Waste Haulers	280,936	292,899	285,339	341,000	348,673
Recycling Revenues	1,292				
<i>Sub-total Waste/Recycling</i>	<i>282,228</i>	<i>292,899</i>	<i>285,339</i>	<i>341,000</i>	<i>348,673</i>
Transient Occupancy Taxes	1,203,422	1,332,500	1,233,508	1,258,200	1,286,510
Total Franchise Taxes	2,462,443	2,611,407	2,535,858	2,598,700	2,657,170

Intergovernmental Revenues

Sales & Use Tax	5,523,069	5,952,540	5,677,000	6,307,000	6,201,744
Motor Vehicle in Lieu	14,344		13,856		
Other Intergovernmental Revenues	16,549		14,170		
Total Intergov'tl Revenues	5,553,962	5,952,540	5,705,026	6,307,000	6,201,744

Licenses and Permits

Building Related Licenses/Permits					
Building Permits	425,332	435,000	605,893	372,857	372,857
Plan Check Fees	21,874	60,000	83,571	51,429	51,429
Plan Check Fees - Fee Based	196,712	161,000	224,250	138,000	138,000
Fire Fees	5,853	9,000	12,536	7,714	7,714
Imaging Plans and Documents Fee	28,706	35,000	48,750	30,000	30,000
<i>Sub-total Building Permits</i>	<i>678,477</i>	<i>700,000</i>	<i>975,000</i>	<i>600,000</i>	<i>600,000</i>
Engineering Fees					
Transportation Permit	1,912	3,000	4,293	4,878	6,098
Encroachment Permit	55,700	56,500	80,846	91,870	114,837
Traffic Permit & License Fees	1,020	2,000	2,861	3,252	4,065
<i>Sub-total Engineering Permits</i>	<i>58,632</i>	<i>61,500</i>	<i>88,000</i>	<i>100,000</i>	<i>125,000</i>
Total Licenses and Permits	737,109	761,500	1,063,000	700,000	725,000

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
TOTAL BUDGET

	PRIOR YEAR'S ACTUAL FY 13/14	FY 14/15		FY 15/16	FY 16/17
		AMENDED BUDGET	YEAR-END ESTIMATE		
Charges for Current Services					
Recreation Fees					
Fees- Programs	343,354	299,018	357,300	365,235	379,032
Fees - Facility Reservation	228,377	214,225	255,980	261,665	271,549
Fees - Special Events	4,400	4,715	5,634	5,759	5,977
Fees-5K Registrations	148,358	125,050	149,424	152,742	158,512
Fees-5K Sponsorships	8,875	43,050	51,441	52,584	54,570
<i>Sub-total Recreation Fees</i>	<u>733,364</u>	<u>686,058</u>	<u>819,779</u>	<u>837,985</u>	<u>869,640</u>
Development Services					
Planning and Zoning Fees	30,814	85,500	30,000	100,000	100,000
Improvement Inspect	7,207	15,250	15,000	50,000	50,000
<i>Sub-total Development Fees</i>	<u>38,021</u>	<u>100,750</u>	<u>45,000</u>	<u>150,000</u>	<u>150,000</u>
Leases and Rental Fees					
Cell Tower Lease	80,818	77,563	68,500	72,000	72,000
Library Lease	48,000	48,000	45,500	42,000	42,000
<i>Sub-total Leases/Rentals</i>	<u>128,818</u>	<u>125,563</u>	<u>114,000</u>	<u>114,000</u>	<u>114,000</u>
Other Service Charges					
Sale of Publications/Maps	2,000	2,000	2,000	2,000	2,000
<i>Sub-total Other Service Charges</i>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Miscellaneous Operating Revenues	29,706	48,000	28,000	28,000	28,000
Total Charges for Services	<u>931,909</u>	<u>962,371</u>	<u>1,008,779</u>	<u>1,131,985</u>	<u>1,163,640</u>
Fines and Forfeitures					
Vehicle Code Fines	126,431	245,000	195,000	195,000	195,000
Parking Revenues	47,815	55,000	44,000	44,000	44,000
Court Fines	12,101	25,000	21,000	21,000	21,000
Total Fines and Fortfeitures	<u>186,347</u>	<u>325,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>
Total General Fund Revenues	\$ 18,698,041	\$ 19,727,142	\$ 19,830,417	\$ 20,659,766	\$ 20,981,461

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
TOTAL BUDGET

	PRIOR YEAR'S		FY 14/15		FY 15/16	FY 16/17
	ACTUAL FY 13/14		AMENDED BUDGET	YEAR-END ESTIMATE		
Special Revenue Funds						
CIP Funding Sources						
Gas Tax	\$ 1,061,045	\$	1,011,858	\$ 966,243	\$ 736,729	\$ 753,305
Measure M2 Competitive	221,793		99,559	99,559	2,092,000	370,000
AB 2766	37,999		40,000			
RSTP Federal Map-21						500,000
HSIP					133,000	345,000
City of Lake Forest	106,000					
Federal STP	746,172					
Prop 1B (SLPP)	343,000					
Public Art Fee	10,294					
Quimby Act			450,000	2,136,288		
Water Conservation Rebates				439,250		50,000
MNWD - Streets Contribution				90,000		
Other CIP Related Grants & Contributions					422,000	
Total CIP Funding Sources	2,526,303		1,601,417	3,731,340	3,383,729	2,018,305
Measure M2 Local Fair Share	501,854		567,482	552,727	587,490	622,250
Community Development Block Grant	135,468		150,000	150,000	70,380	70,000
Law Enforcement	103,309		100,000	100,000	100,000	100,000
Recycling Funds	69,424		89,567	89,567	103,039	80,300
Senior Mobility Program	35,507		31,500	31,500	28,776	110,328
Total Special Revenue Funds	\$ 3,371,865	\$	2,539,966	\$ 4,655,134	\$ 4,273,414	\$ 3,001,183
Other Funding Sources						
Investment Income	\$ 21,608	\$	75,000	\$	\$	\$
Distribution from City Hall Leasing Operation			200,000		50,000	75,000
Total Other Funding Sources	\$ 21,608	\$	275,000	\$ -	\$ 50,000	\$ 75,000
TOTAL FUNDING SOURCES	\$ 22,091,514	\$	22,542,108	\$ 24,485,551	\$ 24,983,180	\$ 24,057,644

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
TOTAL BUDGET

	PRIOR YEAR'S		FY 14/15		FY 15/16	FY 16/17
	ACTUAL FY 13/14		AMENDED BUDGET	YEAR-END ESTIMATE		
FUNDING USES						
General Fund Expenditures						
General Government						
Personnel	\$ 1,909,454	\$	1,925,216	\$ 1,898,105	\$ 1,842,959	\$ 1,907,040
Maintenance and Operation	215,802		239,895	210,085	230,513	242,378
Contract Services	503,642		491,770	540,272	621,040	604,890
Capital Outlay	31,788		4,600	-	-	-
Total General Government	2,660,687		2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental						
Personnel	54,151		128,974	102,532	111,438	115,876
Maintenance and Operation	292,537		336,773	336,555	364,133	368,097
Contract Services	75,704		100,669	106,210	110,927	117,137
Capital Outlay	11,805		56,730	71,586	94,265	30,000
Total Non-departmental	434,197		623,146	616,883	680,763	631,110
Community Development						
Personnel	861,205		944,950	936,404	1,032,693	1,090,802
Maintenance and Operation	8,513		19,550	11,225	21,025	17,525
Contract Services	256,529		227,000	305,000	342,500	342,500
Total Community Development	1,126,247		1,191,500	1,252,629	1,396,218	1,450,827
Public Services						
Personnel	782,353		840,172	789,685	829,050	839,519
Maintenance and Operation	1,001,716		899,688	958,087	958,850	969,050
Contract Services	2,488,522		2,532,000	2,439,000	2,498,000	2,608,000
Capital Outlay	20,498		13,000	13,000	15,000	46,000
Total Public Services	4,293,089		4,284,860	4,199,772	4,300,900	4,462,569
Community Services						
Personnel	1,039,720		1,070,761	1,059,016	1,102,201	1,148,618
Maintenance and Operation	535,056		503,587	545,113	565,021	564,471
Contract Services	321,510		309,444	306,658	327,276	329,276
Capital Outlay	30,086		8,500	3,500	21,000	9,000
Total Community Services	1,926,372		1,892,292	1,914,287	2,015,498	2,051,365
Public Safety						
Maintenance and Operation	42,347		55,350	47,450	42,475	36,330
Contract Services	6,779,625		7,142,585	7,054,990	7,191,245	7,464,622
Capital Outlay	216		32,000	61,855	262,475	63,260
Total Public Safety	6,822,188		7,229,935	7,164,295	7,496,195	7,564,212
Total General Fund Expenditures	\$ 17,262,780	\$	17,883,214	\$ 17,796,328	\$ 18,584,086	\$ 18,914,391

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
TOTAL BUDGET

	PRIOR YEAR'S			FY 14/15			
	ACTUAL			AMENDED	YEAR-END	FY	FY
	FY 13/14			BUDGET	ESTIMATE	15/16	16/17
Capital Improvement Program (CIP)							
Streets, Signals & Lighting	\$ 1,339,855	\$	2,443,248	\$	2,158,830	\$ 2,584,000	\$ 2,690,000
Streetscape						25,000	1,005,000
Flood Control and Water Quality	295,211		312,785		222,000	515,000	380,000
Parks	34,795		843,346		1,543,043	210,000	225,000
Public Facilities	54,086		497,914		460,000	12,874	
Trails and Open Spaces	1,241,564				35,000		
Total CIP	\$ 2,965,511	\$	4,097,293	\$	4,418,873	\$ 3,346,874	\$ 4,300,000
Special Revenue Funds							
CDBG Fund	\$ 135,468	\$	150,000	\$	150,000	\$ 70,380	\$ 70,000
Law Enforcement	3,661						
Recycling Funds	65,440		89,567		89,567	103,039	80,300
Senior Mobility	27,749		31,500		31,500	28,776	110,328
Total Special Revenue Fund	\$ 232,318	\$	271,067	\$	271,067	\$ 202,195	\$ 260,628
Debt Service Fund							
Interest	\$ 601,542	\$	501,387	\$	501,387	\$ 501,387	\$ 449,387
Principle	1,205,000		1,300,000		1,300,000	1,300,000	1,350,000
Total Debt Service Fund	\$ 1,806,542	\$	1,801,387	\$	1,801,387	\$ 1,801,387	\$ 1,799,387
Use of Reserves	21,755		50,000		50,000	250,000	50,000
Distributions to Civic Center Leasing Operations	293,691		37,251		200,000	60,030	
TOTAL FUNDING USES	\$ 22,582,597	\$	24,140,212	\$	24,537,655	\$ 24,244,572	\$ 25,324,406
NET CHANGE IN FUND BALANCE	(491,082)		(1,598,104)		(52,104)	738,608	(1,266,762)
FUND BALANCE							
Beginning Balance	10,718,643		10,227,561		10,227,561	10,175,456	10,914,064
Ending Balance	\$ 10,227,561	\$	8,629,457	\$	10,175,456	\$ 10,914,064	\$ 9,647,302



BUDGET SUMMARIES

OPERATING BUDGET

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CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
OPERATING BUDGET

	PRIOR YEAR'S		FY 14/15			
	ACTUAL		AMENDED	YEAR-END	FY	FY
	FY 13/14		BUDGET	ESTIMATE	15/16	16/17
OPERATING REVENUES						
Property Taxes	\$ 8,826,271	\$	9,114,324	\$ 9,257,754	\$ 9,662,081	\$ 9,973,907
Franchise Fees	2,462,443		2,611,407	2,535,858	2,598,700	2,657,171
Intergovernmental Revenues	5,553,962		5,952,540	5,705,026	6,307,000	6,201,744
Licenses and Permits	737,109		761,500	1,063,000	700,000	725,000
Charges for Current Services	931,909		962,371	1,008,779	1,131,985	1,163,639
Fines and Forfeitures	186,347		325,000	260,000	260,000	260,000
Measure M2 Fairshare	501,854		567,482	552,727	587,490	622,250
Other Operating Revenues	100,000		300,000	100,000	150,000	175,000
TOTAL OPERATING REVENUES	19,299,895		20,594,624	20,483,144	21,397,256	21,778,711
OPERATING EXPENDITURES						
General Government	2,660,687		2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental	434,197		623,146	616,883	680,763	631,110
Community Development	1,126,247		1,191,500	1,252,629	1,396,218	1,450,827
Public Services	4,293,089		4,284,860	4,199,772	4,300,900	4,462,569
Community Services	1,926,372		1,892,292	1,914,287	2,015,498	2,051,365
Public Safety	6,822,188		7,229,935	7,164,295	7,496,195	7,564,212
Debt Service	1,806,542		1,801,387	1,801,387	1,801,387	1,799,387
TOTAL OPERATING EXPENDITURES	19,069,322		19,684,601	19,597,715	20,385,473	20,713,778
REVENUES OVER EXPENDITURES	\$ 230,573	\$	910,023	\$ 885,429	\$ 1,011,783	\$ 1,064,933

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
OPERATING REVENUES

	PRIOR YEAR'S		FY 14/15			
	ACTUAL		AMENDED	YEAR-END	FY	FY
	FY 13/14		BUDGET	ESTIMATE	15/16	16/17
GENERAL FUND REVENUES						
Property Taxes	\$ 8,826,271	\$	9,114,324	\$ 9,257,754	\$ 9,662,081	\$ 9,973,907
Franchise Fees						
Utility Franchise Fees	976,792		986,008	1,017,011	999,500	1,021,988
Waste Disposal, Landfill, & Recycling Fees	282,229		292,899	285,339	341,000	348,673
Transient Occupancy Taxes	1,203,422		1,332,500	1,233,508	1,258,200	1,286,510
Total Franchise Taxes	<u>2,462,443</u>		<u>2,611,407</u>	<u>2,535,858</u>	<u>2,598,700</u>	<u>2,657,171</u>
Intergovernmental Revenues						
Intergovernmental - Sales Tax	5,523,069		5,952,540	5,677,000	6,307,000	6,201,744
Intergovernmental - MV in Lieu	14,344		-	13,856	-	-
State Mandated Reimbursements	16,549		-	14,170	-	-
Total Intergovernmental Revenues	<u>5,553,962</u>		<u>5,952,540</u>	<u>5,705,026</u>	<u>6,307,000</u>	<u>6,201,744</u>
Licenses and Permits						
Building Related Licenses/Permits	678,477		700,000	975,000	600,000	600,000
Engineering Permits	58,632		61,500	88,000	100,000	125,000
Total Licenses and Permits	<u>737,109</u>		<u>761,500</u>	<u>1,063,000</u>	<u>700,000</u>	<u>725,000</u>
Charges for Current Services						
Recreation Fees	733,364		686,058	819,779	837,985	869,639
Development Services Fees	38,021		100,750	45,000	150,000	150,000
Rental/Lease Fees	128,818		125,563	114,000	114,000	114,000
Miscellaneous & Other Service Charges	31,706		50,000	30,000	30,000	30,000
Total Service Charges	<u>931,909</u>		<u>962,371</u>	<u>1,008,779</u>	<u>1,131,985</u>	<u>1,163,639</u>
Fines and Forfeitures	186,347		325,000	260,000	260,000	260,000
SUBTOTAL - GENERAL FUND REVENUES	\$ 18,698,041	\$	19,727,142	\$ 19,830,417	\$ 20,659,766	\$ 20,981,461
Measure M Local Fairshare	501,854		567,482	552,727	587,490	622,250
Other Operating Revenues	100,000		300,000	100,000	150,000	175,000
TOTAL OPERATING REVENUES	\$ <u>19,299,895</u>	\$	<u>20,594,624</u>	\$ <u>20,483,144</u>	\$ <u>21,397,256</u>	\$ <u>21,778,711</u>

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
OPERATING EXPENDITURES

	PRIOR YEAR'S ACTUAL FY 13/14	FY 14/15 AMENDED BUDGET	YEAR-END ESTIMATE	FY 15/16	FY 16/17
GENERAL FUND EXPENDITURES					
General Government					
Personnel	\$ 1,909,454	\$ 1,925,216	\$ 1,898,105	\$ 1,842,959	\$ 1,907,040
Maintenance and Operation	215,802	239,895	210,085	230,513	242,378
Contract Services	503,642	491,770	540,272	621,040	604,890
Capital Outlay	31,788	4,600	-	-	-
Total General Government	2,660,687	2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental					
Personnel	54,151	128,974	102,532	111,438	115,876
Maintenance and Operation	292,537	336,773	336,555	364,133	368,097
Contract Services	75,704	100,669	106,210	110,927	117,137
Capital Outlay	11,805	56,730	71,586	94,265	30,000
Total Non-departmental	434,197	623,146	616,883	680,763	631,110
Community Development					
Personnel	861,205	944,950	936,404	1,032,693	1,090,802
Maintenance and Operation	8,513	19,550	11,225	21,025	17,525
Contract Services	256,529	227,000	305,000	342,500	342,500
Total Community Development	1,126,247	1,191,500	1,252,629	1,396,218	1,450,827
Public Services					
Personnel	782,353	840,172	789,685	829,050	839,519
Maintenance and Operation	1,001,716	899,688	958,087	958,850	969,050
Contract Services	2,488,522	2,532,000	2,439,000	2,498,000	2,608,000
Capital Outlay	20,498	13,000	13,000	15,000	46,000
Total Public Services	4,293,089	4,284,860	4,199,772	4,300,900	4,462,569
Community Services					
Personnel	1,039,720	1,070,761	1,059,016	1,102,201	1,148,618
Maintenance and Operation	535,056	503,587	545,113	565,021	564,471
Contract Services	321,510	309,444	306,658	327,276	329,276
Capital Outlay	30,086	8,500	3,500	21,000	9,000
Total Community Services	1,926,372	1,892,292	1,914,287	2,015,498	2,051,365
Public Safety					
Maintenance and Operation	42,347	55,350	47,450	42,475	36,330
Contract Services	6,779,625	7,142,585	7,054,990	7,191,245	7,464,622
Capital Outlay	216	32,000	61,855	262,475	63,260
Total Public Safety	6,822,188	7,229,935	7,164,295	7,496,195	7,564,212
Total General Fund Expenditures	\$ 17,262,780	\$ 17,883,214	\$ 17,796,328	\$ 18,584,086	\$ 18,914,391
Debt Service	1,806,542	1,801,387	1,801,387	1,801,387	1,799,387
TOTAL OPERATING EXPENDITURES	\$ 19,069,322	\$ 19,684,601	\$ 19,597,715	\$ 20,385,473	\$ 20,713,778

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BUDGET SUMMARIES

GENERAL FUND BUDGET

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CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
GENERAL FUND BUDGET

	PRIOR YEAR'S		FY 14/15			
	ACTUAL		AMENDED	YEAR-END	FY	FY
	FY 13/14		BUDGET	ESTIMATE	15/16	16/17
GENERAL FUND REVENUES						
Property Taxes	\$ 8,826,271	\$	9,114,324	\$ 9,257,754	\$ 9,662,081	\$ 9,973,907
Franchise Fees	2,462,443		2,611,407	2,535,858	2,598,700	2,657,171
Intergovernmental Revenues	5,553,962		5,952,540	5,705,026	6,307,000	6,201,744
Licenses and Permits	737,109		761,500	1,063,000	700,000	725,000
Charges for Current Services	931,909		962,371	1,008,779	1,131,985	1,163,639
Fines and Forfeitures	186,347		325,000	260,000	260,000	260,000
TOTAL GENERAL FUND REVENUES	18,698,041		19,727,142	19,830,417	20,659,766	20,981,461
GENERAL FUND EXPENDITURES						
General Government	2,660,687		2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental	434,197		623,146	616,883	680,763	631,110
Community Development	1,126,247		1,191,500	1,252,629	1,396,218	1,450,827
Public Services	4,293,089		4,284,860	4,199,772	4,300,900	4,462,569
Community Services	1,926,372		1,892,292	1,914,287	2,015,498	2,051,365
Public Safety	6,822,188		7,229,935	7,164,295	7,496,195	7,564,212
TOTAL GENERAL FUND EXPENDITURES	17,262,780		17,883,214	17,796,328	18,584,086	18,914,391
REVENUES OVER EXPENDITURES	\$ 1,435,261	\$	1,843,928	\$ 2,034,089	\$ 2,075,680	\$ 2,067,070

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
GENERAL FUND REVENUES

	PRIOR YEAR'S ACTUAL FY 13/14	FY 14/15 AMENDED BUDGET	YEAR-END ESTIMATE	FY 15/16	FY 16/17
Property Taxes	\$ 8,826,271	\$ 9,114,324	\$ 9,257,754	\$ 9,662,081	\$ 9,973,907
Franchise Fees					
Utility Franchise Fees	976,792	986,008	1,017,011	999,500	1,021,988
Waste Disposal/Recycling Fees	282,229	292,899	285,339	291,000	297,548
Landfill				50,000	51,125
Transient Occupancy Taxes	1,203,422	1,332,500	1,233,508	1,258,200	1,286,510
Total Franchise Taxes	2,462,443	2,611,407	2,535,858	2,598,700	2,657,171
Intergovernmental Revenues					
Intergovernmental -Sales Tax	5,523,069	5,952,540	5,677,000	6,307,000	6,201,744
Intergovernmental -MV in Lieu	14,344		13,856		
State Mandated Reimbursement	16,549		14,170		
Total Intergovernmental Revenues	5,553,962	5,952,540	5,705,026	6,307,000	6,201,744
Licenses and Permits					
Building Related Licenses/Permits	678,477	700,000	975,000	600,000	600,000
Engineering Permits	58,632	61,500	88,000	100,000	125,000
Total Licenses and Permits	737,109	761,500	1,063,000	700,000	725,000
Charges for Current Services					
Recreation Fees	733,364	686,058	819,779	837,985	869,639
Development Services Fees	38,021	100,750	45,000	150,000	150,000
Rental Fees/Leases	128,818	125,563	114,000	114,000	114,000
Miscellaneous & Other Service Charges	31,706	50,000	30,000	30,000	30,000
Total Service Charges	931,909	962,371	1,008,779	1,131,985	1,163,639
Fines and Forfeitures	186,347	325,000	260,000	260,000	260,000
TOTAL GENERAL FUND REVENUES	\$ 18,698,041	\$ 19,727,142	\$ 19,830,417	\$ 20,659,766	\$ 20,981,461

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
GENERAL FUND EXPENDITURES

	PRIOR YEAR'S		FY 14/15		FY 15/16	FY 16/17
	ACTUAL FY 13/14		AMENDED BUDGET	YEAR-END ESTIMATE		
General Government						
Personnel	\$ 1,909,454	\$	1,925,216	\$ 1,898,105	\$ 1,842,959	\$ 1,907,040
Maintenance and Operation	215,802		239,895	210,085	230,513	242,378
Contract Services	503,642		491,770	540,272	621,040	604,890
Capital Outlay	31,788		4,600	-	-	-
Total General Government	2,660,687		2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental						
Personnel	54,151		128,974	102,532	111,438	115,876
Maintenance and Operation	292,537		336,773	336,555	364,133	368,097
Contract Services	75,704		100,669	106,210	110,927	117,137
Capital Outlay	11,805		56,730	71,586	94,265	30,000
Total Non-departmental	434,197		623,146	616,883	680,763	631,110
Community Development						
Personnel	861,205		944,950	936,404	1,032,693	1,090,802
Maintenance and Operation	8,513		19,550	11,225	21,025	17,525
Contract Services	256,529		227,000	305,000	342,500	342,500
Capital Outlay	-		-	-	-	-
Total Community Development	1,126,247		1,191,500	1,252,629	1,396,218	1,450,827
Public Services						
Personnel	782,353		840,172	789,685	829,050	839,519
Maintenance and Operation	1,001,716		899,688	958,087	958,850	969,050
Contract Services	2,488,522		2,532,000	2,439,000	2,498,000	2,608,000
Capital Outlay	20,498		13,000	13,000	15,000	46,000
Total Public Services	4,293,089		4,284,860	4,199,772	4,300,900	4,462,569
Community Services						
Community						
Personnel	1,039,720		1,070,761	1,059,016	1,102,201	1,148,618
Maintenance and Operation	535,056		503,587	545,113	565,021	564,471
Contract Services	321,510		309,444	306,658	327,276	329,276
Capital Outlay	30,086		8,500	3,500	21,000	9,000
Total Community Services	1,926,372		1,892,292	1,914,287	2,015,498	2,051,365
Public Safety						
Maintenance and Operation	42,347		55,350	47,450	42,475	36,330
Contract Services	6,779,625		7,142,585	7,054,990	7,191,245	7,464,622
Capital Outlay	216		32,000	61,855	262,475	63,260
Total Public Safety	6,822,188		7,229,935	7,164,295	7,496,195	7,564,212
TOTAL GENERAL FUND EXPENDITURES	\$ 17,262,780	\$	17,883,214	\$ 17,796,328	\$ 18,584,086	\$ 18,914,391

CITY OF LAGUNA HILLS

SOURCES OF GENERAL FUND REVENUES

PROPERTY TAXES

The City receives Property Tax revenues in the form of Secured, Unsecured, Supplemental, Homeowners' Exemption, Interest and Penalties, Real Property Transfer Taxes, and Property Taxes in Lieu of VLF. In accordance with State law, property is assessed at actual full cash value and the maximum tax is 1% of the assessed valuation. Increases in assessed valuation are limited to 2% per year unless there is a change in property ownership or improvements to the property.

The assessed values of properties in the City, since FY 10/11 are listed in Table 1 below.

Table 1 – Assessed Values (\$ 000 Billion)

FISCAL YEAR	SECURED	UNSECURED	TOTAL	% CHANGE
2010/11	5.3	0.161	5.46	-2.3%
2011/12	5.31	0.155	5.47	0.1%
2012/13	5.37	0.141	5.51	0.8%
2013/14	5.51	0.134	5.64	2.4%
2014/15 *	5.81	0.154	5.96	5.6%
2015/16 *	6.07	0.161	6.23	4.5%
2016/17 *	6.26	0.166	6.43	3.3%

* estimated data

For the 2015-2017 Biennial Budget, the City utilized information available from the County Assessor's Office as well from the City's consultants to prepare projections of property tax revenues for the next two years. As briefly referenced earlier, under Proposition 13, the County Assessor may increase the assessed value of locally assessed real property by either 2% or the CPI, whichever is less. While in previous years there had been downward pressure due to a lagging economy, lower property values, and a weak construction sector, we expect this will not continue to be the case as the real estate market continues its recovery. Consequently, it is anticipated that secured/unsecured property tax valuation will increase by 4.5% for FY 15/16 over the prior year. For FY 16/17, a 3.3% increase in assessed valuation is projected over the previous year's estimates. Notable factors in the anticipated increases are the appreciation of existing structures, growth due to existing home sales, and growth due to structural improvement and construction.

Table 2 – Property Tax Revenues (\$ 000 Billion)

FISCAL YEAR	SECURED & UNSECURED**	PROPERTY TAX IN-LIEU OF VLF	TOTAL	% CHANGE
2010/11	5.926	2.357	8.283	-2.4%
2011/12	5.874	2.349	8.223	-0.7%
2012/13	6.327	2.395	8.722	6.1%
2013/14	6.354	2.472	8.826	1.2%
2014/15 *	6.638	2.619	9.257	4.9%
2015/16 *	6.929	2.733	9.662	4.4%
2016/17 *	7.151	2.822	9.973	3.2%

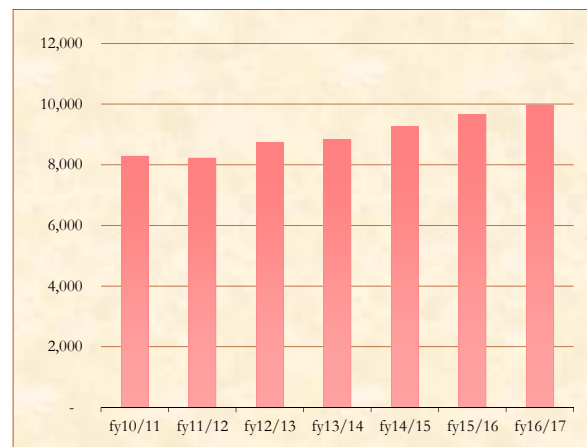
**Includes Real Property Transfer Tax

As shown in Table 2 above, it is projected that property tax revenues will yield approximately \$6.92 million in FY 15/16 and \$7.15 million in FY 16/17 in property tax receipts.

In addition, the City receives property taxes in lieu of Vehicle License Fee (VLF) revenues.

Total property tax revenue receipts are projected to yield approximately \$9.6 million in FY 15/16, representing a 4.4% increase over the previous fiscal year. In FY 16/17, it is anticipated assessed values will continue to increase, resulting in an additional 3.2% increase in revenues over the prior fiscal year.

Figure 1 – Property Tax Revenues (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)



FRANCHISE FEES

Franchise Fees are imposed by the City on gas, electric, and cable television for the privilege of using public rights-of-ways. Each of these utility companies is assessed between 1 and 5

CITY OF LAGUNA HILLS

SOURCES OF GENERAL FUND REVENUES

percent of gross receipts.

In addition, a fee is imposed on the City's solid waste and recycling service provider for contract administration costs and costs associated with the repair of City streets. The City's solid waste fee is \$250,000 and is adjusted for inflation each fiscal year based on the annual percentage change in the Producer Price Index (PPI). This adjustment is applied to the prior year actual fee amount using March PPI data. The City received \$280,936 in solid waste fee revenue in FY 2014/15. We are forecasting that the PPI percentage change for the following fiscal year will be 2.5% over the current year, which will adjust the fee total to \$287,959 for FY 15/16.

Also, included in this category, is the 10% Transient Occupancy Tax (TOT) levied on operating hotels located within the City limits, of which currently there are four. Table 3 below lists the historical trend of TOT revenues.

Table 3 – TOT REVENUES

FISCAL YEAR	TOT Received (\$)	% CHANGE (From Prior Year)
2010/11	869,532	15.6 %
2011/12	1,004,482	15.5 %
2012/13	1,108,290	10.3 %
2013/14	1,203,422	8.6 %
2014/15 *	1,233,508	2.5 %
2015/16 *	1,258,200	2.0 %
2016/17 *	1,286,510	2.3 %

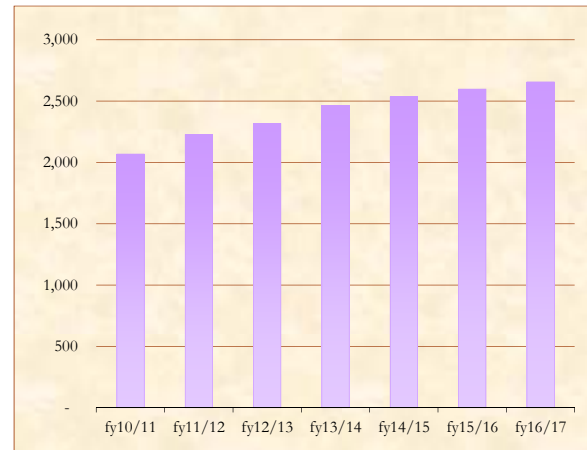
* estimated data

In FY 13/14, the TOT contributed \$1,203,422 to the City's General Fund, coming from 481 hotel rooms citywide. For FY 14/15, it is anticipated that the actual year-end TOT receipts will total \$1,233,508, representing an increase of 2.5%.

For this two year budget cycle, it is anticipated that TOT receipts will increase approximately 2.0% for the first year of the Biennial Budget and come in at \$1,258,200. For FY 16/17, TOT receipts are anticipated to total \$1,286,510. Furthermore, Franchise Utility Fees revenue is expected to rise to \$999,500 in FY 15/16 and to \$1,021,987 in FY 16/17.

Figure 2 provides a historical trend of revenues for franchise fees and TOT from FY 10/11. As shown in the graph below, total Franchise Fees and TOT receipts are expected to total \$2,598,700 for FY 15/16 and \$2,657,170 for FY 16/17, representing a 2.48% and 2.25% increase, respectively.

Figure 2 – FRANCHISE FEES & TOT (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)



CITY OF LAGUNA HILLS

SOURCES OF GENERAL FUND REVENUES

SALES TAX

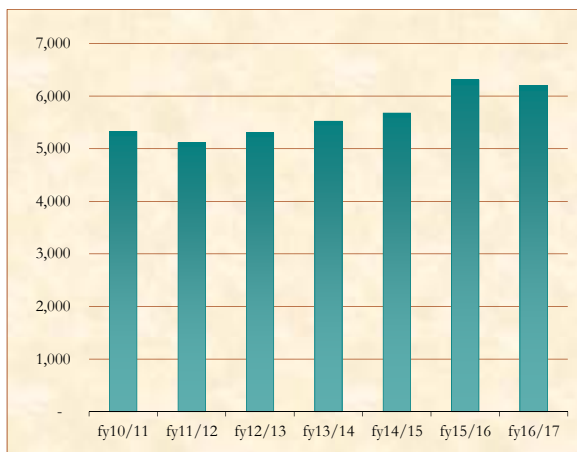
The 8.00% Sales and Use Tax is collected by the State Board of Equalization and is allocated as follows:

- The City receives 1% of the total based on sales within its jurisdiction;
- 0.50% is allocated to the Orange County Transportation Authority (OCTA);
- The remaining 6.5% is retained by the State.

The City's Sales and Use Tax Revenues include point of sale tax payments, and a share of the County Pool and State Pool allocations.

Effective July 1, 2004, $\frac{1}{4}$ of the one percent local sales and use tax was confiscated by the State to guarantee the State's deficit bonds approved by Proposition 57. The withheld funds are backfilled with property taxes by the County, each January and May, in accordance with the State's "triple flip" allocation scheme.

Figure 3 –SALES & USE TAX (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)



It is anticipated that the growth in sales tax revenues will continue to rebound from the Great Recession over the next two years of the Biennial Budget. Although Sales and Use Tax revenues are expected to increase, revenues are not expected to reach pre-recessionary levels until FY 16/17. This is primarily due to increased competition in the area, a structural economic correction, and the planned de-leasing at the Laguna Hills Mall. Sales and Use Tax

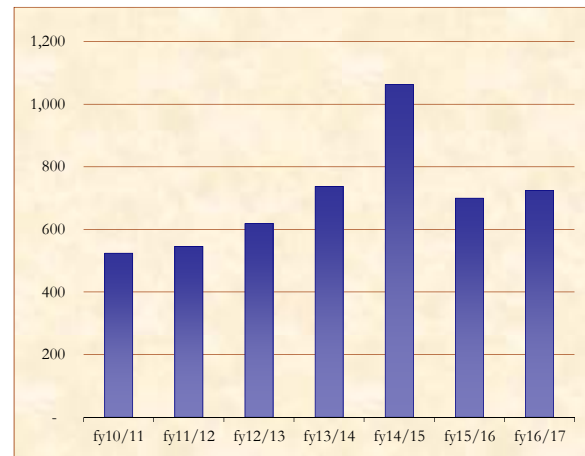
revenues will increase from a low of \$5,113,272 in FY 11/12 to \$6,307,000 in FY 15/16 and \$6,201,744 in FY 16/17.

LICENSES AND PERMITS

This revenue source is development driven and is comprised of fees for Building and Engineering licensing and permit activities.

The chart below details a 5-year historical trend of license and permit fees collected. In FY 14/15, License and Permit fees came in at \$1,063,000, due to the increased development and redevelopment occurring throughout the City.

Figure 4 – LICENSES AND PERMITS (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)



The License and Permits Fee revenues for FY 15/16 is estimated at \$700,000. For FY 16/17, revenues are anticipated to come in at \$725,000.

The Community Development Department's assumption for the next two fiscal years is that revenue will recover, in part due to the redevelopment of Oakbrook Village and the Laguna Hills Mall.

CHARGES FOR SERVICES

This revenue type is comprised of at least 5 major fee categories: 1) fees generated from recreation programs; 2) fees for development-type activities like planning and zoning fees,

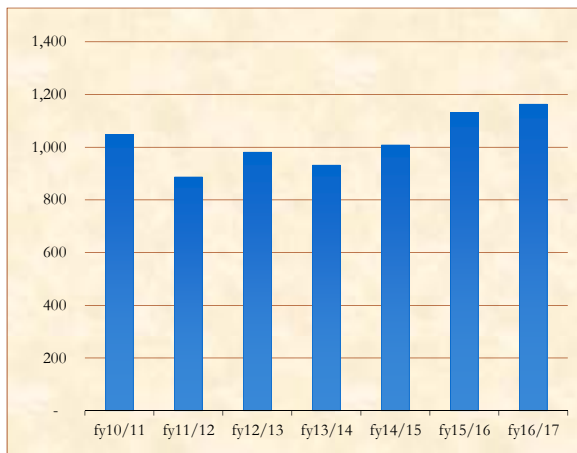
CITY OF LAGUNA HILLS

SOURCES OF GENERAL FUND REVENUES

grading plan checks, and improvement inspection fees; 3) rental charges and lease agreements for the use of communication and other facilities in the City, including the Community Center; 4) sale of publications and maps and other charges; and 5) miscellaneous receipts for weed abatement, refund of prior years' risk premiums, etc.

For FY 15/16, it is estimated that this revenue source will increase by 11.59% to \$1,131,985 over the FY 14/15 year-end estimate (refer to Figure 5 below). Revenues are anticipated to increase slightly by 2.79% in FY 16/17, bringing the total receipts for Charges For Services to \$1,163,640.

Figure 5 – CHARGES FOR SERVICES (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)

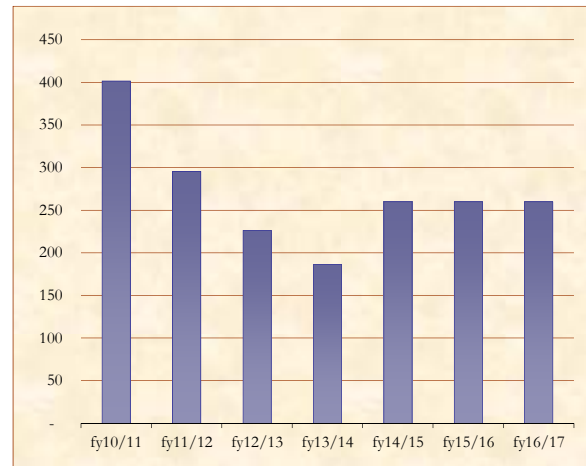


FINES AND FORFEITURES

Fines and Forfeitures revenue consists of vehicle code fines, parking violation fees, court fines, and abandoned vehicle abatement fees.

A 5-year historical trend of the collected Fines and Forfeitures is illustrated in Figure 6 below. For the 2015-2017 Biennial Budget, the City's revenue receipts are anticipated to stay flat through FY 16/17.

Figure 6 – FINES & FORFEITURES (\$ 000)
(5-Year Trend and FYs 2015-2017 Projections)



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BUDGET SUMMARIES

SPECIAL REVENUES

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CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 - 2016/17

SPECIAL REVENUES

	PRIOR YEAR'S		FY 13/14		FY 15/16	FY 16/17
	ACTUAL FY 13/14		AMENDED BUDGET	YEAR-END ESTIMATE		
CIP Funding Sources						
Gas Tax	\$ 1,061,045	\$	1,011,858	\$ 966,243	\$ 736,729	\$ 753,305
Measure M2 Competitive	221,793		99,559	99,559	2,092,000	370,000
AB 2766	37,999		40,000	-	-	-
RSTP Federal Map-21	-		-	-	-	500,000
HSIP	-		-	-	133,000	345,000
City of Lake Forest	106,000		-	-	-	-
Federal STP	746,172		-	-	-	-
Prop 1B (SLPP)	343,000		-	-	-	-
Public Art Fee	10,294		-	-	-	-
Quimby Act	-		450,000	2,136,288	-	-
Water Conservation Rebates	-		-	439,250	-	50,000
MNWD - Streets Contribution	-		-	90,000	-	-
Other CIP Related Grants & Contributions	-		-	-	422,000	-
Total CIP Funding Sources	<u>2,526,303</u>		<u>1,601,417</u>	<u>3,731,340</u>	<u>3,383,729</u>	<u>2,018,305</u>
Measure M2 Local Fair Share	501,854		567,482	552,727	587,490	622,250
Community Development Block Grant	135,468		150,000	150,000	70,380	70,000
Law Enforcement						
SLESF/COPS Brulte	103,157		100,000	100,000	100,000	100,000
Other State & Local Grants	152		-	-	-	-
Total Law Enforcement	<u>103,309</u>		<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Recycling Funds						
DOC (Beverage Recycling)	8,326		19,984	19,984	26,233	8,300
CR&R Recycling (per Franchise Contract)	20,000		20,000	20,000	22,000	2,000
C&D Forfeited Deposits	41,098		49,583	49,583	54,806	70,000
Total Recycling Funds	<u>69,424</u>		<u>89,567</u>	<u>89,567</u>	<u>103,039</u>	<u>80,300</u>
Senior Mobility Program	35,507		31,500	31,500	28,776	110,328
Total Special Revenue Funds	<u>\$ 3,371,865</u>	<u>\$</u>	<u>2,539,966</u>	<u>\$ 4,655,134</u>	<u>\$ 4,273,414</u>	<u>\$ 3,001,183</u>

CITY OF LAGUNA HILLS

MAJOR SOURCES OF SPECIAL REVENUE FUNDS

GAS TAX

The State of California assesses tax on gasoline as authorized by Sections 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code. These funds are restricted for the maintenance, rehabilitation, or improvement of public streets. This revenue type is dependent upon the City's population factor.

For the first year of the Biennial Budget, it is anticipated that the City will receive \$736,729 in Gas Tax revenues. For the second year, the City is anticipated to receive \$753,305.

MEASURE M2 LOCAL FAIR SHARE

Measure M2 Local Fair Share Funds are available from the ½ cent sales tax renewed by voters in November of 2006 with an effective date of April 1, 2011, coinciding with the sunset of Measure M-1. The measure M2 Sales Tax includes an apportionment to local jurisdictions for street maintenance and improvements.

Apportionments are based on a formula using population, miles of existing streets, and taxable sales. For the first year of the Biennial Budget, this fund is projected to come in at \$587,490 and \$622,250 for the second year.

SPECIAL ALLOCATIONS

The City receives one-time revenue allocations for specific projects in its Capital Improvement Program. Many of these “grants” are awarded on a competitive basis.

Sources include, but are not limited to: Measure “M-2” Competitive Funding; HSIP or the Highway Safety Improvement Program; and RSTP Federal Map-21 funding which is a federally funded Regional Surface Transportation Program that aims to preserve and improve any Federal-aid highway, bridge and tunnel projects. Since these revenues are typically project-driven, revenues are received on a reimbursement basis.

CITY OF LAGUNA HILLS

MAJOR SOURCES OF SPECIAL REVENUE FUNDS

Figures 1 and 2 below show all the sources of special revenue as a percentage of total special revenues.

FIGURE 1 – SOURCES OF SPECIAL REVENUE

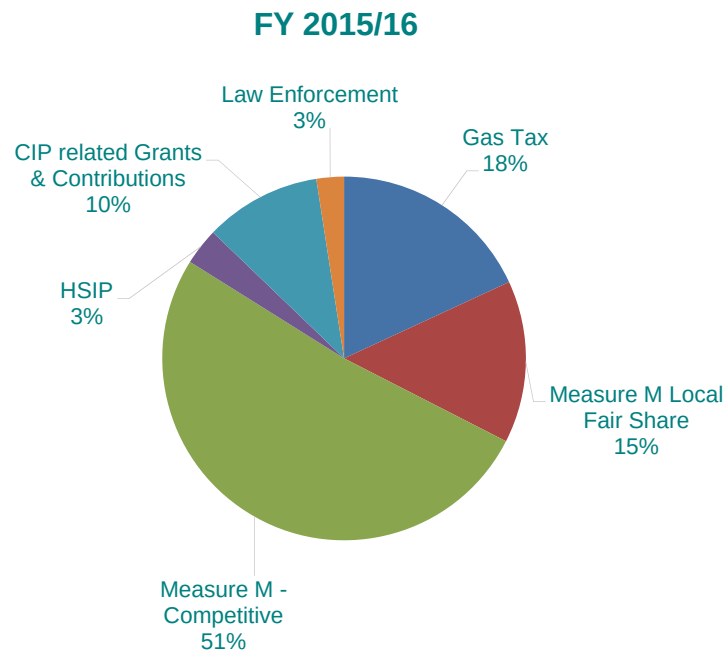
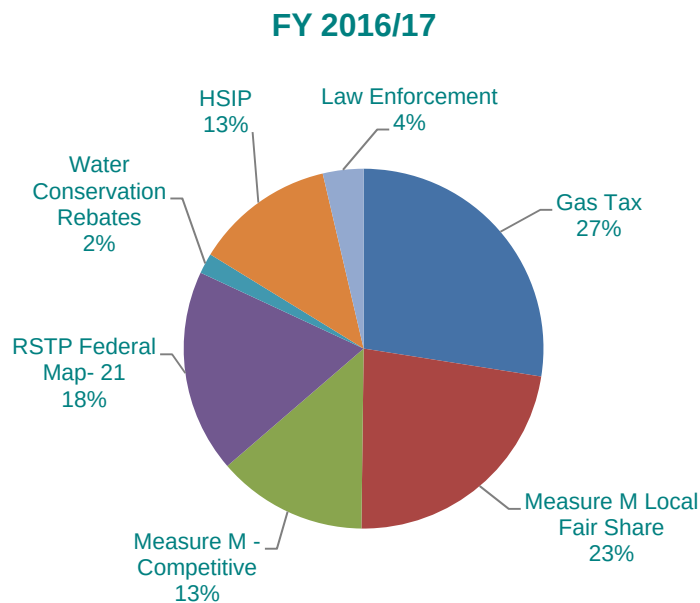


FIGURE 2 – SOURCES OF SPECIAL REVENUE



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DEPARTMENT PLANS & BUDGETS



CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: GENERAL GOVERNMENT

DESCRIPTION:

The General Government Department consists of the legislative, executive, and administrative oversight of all City operations. All expenditures and activities related to the City Council, City Manager, City Attorney, City Clerk, and Administrative Services are included in this Department. The Department is also responsible for the City's economic development efforts.

MISSION STATEMENT:

Formulate and implement policies, practices, and services that respond to the needs, values, and interests of the citizens of Laguna Hills, all the while overseeing and supporting the operations of the City so as to deliver a high level of service, in a manner that is financially sustainable and ensures legal compliance with all Federal, State, and local statutes

FUNCTIONAL AREAS:

EXECUTIVE MANAGEMENT

(City Council Support, Policy Implementation, Contract Administration, Operations Management, and Organizational Development)

INTERGOVERNMENTAL RELATIONS

(Orange County Fire Authority, League of California Cities, Association of California Cities, Orange County Public Library Board, San Joaquin Toll Road Agency, and Miscellaneous Regional Advisory Body Representation)

LEGAL SERVICES

(General Counsel, Special Counsel, and Litigation)

ECONOMIC DEVELOPMENT

(Retention and Attraction)

FINANCE

(Financial Reporting and Analysis, Internal Control Development and Compliance, Audit Coordination and External Accountability, Budget Coordination and Program Evaluation, Cash Management and Investments, Debt Management, Purchasing, and Payroll)

RISK MANAGEMENT

(Liability Protection, Purchasing, Claims Processing and Defense, Risk Assessment, Inspections, Incident Reporting & Investigations, Safety Audits, and Safety Training)

PERSONNEL

(Training and Development, Administration of Employee Benefits and Compensation Plans, Recruitment, and Human Services)

CITY CLERK

(Municipal Code, Agenda Preparation, Custody of Records, and Elections and Campaign Statement Filings)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	9.01	9.00
Part-time	1.50	1.25
Contract	0.74	0.74
Total	11.25	10.99

MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

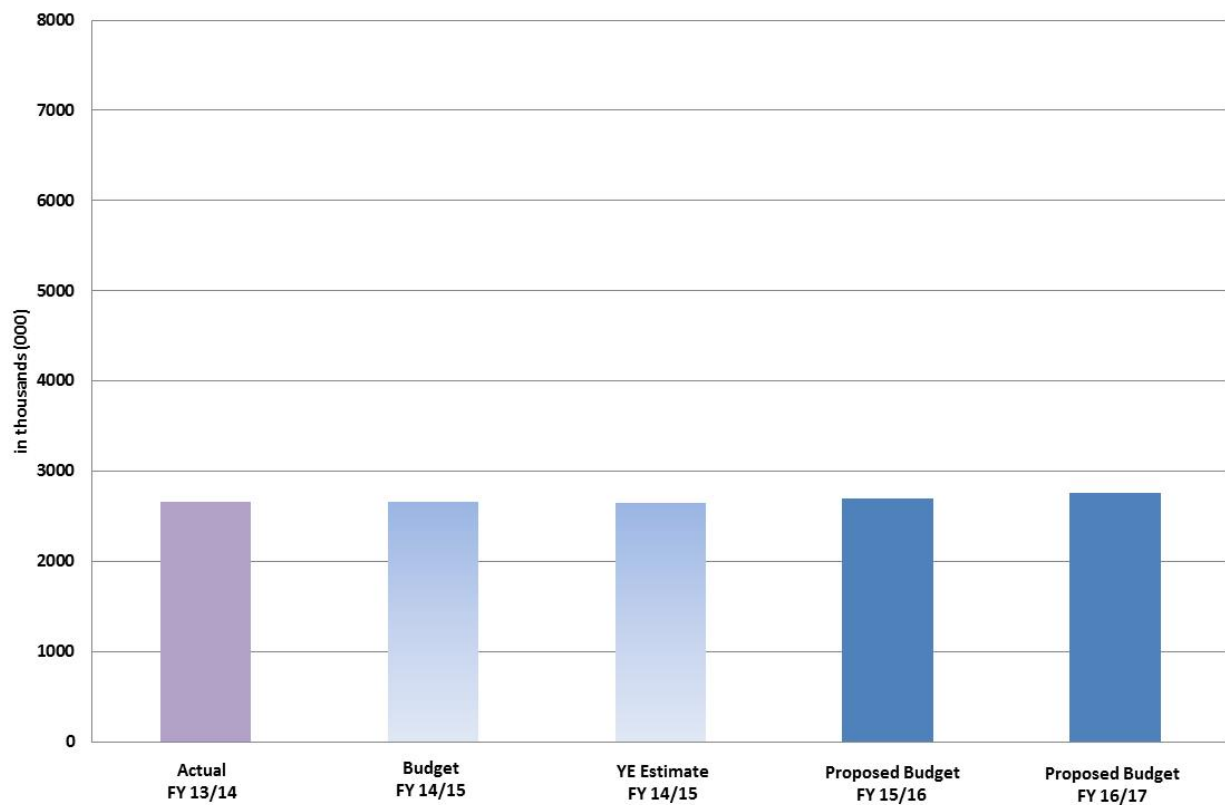
1. Work with Merlone-Geier Partners (MGP) to facilitate the redevelopment of the former Laguna Hills Mall (now “Five Lagunas”).
2. Negotiate a 2nd amendment to the Oakbrook Development Agreement to expedite implementation of Phase 2.
3. Develop and implement a succession/reorganization plan for the General Government Department (formerly Council/Manager, Administrative Services & City Clerk) to be completed by July 1, 2017.
4. Upgrade/replace agenda management software and migrate from a paper agenda packet to a digital agent packet.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. Conduct a Comprehensive Employee Compensation and Classification Study for use as the basis of negotiations with the Laguna Hills Employees.
2. Negotiate a Memorandum of Understanding (MOU) with the Laguna Hills Employees Association to be effective July 1, 2016.
3. Upgrade/replace the records management software system.

4. Investigate methods of soliciting public input on City projects and programs as an alternative to the traditional citizen survey.
5. Conduct the General Municipal Election in November 2016.
6. Work with OC Animal Care and other contract cities to facilitate the planning and construction of a new OC Animal shelter.
7. Coordinate public art projects in the Urban Village Specific Plan area with a view toward creating a public art walk.

DEPARTMENT EXPENDITURE GRAPH:



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**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		General Government			155	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
PERSONNEL						
510.000	SALARIES - FULL TIME	1,221,968	1,207,270	1,234,638	1,210,926	1,253,425
512.000	SALARIES - PART-TIME	97,807	95,476	87,925	51,929	53,200
518.000	AUTO ALLOWANCE	3,600	3,600	4,050	5,400	5,400
520.000	MEDICARE	19,308	18,942	19,236	18,390	19,024
521.000	RETIREMENT	298,983	333,174	283,158	275,838	287,941
530.000	HEALTH INSURANCE	231,047	232,835	232,998	244,468	251,802
530.200	GROUP LIFE	16,692	12,907	12,897	13,225	13,329
540.000	WORKERS COMP & SUI	13,328	11,282	13,329	12,480	12,480
542.000	DISABILITY INSURANCE	6,721	9,730	9,874	10,303	10,439
Sub-total		1,909,454	1,925,216	1,898,105	1,842,959	1,907,040
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	39,729	41,785	38,474	42,330	43,870
611.000	TRAINING AND EDUCATION	4,412	9,000	4,485	10,750	13,750
612.000	TRAVEL, CONFERENCES & MEETINGS	17,352	24,925	30,617	28,425	33,925
612.025	TRV, CONF & MEET, ECONOMIC DEV	20,595	16,500	19,098	22,500	22,500
613.000	MILEAGE REIMBURSEMENT	359	800	800	400	400
613.100	VEHICLE - FUEL	9,431	8,500	8,400	8,500	8,500
618.000	PHYSICAL EXAMS	760	2,000	2,000	2,000	2,000
620.000	OFFICE SUPPLIES	6,574	7,500	7,650	9,163	9,663
622.000	OPERATING SUPPLIES	3,367	4,400	4,500	4,500	4,500
623.000	PRINTING	1,456	3,100	1,478	1,700	1,800
624.001	ADVERTISING - LEGAL	7,984	8,700	7,986	8,400	10,200
625.000	POSTAGE & DELIVERY	1,390	2,200	1,500	1,500	1,500
626.000	SUBSCRIPTIONS & BOOKS	7,639	8,065	6,937	5,695	5,870
641.100	RENT/LEASE - VEHICLE	-	5,220	-	6,000	6,000
646.100	MAINTENANCE & REPAIR- VEHICLE	5,338	4,800	4,800	5,000	5,000
662.000	BANK & MERCHANT SERVICE FEES	21,729	19,550	21,000	21,000	21,000
695.000	COMM. EVENTS/PUBLIC RELATIONS	67,687	72,850	50,360	52,650	51,900
Sub-total		215,802	239,895	210,085	230,513	242,378
CONTRACTUAL SERVICES						
700.000	PROFESSIONAL SERVICES	71,805	74,570	90,262	133,040	88,690
700.010	LEGAL SVCS. - GENERAL COUNSEL	293,568	240,000	290,000	270,000	270,000
700.011	LEGAL SVCS. - LITIGATION	28,246	50,000	50,000	50,000	50,000
700.051	GENERAL AUDIT SERVICES	27,554	27,600	27,910	33,900	35,100
700.052	SALES TAX AUDIT	15,809	8,600	13,600	13,600	13,600
720.000	CONTRACT SERVICES	218	21,000	-	50,000	75,000
720.055	PROPERTY TAX ADMIN FEE	66,443	70,000	68,500	70,500	72,500
Sub-total		503,642	491,770	540,272	621,040	604,890

**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		General Government			155	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
CAPITAL OUTLAY						
900.000	VEHICLES	31,788	-	-	-	-
910.000	EQUIPMENT & MACHINERY	-	4,600	-	-	-
	Sub-total	31,788	4,600	-	-	-
	TOTAL	2,660,687	2,661,481	2,648,462	2,694,512	2,754,308



CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: NON-DEPARTMENTAL

DESCRIPTION:

The Non-Departmental Department encompasses functions that are essential to the operation of the City but do not fall within the jurisdiction of any single department or are expenditures of an organization-wide nature. Most notably, this includes the Information Technology (IT) function.

The IT division is responsible for the support and management of the City's information services, including software applications and computer hardware, at the Civic Center and the Community Center and Sports Complex.

MISSION STATEMENT: Support the operations of the City in order to maintain and enable the efficient management and administration of the City.

FUNCTIONAL AREAS:

NETWORK & DESKTOP SUPPORT

(Data Back-up, Network & Desktop Maintenance, Printers)

SOFTWARE SUPPORT

(Department Software Systems, Data Management, Website and Intranet)

LIABILITY PROTECTION

(General Liability, Property and Vehicle Insurance)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	1.00	1.00
Part-time	0.00	0.00
Contract	0.00	0.00
Total	1.00	1.00

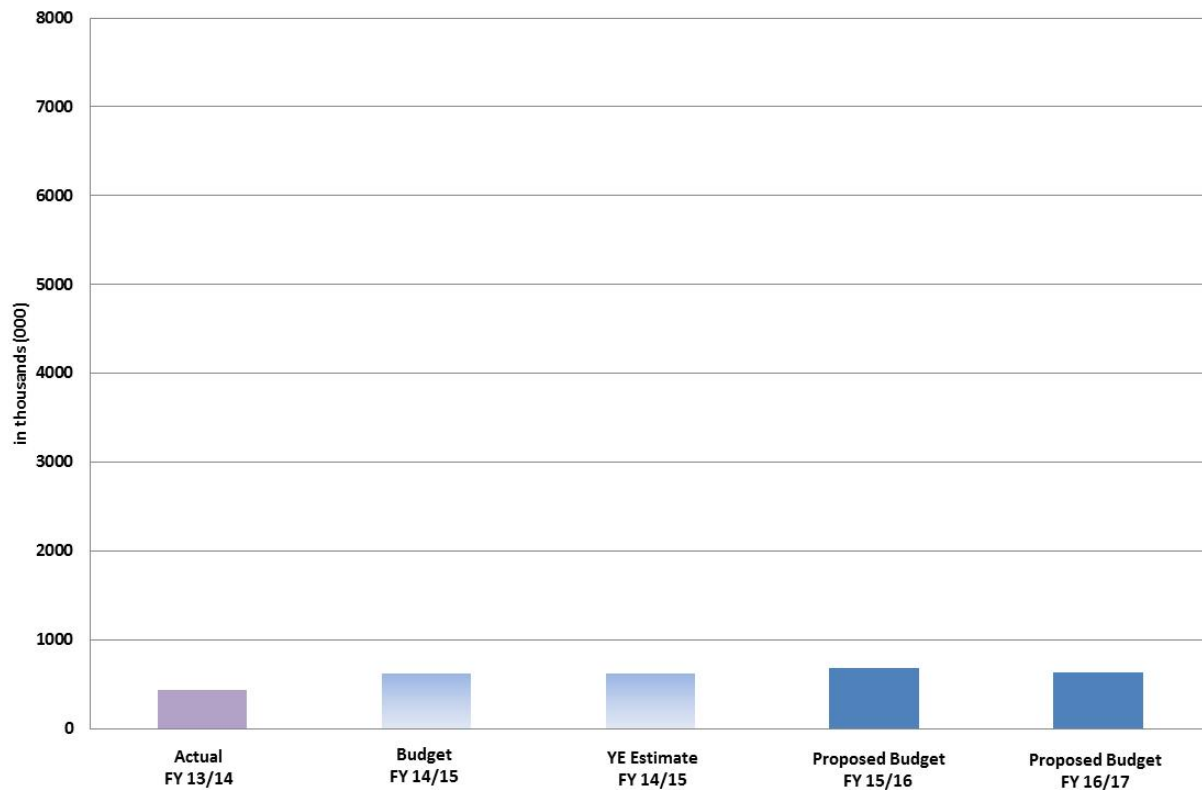
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

1. Implement a server virtualization project to reduce hardware and energy cost by consolidating more workloads on fewer servers. Server virtualization will also facilitate administration of City's business applications and server disaster recovery procedures.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. Update backup policies and procedures and all IT support documentation.

DEPARTMENT EXPENDITURE GRAPH:



**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Non-Departmental			195	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
PERSONNEL						
510.000	SALARIES - FULL TIME	48,551	90,806	89,649	97,427	100,836
520.000	MEDICARE	614	1,317	1,300	1,413	1,462
521.000	RETIREMENT	3,049	13,978	7,815	8,711	9,605
530.000	HEALTH INSURANCE	1,106	21,309	2,133	2,129	2,194
530.200	GROUP LIFE	124	228	226	244	253
540.000	WORKERS COMP & SUI	334	664	741	818	818
542.000	DISABILITY INSURANCE	373	672	668	696	708
Sub-total		54,151	128,974	102,532	111,438	115,876
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	500	600	480	500	500
611.000	TRAINING AND EDUCATION	399	10,600	5,735	8,600	12,400
617.000	RECRUITMENT	1,942	4,700	4,400	4,400	4,400
620.000	OFFICE SUPPLIES	9,472	13,500	13,500	12,500	13,500
621.000	COMPUTER SUPPLIES	16,445	2,000	13,800	14,000	14,000
622.000	OPERATING SUPPLIES	4,997	7,450	7,550	7,550	7,550
623.000	PRINTING	3,354	6,000	6,000	4,000	4,000
625.000	POSTAGE & DELIVERY	18,541	22,000	20,600	21,000	21,000
630.000	TELEPHONE & COMMUNICATION	37,822	40,629	38,625	35,738	35,738
641.000	RENT/LEASE - EQUIPMENT	2,333	1,600	2,336	2,336	2,336
641.200	RENT/LEASE - COPIER	32,403	45,008	34,675	36,920	36,920
646.000	MAINTENANCE & REPAIR- EQUIP/MACH	2,364	12,186	3,374	7,286	3,796
647.000	MAINTENANCE & REPAIR-COMP EQUIP	-	2,000	1,500	2,000	2,000
690.000	GEN'L LIABILITY & AUTO INSURANCE	122,456	133,200	147,647	169,153	169,900
690.100	VEHICLE & PROPERTY INSURANCE	39,509	35,300	36,333	38,150	40,057
Sub-total		292,537	336,773	336,555	364,133	368,097
CONTRACTUAL SERVICES						
700.090	COMPUTER CONSULTING SERVICES	25,948	33,000	25,922	53,297	23,672
720.050	HARDWARE & SOFTWARE SUPPORT	49,756	67,669	80,288	57,630	93,465
Sub-total		75,704	100,669	106,210	110,927	117,137
CAPITAL OUTLAY						
930.000	FURNITURE	-	-	16,210	-	-
940.000	COMPUTER HARDWARE & SOFTWARE	11,805	56,730	55,376	94,265	30,000
Sub-total		11,805	56,730	71,586	94,265	30,000
TOTAL		434,197	623,146	616,883	680,763	631,110

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CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: COMMUNITY DEVELOPMENT

DESCRIPTION:

The Community Development Department provides planning, code enforcement, building and safety, and receptionist functions for the City and is organized into two divisions: Planning and Building & Safety.

The Planning division is primarily responsible for administration of the City's Zoning Codes and ensuring the implementation of the goals and strategies of the General Plan, which serves as a comprehensive strategy for the management of future growth and change within the community. In addition, this division monitors and responds to development in neighboring jurisdictions and ensures planning and environmental compliance with regional authorities and State Law.

The Building and Safety division is responsible for the review of building plans, issuance of permits, public counter services, continuous progress inspections, complaint investigations, code compliance, and City reception duties.

MISSION STATEMENT: Provide effective guidance and coordination for all land planning and development activities throughout the City and implement the regulations and policies of the City in a manner that will ensure a safe and healthy environment that promotes a high quality of life.

The Department is committed to fulfilling this mission by providing the highest level of professional service to the City Council and general public; by working to improve cooperative relationships with other City departments and public agencies; by fairly and consistently implementing City policies and regulations in the processing of development proposals; and by creating innovative, efficient solutions to community issues.

FUNCTIONAL AREAS:

DEVELOPMENT APPLICATION SERVICES

(Zoning Application Review, Building Permit/ Zoning Code Compliance Review, Public Inquiries Regarding Zoning and Development, CEQA Compliance)

ADVANCED PLANNING SERVICES

(General Plan and Zoning Code Amendments, Zoning Changes, Participation in Regional Housing, Transportation, Environmental, and Sustainability Planning Activities and Studies, Special Zoning Studies, Monitoring Development in Adjacent Jurisdictions)

COUNTER SERVICES

(Building Plan Check Intake, Building Permit Issuance, Plan Check Tracking, Permit Fee Estimation, Fire Prevention Submittals, Building Code Information, Over-The-Counter Plans Examination)

INSPECTION SERVICES

(Zoning Code Compliance, Building Code Inspections, and Property Maintenance)

PLAN CHECK SERVICES

(Building Permit Reviews for ADA Compliance, Building, Mechanical, Plumbing, Fire, Electrical Codes and Energy Codes)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	7.00	7.00
Part-time	0.60	1.23
Contract	0.00	0.00
Total	7.60	8.23

MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

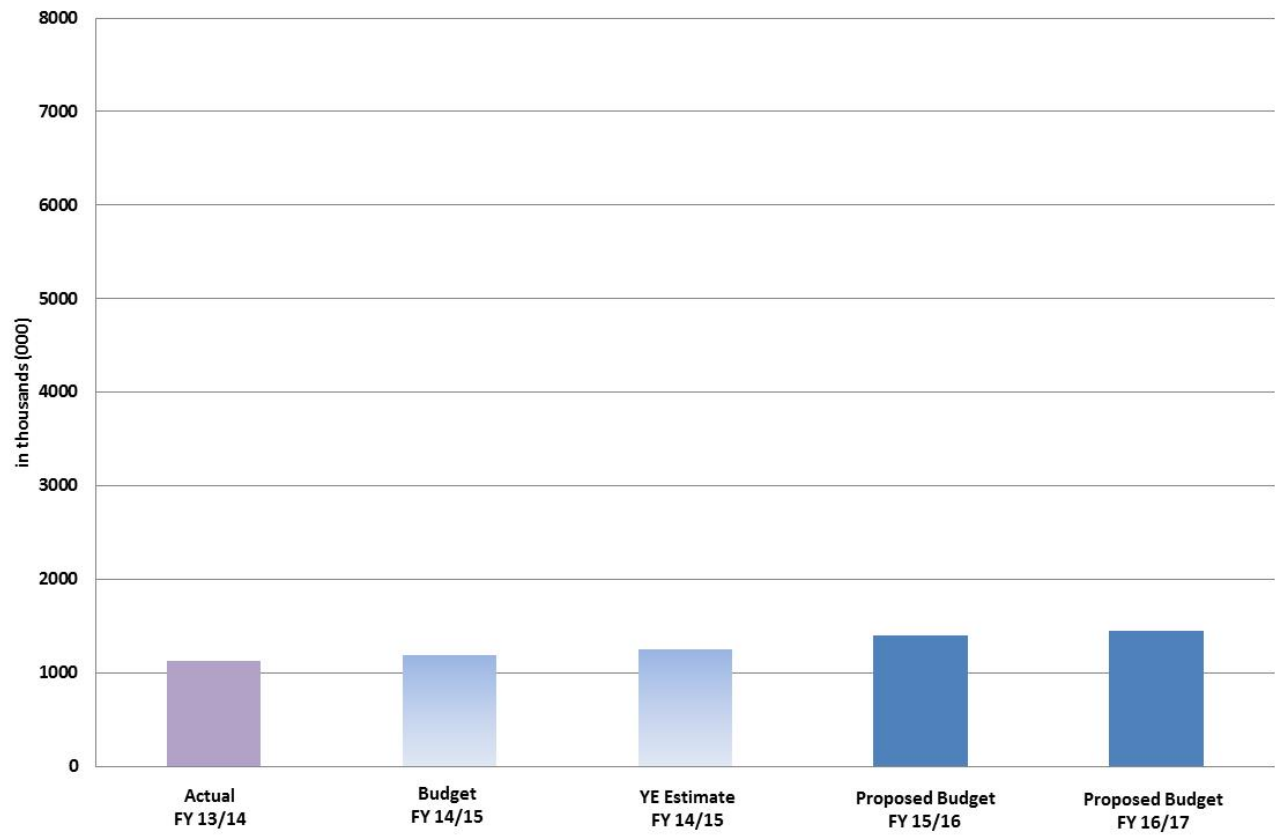
1. Laguna Hills Mall Entitlement – Complete the entitlement process for the Laguna Hills Mall by March 2016.
2. Building Services RFP – By July 1, 2015, evaluate retaining a new building services consultant to provide inspection, plan checking and back-up counter coverage for the Building Division
3. Building Services Evaluation Study – By June 30, 2017, evaluate the City's Building Division function to either maintain the current staff/consultant building services function, a comprehensive city-staffed building services function, or transition to a consultant staffed building services model.
4. Code Enforcement Process – By January 2016, provide the City Council with an evaluation of the City's current code enforcement process and effectiveness by evaluating the City's public nuisance abatement section and use of administrative citations.

5. Permit Streamlining – Complete the evaluation of a zoning code permit streamlining process for consideration by the City Council by July 2016, and adoption if directed by December 2016.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. 2017 Triennial Code Adoption – By January 2017, commence the code adoption process for the various State building codes and local amendments for the next triennial cycle.
2. Building Division Inspection – Throughout FY 2015/16 & FY2016/17, ensure necessary inspection coverage for the City's day-to-day inspection requirements in addition to major projects for Phillips Mazda, Oakbrook Village, and the Laguna Hills Mall.
3. Phillips Mazda Redevelopment – Complete the project environmental review and entitlement process for the Phillips Mazda redevelopment project by July 2015.
4. Oakbrook Village – Provide on-going support to the redevelopment of the Oakbrook Village redevelopment project for future amendments to the approved development agreement, and evaluation of Phase 2 improvements of the project as needed.
5. Moulton Niguel Water District Gordon Road Project – Monitor MNWD's anticipated process to sell its property and work with the subsequent property owner/MNWD for the redevelopment of the site as needed.

DEPARTMENT EXPENDITURE GRAPH:



**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Community Development			225	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
PERSONNEL						
510.000	SALARIES - FULL TIME	500,439	582,577	568,230	620,825	655,396
512.000	SALARIES - PART-TIME	85,244	78,425	89,591	105,272	108,047
518.000	AUTO ALLOWANCE	13,200	12,000	13,200	13,200	13,200
520.000	MEDICARE	8,702	9,759	9,730	10,720	11,261
521.000	RETIREMENT	132,854	143,459	130,131	149,331	165,657
530.000	HEALTH INSURANCE	108,472	107,245	113,449	120,696	124,316
530.200	GROUP LIFE	1,352	1,474	1,432	1,557	1,644
540.000	WORKERS COMP & SUI	7,169	5,974	6,665	6,731	6,731
542.000	DISABILITY INSURANCE	3,773	4,037	3,976	4,361	4,550
Sub-total		861,205	944,950	936,404	1,032,693	1,090,802
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	1,903	2,600	2,500	2,525	2,525
611.000	TRAINING AND EDUCATION	2,275	6,500	700	5,700	5,200
613.000	MILEAGE REIMBURSEMENT	86	450	125	300	300
613.100	VEHICLE - FUEL	376	1,000	750	2,000	2,000
622.000	OPERATING SUPPLIES	551	1,500	1,000	1,500	1,500
623.000	PRINTING	488	1,500	500	750	750
626.000	SUBSCRIPTIONS & BOOKS	1,661	4,000	2,750	3,250	3,250
646.100	MAINTENANCE & REPAIR- VEHICLE	264	1,000	1,900	4,000	1,000
662.000	BANK & MERCHANT SERVICE FEES	909	1,000	1,000	1,000	1,000
Sub-total		8,513	19,550	11,225	21,025	17,525
CONTRACTUAL SERVICES						
700.000	PROFESSIONAL SERVICES	231,040	190,000	215,000	340,000	340,000
700.200	GENERAL PLANNING SVCS.	23,890	35,000	90,000	-	-
720.000	CONTRACT SERVICES	639	-	-	-	-
720.050	HARDWARE & SOFTWARE SUPPORT	960	2,000	-	2,500	2,500
Sub-total		256,529	227,000	305,000	342,500	342,500
TOTAL		1,126,247	1,191,500	1,252,629	1,396,218	1,450,827

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CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: PUBLIC SERVICES

DESCRIPTION:

The Public Services Department is composed of three divisions: Engineering, Public Works, and Parks.

The Engineering division provides management of the public right-of-way, traffic engineering, civil engineering, water quality administration and capital improvement administration. This division also provides staff support to the City's Traffic Commission, responds to resident concerns regarding traffic safety, monitors regional transportation impacts to the community, interfaces with adjacent communities, and monitors local traffic conditions.

The Public Works division provides maintenance services for all infrastructure in the public right-of-way. The maintenance services, with the exception of administration and maintenance inspection, are provided on a contract basis. The Public Works maintenance function includes pavement repairs, signage, striping, concrete work and street sweeping on the 95 centerline miles of the street system, monitoring of the storm drain system, repair of bicycle trails, and maintenance of 47 traffic signals throughout the City. The division responds to resident calls regarding maintenance issues, provides weekly inspection of the local street system, prepares task orders and oversees the implementation of scheduled maintenance work.

The Parks division performs maintenance inspection and administration of contracts for landscape maintenance of the City's 48 acres of local parks, 26 acres of sports parks, 152 acres of open space and slopes, 15 acres of median islands and parkways; graffiti removal; lighting maintenance; restroom maintenance; and a variety of repair services.

MISSION STATEMENT: Protect and preserve the public's use and ownership of public property and rights-of-way throughout the City.

Provide scheduled and preventive infrastructure maintenance services within public rights-of-way for the benefit of the community.

Provide, create, and maintain a high quality park, trails and public landscape system that encourages the public's use of park facilities and open space areas, and adds to the overall aesthetic appearance and quality of life for the residents of the City.

FUNCTIONAL AREAS:

STREET SYSTEM

(Life-Cycle management of the 95 mile street system)

TRAFFIC CONTROL SYSTEM

(Monitoring of 47 signalized intersections and maintenance of 8000 signs and 4,000 pavement markings)

FLOOD CONTROL/WATER QUALITY

(Maintenance of drainage facilities and administration of water quality compliance)

MANAGEMENT OF THE PUBLIC RIGHT-OF-WAY

(Encroachment Permits, Plan Checking, and Inspection)

TRAFFIC ENGINEERING AND TRAFFIC COMMISSION SUPPORT SERVICES

(Support of the Traffic Commission, Traffic Safety Evaluation, and Management of Traffic Control Devices)

CAPITAL IMPROVEMENT ADMINISTRATION

(Planning and Budgeting, Design, Construction Management, Inspection, and Grant Applications)

LANDSCAPE MAINTENANCE

(Parks, Parkways, Slopes, and Median Islands)

OPEN SPACE MAINTENANCE

(Undeveloped Areas and Trails and Weed Abatement)

URBAN FORESTRY

(Tree Inventory and Maintenance)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	5.00	5.00
Part-time	0.00	0.00
Contract	38.00	38.00
Total	43.00	43.00

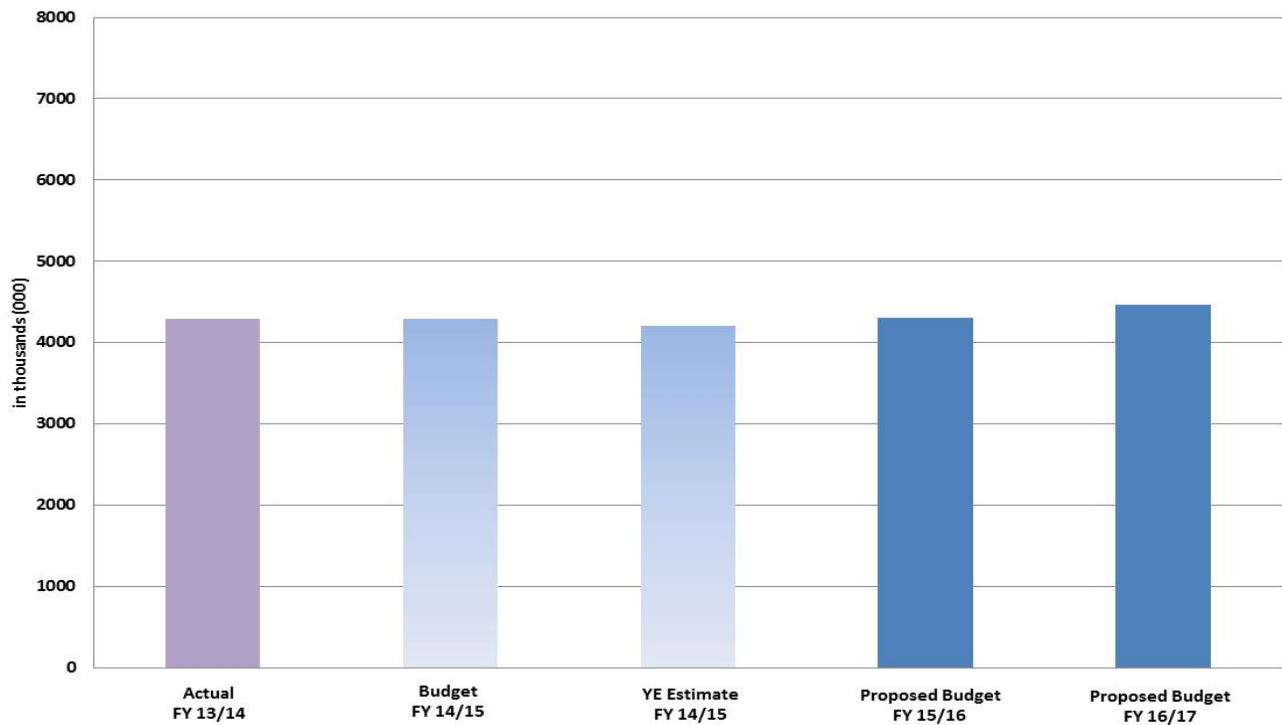
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

1. Develop a current Americans with Disability Act (ADA) Transition Plan as required to remain in compliance with the ADA and the eligibility requirements to receive Federal funding for projects. Work to include an ADA assessment of all City Parks, public facilities, and public rights of ways.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. Conduct a Citywide Tree Inventory update and Level 1 assessment of tree conditions.
2. Close out the current Paseo de Valencia Widening Project and seek new grant funds sufficient to perform an Environmental Impact Report for the project.

DEPARTMENT EXPENDITURE GRAPH:



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**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16 - 2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Public Services			255	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
PERSONNEL						
510.000	SALARIES - FULL TIME	544,914	565,862	554,245	569,716	584,909
518.000	AUTO ALLOWANCE	7,800	7,800	7,800	7,800	7,800
520.000	MEDICARE	7,788	8,319	8,150	8,374	8,594
521.000	RETIREMENT	131,329	166,778	133,798	151,476	143,746
530.000	HEALTH INSURANCE	81,706	82,977	77,069	82,445	85,182
530.200	GROUP LIFE	1,358	1,427	1,379	1,429	1,467
540.000	WORKERS COMP & SUI	3,920	3,319	3,703	4,092	4,092
542.000	DISABILITY INSURANCE	3,538	3,690	3,541	3,718	3,729
Sub-total		782,353	840,172	789,685	829,050	839,519
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	2,560	2,200	2,300	2,600	2,600
611.000	TRAINING AND EDUCATION	7,650	6,100	5,500	6,000	6,000
613.000	MILEAGE REIMBURSEMENT	248	400	400	400	400
613.100	VEHICLE - FUEL	9,356	10,500	8,000	8,500	8,500
622.000	OPERATING SUPPLIES	9,756	10,500	12,000	11,000	11,000
623.000	PRINTING	1,030	500	2,000	1,500	1,500
626.000	SUBSCRIPTIONS & BOOKS	0	150	550	250	250
630.000	TELEPHONE & COMMUNICATION	1,839	2,600	1,000	1,000	1,000
631.000	UTILITIES - ELECTRIC	144,443	103,000	140,000	145,000	145,000
631.400	ELECTRIC - ST. LIGHTS/SIG.	395,705	397,838	410,000	410,000	420,000
635.000	UTILITIES - WATER	418,023	360,000	365,000	365,000	365,000
640.000	RENT/LEASE - FACILITY	3,948	3,800	4,548	4,600	4,800
646.100	MAINTENANCE & REPAIR- VEHICLE	2,748	2,100	4,000	3,000	3,000
695.000	COMM. EVENTS/PUBLIC RELATIONS	4,410	0	2,789	-	-
Sub-total		1,001,716	899,688	958,087	958,850	969,050
CONTRACTUAL SERVICES						
700.000	PROFESSIONAL SERVICES	22,039	15,000	15,000	16,000	16,000
700.090	COMPUTER CONSULTING SERVICES	21,390	40,000	40,000	45,000	50,000
700.100	CITY ENGINEER	24,141	50,000	40,000	45,000	70,000
700.101	TRAFFIC ENGINEER	85,044	80,000	67,000	60,000	60,000
700.250	ON-CALL ENGINEER	0	5,000	5,000	5,000	5,000
700.255	IMPROVEMENT INSPECTION	100,510	60,000	125,000	125,000	150,000
720.400	STREET MAINTENANCE	637,935	650,000	525,000	550,000	550,000
720.410	STREET SWEEPING	128,983	132,000	132,000	135,000	138,000
720.420	TRAFFIC SIGNAL MAINT.	149,086	150,000	140,000	125,000	129,000
720.500	GRAFFITI REMOVAL	20,113	25,000	20,000	20,000	21,000

**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16 - 2016/17**

		DESCRIPTION			CODE NO.
FUND:		General Fund			100
DEPARTMENT:		Public Services			255
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET FY 15/16 FY 16/17
720.700	LAND. MAINT. CONTRACT	1,152,751	1,190,000	1,190,000	1,230,000 1,275,000
720.701	PARKS CONTRACT REPAIR	106,440	95,000	100,000	100,000 100,000
720.730	ANN. WEED ABATEMENT PRO.	40,090	40,000	40,000	42,000 44,000
	Sub-total	2,488,522	2,532,000	2,439,000	2,498,000 2,608,000
CAPITAL OUTLAY					
900.000	VEHICLES	0	0	-	- 30,000
910.000	EQUIPMENT & MACHINERY	20,498	13,000	13,000	15,000 16,000
	Sub-total	20,498	13,000	13,000	15,000 46,000
	TOTAL	4,293,089	4,284,860	4,199,772	4,300,900 4,462,569



CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: COMMUNITY SERVICES

DESCRIPTION:

Community Services programs are a valuable service that the City provides to enhance the quality of life for its citizens. Laguna Hills strives to offer superior recreation programs for all ages. The Community Services Department provides recreation classes, special events, excursions, camps, athletic programs, and disability services in response to the demands of the community. The Community Services Department is also responsible for administering the City's franchise agreement for solid waste and recycling services.

MISSION STATEMENT: Provide quality recreation programming that promotes a healthy lifestyle, self-esteem, family life, and community spirit.

FUNCTIONAL AREAS:

SPECIAL EVENTS

(Fourth of July, Memorial Day Race, and Seasonal Celebrations)

EARLY CHILDHOOD AND CHILDREN'S PROGRAMS

(Pre-school, Sports and Athletics, Cooking, Music, Art and Science Classes, Theatre and Camp Programs)

TEEN PROGRAMS

(Personal Development and Physical Fitness Classes, Special Events, and Volunteer Opportunities)

ADULT PROGRAMS

(Sports Leagues, Physical Fitness, and Personal Development Classes)

DISABILITY SERVICES

(Circle of Friends Program, Dances, Classes, and Special Events)

SENIOR PROGRAMS

(Physical Fitness and Personal Development Classes, and Senior Dial-a-Taxi Service)

HISTORICAL INFORMATION

(City Monument Site, Fossil Display, Classes, Special Events, and Walking Tour)

SOLID WASTE FRANCHISE ADMINISTRATION

(Solid Waste, Recycling Programs)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	5.00	6.00
Part-time	10.00	9.40
Contract	0.00	0.00
Total	15.00	15.40

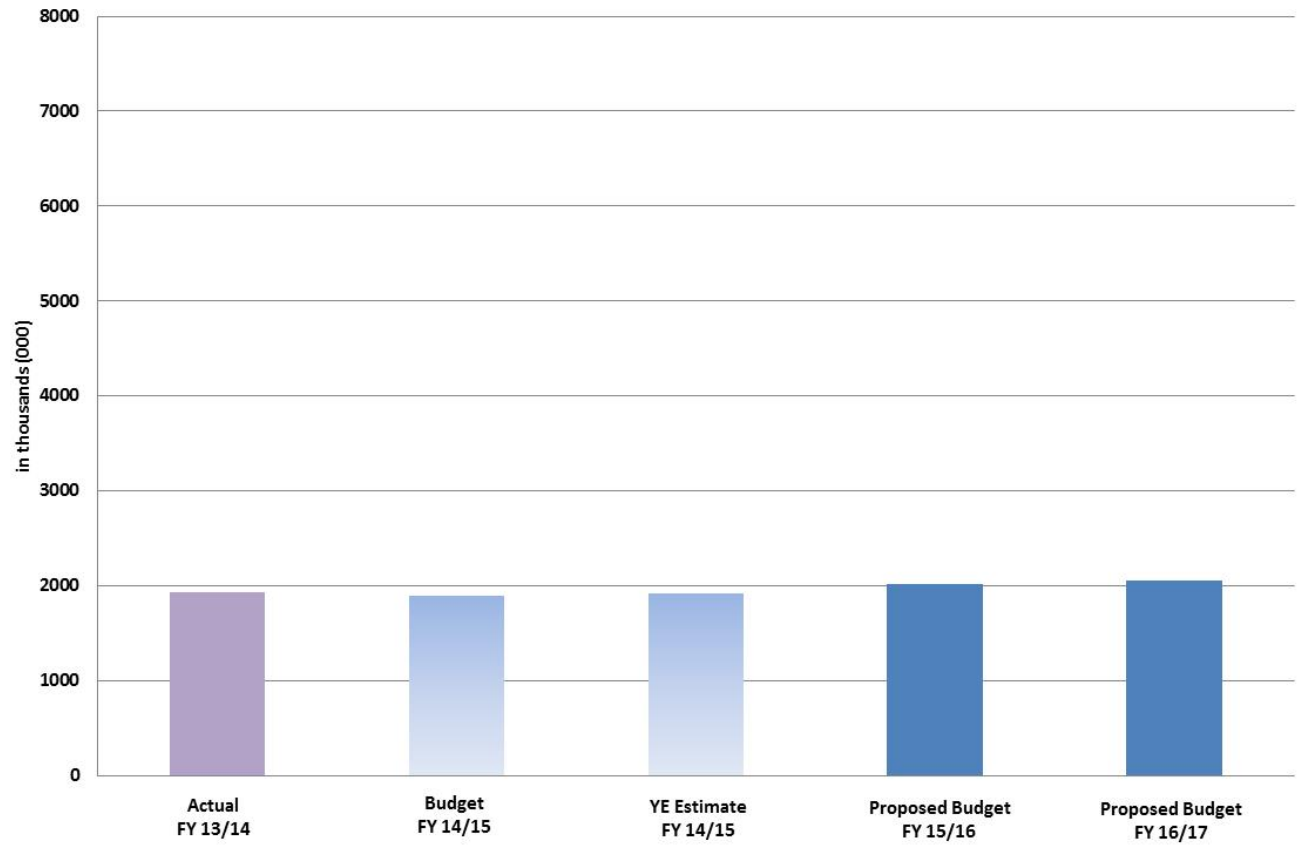
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

No major plans.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. Serve as a “Host Town” city for the delegation for the Los Angeles World Games Special Olympics
2. Evaluate the Senior Dial-a-Taxi program and its continuance in light of the OCTA SMP contract term expiration date of June 30, 2016.
3. Join the Healthy Eating Active Living (HEAL) Cities campaign which promotes the policies of active life land use decisions, healthy foods, and employee wellness.
4. Evaluate current use at the Hockey Rink and recommend other recreation multiple use of the facility to maximize use of the rink.
5. Analyze the recreation and facility rental fees and compare with the surrounding community and update the City’s reservation policies.
6. Develop and implement recreation activities such as a community scavenger hunt that will promote the City’s identity, its businesses, and its places of interest.
7. Host another regional mulch collection event and host paper shredding events for Laguna Hills residents.
8. Work with the Community Development Department on construction and demolition programs and ongoing trash and recycling service infrastructure, taking into consideration the State’s CalGreen Building code for the City’s development projects.

DEPARTMENT EXPENDITURE GRAPH:



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**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Community Services			310	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
PERSONNEL						
510.000	SALARIES - FULL TIME	493,254	511,178	527,480	549,772	577,962
512.000	SALARIES - PART-TIME	293,385	296,800	278,229	275,000	281,172
520.000	MEDICARE	11,427	11,715	11,683	11,959	12,457
521.000	RETIREMENT	122,933	134,213	121,668	146,334	154,640
530.000	HEALTH INSURANCE	95,745	96,823	96,599	101,494	104,540
530.200	GROUP LIFE	1,247	1,292	1,326	1,379	1,450
540.000	WORKERS COMP & SUI	18,377	15,265	18,513	12,603	12,603
542.000	DISABILITY INSURANCE	3,352	3,475	3,518	3,660	3,794
Sub-total		1,039,720	1,070,761	1,059,016	1,102,201	1,148,618
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	953	1,215	1,043	1,334	1,334
611.000	TRAINING AND EDUCATION	1,102	6,500	1,717	6,000	6,000
611.500	CERTIFICATION FEES	540	482	482	482	482
613.000	MILEAGE REIMBURSEMENT	360	850	250	400	400
613.100	VEHICLE - FUEL	3,282	3,550	3,550	3,550	3,550
620.500	OFFICE SUPPLIES - COMM CENTER	6,852	7,500	6,400	7,000	7,000
622.005	OPERATING SUPPLIES - COMM CENTER	1,394	1,800	2,101	2,100	2,100
622.100	OPER. SUPPLIES - UNIFORMS	2,286	2,500	2,500	2,500	2,500
622.500	SUPPLIES - PROG. SERVICES	4,865	8,000	6,327	6,000	6,000
622.501	SUPPLIES - YOUTH LEAGUES	4,117	5,800	3,994	4,500	4,500
622.502	SUPPLIES - ADULT LEAGUES	11,837	12,500	7,250	10,250	10,250
623.500	PRINTING - PROG. SERVICES	281	1,500	500	1,250	1,000
624.500	ADVERTISING - PROG. SVCS.	1,095	5,500	2,788	3,000	3,000
626.000	SUBSCRIPTIONS & BOOKS	634	600	450	600	600
630.100	T & C - COMM. CNTR.	5,803	3,900	4,156	4,156	4,156
631.100	UTILITIES - ELECTRIC - COMM CNTR	82,211	71,290	94,253	95,000	95,000
632.500	UTILITIES - GAS - COMM CNTR	1,616	2,675	1,799	2,250	2,250
635.100	UTILITIES - WATER	18,931	13,790	13,790	12,290	12,290
641.000	RENT/LEASE - EQUIPMENT	1,081	1,100	1,020	1,100	1,100
641.100	RENT/LEASE - VEHICLE	1,559	2,000	715	750	750
645.500	MAINTENANCE & REPAIR-COMM CNTR	74,108	62,500	62,500	64,000	64,000
646.500	MAINTENANCE & REPAIR- EQPT/M-CC	14,763	2,000	11,064	5,000	5,000
646.100	MAINTENANCE & REPAIR- VEHICLE	7,521	5,000	2,748	5,000	5,000
662.000	BANK & MERCHANT SERVICE FEES	28,712	25,335	29,588	31,030	31,030
690.500	INSURANCE - PROGRAM SVCS	1,672	1,000	1,626	1,626	1,626
695.500	HOLIDAY EVENTS	12,595	15,700	11,491	18,050	15,750
695.501	DAY CAMPS	18,226	16,900	17,236	16,900	16,900

**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Community Services			310	
		PRIOR YEAR'S ACTUAL FY 13/14	AMENDED BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
695.502	M & O - DISABILITY SERVICES	3,548	4,500	4,553	4,553	4,553
695.504	M & O - HISTORICAL PROG.	477	500	300	500	500
695.505	M & O - EXCURSIONS	-	4,000	1,246	3,000	3,000
695.506	TEEN PROGRAMS	14,313	14,600	12,698	14,600	14,600
695.507	MARATHON 5K	179,041	145,000	177,154	182,500	184,000
695.508	JULY FOURTH CELEBRATION	29,281	53,500	57,824	53,750	54,250
	Sub-total	535,056	503,587	545,113	565,021	564,471
CONTRACTUAL SERVICES						
700.000	PROFESSIONAL SERVICES	42,632	44,000	44,000	46,500	46,500
700.090	COMPUTER CONSULTING SERVICES	-	500	-	500	500
721.500	CONTRACT - PROGRAM SERVICES	150,131	133,000	147,500	149,000	151,000
721.505	JANITORIAL SERVICES	128,747	131,944	115,158	131,276	131,276
	Sub-total	321,510	309,444	306,658	327,276	329,276
CAPITAL OUTLAY						
900.000	VEHICLES	29,580	-	-	-	-
910.500	EQUIPMENT & MACHINERY	506	1,500	1,500	17,500	5,500
930.500	FURNITURE	-	7,000	2,000	3,500	3,500
	Sub-total	30,086	8,500	3,500	21,000	9,000
	TOTAL	1,926,372	1,892,292	1,914,287	2,015,498	2,051,365



CITY OF LAGUNA HILLS

BIENNIAL BUDGET

FY 2015/16 – 2016/17

DEPARTMENT: PUBLIC SAFETY

DESCRIPTION:

The Public Safety Department includes Police Services, Animal Control, and Emergency Management functions. The Police Services division accounts for the law enforcement contract with the Orange County Sheriff's Department and provides a full-time equivalent police department. Their responsibilities include: protection of citizens, enforcement of laws, and crime prevention education.

Animal Control Services are provided under contract with the County of Orange. The purpose of this division is to provide pet care, pet recovery, and pet education/training for residents.

The Emergency Management function is responsible for preparing and maintaining an emergency operations plan. This division is also responsible for maintaining the readiness of City staff and promoting a better citywide understanding of emergency preparedness.

MISSION STATEMENT: Our mission is to provide responsive, professional, and caring law enforcement services to all people in the City of Laguna Hills.

FUNCTIONAL AREAS:

GENERAL LAW ENFORCEMENT

(Respond to Calls for Service, Preventive Patrol, Follow-up General and Specialized Investigation, Apprehension of Criminal Offenders, and Directed Enforcement Team)

TRAFFIC SAFETY

(Traffic Enforcement, Traffic Safety, DUI Suppression, and Collision Investigation)

PARKING SERVICES

(Parking Enforcement, Citation Processing, Citation Adjudication, and Abandoned Vehicle Abatement)

YOUTH SERVICES

(Drug Education, Teen Safety Programs, Bicycle and Pedestrian Safety Programs)

SPECIAL SERVICES

(Airborne Law Enforcement, Gang Suppression, Mounted Patrol, and Reserve Bureau)

ANIMAL SERVICES

(Pet Adoption and Related Owner Services, Animal Care, Pet Recovery, Response to Calls for Service, Animal Population Control, Disease Prevention, Mobile Pet Adoption Services, and Local Vaccination Clinics)

EMERGENCY MANAGEMENT SERVICES

(Planning, Training, Response, Recovery, and Mutual Aid Assistance)

BUDGETED STAFFING:

	Fiscal Years 2013-15	Fiscal Years 2015-17
Full-time	0.00	0.00
Part-time	0.00	0.00
Contract	28.89	26.46
Total	28.89	26.46

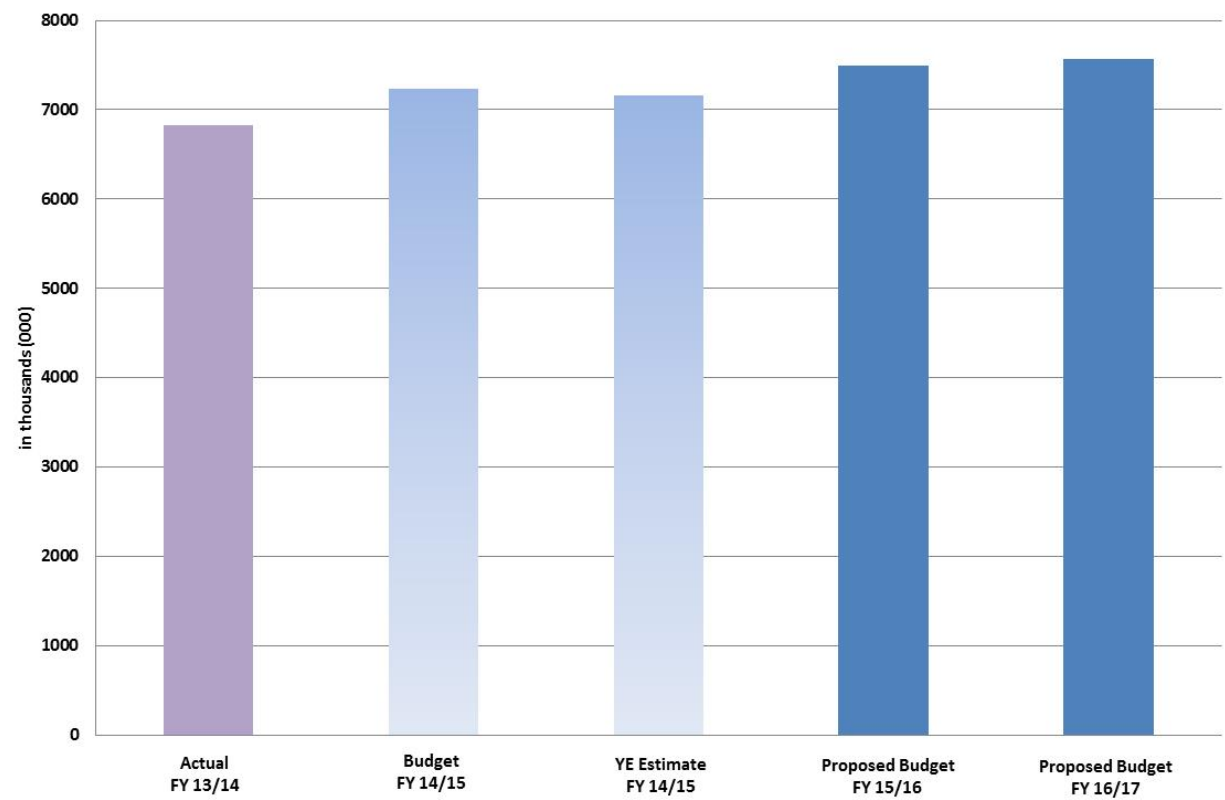
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

No major plans.

WORK PROGRAMS FOR FY 2015/16 – FY 2016/17:

1. Provide monthly statistical report with current crime activity within the City.
2. Coordinate and provide Citizen's Emergency Preparedness Academy
3. Coordinate and host a "National Night Out" event that educates citizens on public safety resources available within the County.
4. Participate in "National Take Back Day" where City residents are encouraged to bring unused prescription drugs for proper disposal.
5. Coordinate and host a Community Forum and Community event in the Via Lomas and Stockport's housing areas, which will bring attention and outreach with regard to community concerns, community resources, and public safety.

DEPARTMENT EXPENDITURE GRAPH:



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**CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FISCAL YEAR 2015/16-2016/17**

		DESCRIPTION			CODE NO.	
FUND:		General Fund			100	
DEPARTMENT:		Public Safety			420	
		PRIOR YEAR'S ACTUAL FY 13/14	ORIGINAL BUDGET FY 14/15	YEAR END ESTIMATE FY 14/15	PROPOSED BUDGET	
					FY 15/16	FY 16/17
MAINTENANCE AND OPERATIONS						
610.000	MEMBERSHIPS AND DUES	137	300	300	300	300
611.000	TRAINING AND EDUCATION	40	500	500	500	500
613.100	VEHICLE - FUEL	3,203	6,000	3,000	3,500	3,500
622.000	OPERATING SUPPLIES	8,769	5,650	6,150	6,150	6,150
646.000	MAINTENANCE & REPAIR- EQUIP/MACH	14,326	20,000	20,000	14,525	8,380
646.100	MAINTENANCE & REPAIR- VEHICLE	14,293	20,400	15,000	15,000	15,000
695.000	COMM. EVENTS/PUBLIC RELATIONS	1,579	2,500	2,500	2,500	2,500
Sub-total		42,347	55,350	47,450	42,475	36,330
CONTRACTUAL SERVICES						
700.002	PROF SVCS - STAFFING STUDY	43,000	-	-	15,000	-
720.000	CONTRACT SERVICES	492	-	-	-	-
720.401	COUNTY SERVICE - ANIMAL REG.	108,048	30,000	108,000	102,500	102,500
720.800	GENERAL LAW ENFORCEMENT	4,704,707	5,094,934	5,024,375	5,358,670	5,582,126
720.801	TRAFFIC ENFORCEMENT	741,393	795,780	715,233	584,598	608,976
720.802	TRAFFIC ENFORCEMENT - OT	-	-	-	45,000	45,000
720.810	SUPERVISION & ADMIN.	1,091,625	1,122,301	1,097,726	968,502	1,008,888
720.821	TRAUMA INTERVENTION PROGRAM	3,641	4,600	4,600	4,600	4,600
720.822	CROSSING GUARD SERVICES	62,984	64,970	64,970	72,532	72,532
720.823	PARKING CITATION PROCESSING	23,735	30,000	30,000	30,000	30,000
720.835	FINGERPRINT IDENTIFICATION SVCS	-	-	10,086	9,843	10,000
Sub-total		6,779,625	7,142,585	7,054,990	7,191,245	7,464,622
CAPITAL OUTLAY						
900.000	VEHICLES	-	30,000	30,000	-	35,000
910.000	EQUIPMENT & MACHINERY	-	-	29,855	260,475	26,260
930.000	FURNITURE	216	2,000	2,000	2,000	2,000
Sub-total		216	32,000	61,855	262,475	63,260
TOTAL		6,822,188	7,229,935	7,164,295	7,496,195	7,564,212

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CAPITAL IMPROVEMENT PLAN

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT		TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
STREET, SIGNALS AND LIGHTING										
101	Annual Street Maintenance	IV- 10	\$ 4,430,000	\$ -	\$ 730,000	\$ -	\$ 1,800,000	\$ -	\$ 1,900,000	\$ -
112	Traffic Signals	IV- 12	250,000	-	-	-	-	-	-	250,000
139	Cabot Widening - La Paz to Paseo de Valencia	IV- 14	3,150,000	-	-	-	-	-	-	3,150,000
145	Paseo de Valencia Widening	IV- 16	6,600,000	-	400,000	-	-	-	-	6,200,000
168	Traffic Signal Improvements/Coordination Projects	IV- 18	3,809,000	2,309,000	-	-	-	-	-	1,500,000
170	Access Ramp Construction	IV- 20	1,875,000	-	-	-	-	-	-	1,875,000
171	La Paz Road Sidewalk Widening	IV- 22	565,000	175,000	390,000	-	-	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	IV- 24	1,270,000	100,000	1,170,000	-	-	-	-	-
178	South Moulton Pavement Rehabilitation (VIA Lomas to SCL)	IV- 26	1,575,000	-	-	-	-	-	-	1,575,000
181	Oso Parkway Pavement Rehabilitation (Cabot to WCL)	IV- 28	1,750,000	-	-	-	-	-	-	1,750,000
182	Lake Forest Drive Pavement Rehabilitation (ECL to WCL)	IV- 30	1,200,000	-	-	-	-	-	-	1,200,000
183	Avenida Carlota Pavement Rehabilitation (El Toro Rd to Los Alisos Blvd)	IV- 32	825,000	-	-	-	-	-	-	825,000
184	La Paz Road Widening (McIntyre to Cabot)	IV- 34	1,450,000	-	-	-	-	-	-	1,450,000
185	Replacement of Illuminated Street Name Signs at all Traffic Signal Locations	IV- 36	300,000	-	-	-	-	-	-	300,000
188	Ridge Route Pavement Rehabilitation - Moulton Parkway to Santa Vittoria Drive	IV- 38	700,000	-	-	-	-	-	-	700,000
	Sub-Total		\$ 29,749,000	\$ 2,584,000	\$ 2,690,000	\$ -	\$ 1,800,000	\$ -	\$ 1,900,000	\$ 20,775,000

CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY

PROJECT No.	PROJECT	TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
STREETSCAPE									
301	Alicia Parkway Median Islands Landscape Rehabilitation IV- 42	\$ 980,000	\$ -	\$ 980,000	\$ -	\$ -	\$ -	\$ -	-
305	La Paz Median Islands IV- 44	3,890,000	-	-	-	-	-	-	3,890,000
307	Entry Monuments IV- 46	500,000	-	-	-	-	-	-	500,000
312	Paseo de Valencia Median Island Rehabilitation IV- 48	3,375,000	-	-	-	-	-	-	3,375,000
314	Paseo de Valencia Median Islands IV- 50	1,425,000	-	-	-	-	1,425,000	-	-
315	Rehabilitation of Oso Median Islands IV- 52	2,450,000	-	-	-	-	-	-	2,450,000
319	Alicia Parkway South Side Slope IV- 54	1,150,000	-	-	-	-	-	-	1,150,000
321	Paseo de Valencia East Side Slope IV- 56	825,000	-	-	-	-	-	-	825,000
322	Rehabilitation of Moulton Median Island IV- 58	1,650,000	-	-	-	-	-	-	1,650,000
323	Rehabilitation of Laguna Hills Drive Median Island IV- 60	675,000	-	-	-	-	-	-	675,000
324	Rehabilitation of La Paz Median Island IV- 62	525,000	-	-	-	-	-	-	525,000
325	Ridge Route Median Islands - Santa Vittoria to Moulton Pkwy IV- 64	1,175,000	-	-	-	-	-	-	1,175,000
326	Laguna Hills Drive Median Islands and North Parkway IV- 66	540,000	-	-	-	-	-	540,000	-
329	Wayfinding Signs IV- 68	50,000	25,000	25,000	-	-	-	-	-
330	Alicia Pkwy & Paseo de Valencia Street Tree Program IV- 70	525,000	-	-	-	-	-	-	525,000
331	Synthetic Landscape Turf Median Islands IV- 72	815,000	-	-	-	-	-	-	815,000
333	Ridge Route Medians - Moulton Pkwy to Avenida de la Carlota IV- 74	1,700,000	-	-	-	-	-	-	1,700,000
334	Aliso Hills Drive North Down Slope IV- 76	825,000	-	-	-	-	-	-	825,000
335	La Paz Road South Side Slope Renovation IV- 78	3,200,000	-	-	-	-	-	-	3,200,000
336	Palermo and Taranto Slope Renovation IV- 80	200,000	-	-	-	-	-	-	200,000
337	San Remo Drive Slope Renovation IV- 82	600,000	-	-	-	-	-	-	600,000
338	Paseo De Valencia East and West Parkway Renovation IV- 84	1,200,000	-	-	-	-	-	-	1,200,000
339	Paseo de Valencia Southwest Parkway Renovation IV- 86	500,000	-	-	-	-	-	-	500,000
340	Nottingham Ct Entry Median Island IV- 88	85,000	-	-	-	-	-	-	85,000
	Sub-Total	\$ 28,860,000	\$ 25,000	\$ 1,005,000	\$ -	\$ -	\$ 1,425,000	\$ 540,000	\$ 25,865,000

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT		TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
FLOOD CONTROL & WATER QUALITY										
403	Storm Drain/Slope Repairs	IV- 92	\$ 150,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -
406	F23 Canada Channel (Veeh Park)	IV- 94	750,000	-	-	-	-	-	-	750,000
407	Aliso Creek Watershed	IV- 96	500,000	-	-	-	-	-	-	500,000
410	NPDES / Water Quality Program	IV- 98	1,105,000	440,000	255,000	205,000	205,000	-	-	-
411	Largo Storm Drain Improvements (secondary outlet)	IV- 100	300,000	-	-	-	-	-	-	300,000
412	Water Quality (2) Improvements	IV- 102	225,000	75,000	75,000	75,000	-	-	-	-
413	Oso Parkway Wetlands	IV- 104	450,000	-	-	-	-	-	-	450,000
Sub-Total			\$ 3,480,000	\$ 515,000	\$ 380,000	\$ 280,000	\$ 255,000	\$ -	\$ 50,000	\$ 2,000,000
PARKS										
234	Aliso Hills Park	IV- 108	\$ 2,775,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,775,000
238	Community Center and Sports Complex Field Renovations	IV- 110	710,000	-	225,000	-	235,000	-	250,000	-
241	General Park Renovations	IV- 112	895,000	210,000	-	225,000	-	235,000	-	225,000
Sub-Total			\$ 4,380,000	\$ 210,000	\$ 225,000	\$ 225,000	\$ 235,000	\$ 235,000	\$ 250,000	\$ 3,000,000
PUBLIC FACILITIES										
506	Skate Facility Enhancements	IV- 116	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
508	Equipment & Supply Storage Building	IV- 118	525,000	-	-	-	-	-	-	525,000
510	Public Art Program - Civic Center	IV- 120	200,000	-	-	-	-	-	-	200,000
512	Roller Hockey Roof Structure	IV- 122	1,000,000	-	-	-	-	-	-	1,000,000
513	Community Center Renovation	IV- 124	487,820	12,874	-	67,018	272,815	57,626	77,487	-
514	Sports Complex Renovations	IV- 126	51,012	-	-	30,360	13,485	-	7,167	-
515	Community Center and Sports Complex Energy Efficient Field Lights	IV- 128	285,000	-	-	-	-	-	-	285,000
Sub-Total			\$ 2,848,832	\$ 12,874	\$ -	\$ 97,378	\$ 286,300	\$ 57,626	\$ 84,654	\$ 2,310,000

6/9/2015 ITEM NO. 5.1

**CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM
PROJECT SUMMARY**

PROJECT No.	PROJECT	TOTAL COST	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE
TRAILS AND OPEN SPACE									
601	Trails Master Plan - Other Projects IV- 132	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,000,000
606	Trail Head Plazas IV- 134	1,200,000	-	-	-	-	-	-	1,200,000
607	Aliso Hills Channel Pedestrian Crossing JO5PO3 IV- 136	315,000	-	-	-	-	-	-	315,000
608	Multi-use Trail - Alicia to La Paz IV- 138	4,200,000	-	-	-	-	-	-	4,200,000
609	Multi-use Trail - Community Center to Indian Hill IV- 140	600,000	-	-	600,000	-	-	-	-
610	Loop Trails in Alicia Open Space IV- 142	400,000	-	-	-	-	-	-	400,000
611	La Paz Multi-use Trail - Alameda to Paseo de Valencia IV- 144	1,675,000	-	-	-	-	-	-	1,675,000
612	Alicia Pedestrian Bridge at Trail IV- 146	1,000,000	-	-	-	-	-	-	1,000,000
613	Trail along SJHTC IV- 148	300,000	-	-	-	-	-	-	300,000
614	Alicia Open Space Landscaping IV- 150	11,000,000	-	-	-	-	-	-	11,000,000
615	La Paz Open Space Riparian Habitat- Alameda to Paseo de Valencia IV- 152	4,900,000	-	-	-	-	-	-	4,900,000
616	Aliso Hills Area Open Space IV- 154	4,700,000	-	-	-	-	-	-	4,700,000
617	Oso Parkway Open Space Landscape IV- 156	8,600,000	-	-	-	-	-	-	8,600,000
618	Ridge Route Open Space IV- 158	800,000	-	-	-	-	-	-	800,000
619	Slope Renovation South of Aliso Creek IV- 160	600,000	-	-	-	-	-	-	600,000
620	Miscellaneous Landscape Renovations - Various Areas IV- 162	1,750,000	-	-	-	-	-	-	1,750,000
621	Recycled Water Conversions IV- 164	1,050,000	-	-	-	-	-	-	1,050,000
	Sub-Total	\$ 46,090,000	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 45,490,000
	Grand Total	\$ 115,407,832	\$ 3,346,874	\$ 4,300,000	\$ 1,202,378	\$ 2,576,300	\$ 1,717,626	\$ 2,824,654	\$ 99,440,000

CITY OF LAGUNA HILLS
SIX YEAR CAPITAL IMPROVEMENT PROGRAM

FUNDING SOURCES

FUNDING SOURCE	FISCAL YEAR 2015/16	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18	FISCAL YEAR 2018/19	FISCAL YEAR 2019/20	FISCAL YEAR 2020/21	FUTURE	TOTAL
General Fund	\$ 337,000	\$ 1,260,000	\$ 1,035,000	\$ 440,000	\$ 1,660,000	\$ 790,000	\$ 225,000	\$ 5,747,000
Gas Tax	100,000	1,400,000	-	1,800,000	-	1,900,000	-	5,200,000
Measure M2 Competitive	2,092,000	370,000	70,000	-	-	-	-	2,532,000
Quimby Act Fees	210,000	225,000	-	-	-	-	-	435,000
HSIP	133,000	345,000	-	-	-	-	-	478,000
CARITS	40,000	100,000	-	-	-	-	-	140,000
Capital Reserve	12,874	50,000	97,378	336,300	57,626	134,654	-	688,832
RSTP Federal Map-21	-	500,000	-	-	-	-	-	500,000
City Participants	422,000	-	-	-	-	-	-	422,000
Public Arts Fund	-	-	-	-	-	-	200,000	200,000
Water Agency Rebate	-	50,000	-	-	-	-	-	50,000
Unfunded	-	-	-	-	-	-	99,015,000	99,015,000
GRAND TOTAL	<u>\$ 3,346,874</u>	<u>\$ 4,300,000</u>	<u>\$ 1,202,378</u>	<u>\$ 2,576,300</u>	<u>\$ 1,717,626</u>	<u>\$ 2,824,654</u>	<u>\$ 99,440,000</u>	<u>\$ 115,407,832</u>

**CITY OF LAGUNA HILLS
YEAR FISCAL 2015/16
SOURCES OF FUNDS
CAPITAL PROGRAM**

PROJECT No.	PROJECT	FISCAL YEAR 2015/16	GENERAL FUND	GAS TAX	MEAS M COMPETITIVE	QUIMBY ACT FEES	HSIP	CARITS	CAPITAL RESERVES FUND	OTHER - CITY PARTICIPANTS
STREET, SIGNALS AND LIGHTING (100)										
168	Traffic Signal Improvements/Coordination Projects	2,309,000	-	-	1,847,000	-	-	40,000	-	422,000
171	La Paz Road Sidewalk Widening	175,000	42,000	-	-	-	133,000	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	100,000	-	100,000	-	-	-	-	-	-
	Sub-Total	\$ 2,584,000	\$ 42,000	\$ 100,000	\$ 1,847,000	\$ -	\$ 133,000	\$ 40,000	\$ -	\$ 422,000
STREETSCAPE (300)										
329	Wayfinding Signs	25,000	25,000	-	-	-	-	-	-	-
	Sub-Total	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FLOOD CONTROL & WATER QUALITY (400)										
410	NPDES / Water Quality Program	440,000	265,000	-	175,000	-	-	-	-	-
412	Water Quality (2) Improvements	75,000	5,000	-	70,000	-	-	-	-	-
	Sub-Total	\$ 515,000	\$ 270,000	\$ -	\$ 245,000	\$ -	\$ -	\$ -	\$ -	\$ -
PARKS (200)										
241	General Park Renovations	210,000	-	-	-	210,000	-	-	-	-
	Sub-Total	\$ 210,000	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -
PUBLIC FACILITIES (500)										
513	Community Center Renovation	12,874	-	-	-	-	-	-	12,874	-
	Sub-Total	\$ 12,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,874	\$ -
	Grand Total	\$ 3,346,874	\$ 337,000	\$ 100,000	\$ 2,092,000	\$ 210,000	\$ 133,000	\$ 40,000	\$ 12,874	\$ 422,000

**CITY OF LAGUNA HILLS
FISCAL YEAR 2016/17
SOURCES OF FUNDS
CAPITAL PROGRAM**

PROJECT	PROJECT	FISCAL YEAR 2016/17	GENERAL FUND	GAS TAX	MEAS M COMPETITIVE	QUIMBY ACT FEES	HSIP	CARITS	CAPITAL RESERVE FUND	RSTP FEDERAL MAP-21	OTHER - WATER AGENCY REBATE
STREET, SIGNALS AND LIGHTING (100)											
101	Annual Street Maintenance	730,000	-	730,000	-	-	-	-	-	-	-
145	Paseo de Valencia Widening	400,000	-	-	300,000	-	-	100,000	-	-	-
171	La Paz Road Sidewalk Widening	390,000	45,000	-	-	-	345,000	-	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	1,170,000	-	670,000	-	-	-	-	-	500,000	-
	Sub-Total	\$ 2,690,000	\$ 45,000	\$ 1,400,000	\$ 300,000	\$ -	\$ 345,000	\$ 100,000	\$ -	\$ 500,000	\$ -
STREETSCAPE (300)											
301	Alicia Parkway Median Islands Landscape Rehabilitation	980,000	930,000	-	-	-	-	-	-	-	50,000
329	Wayfinding Signs	25,000	25,000	-	-	-	-	-	-	-	-
	Sub-Total	\$ 1,005,000	\$ 955,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
FLOOD CONTROL & WATER QUALITY (400)											
403	Storm Drain/Slope Repairs	50,000	-	-	-	-	-	-	50,000	-	-
410	NPDES / Water Quality Program	255,000	255,000	-	-	-	-	-	-	-	-
412	Water Quality (2) Improvements	75,000	5,000	-	70,000	-	-	-	-	-	-
	Sub-Total	\$ 380,000	\$ 260,000	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -
PARKS (200)											
238	Community Center and Sports Complex Field Renovations	225,000	-	-	-	225,000	-	-	-	-	-
	Sub-Total	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -
	Grand Total	\$ 4,300,000	\$ 1,260,000	\$ 1,400,000	\$ 370,000	\$ 225,000	\$ 345,000	\$ 100,000	\$ 50,000	\$ 500,000	\$ 50,000

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CAPITAL IMPROVEMENT PROJECTS

**STREETS, SIGNALS,
AND LIGHTING**

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Annual Street Maintenance

Project No.: 101



Description: The Annual Street Maintenance Program provides funding for pavement maintenance and resurfacing of all of the City's streets on a six-year return cycle. For budget and cost efficiency, one-third of the City streets are maintained as a single project every two years. The maintenance of these streets is based upon the Pavement Management Plan that is updated every two years with the last update of arterial highways and collector streets being performed in June 2014. Given the age of the City's streets, this program has transitioned from its original maintenance procedure of utilizing seal coats for pavement preservation to an overlay program for pavement rehabilitation. An overlay program is much more costly than a seal coat program but must be performed to preserve the pavement structure on a return cycle of 20 to 30 years depending upon the street type and usage. The next project will work on streets in Zones C & E to the extent funding is available.

Purpose / Justification: The Annual Street Maintenance Program is performed to repair and rejuvenate the surfacing of the street infrastructure. Pavement surfaces deteriorate over time and will experience accelerated maintenance costs if preventive maintenance is not performed on an approximate six to ten year cycle basis.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The Annual Street Maintenance Program allows the City to keep its street maintenance operations at a low recurring cost for pavement repairs.

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

Schedule: Individual projects are scheduled for the spring of the fiscal year budgeted. The schedule for the maintenance is as follows:

<u>YEAR</u>	<u>ZONES</u>
2016-2017	Zones C & E
2018-2019	Continue with Zones C & E
2020-2021	Zones B & F

Project Name: Annual Street Maintenance
Project Number: 101

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design				25,000		25,000		50,000
Admin/Inspection		50,000		75,000		75,000		200,000
Land Acquisition								-
Construction		680,000		1,700,000		1,800,000		4,180,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	730,000		1,800,000		1,900,000	-	4,430,000
Project Funding:								
General Fund								-
Gas Tax		730,000		1,800,000		1,900,000		4,430,000
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	730,000	-	1,800,000	-	1,900,000	-	4,430,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Traffic Signals

Project No.: 112



Description: The traffic signal project provides a funding allocation for one new traffic signal at an undesignated location when the need for a traffic signal is determined.

Purpose / Justification: The August 2007 Citywide Traffic Signal Master Plan is currently being updated (2015). The Traffic Signal Master Plan evaluates the need for traffic signals at every arterial highway intersection at which a traffic signal does not currently exist. The evaluation follows State issued criteria for traffic signal needs. Four intersections within the City met the minimum standards to allow a traffic signal to be constructed per the 2007 study; however, the construction of a traffic signal is not required by such a determination. The potential locations include Alicia Parkway at Via Lomas; Moulton Parkway at Gordon Road; La Paz Road at Appaloosa Place; and La Paz at Alameda Avenue. Note that a traffic signal at the intersection of La Paz Road at Appaloosa Place was deleted for construction by previous action of the City Council.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

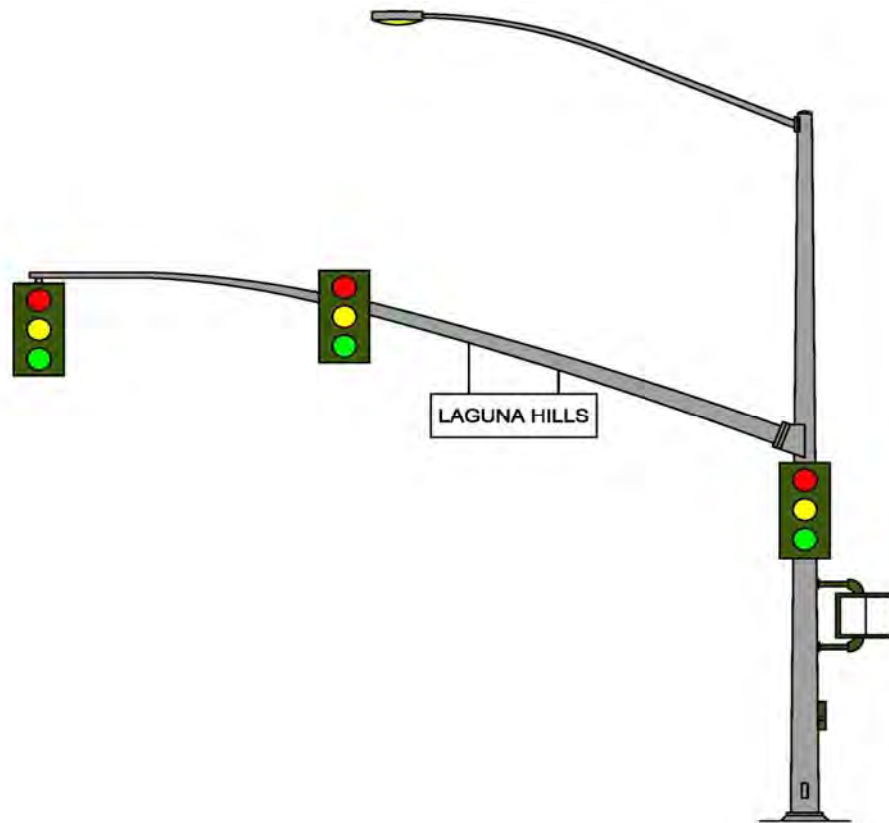
Operating Budget Impact: The construction of a traffic signal is anticipated to add annual maintenance costs of approximately \$900 and electricity costs of approximately \$3,500.

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

Schedule: The traffic signal construction is subject to the schedule to be adopted by the City Council.

Project Name: Traffic Signals
Project Number: 112

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							25,000	25,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							200,000	200,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	250,000	250,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							250,000	250,000
Total Funding	-	-	-	-	-	-	250,000	250,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Cabot Widening – La Paz to Paseo de Valencia

Project No.: 139



Description: The widening of Cabot Road to augmented secondary arterial highway standards from La Paz Road to Paseo de Valencia in accordance with the City's General Plan. The widening will maintain the current four lanes but will allow for a 14' wide raised and landscaped median island and a parking lane/emergency lane or bike lane area along both sides of this segment of the roadway. This project may be eligible for future grant funding. Right of way acquisition will be required. Project length: 0.5 miles.

Purpose / Justification: Compliance with the City's General Plan. The project will control or eliminate left turn driveway access at several locations and will improve traffic flow.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs:

The project will involve the intersection of Cabot Road at La Paz Road/I-5 southbound off-ramp and may require a permit from the State of California Department of Transportation (CALTRANS).

Operating Budget Impact: The construction of a raised and landscaped median island will result in increased landscape maintenance costs estimated to be \$1,500 and \$1,000 of utility costs.

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

Schedule: Future

Project Name: Cabot Widening - La Paz to Paseo de Valencia
Project Number: 139

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							260,000	260,000
Admin/Inspection							175,000	175,000
Land Acquisition							1,000,000	1,000,000
Construction							1,715,000	1,715,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	3,150,000	3,150,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive							-	-
HSIP								-
CARITS							-	-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							3,150,000	3,150,000
Total Funding	-	-	-	-	-	-	3,150,000	3,150,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Paseo de Valencia Widening

Project No.: 145



Description: Arterial highway improvements on Paseo de Valencia from Laguna Hills Drive to El Toro Road to complete the General Plan designation in conformance with the Master Plan of Arterial Highways. A widening project for Paseo de Valencia, from Kennington Drive to Laguna Hills Drive, has been designed (including shifting the roadway to the east which does not require any right of way acquisition) and this project phase is pending environmental clearance and construction funding.

Purpose / Justification: The Paseo de Valencia widening project will complete a six lane arterial highway within the described limits in accordance with the City's General Plan and the Master Plan of Arterial Highways to meet projected traffic needs and to reduce traffic congestion.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs:

The City of Laguna Woods is adjacent to this project, as is the Laguna Woods Village community. Coordination with these entities will be necessary for implementation of the project.

Operating Budget Impact: The widening of Paseo de Valencia from its four or five lanes to six lanes will increase the quantity of pavement surfacing and will slightly increase pavement maintenance costs over time. The existing landscaped median island would be reconstructed as a part of any project but maintenance costs would be similar to that which is already a part of the current budget.

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

Schedule: Pending

Project Name: Paseo de Valencia Widening
Project Number: 145

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design		400,000					500,000	900,000
Admin/Inspection							200,000	200,000
Land Acquisition							500,000	500,000
Construction							5,000,000	5,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	400,000	-	-	-	-	6,200,000	6,600,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive		300,000					-	300,000
HSIP								-
CARITS		100,000					-	100,000
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							6,200,000	6,200,000
Total Funding	-	400,000	-	-	-	-	6,200,000	6,600,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Traffic Signal Improvements/Coordination Projects

Project No.: 168



Description: This project will interconnect traffic signals, provide for timing/coordination plans, synchronize traffic signals and connect individual locations to a central control. The Renewed Measure M provides an opportunity to fund updates to existing interconnected traffic signal corridors and improvements to new ones on a three year return basis. The arterial highways currently synchronized include Oso Parkway, La Paz Road, Alicia Parkway, El Toro Road, Paseo de Valencia and Moulton Parkway.

The Alicia Parkway traffic signal synchronization project, CIP No. 168G, from Crown Valley Parkway in the City of Laguna Niguel to Rustic Oak in the City of Mission Viejo, is proposed to be undertaken in FY 2015-2016 with the City of Laguna Hills being the lead agency for the project.

Purpose / Justification: Traffic flow improvements and technology upgrades.

Other Agencies Involved: Adjacent jurisdictions on a case by case basis and oversight by the Orange County Transportation Authority (OCTA) based upon the allocation of Renewed Measure M funds.

Outside Agencies/Entities Clearance or Coordination Needs: Coordination with adjacent agencies, Caltrans and OCTA.

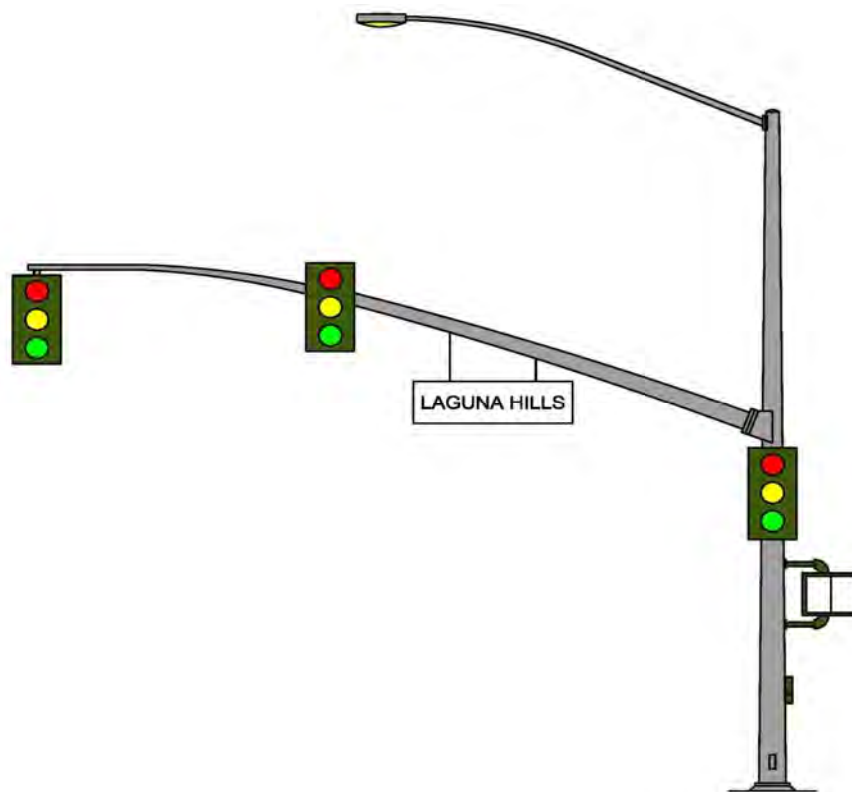
Operating Budget Impact: None

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

Schedule: FY 2015-16 and ongoing.

Project Name: Traffic Signal Improvements/Coordination Projects
Project Number: 168

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design	370,000						200,000	570,000
Admin/Inspection	156,000						100,000	256,000
Land Acquisition								-
Construction	1,516,000						100,000	2,516,000
Operations & Maintenance	115,000						100,000	215,000
System Integration	152,000						100,000	252,000
Equipment								-
Total Cost	2,309,000	-	-	-	-	-	1,500,000	3,809,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive	1,847,000							1,847,000
HSIP								-
CARITS	40,000							40,000
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other - City Participants	422,000							422,000
Other								-
Unfunded							1,500,000	1,500,000
Total Funding	2,309,000	-	-	-	-	-	1,500,000	3,809,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Access Ramps

Project No.: 170



Description: Installation of access ramps meeting Federal and State approved design standards at all intersections as required by the Americans with Disability Act. Approximately 1000 ramps will eventually be constructed for all intersections in the City not currently meeting the required standards. This project can be phased over several years.

Purpose / Justification: None

Other Agencies Involved: ADA improvements are required to be made when the City utilizes Federal Funds for road construction projects. Coordination with Caltrans, as the oversight agency, is required when Federal Funds are used.

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: Future

Project Name: Access Ramp Construction
Project Number: 170

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							25,000	25,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							1,800,000	1,800,000
Operations & Maintenance								
System Integration								
Equipment								-
Total Cost	-	-	-	-	-	-	1,875,000	1,875,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,875,000	1,875,000
Total Funding	-	-	-	-	-	-	1,875,000	1,875,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: La Paz Road Sidewalk Widening

Project No.: 171



Description: The La Paz Road Sidewalk widening is located on the northerly side of La Paz Road from Paseo de Valencia to Grissom Road and on the southerly side of La Paz Road from Paseo de Valencia to Champlain Road and will construct a standard width arterial highway sidewalk. Right of way acquisition will be required from private properties and from the Saddleback Valley Unified School District (SVUSD). Retaining walls will be required in order to complete the project.

Purpose / Justification: To improve school age pedestrian access along La Paz Road to ADA standards.

Other Agencies Involved: OCTA and Caltrans will administer the grant funding for this project.

Outside Agencies/Entities Clearance or Coordination Needs: Caltrans and OCTA will each be coordinating agencies and, due to the right of way acquisition needed for the project, coordination with the SVUSD and private property owners will be required.

Operating Budget Impact: None

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

Schedule: Design and Right of Way acquisition in FY 2015/16 and Construction in FY 2016/17.

Project Name: La Paz Road Sidewalk Widening
Project Number: 171

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design	75,000							75,000
Admin/Inspection		40,000						40,000
Land Acquisition	100,000							100,000
Construction		350,000						350,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	175,000	390,000	-	-	-	-	-	565,000
Project Funding:								
General Fund	42,000	45,000						87,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP	133,000	345,000						478,000
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	175,000	390,000	-	-	-	-	-	565,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Arterial Highway Pavement Maintenance – Various Locations

Project No.: 175



Description: Pavement rehabilitation of Los Alisos Boulevard from Paseo de Valencia to I-5 (City Boundary), Paseo de Valencia from La Paz Road to Cabot Road, Cabot Road southerly of Oso Parkway (two locations) and Alicia Parkway from easterly of Moulton Parkway to Ramona Street to include pavement removals/rehabilitation, curb and gutter repairs, access ramp construction, asphalt concrete overlay, striping and traffic loops.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Design, bid and award a construction contract in FY 2015-16. Construction to occur in summer 2016.

Project Name: Arterial Highway Pavement Maintenance - Various Locations
Project Number: 175 (Los Alisos, Paseo de Valencia, Cabot (2 locations) and Alicia)

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design	100,000							100,000
Admin/Inspection		135,000						135,000
Land Acquisition								-
Construction		1,035,000						1,035,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	100,000	1,170,000	-	-	-	-	-	1,270,000
Project Funding:								
General Fund								-
Gas Tax	100,000	670,000						770,000
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21		500,000						500,000
Other								-
Other								-
Unfunded								-
Total Funding	100,000	1,170,000	-	-	-	-	-	1,270,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: South Moulton Pavement Rehabilitation

Project No.: 178



Description: Pavement rehabilitation of Moulton Parkway from Via Lomas to South City Limits (at SR-73). Work to include pavement removals/rehabilitation, curb and gutter repairs, access ramp construction, asphalt concrete overlay, and striping. Project length: 6700 LF.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Future

Project Name: South Moulton Pavement Rehabilitation (VIA Lomas to SCL)
Project Number: 178

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							75,000	75,000
Admin/Inspection							125,000	125,000
Land Acquisition								-
Construction							1,375,000	1,375,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,575,000	1,575,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,575,000	1,575,000
Total Funding	-	-	-	-	-	-	1,575,000	1,575,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Oso Parkway Pavement Rehabilitation

Project No.: 181



Description: Pavement rehabilitation of Oso Parkway from Cabot Road to West City Limits. Work to include pavement removals/rehabilitation, curb and gutter repairs, sidewalk repairs, access ramp construction, asphalt concrete overlay, and striping. Project length: 9200 LF.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Future

Project Name: Oso Parkway Pavement Rehabilitation (Cabot to WCL)
Project Number: 181

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							150,000	150,000
Land Acquisition								-
Construction							1,500,000	1,500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,750,000	1,750,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,750,000	1,750,000
Total Funding	-	-	-	-	-	-	1,750,000	1,750,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Lake Forest Drive Pavement Rehabilitation

Project No.: 182



Description: Pavement rehabilitation of Lake Forest Drive from East City Limits to West City Limits. Work to include pavement removals/rehabilitation, curb and gutter repairs, sidewalk repairs, access ramp construction, asphalt concrete overlay, and striping. Project length: 6200 LF.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: A permit from Caltrans will be required for work at the intersection of Lake Forest/southbound I-5 offramp.

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Future

Project Name: Lake Forest Drive Pavement Rehabilitation (ECL to WCL)
Project Number: 182

Site Map



PCI ave. 82

Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							75,000	75,000
Admin/Inspection							125,000	125,000
Land Acquisition								-
Construction							1,000,000	1,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,200,000	1,200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,200,000	1,200,000
Total Funding	-	-	-	-	-	-	1,200,000	1,200,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Avenida de la Carlota Pavement Rehabilitation

Project No.: 183



Description: Pavement rehabilitation of Avenida de la Carlota from El Toro Road to Los Aliso Boulevard. Work to include pavement removals/rehabilitation, curb and gutter repairs, sidewalk repairs, access ramp construction, asphalt concrete overlay, and striping. Project length: 3800 LF.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Future

Project Name: Avenida Carlota Pavement Rehabilitation (El Toro Rd to Los Alisos Blvd)
Project Number: 183

Site Map



PCI ave. 76

Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							700,000	700,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	825,000	825,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							825,000	825,000
Total Funding	-	-	-	-	-	-	825,000	825,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: La Paz Road Widening

Project No.: 184



Description: The widening of easterly bound La Paz Road from McIntyre Street to Cabot Road to add a third through lane. Right of way acquisition will be required.

Purpose / Justification: To accommodate projected traffic volumes and as recommended in the General Plan.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: A permit from Caltrans will be required for work at the intersection of La Paz Road at Cabot Road.

Operating Budget Impact: A minor increase in pavement square footage will add to the City's pavement maintenance requirements over time.

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

Schedule: Design in FY 2015-16 in order to determine the future right of way and environmental clearance documentation needed. Right of way acquisition and construction funding would be sought in the future.

Project Name: La Paz Road Widening (McIntyre to Cabot)
Project Number: 184

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							100,000	100,000
Land Acquisition							600,000	600,000
Construction							650,000	650,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,450,000	1,450,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,450,000	1,450,000
Total Funding	-	-	-	-	-	-	1,450,000	1,450,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Replacement of Internally Illuminated Street Name Signs

Project No.: 185



Description: Replace antiquated and deteriorated fluorescent tube internally illuminated street name signs (ILSNS) with light emitting diode (LED) modern signs with updated street names on all signs.

Purpose / Justification: Improve energy efficiency, reduce the frequency of lighting replacements, replace fading street name signs and update street names on all internally illuminated street name signs at the City's 47 traffic signal locations.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: An approximate 85% reduction in energy costs associated with the ILSNS and a reduction in maintenance costs for light bulb replacements.

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

Schedule: Phased project over six years with the first phase beginning in FY 2015-16.

Project Name: Replacement of Illuminated Street Name Signs at all Traffic Signal Locations
Project Number: 185

[Site Map](#)

PASEO DE VALENCIA

CITY OF LAGUNA HILLS

Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction								-
Operations & Maintenance								-
System Integration								-
Equipment							300,000	300,000
Total Cost	-	-	-	-	-	-	300,000	300,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							300,000	300,000
Total Funding	-	-	-	-	-	-	300,000	300,000

City of Laguna Hills Capital Improvement Project

Program: Streets, Signals and Lighting

Project Name: Ridge Route Drive Pavement Rehabilitation

Project No.: 188



Description: Pavement rehabilitation of Ridge Route Drive from Santa Vittoria Drive to Moulton Parkway to include pavement removals/rehabilitation, curb and gutter repairs, access ramp construction, asphalt concrete overlay, striping and traffic loops.

Purpose / Justification: Pavement maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: A net short term reduction of pavement maintenance should result from this project as the pavement life is extended through this project.

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

Schedule: Future

Project Name: Ridge Route Pavement Rehabilitation - Moulton Parkway to Santa Vittoria Drive
Project Number: 188

Site Map



PCI ave. 72

Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							600,000	600,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	700,000	700,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							700,000	700,000
Total Funding	-	-	-	-	-	-	700,000	700,000

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CAPITAL IMPROVEMENT PROJECTS

STREETSCAPE

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Alicia Median Islands Rehabilitation
Project No.: 301



Description: Rehabilitate the Alicia Parkway landscape median islands from Costeau Street to Paseo de Valencia to current City standards. Project length: 3700 LF.

Purpose / Justification: Rehabilitate existing landscaping and install City theme program. The replacement of the irrigation system and replacement of turf grass with shrubs beds and other plant material will reduce water consumption and water runoff, fertilizer use and pesticide use within this median island.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The elimination of turf grass reduces the City's landscape maintenance cost by approximately 20% per year with similar expectations in reduced water use.

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

Schedule: Future

Project Name: Alicia Parkway Median Islands Landscape Rehabilitation
Project Number: 301

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design		100,000						100,000
Admin/Inspection		80,000						80,000
Land Acquisition								-
Construction		800,000						800,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	980,000	-	-	-	-	-	980,000
Project Funding:								
General Fund		930,000						930,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other - Water Agency Rebate		50,000						50,000
Other								-
Unfunded								-
Total Funding	-	980,000	-	-	-	-	-	980,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: La Paz Road Median Islands
Project No.: 305



Description: Construct new landscape median islands on La Paz Road from Moulton Parkway to Paseo de Valencia. Project length: 1.6 miles.

Purpose / Justification: To implement the citywide plan of landscape enhancements and positive traffic controls through the construction of raised and landscape median islands along all arterial highways. The sub-structure, conduits and drainage systems, for this median island were constructed at the time of the previous La Paz Road Pavement Rehabilitation Project.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The construction of a raised and landscape median island will reduce the square footage of asphalt concrete pavement that is maintained. However, approximately 110,000 sq. feet of additional landscaping area will be created resulting in an estimated annual landscape maintenance cost of \$4,000 and a utility cost of \$3,000.

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

Schedule: Future

Project Name: La Paz Median Islands
Project Number: 305

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							470,000	470,000
Admin/Inspection							315,000	315,000
Land Acquisition								-
Construction							3,105,000	3,105,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	3,890,000	3,890,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							3,890,000	3,890,000
Total Funding	-	-	-	-	-	-	3,890,000	3,890,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Entry Monuments

Project No.: 307



Description: Install City identification monuments at all major street entries. Originally, monuments at up to 15 locations were to be constructed.

Purpose / Justification: Community identification and enhancement. Entry Monuments have been constructed at: (1) Alicia/I-5, (2) La Paz/I-5, (3) Oso/I-5, (4) Moulton/Nellie Gail and (5) Moulton/Lake Forest. A proposed entry monument on (6) El Toro at I-5 has been replaced with the Urban Village Monumentation. The remaining locations are as follows: (7) Lake Forest @ I-5, (8) Santa Vittoria @ Lake Forest, (9) Moulton @ Santa Maria, (10) Moulton @ Glenwood, (11) Paseo de Valencia @ El Toro, (12) Los Alisos @ I-5, (13) Alicia @ Ramona, (14) La Paz @ I-73, and (15) Oso @ Moulton. Of the remaining nine locations, the sites most accessible for a monument at this time are at locations 7, 8 (relocated onto Lake Forest at Santa Vittoria), 13, 14 and 15. These five locations are recommended for implementation.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Very minor additional landscape maintenance and electrical costs.

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

Schedule: Future

Project Name: Entry Monuments
Project Number: 307

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							60,000	60,000
Admin/Inspection							40,000	40,000
Land Acquisition								-
Construction							400,000	400,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	500,000	500,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							500,000	500,000
Total Funding	-	-	-	-	-	-	500,000	500,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: PDV Median Island Rehabilitation
Project No.: 312



Description: Relandscaping of Paseo de Valencia median island from Laguna Hills Drive to El Toro Road. Project length: 1.5 miles.

Purpose / Justification: To replace and improve existing landscaping to the City standard, upgrade the irrigation system, remove turf and install shrub beds and other landscaping. The reduction in turf grass will reduce water demands, water runoff, fertilizer and pesticide use. This project can be incorporated into the phases of widening Paseo de Valencia per CIP No. 145.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The removal of turf grass from the median islands will result in a 20% reduction in landscape maintenance and utility costs.

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

Schedule: Future

Project Name: Paseo de Valencia Median Island Rehabilitation
Project Number: 312

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							405,000	405,000
Admin/Inspection							270,000	270,000
Land Acquisition								-
Construction							2,700,000	2,700,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	3,375,000	3,375,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							3,375,000	3,375,000
Total Funding	-	-	-	-	-	-	3,375,000	3,375,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Paseo de Valencia Median Islands
Project No.: 314



Description: Construction of a new raised and landscaped median island along Paseo de Valencia from Alicia Parkway to La Paz Road. Project length: 4,700 linear feet.

Purpose / Justification: To implement the citywide plan of landscape enhancements and positive traffic controls through the construction of raised and landscape median islands along all arterial highways. The sub-structure, conduits and drainage systems, for this median island were constructed at the time of the previous Paseo de Valencia Pavement Rehabilitation Project.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: This project will increase the landscape area by 61,000 square feet resulting in an annual landscape maintenance cost increase of \$2,000 and a utility cost increase of \$1,500.

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

Schedule: Future

Project Name: Paseo de Valencia Median Islands
Project Number: 314

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design					100,000			100,000
Admin/Inspection					75,000			75,000
Land Acquisition								-
Construction					1,250,000			1,250,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	1,425,000	-	-	1,425,000
Project Funding:								
General Fund					1,425,000			1,425,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	-	-	-	1,425,000	-	-	1,425,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Oso Median Island Rehabilitation
Project No.: 315



Description: Rehabilitate the existing landscape median island along Oso Parkway between Bridlewood Drive to West Haven Drive (easterly of Moulton Parkway). Project length: 1.2 miles.

Purpose / Justification: Rehabilitate existing landscaping and install City theme program. The replacement of turf grass with shrubs beds and other plant material will reduce water consumption and water runoff, fertilizer use and pesticide use within this median island.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The elimination of turf grass reduces the City's landscape maintenance cost by approximately 20% per year with similar expectations in reduced water use.

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

Schedule: Future

Project Name: Rehabilitation of Oso Median Islands
Project Number: 315

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							150,000	150,000
Admin/Inspection							100,000	100,000
Land Acquisition								-
Construction							2,200,000	2,200,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	2,450,000	2,450,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							2,450,000	2,450,000
Total Funding	-	-	-	-	-	-	2,450,000	2,450,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Alicia Parkway Southside Slope
Project No.: 319



Description: Renovate private slope landscaping on the southside of Alicia Parkway from Costeau Street to Paseo de Valencia to City landscape standards. A landscape easement would need to be acquired from all property owners. This project is suitable for the formation of a Landscape Maintenance Assessment District.

Purpose / Justification: Scenic corridor improvement subject to conversion of slope to public property and development of a funding source. The project area consists of approximately 136,000 sq. ft..

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Property owners.

Operating Budget Impact: This project would result in annual landscape maintenance cost increase of \$4,000 and an annual utility cost increase of \$3,000.

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

Schedule: Future

Project Name: Alicia Parkway South Side Slope
Project Number: 319

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							975,000	975,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,150,000	1,150,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,150,000	1,150,000
Total Funding	-	-	-	-	-	-	1,150,000	1,150,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Paseo de Valencia Eastside Slope
Project No.: 321



Description: Renovate private slope landscaping on eastside on Paseo de Valencia from Alicia to Ericson to City landscape standards. A landscape easement will need to be acquired from all property owners. This project is suitable for the formation of a Landscape Maintenance Assessment District.

Purpose / Justification: Scenic corridor improvements subject to conversion of slope to public property and development of a funding source. The area consists of approximately 90,000 sq. ft.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Property owners.

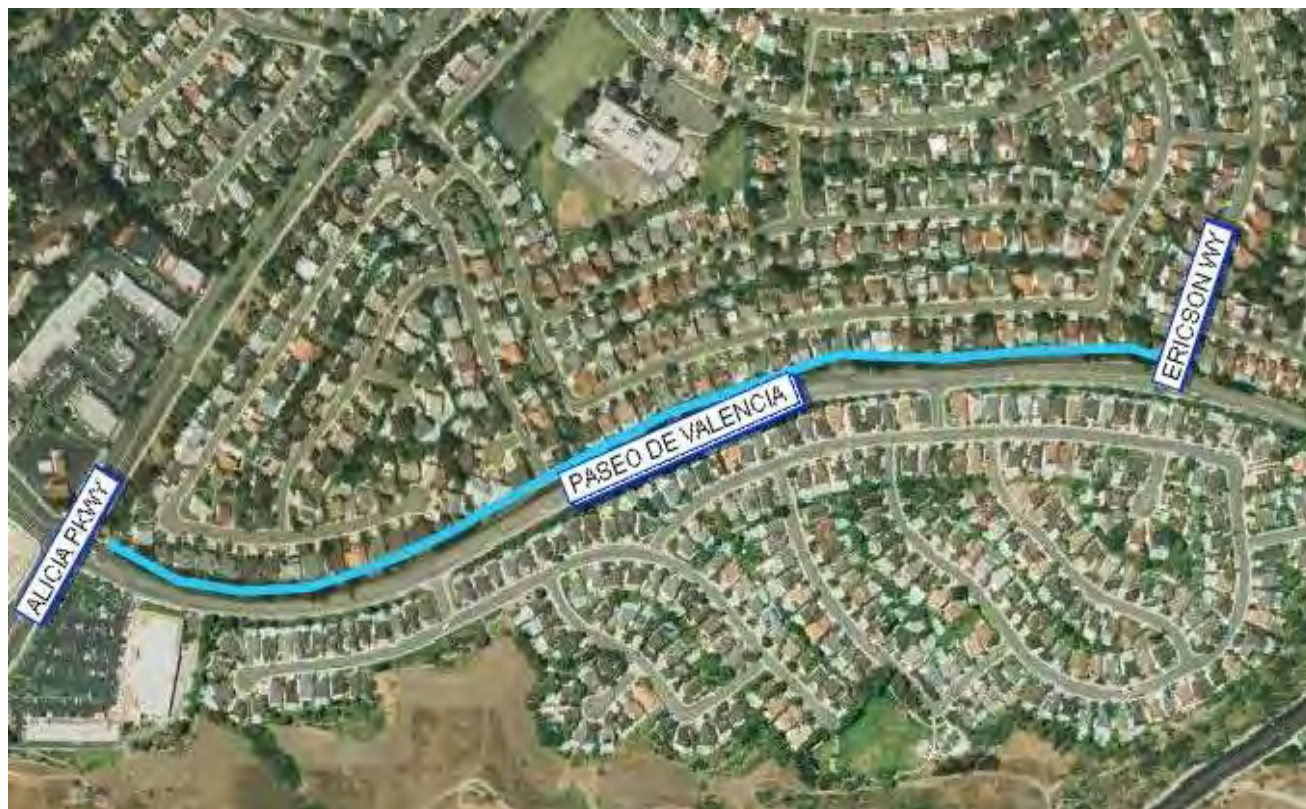
Operating Budget Impact: This project would result in annual landscape maintenance cost increase of \$3,000 and an annual utility cost increase of \$2,500.

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

Schedule: Future

Project Name: Paseo de Valencia East Side Slope
Project Number: 321

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							650,000	650,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	825,000	825,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							825,000	825,000
Total Funding	-	-	-	-	-	-	825,000	825,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Rehabilitation of Moulton Parkway Median Island
Project No.: 322



Description: Replace the existing landscape and irrigation system to the City standards in the Moulton Parkway median island from Via Lomas to 600' n/o Glenwood. Project length: 1.0 miles.

Purpose / Justification: Upgrade old turf and olive tree landscaping to City Standards. Improve irrigation efficiency and reduce landscape maintenance. Installation of shrub beds and other landscaping will reduce water consumption, water runoff, fertilization and pesticide use.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Coordination will be required with the Aliso Viejo Community Association as they currently maintain this area.

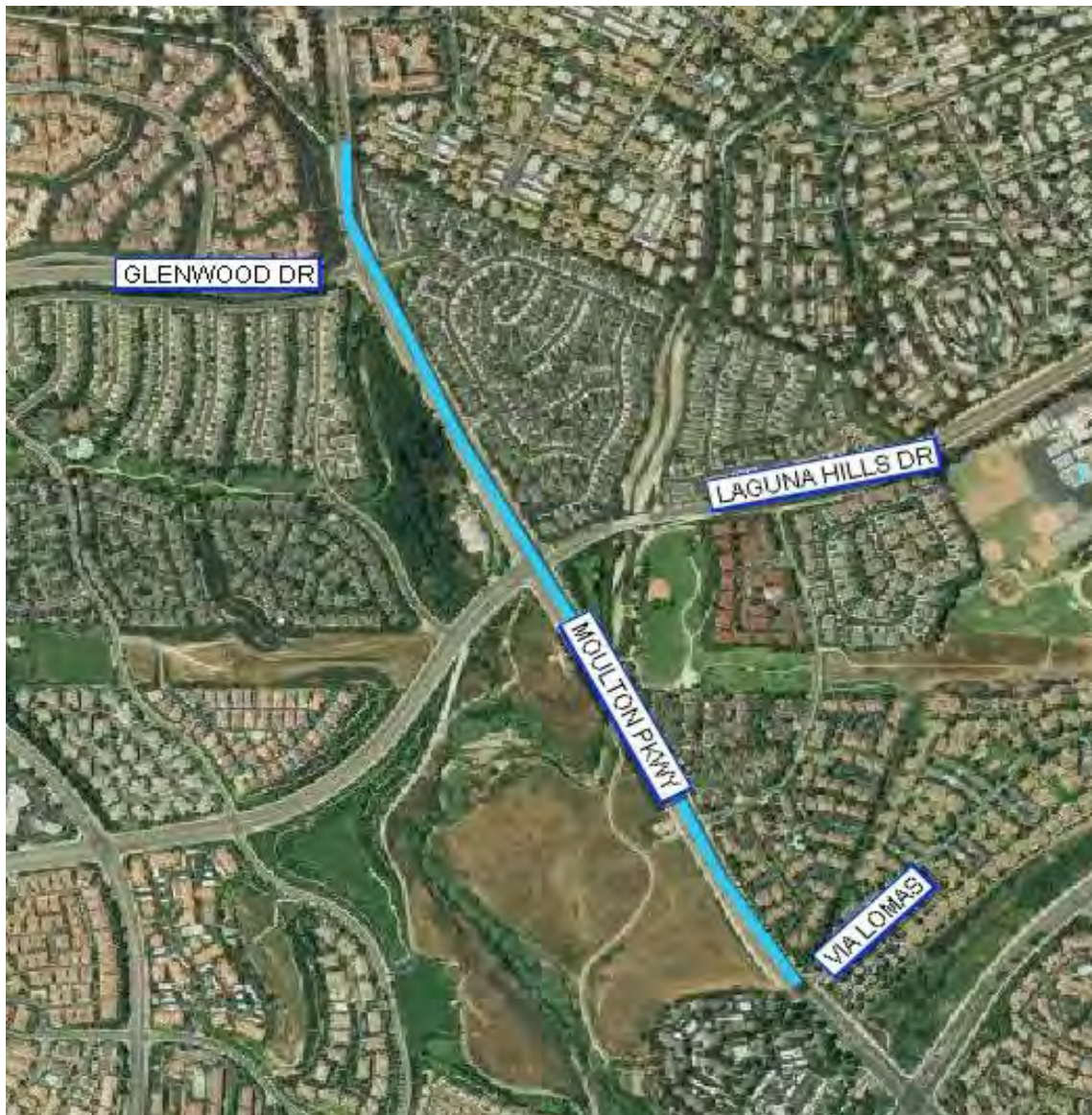
Operating Budget Impact: Increase in the City's landscape maintenance costs of approximately \$7,000 and utility costs of approximately \$1,000 per year.

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

Schedule: Future

Project Name: Rehabilitation of Moulton Median Island
Project Number: 322

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							1,500,000	1,500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,650,000	1,650,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,650,000	1,650,000
Total Funding	-	-	-	-	-	-	1,650,000	1,650,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Rehabilitation of Laguna Hills Drive Median island

Project No.: 323



Description: Replace the existing landscape and irrigation system to the City standards in the Laguna Hills Drive Median island from Moulton Parkway to 800' e/o Indian Hill Lane. Project length: 1,900 LF.

Purpose / Justification: Upgrade existing landscaping to City Standards. Improve irrigation efficiency and aesthetic value of this landscape feature.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Coordination will be required with the Aliso Viejo Community Association as they currently maintain this area.

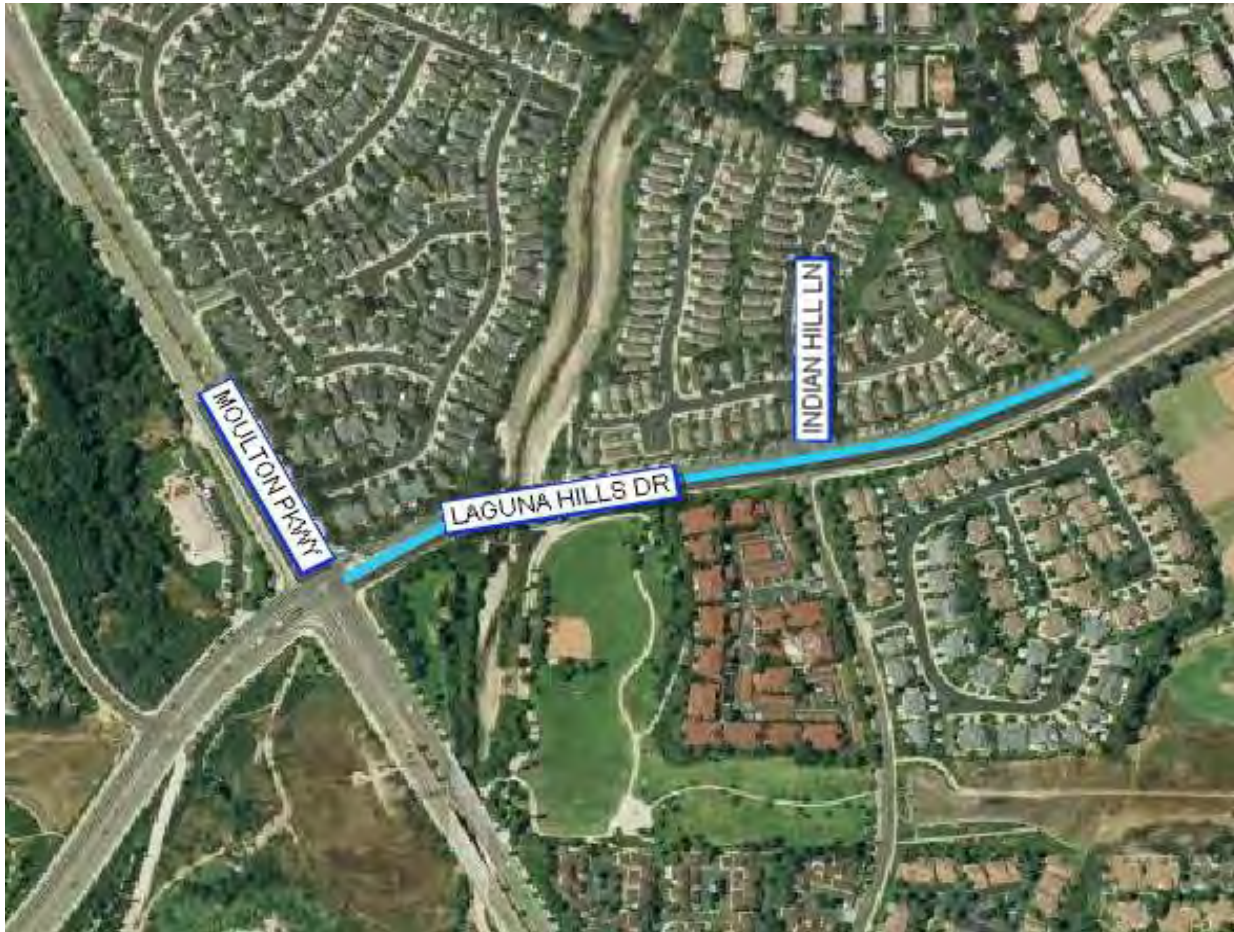
Operating Budget Impact: Increase in the City's landscape maintenance costs of approximately \$3,000 and utility costs of approximately \$500 per year.

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

Schedule: Future

Project Name: Rehabilitation of Laguna Hills Drive Median Island
Project Number: 323

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							30,000	30,000
Land Acquisition								-
Construction							595,000	595,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	675,000	675,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							675,000	675,000
Total Funding	-	-	-	-	-	-	675,000	675,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Rehabilitation of La Paz Median Island
Project No.: 324



Description: Replace the existing landscape and irrigation system to the City standards in the La Paz Road median island from McIntyre Street to Paseo de Valencia. Project length: 1,800 LF.

Purpose / Justification: Upgrade old turf landscaping to City standards. Improve irrigation efficiency and reduce landscape maintenance. The replacement of turf with shrub beds and other landscaping will reduce water consumption, water runoff, fertilizer and pesticide use.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The elimination of turf grass reduces the City's landscape maintenance cost of this 23,000 sf landscape area by approximately 20% per year with similar expectations in reduced water use.

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

Schedule: Future

Project Name: Rehabilitation of La Paz Median Island
Project Number: 324

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							450,000	450,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	525,000	525,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							525,000	525,000
Total Funding	-	-	-	-	-	-	525,000	525,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Ridge Route Drive Median Islands
Project No.: 325



Description: Construct new landscape median islands per arterial standards and City landscape guidelines along Ridge Route Drive from Santa Vittoria Drive to Moulton Parkway. Project length: 3,100 LF.

Purpose / Justification: To implement the citywide plan of landscape enhancements and positive traffic controls through the construction of raised and landscape median islands along all arterial highways.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

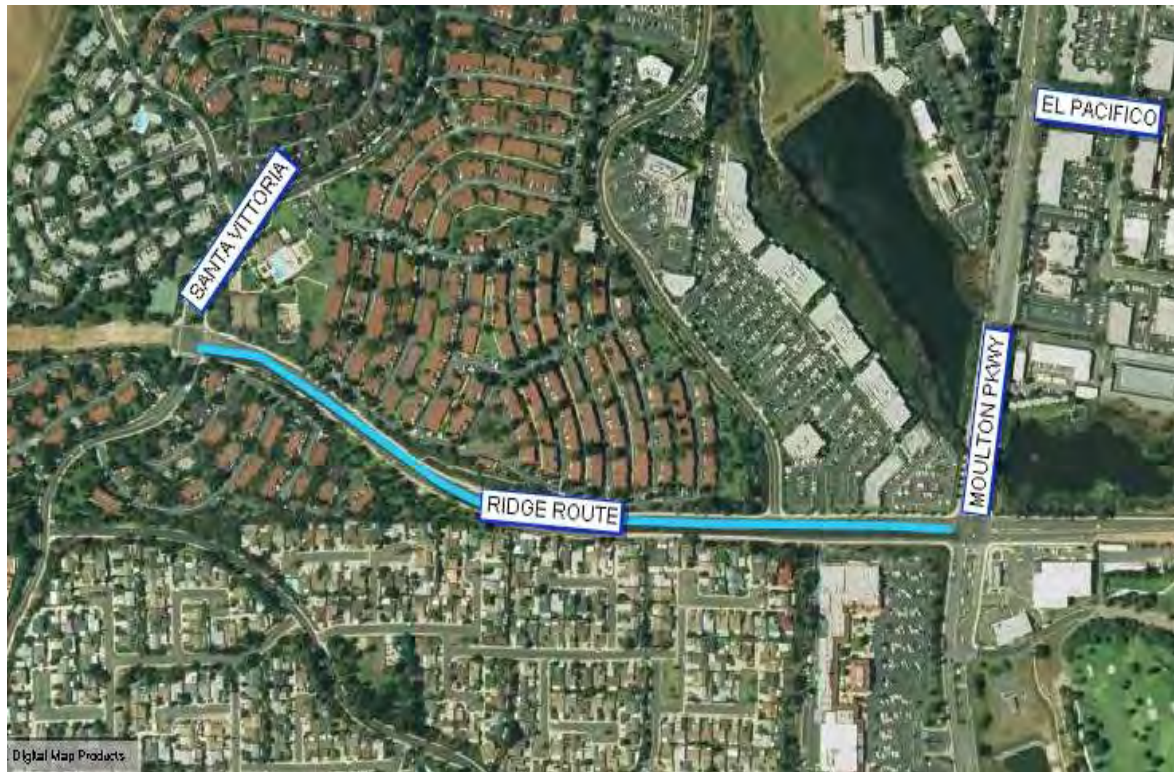
Operating Budget Impact: The addition of this median island will add 40,000 square feet of landscaping resulting in an estimated increase of annual landscape maintenance costs of \$5,000 and utility costs of \$1000.

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

Schedule: Future

Project Name: Ridge Route Median Islands - Santa Vittoria to Moulton Pkwy
Project Number: 325

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							1,000,000	1,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,175,000	1,175,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,175,000	1,175,000
Total Funding	-	-	-	-	-	-	1,175,000	1,175,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Laguna Hills Drive Median Island
Project No.: 326



Description: Construct landscaping within the vacant median island on Laguna Hills Drive from Paseo de Valencia to 800' e/o Indian Hill Lane per City Landscape Guidelines. Project length: 1,900 LF.

Purpose / Justification: To implement the citywide plan of landscape enhancements along all arterial highways. The sub-structure, conduits, drainage system and curbing for this median island were constructed at the time of the previous Laguna Hills Drive Pavement Rehabilitation Project.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The addition of the landscaping in this median island will add 25,000 square feet of landscaping resulting in an estimated increase of annual landscape maintenance costs of \$3,000 and utility costs of \$1,000.

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

Schedule: Future

Project Name: Laguna Hills Drive Median Islands and North Parkway
Project Number: 326

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design						65,000		65,000
Admin/Inspection						45,000		45,000
Land Acquisition								-
Construction						430,000		430,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	540,000	-	540,000
Project Funding:								
General Fund						540,000		540,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	-	-	-	-	540,000	-	540,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Wayfinding Signage

Project No.: 329



Description: The replacement of select existing Wayfinding signs as needed to restore them to original condition.

Purpose / Justification: In 2008, the City implemented a citywide Wayfinding signage program to enhance motorist and visitor navigation to points of interest in the City. Approximately 60 Wayfinding signs were installed in a variety of sizes and mounting conditions. Over time, the elements and some traffic collisions have deteriorated approximately 20 signs. It is proposed to replace approximately 10 signs per year in the next two fiscal years to restore all signage to original conditions.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: FY 2015-16 and FY 2016-17

Project Name: Wayfinding Signs
Project Number: 329

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction	25,000	25,000						50,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	25,000	25,000	-	-	-	-	-	50,000
Project Funding:								
General Fund	25,000	25,000						50,000
Gas Tax								-
Quimby Act								-
MEASURE M (Comp)								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other - FCPP								-
Other								-
Unfunded								-
Total Funding	25,000	25,000	-	-	-	-	-	50,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Alicia Parkway and Paseo de Valencia Street Tree Program

Project No.: 330



Description: Development of tree wells within the existing sidewalks for street tree and irrigation installation along the southerly side of Alicia Parkway from Costeau Street to Paseo de Valencia and on the easterly side of Paseo de Valencia from Alicia Parkway to La Paz Road. This is an urban reforestation and streetscape improvement project. Tree wells would be developed at approximate 40 foot intervals resulting in approximately 70 trees on Alicia Parkway and 100 trees on Paseo de Valencia.

Purpose / Justification: To add landscape improvement along major arterial highways at locations that the City does not control the adjacent private slope areas.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The landscape improvements within this area will require new resources for tree maintenance and irrigation. Irrigation is estimated at \$1000 per year and tree maintenance is estimated at \$1500 per year.

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

Schedule: Future

Project Name: Alicia Pkwy & Paseo de Valencia Street Tree Program
Project Number: 330

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							450,000	450,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	525,000	525,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							525,000	525,000
Total Funding	-	-	-	-	-	-	525,000	525,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Synthetic Landscape Turf
Project No.: 331



Description: Convert 16 small median islands from natural turf to synthetic turf in the North Laguna Hills area.

Purpose / Justification: Enhance appearance and reduce maintenance.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

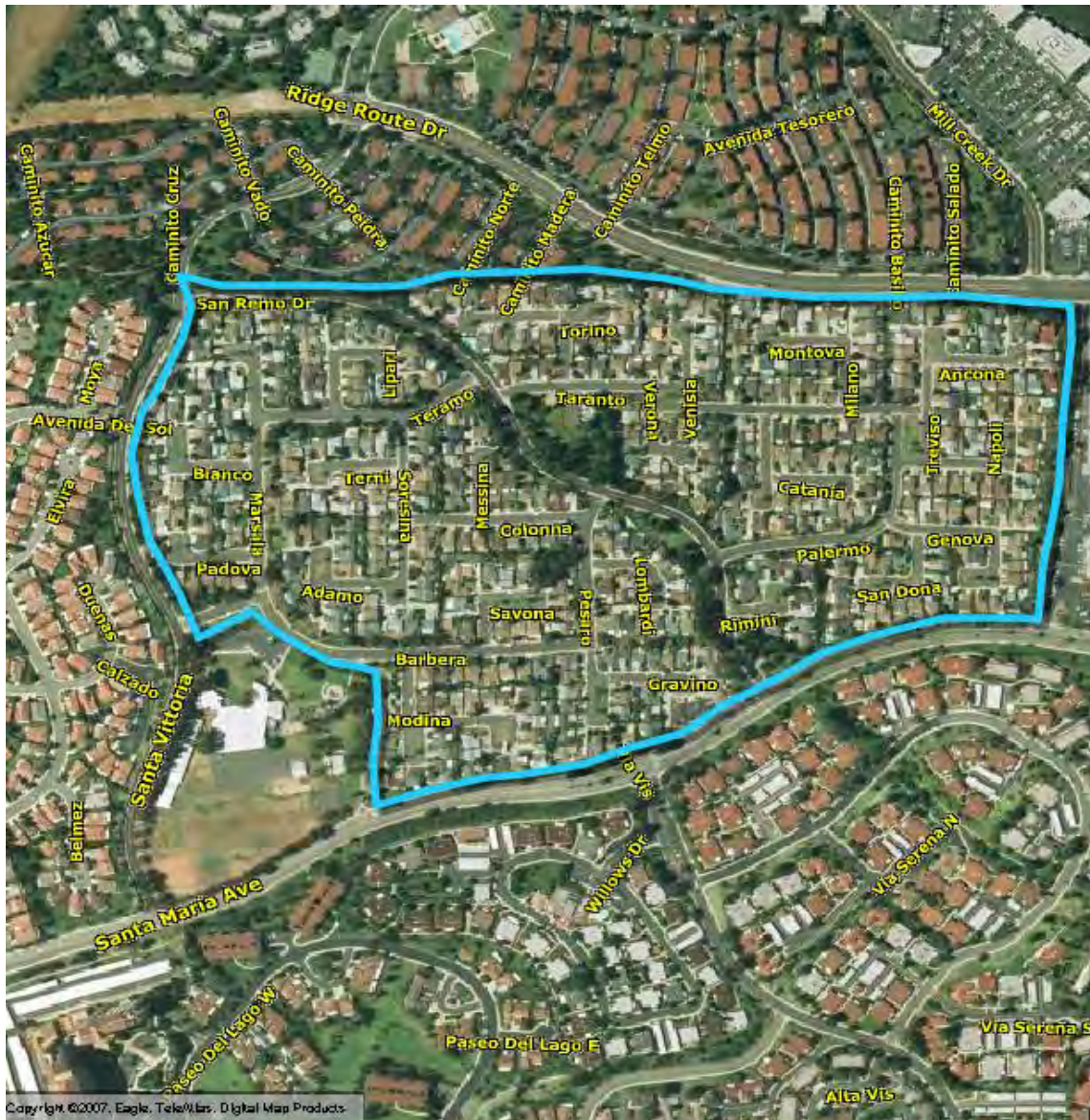
Operating Budget Impact: Reduce annual landscape maintenance costs by \$3,000 and utility costs by \$1,800.

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

Schedule: Future

Project Name: Synthetic Landscape Turf Median Islands
Project Number: 331

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							740,000	740,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	815,000	815,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							815,000	815,000
Total Funding	-	-	-	-	-	-	815,000	815,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Ridge Route Drive Median Island
Project No.: 333



Description: The construction of new raised and landscaped median islands on Ridge Route Drive from Moulton Parkway to Avenida de la Carlota. Project length: 0.9 miles.

Purpose / Justification: To implement the citywide plan of landscape enhancements and positive traffic controls through the construction of raised and landscape median islands along all arterial highways.

Other Agencies Involved: City of Laguna Woods. This project cannot be constructed until there is full widening of Ridge Route Drive.

Outside Agencies/Entities Clearance or Coordination Needs: City of Laguna Woods

Operating Budget Impact: The landscape median island would add approximately 61,000 sf of new area resulting in an annual landscape maintenance cost of \$7000 and a utility cost of \$2,000. It is expected these costs would be equally split with the City of Laguna Woods.

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

Schedule: Future

Project Name: Ridge Route Medians - Moulton Pkwy to Avenida de la Carlota
Project Number: 333

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							1,525,000	1,525,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,700,000	1,700,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,700,000	1,700,000
Total Funding	-	-	-	-	-	-	1,700,000	1,700,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Aliso Hills Drive Northside Down Slope
Project No.: 334



Description: This project is a subset of the Aliso Hills Area* landscape renovation projects. This is Project area “B” of the Aliso Hills project area. The other project areas have either been improved or separately budgeted.

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: These areas are already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost and will balance against reduced costs for efficient irrigation.

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

Schedule: Future

* The Aliso Hills Area is the open spaces and streetscapes generally bounded by Paseo de Valencia, Alicia Parkway, Moulton Parkway and La Paz Road. Six specific areas have been identified in the area and designated as B through G. Area A was the subject of CIP No. 316, the Aliso Hills Drive South Slope Renovation, and it has been completed. The further areas are defined as B – northside Aliso Hills Drive Slope, C – northwest of Mendocino Park, D – eastside Paseo de Valencia Parkway, E – southeast of Mendocino Park, F – northside of La Paz Road from Aliso Hills Drive to Paseo de Valencia, and G – north of Mendocino Park.

Project Name: Aliso Hills Drive North Down Slope
Project Number: 334

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							650,000	650,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	825,000	825,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							825,000	825,000
Total Funding	-	-	-	-	-	-	825,000	825,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: La Paz Road South Side Slope Renovation
Project No.: 335



Description: Renovation of three existing landscape slope areas along the southerly side of La Paz Road between Aliso Hills Drive and Charlton Drive (private street). The combined slope areas comprise approximately 16.5 acres and are in open public view.

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: These areas are already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost balanced against savings resulting from efficient irrigation practices.

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

Schedule: Future

Project Name: La Paz Road South Side Slope Renovation
Project Number: 335

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							100,000	100,000
Land Acquisition								-
Construction							3,000,000	3,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	3,200,000	3,200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							3,200,000	3,200,000
Total Funding	-	-	-	-	-	-	3,200,000	3,200,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Palermo and Taranto Slope Renovation
Project No.: 336



Description: The renovation of two slope areas adjacent to the streets of Palermo and Taranto. Renovation to consist of the development of removal of private improvements, install an irrigation system, new landscape plantings and a perimeter low height wall for improved aesthetics, The two areas total approximately 12,000 SF.

Purpose / Justification: The existing slopes have limited landscaping and no operating irrigation system. Landscape maintenance cannot be performed unless the area is renovated. Existing private property encroachments will have to be removed.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Cooperation of the adjacent homeowners will be required in order to clear the private property encroachments without invoking legal proceedings.

Operating Budget Impact: The new landscaping will require monthly maintenance at a cost of approximately \$1,500 per year plus utility costs of approximately \$500 per year.

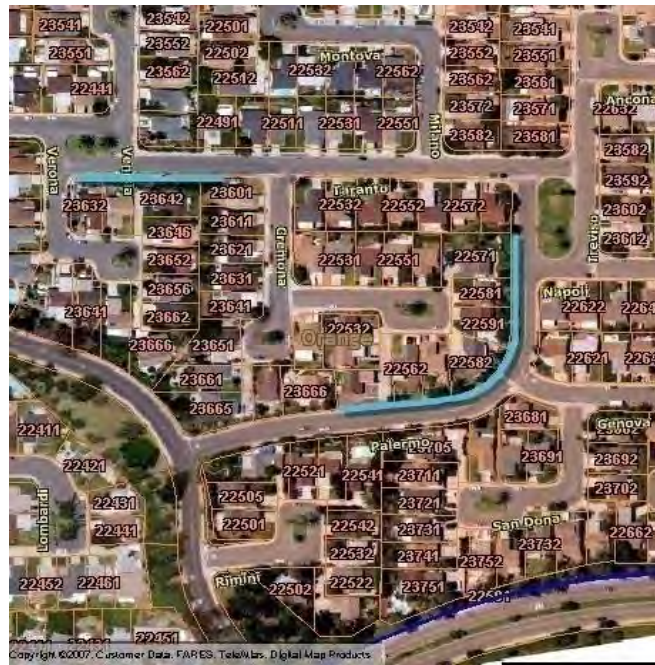
Source of Cost Estimates: Preliminary ☒ Based on Design ☐ Actual Bid ☐

Schedule: Future

Project Name: Palermo and Taranto Slope Renovation

Project Number: 336

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							30,000	30,000
Admin/Inspection							20,000	20,000
Land Acquisition								-
Construction							150,000	150,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	200,000	200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							200,000	200,000
Total Funding	-	-	-	-	-	-	200,000	200,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: San Remo Drive Slope Renovation

Project No.: 337



Description: The renovation of the westerly landscape slope along San Remo Drive from Santa Maria Avenue to Santa Vittoria Drive. Replace the antiquated irrigation system and marginal landscape materials in this 87,000 SF area.

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: These areas are already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost balanced against reduced irrigation costs due to more efficient irrigation practices.

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

Schedule: Future

Project Number: 337

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							75,000	75,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							475,000	475,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	600,000	600,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							600,000	600,000
Total Funding	-	-	-	-	-	-	600,000	600,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Paseo de Valencia East and West Parkway Renovation

Project No.: 338



Description: The renovation of the parkway landscaping on the westerly and easterly sides of Paseo de Valencia between Calle de La Plata and Laguna Hills Drive to upgrade the irrigation system and replace plant materials not suitable for a parkway space. Project length of 6000 LF should be coordinated with CIP No. 145, Paseo de Valencia widening.

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: This area is already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost balanced against reduced irrigation costs due to more efficient irrigation practices.

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

Schedule: Future

Project Name: Paseo De Valencia East and West Parkway Renovation
Project Number: 338

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							150,000	150,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							975,000	975,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,200,000	1,200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,200,000	1,200,000
Total Funding	-	-	-	-	-	-	1,200,000	1,200,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape

Project Name: Paseo de Valencia Southwest Parkway Renovation

Project No.: 339



Description: The renovation of the parkway landscaping on the southwesterly side of Paseo de Valencia between Alicia Parkway and La Paz Road to upgrade the irrigation system and replace plant materials not suitable for a parkway space. Project length of 4000 LF.

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: This area is already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost balanced against reduced irrigation costs due to more efficient irrigation practices.

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

Schedule: Future

Project Name: Paseo de Valencia Southwest Parkway Renovation
Project Number: 339

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							425,000	425,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	500,000	500,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other -								-
Other								-
Unfunded							500,000	500,000
Total Funding	-	-	-	-	-	-	500,000	500,000

City of Laguna Hills Capital Improvement Project

Program: Streetscape
Project Name: Nottingham Court Entry Median Island
Project No.: 340



Description: The establishment of a raised and landscaped median island and patterned stamped concrete on Nottingham Court south of Oso Parkway as an entry statement to the Moulton Ranch 1 community.

Purpose / Justification: A cooperative project with the Moulton Ranch 1 Homeowners Association (HOA) in which the City would construct the hardscape and the HOA would install and maintain the landscape, a beautification and traffic calming project.

Other Agencies Involved: A cooperative agreement will be needed with the Moulton Ranch 1 HOA.

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: Future

Project Name: Nottingham Ct Entry Median Island
Project Number: 340

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							15,000	15,000
Admin/Inspection							10,000	10,000
Land Acquisition								-
Construction							60,000	60,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	85,000	85,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							85,000	85,000
Total Funding	-	-	-	-	-	-	85,000	85,000

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CAPITAL IMPROVEMENT PROJECTS

FLOOD CONTROL AND WATER QUALITY

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: Storm Drain / Slope Repairs

Project No.: 403



Description: Stand-by funding for drainage or slope repair projects resulting from storm events causing unexpected infrastructure impacts.

Purpose / Justification: To provide a funding source to resolve unexpected impacts to the City's storm drain system or slope areas.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: As needed

Project Name: Storm Drain/Slope Repairs
Project Number: 403

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction		50,000		50,000		50,000		150,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	50,000	-	50,000	-	50,000	-	150,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds		50,000		50,000		50,000		150,000
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	50,000	-	50,000	-	50,000	-	150,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: F23 Canada Channel (Veeh Park)

Project No.: 406



Description: Remove silt/debris, regrade channel and replace wetlands habitat between Mill Creek Drive and westerly City limit. Project length: 2,600 LF.

Purpose / Justification: Flood control, re-establishment of channel hydraulics and environmental enhancement in this 7.5 acre area.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: California Department of Fish and Game and possibly the United States Army Corps of Engineers

Operating Budget Impact: The project will require the City to maintain and monitor the habitat for a period of five years resulting in an annual landscape maintenance cost of approximately \$15,000.

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

Schedule: Future

Project Name: F23 Canada Channel (Veeh Park)
Project Number: 406

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							50,000	50,000
Land Acquisition							-	-
Construction							600,000	600,000
Operations & Maintenance							-	-
System Integration							-	-
Equipment							-	-
Total Cost	-	-	-	-	-	-	750,000	750,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							750,000	750,000
Total Funding	-	-	-	-	-	-	750,000	750,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: Aliso Creek Watershed

Project No.: 407



Description: Various Aliso Creek "mainstem" improvements per United States Army Corps of Engineers study and County of Orange project development efforts.

Purpose / Justification: The City is a "stakeholder" in the Aliso Creek watershed and is expected to participate in future improvements within the Aliso Creek to restore the flood control, habitat and water quality of the creek. Projects are yet to be identified by the lead agency, the County of Orange. City participation will be as a matching fund source for future Federal, State, and County funding of region-wide improvements.

Other Agencies Involved: County of Orange

Outside Agencies/Entities Clearance or Coordination Needs: California Department of Fish & Game and United States Army Corps of Engineers

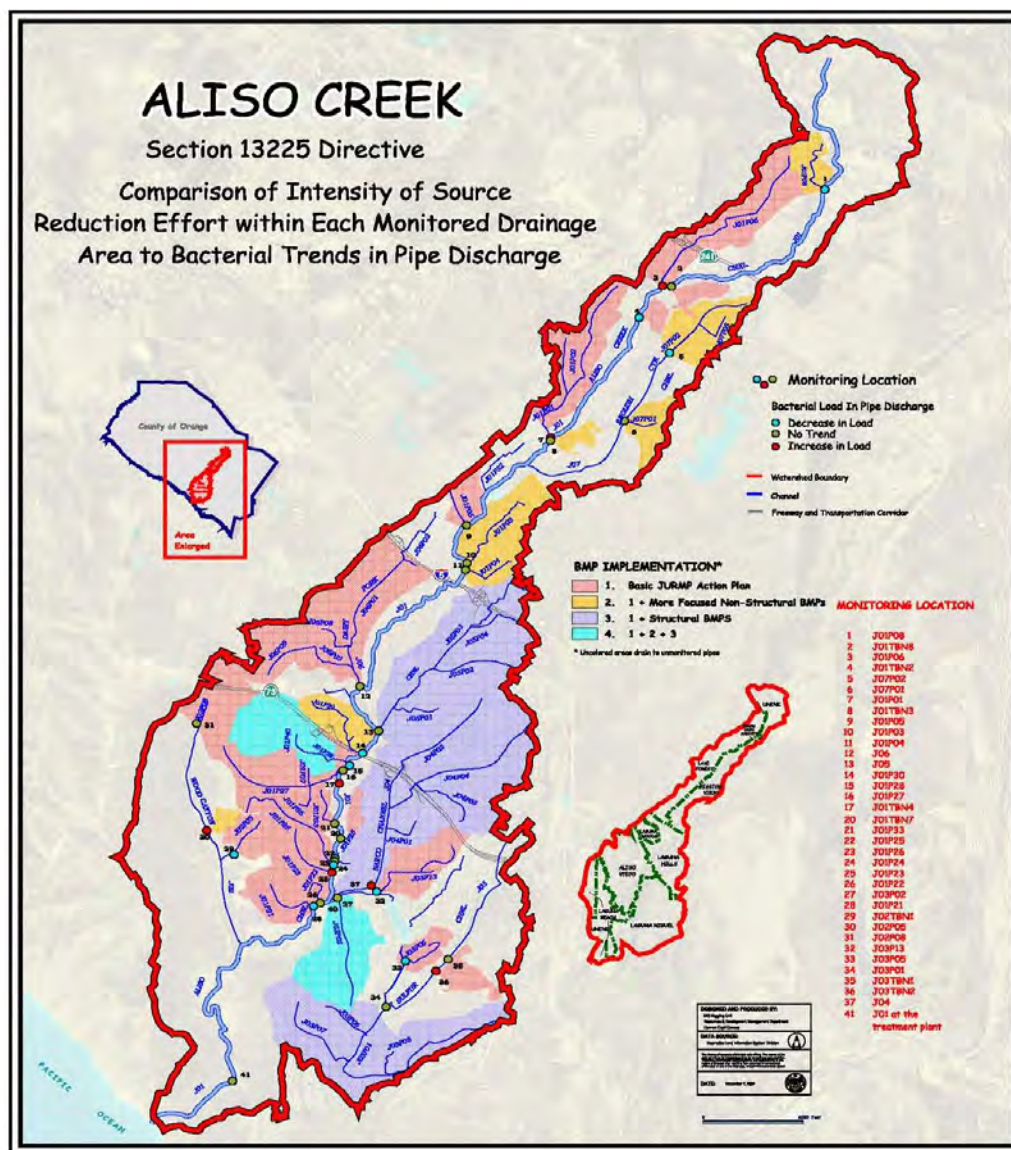
Operating Budget Impact: None

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

Schedule: Future

Project Name: Aliso Creek Watershed
Project Number: 407

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction							500,000	500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	500,000	500,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							500,000	500,000
Total Funding	-	-	-	-	-	-	500,000	500,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: NPDES / Water Quality Program

Project No.: 410



Description: 1) Implement a variety of water quality improvement initiatives in accordance with the requirements of the NPDES permits with the Santa Ana and the San Diego Regional Water Quality Control Boards in cooperation with, and as a co-permittee and funding partner with, the County of Orange. 2) Implement the Cabot Road Bio-swale Project. 3) Participate in the Dairy Fork Creek Project with the City of Aliso Viejo.

Purpose / Justification: Regulatory requirements and environmental enhancements to reduce pollutants within water runoff reaching the storm drain systems.

Other Agencies Involved: County of Orange. City of Aliso Viejo (Dairy Fork Creek).

Outside Agencies/Entities Clearance or Coordination Needs: The work is to meet the standards of the NPDES permits.

Operating Budget Impact: Water Quality projects may increase operating maintenance costs on a per project basis. Additional staff time will be expended to meet the requirements of the NPDES permits.

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

Schedule: 1) Ongoing as to Permit compliance. 2) Cabot Road Bio-swale project in FY 2015-16. 3) Dairy Fork Creek funding participation in FY 2016-17.

Project Name: NPDES / Water Quality Program
Project Number: 410

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-2020	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection	190,000	200,000	205,000	205,000	-	-		800,000
Land Acquisition								-
Construction	250,000	55,000						305,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	440,000	255,000	205,000	205,000	-	-	-	1,105,000
Project Funding:								
General Fund	265,000	255,000	205,000	205,000	-	-		930,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive	175,000							175,000
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	440,000	255,000	205,000	205,000	-	-	-	1,105,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: Largo Storm Drain Improvements

Project No.: 411



Description: The existing storm drain inlet to the south of Largo Circle, a tributary to JO5PO2, is a sump condition within a natural canyon area. This project seeks to establish a secondary outflow for the inlet in the case of storms exceeding the design capacity of the inlet.

Purpose / Justification: Flood Control

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: Future

Project Name: Largo Storm Drain Improvements (secondary outlet)
Project Number: 411

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							225,000	225,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	300,000	300,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							300,000	300,000
Total Funding	-	-	-	-	-	-	300,000	300,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: Water Quality (2) Improvements

Project No.: 412



Description: Install screens over the inlets of catch basin at approximately 600 locations throughout the City to reduce the influx of litter, leaves and soil into the storm drain system. The screens, operating on a pulley system, open up during storm events to allow for the collection of drainage. At other times of the year, the debris collects in front of the catch basins and is removed with street sweeping activities.

Purpose / Justification: Improve pollution prevention and water quality by reducing the collection of leaves, litter and dirt in the catch basins and storm drain systems.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: OCTA through the environmental funding provided in Renewed Measure M.

Operating Budget Impact: Minor maintenance costs.

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

Schedule: Annually in FY 2015-16, FY 2016-17 and FY 2017-18, subject to funding availability through Renewed Measure M.

Project Name: Water Quality (2) Improvements
Project Number: 412

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection	5,000	5,000	5,000					15,000
Land Acquisition								-
Construction	70,000	70,000	70,000					210,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	75,000	75,000	75,000	-	-	-	-	225,000
Project Funding:								
General Fund	5,000	5,000	5,000					15,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive	70,000	70,000	70,000					210,000
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	75,000	75,000	75,000	-	-	-	-	225,000

City of Laguna Hills Capital Improvement Project

Program: Flood Control and Water Quality

Project Name: Oso Parkway Wetlands

Project No.: 413



Description: Utilize existing water flows to enhance the riparian habitat at three locations along the south side of Oso Parkway between Nellie Gail Road and Moulton Parkway. Enhance water quality and improve equestrian trail access.

Purpose / Justification: Improve compliance with NPDES regulations, improve water quality, reduce vectors and enhance recreational opportunities.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: Vector Control District

Operating Budget Impact: Water Quality projects may increase operating maintenance costs on a per project basis.

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

Schedule: Future

Project Name: Oso Parkway Wetlands
Project Number: 413

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							40,000	40,000
Admin/Inspection							10,000	10,000
Land Acquisition								-
Construction							400,000	400,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	450,000	450,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							450,000	450,000
Total Funding	-	-	-	-	-	-	450,000	450,000

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CAPITAL IMPROVEMENT PROJECTS

PARKS

City of Laguna Hills Capital Improvement Project

Program: Parks

Project Name: Aliso Hills Park

Project No.: 234



Description: Development of a park (either passive or active) with trail access, parking and a storage building at the southeast corner of the intersection of Alicia Parkway and Aliso Hills Drive.

Purpose / Justification: Development of a park site for public use and to provide trail access, overflow parking, recreational amenities, and a City storage/yard facility. Three park concepts have been developed. The Park Planning Process is pending.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The development of the park site will increase the operating budget with additional landscape maintenance and site maintenance costs. The determination of these costs will vary depending upon which park option is chosen for development. At a minimum, the operating budget impact is anticipated to be \$4,000 per year for landscape maintenance and \$2,500 for utilities.

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

Schedule: Future

Project Name: Aliso Hills Park
Project Number: 234

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							2,600,000	2,600,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	2,775,000	2,775,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							2,775,000	2,775,000
Total Funding	-	-	-	-	-	-	2,775,000	2,775,000

City of Laguna Hills Capital Improvement Project

Program: Parks

Project Name: Community Center and Sports Complex Field Renovations

Project No.: 238



Description: This project provides for the replacement of sports turf at the Community Center and Sports Complex two soccer fields every other year and as needed irrigation and drainage modifications/reconstruction.

Purpose / Justification: Safety improvements and playability improvements for the sports fields.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: None

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

Schedule: Summer of 2016, 2018 & 2020

Project Name: Community Center and Sports Complex Field Renovations
Project Number: 238

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction		225,000		235,000		250,000		710,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	225,000	-	235,000	-	250,000	-	710,000
Project Funding:								
General Fund				235,000		250,000		485,000
Gas Tax								-
Quimby Act		225,000						225,000
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	225,000	-	235,000	-	250,000	-	710,000

City of Laguna Hills Capital Improvement Project

Program: Parks
Project Name: General Park Renovations
Project No.: 241



Description: Renovation of existing park and playground improvements throughout the City's local park system to include the replacement of worn out site amenities such as benches, tables, and drinking fountains along with minor playground improvements to update worn equipment and surfacing.

Projected estimates of needs over the next ten years, by park, are as follows:

Beckenham Park	\$ 75,000
Cabot Park	\$175,000
Clarington Park	\$125,000
Costeau Park	\$ 25,000
El Conejo Park	\$ 75,000
Knotty Pine Park	\$ 75,000
Mackenzie Park	\$ 60,000
Mandeville Park	\$ 25,000
Mendocino Park	\$150,000
San Remo Park	\$ 80,000
Santa Vittoria Park	\$250,000
Stockport Park	\$0
Veel Ranch Park	\$125,000

Purpose / Justification: Update the park amenities and infrastructure for enhanced recreational value, safety and capital reinvestment on a recurring and rotating basis with funding every two years.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Reduce unscheduled maintenance of park amenities.

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

Schedule: FY 2015-16, FY 2017-18 and FY 2019-20

Project Name: General Park Renovations
Project Number: 241

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design	25,000		30,000		35,000		15,000	105,000
Admin/Inspection	10,000		15,000		15,000		10,000	50,000
Land Acquisition								-
Construction	175,000		180,000		185,000		200,000	740,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	210,000	-	225,000	-	235,000	-	225,000	895,000
Project Funding:								
General Fund			225,000		235,000		225,000	685,000
Gas Tax								-
Quimby Act	210,000							210,000
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	210,000	-	225,000	-	235,000	-	225,000	895,000

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CAPITAL IMPROVEMENT PROJECTS

PUBLIC FACILITIES

City of Laguna Hills Capital Improvement Project

Program: Public Facilities
Project Name: Skate Facility Enhancements
Project No.: 506



Description: Enhance the functionality and security of the skate facility at the Laguna Hills Community Center and Sports Complex.

Purpose / Justification: Modification of the skate facility to improve its recreational value, enhance pedestrian access and hockey team warm up area between the skate facility and roller hockey rink, and add amenities.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

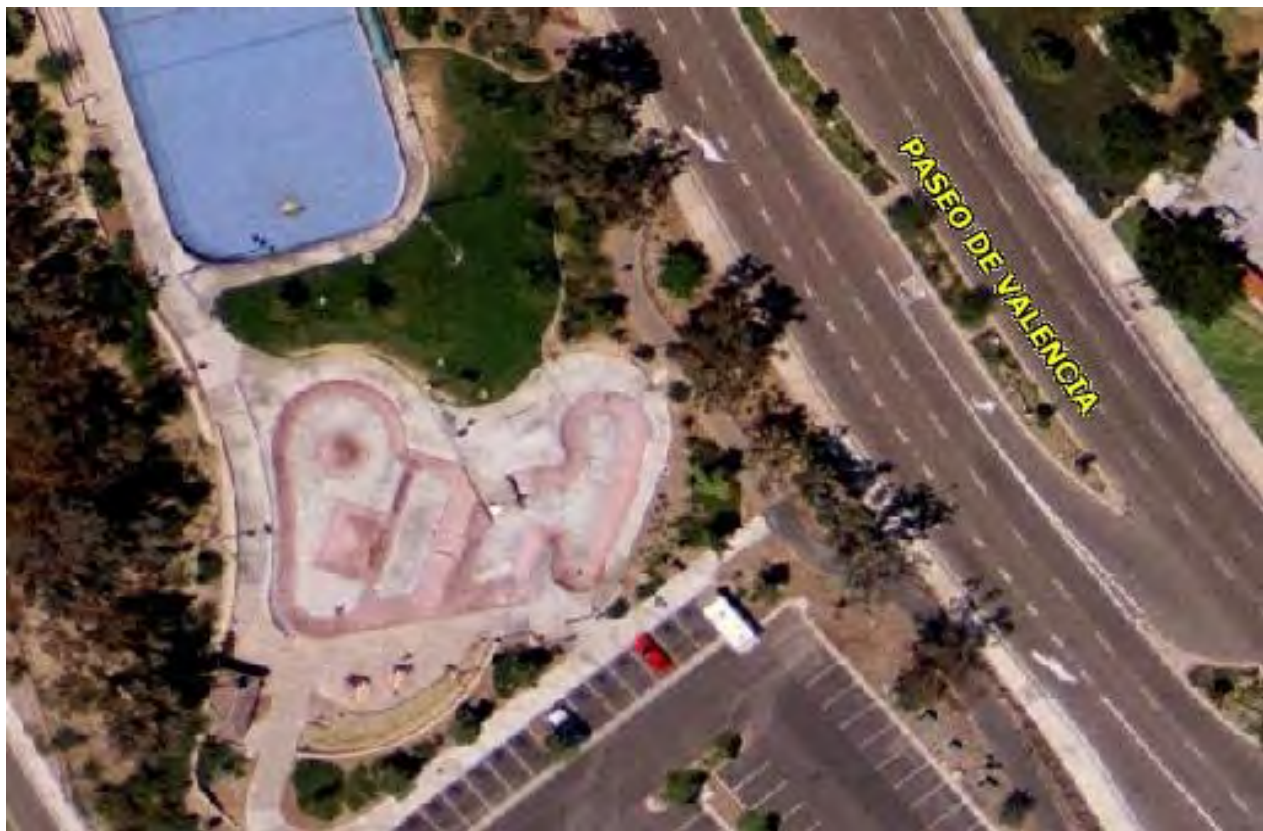
Operating Budget Impact: May impact staffing obligations.

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

Schedule: Future

Project Name: Skate Facility Enhancements
Project Number: 506

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							30,000	30,000
Admin/Inspection							20,000	20,000
Land Acquisition								-
Construction							250,000	250,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	300,000	300,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							300,000	300,000
Total Funding	-	-	-	-	-	-	300,000	300,000

City of Laguna Hills Capital Improvement Project

Program: Public Facilities
Project Name: Equipment & Supply Storage Building
Project No.: 508



Description: Development of an approximately 3,000 SF building for storage of City equipment, vehicles and supplies. The building is to be located at the rear of the proposed Aliso Hills Park. The building would provide an office and restroom for field personnel.

Purpose / Justification: Provide City owned space for equipment, vehicle and supply storage, thus eliminating rented space. Consolidate storage.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

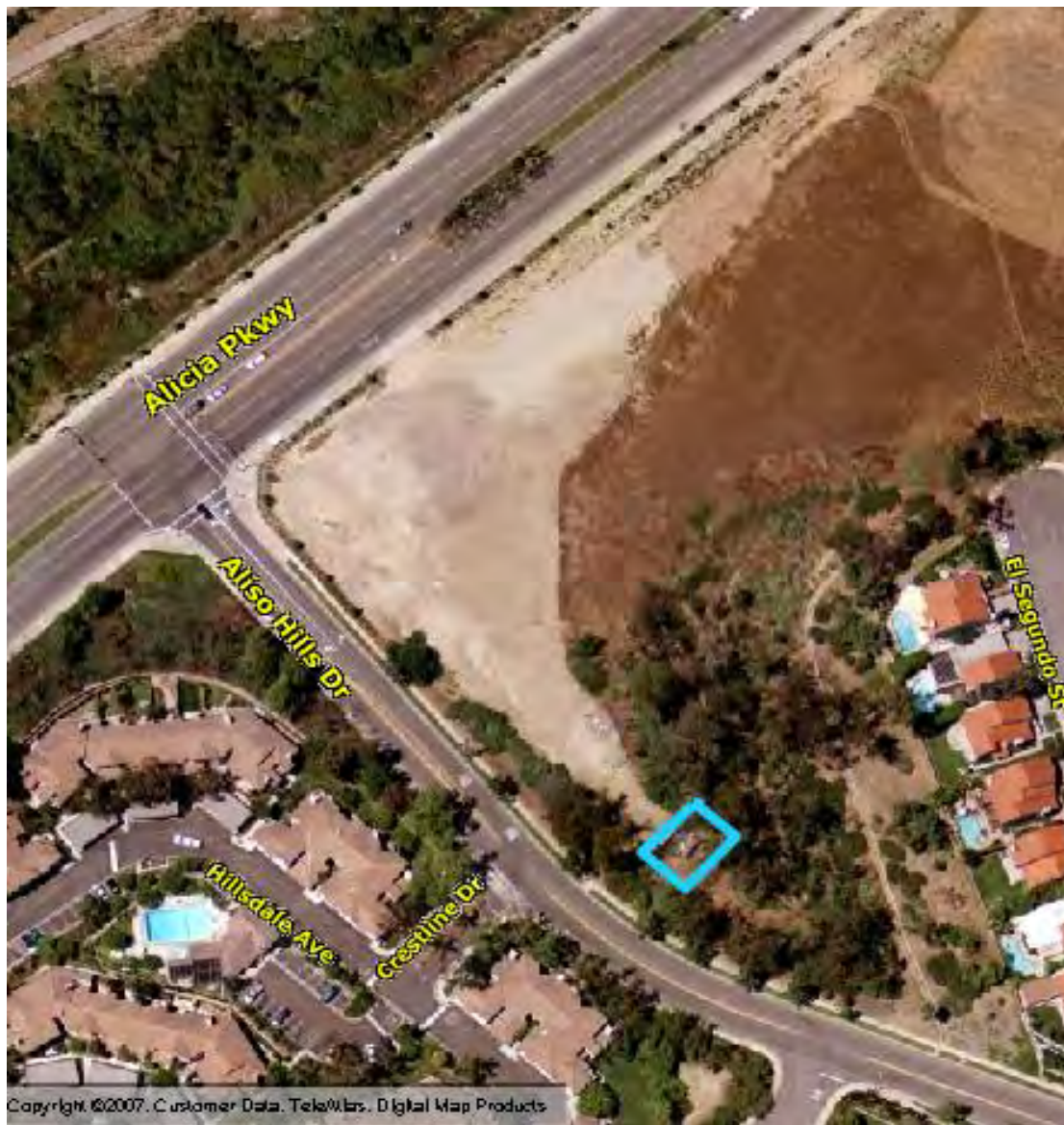
Operating Budget Impact: Annual building maintenance/utility costs estimated at \$6,000. Lease obligation reduction of \$3,500 per year.

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

Schedule: Future

Project Name: Equipment & Supply Storage Building
Project Number: 508

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							450,000	450,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	525,000	525,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							525,000	525,000
Total Funding	-	-	-	-	-	-	525,000	525,000

City of Laguna Hills Capital Improvement Project

Program: Public Facilities
Project Name: Public Art Program - Civic Center
Project No.: 510



Description: Implement an “Early California History” theme of public art at the Laguna Hills Civic Center. The master plan identifies eleven pieces of art under the theme of California's early history. Specifically, the public art displays will include a variety of art mediums illustrating early California life in Laguna Hills and the Saddleback Valley. Only two pieces of art remain: the plaza sculpture and the rotunda room off the Council Chambers.

Purpose / Justification: The City Council has adopted the Public Art Program and approved an implementation schedule. This type of program was also contemplated in the Urban Village Specific Plan and there is a public art fee in the Plan.

Other Agencies Involved: Unknown at this time. There may be some State agencies that offer public art grants.

Outside Agencies/Entities Clearance or Coordination Needs:
None

Operating Budget Impact: Minimal

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

Schedule: Completion is subject to funding from development in the Urban Village Specific Plan area.

Project Name: Public Art Program - Civic Center
Project Number: 510

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							25,000	25,000
Admin/Inspection								-
Land Acquisition								-
Construction/Fabrication							175,000	175,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	200,000	200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other - Public Art Fund							200,000	200,000
Unfunded								-
Total Funding	-	-	-	-	-	-	200,000	200,000

City of Laguna Hills Capital Improvement Project

Program: Public Facilities
Project Name: Roller Hockey Roof Structure
Project No.: 512



Description: Enhance the functionality and use of the Laguna Hills Roller Hockey Rink in conjunction with rink contract services provider, California Street Hockey Association.

Purpose / Justification: Modification of the roller hockey facility to improve its usefulness, recreation value, and to provide residents protection from outdoor elements.

Other Agencies Involved: California Street Hockey Association

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: May impact Community Services program budget by providing the ability to increase program opportunities for residents.

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

Schedule: Future

Project Name: Roller Hockey Roof Structure
Project Number: 512

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							900,000	900,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,000,000	1,000,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,000,000	1,000,000
Total Funding	-	-	-	-	-	-	1,000,000	1,000,000

City of Laguna Hills Capital Improvement Project

Program: Public Facilities

Project Name: Community Center Renovations

Project No.: 513



Description: This project provides for various scheduled maintenance and equipment replacement at the Community Center building.

Purpose / Justification: Specified renovations to the interior of the Community Center are based on recommendations made by a reserve analysis carried out on the Community Center.

FY 2016-17

HVAC Package Units	-	\$ 100,000
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FY 2017-18

Kitchen Equipment		
Window coverings		
Roofs	-	\$1,021,000

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Costs will be paid from Capital Reserve Fund.

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

Schedule: As scheduled per the budget detail.

Project Name: Community Center Renovation
Project Number: 513

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction/Maintenance	12,874	-	67,018	272,815	57,626	77,487		487,820
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	12,874	-	67,018	272,815	57,626	77,487	-	487,820
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds	12,874	-	67,018	272,815	57,626	77,487		487,820
RSTP Federal Map-21								-
Other - Quimby								-
Other								-
Unfunded								-
Total Funding	12,874	-	67,018	272,815	57,626	77,487	-	487,820

City of Laguna Hills Capital Improvement Project

Program: Public Facilities
Project Name: Sports Complex Renovations
Project No.: 514



Description: This project provides for various scheduled maintenance and equipment replacement at the Community Center Sports Complex.

Purpose / Justification: Specified renovations to Sports Complex are based on recommendations made by a reserve analysis to replace aging infrastructure in a timely manner.

FY 2016-17

Fencing	-	\$ 94,000
Park Furnishings	-	\$ 158,000
Railing-Roller Hockey	-	<u>\$ 70,000</u>
		\$ 322,000

FY 2017-18

Parking lot	-	\$169,000
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Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Costs will be paid from Capital Reserve Fund.

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

Schedule: As scheduled per the budget detail.

Project Name: Sports Complex Renovations
Project Number: 514

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design								-
Admin/Inspection								-
Land Acquisition								-
Construction/Maintenance			30,360	13,485		7,167		51,012
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	30,360	13,485	-	7,167	-	51,012
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds			30,360	13,485		7,167		51,012
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	-	30,360	13,485	-	7,167	-	51,012

City of Laguna Hills Capital Improvement Project

Program: Public Facilities

Project Name: Community Center & Sports Complex Energy Efficient Field Lights

Project No.: 515



Description: Upgrade the existing sports field lighting, originally installed in 1999, at the Community Center & Sports Complex to high efficiency and energy conserving light fixtures for the Soccer Fields, Little League Baseball Field and Skate Park/Roller Hockey use areas.

Purpose / Justification: Energy conservation and improved lighting levels for sports field activities.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: May reduce energy costs up to 50% of current rates.

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

Schedule: Future

Project Name: Community Center and Sports Complex Energy Efficient Field Lights
Project Number: 515

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							25,000	25,000
Admin/Inspection							10,000	10,000
Land Acquisition								-
Construction								-
Operations & Maintenance								-
System Integration								-
Equipment							250,000	250,000
Total Cost	-	-	-	-	-	-	285,000	285,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							285,000	285,000
Total Funding	-	-	-	-	-	-	285,000	285,000

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CAPITAL IMPROVEMENT PROJECTS

TRAILS AND OPEN SPACE

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space

Project Name: Trails Master Plan

Project No.: 601



Description: Trail improvement implementation per the Open Space and Trail Master Plan not otherwise described in specific projects.

Purpose / Justification: Trail connections, gap closures, extensions and trail head plazas to serve the community.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

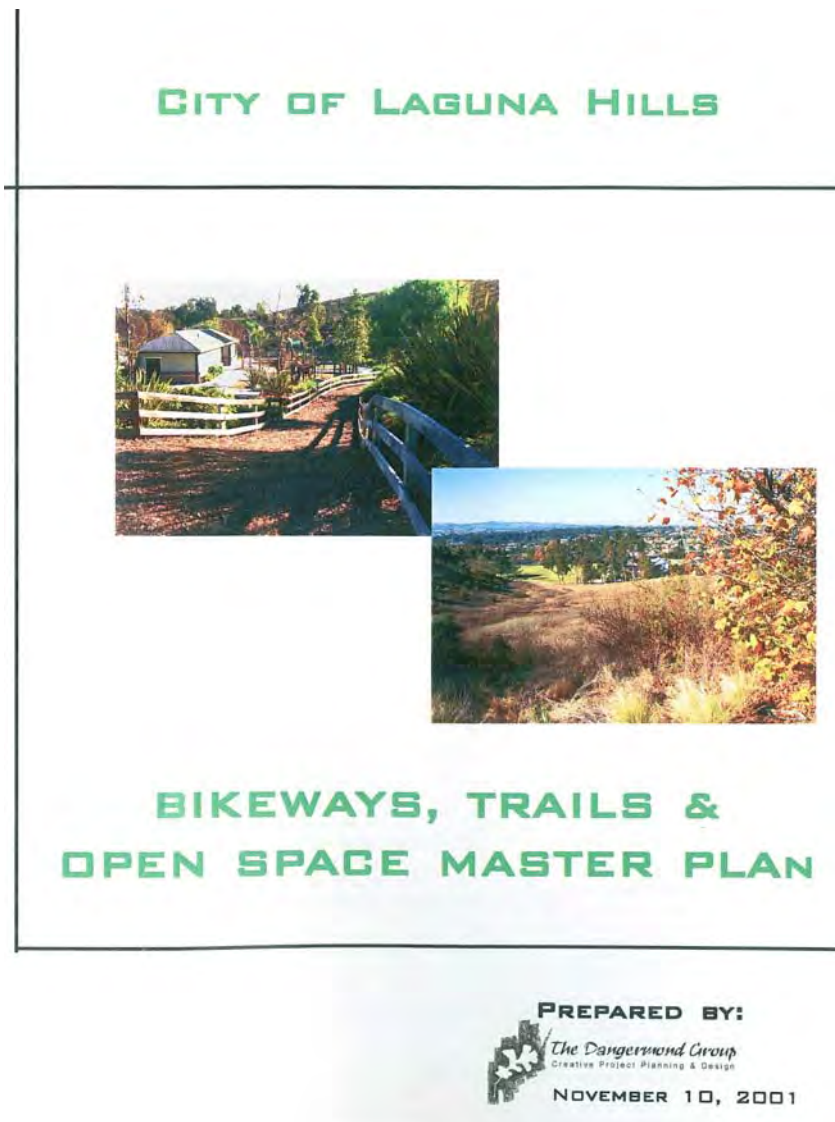
Operating Budget Impact: Unknown

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

Schedule: Future

Project Name: Trails Master Plan - Other Projects
Project Number: 601

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							350,000	350,000
Admin/Inspection							250,000	250,000
Land Acquisition								-
Construction							2,400,000	2,400,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	3,000,000	3,000,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							3,000,000	3,000,000
Total Funding	-	-	-	-	-	-	3,000,000	3,000,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space

Project Name: Trail Head Plaza

Project No.: 606



Description: Development of 19 Trail Head Plazas per the Open Space and Trails Master Plan. One Trail Head Plaza at Clarington Park has been constructed. Five Trail Head Plazas have been designed. 14 sites are pending design. The five designed locations are at Aliso Creek/Paseo de Valencia; Community Center at Alicia Channel/Indian Hill Trail; La Paz Open Space at Moulton Parkway; Mendocino Park at Loop Trail; and Christina Court at Aliso Creek.

Purpose / Justification: Identify the access to the public trail system. Provide information on the trail system.

Other Agencies Involved: Locations that relate to the County Trail system may require a permit from OC Parks.

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Minor maintenance of each Trail Head Plaza estimated at \$500 per year per location.

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

Schedule: Future

Project Name: Trail Head Plazas
Project Number: 606

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							100,000	100,000
Land Acquisition								-
Construction							1,000,000	1,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,200,000	1,200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,200,000	1,200,000
Total Funding	-	-	-	-	-	-	1,200,000	1,200,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space

Project Name: Aliso Hills Channel Ped Crossing JO5PO3

Project No.: 607



Description: Replace the County constructed low flow/grade crossing of Aliso Hills Channel, northerly of Alicia Parkway near Ramona Street.

Purpose / Justification: Trail linkage per the Open Space and Trails Master Plan.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: County of Orange

Operating Budget Impact: None

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

Schedule: Future

Project Name: Aliso Hills Channel Pedestrian Crossing JO5PO3
Project Number: 607

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							40,000	40,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							250,000	250,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	315,000	315,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							315,000	315,000
Total Funding	-	-	-	-	-	-	315,000	315,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Multi-use Trail - Alicia to La Paz
Project No.: 608



Description: Bike path and multi-use trail from Alicia Parkway to La Paz Road in the Alicia/La Paz Open Space and portions of SCE easement per the Open Space and Trails Master Plan. This trail connects to the Loop Trail, CIP No. 610, the Alicia Parkway Pedestrian Overpass, CIP No. 612, Aliso Hills Park, CIP No. 234 and La Paz Open Space trails, CIP No. 611.

Purpose / Justification: Trail linkage and recreational enhancement.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: A Letter of Consent is required with Southern California Edison Company to allow the formal trail development to occur within their easement area.

Operating Budget Impact: Additional trail and minor landscape maintenance estimated at \$3000 per year.

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

Schedule: Future

Project Name: Multi-use Trail - Alicia to La Paz
Project Number: 608

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							100,000	100,000
Land Acquisition								-
Construction							4,000,000	4,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	4,200,000	4,200,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							4,200,000	4,200,000
Total Funding	-	-	-	-	-	-	4,200,000	4,200,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Multi-use Trail - Community Center to Indian Hill
Project No.: 609



Description: Bike path and multi-use trail from the Community Center & Sports Complex, within the SCE transmission line easement, to Indian Hill Lane per the Open Space and Trails Master Plan. The trail has been designed. Right of way acquisition is pending.

Purpose / Justification: Trail linkage and recreational enhancement

Other Agencies Involved: An easement needs to be acquired from the Aliso Viejo Community Association (or a sub-association) for a portion of the trail route.

Outside Agencies/Entities Clearance or Coordination Needs: A Letter of Consent is required FROM Southern California Edison Company to allow the formal trail development to occur within their easement area.

Operating Budget Impact: Additional trail and minor landscape maintenance estimated at \$1,000 per year.

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

Schedule: Future

Project Name: Multi-use Trail - Community Center to Indian Hill
Project Number: 609

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design			50,000					50,000
Admin/Inspection			50,000					50,000
Land Acquisition								-
Construction			500,000					500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	600,000	-	-	-	-	600,000
Project Funding:								
General Fund			600,000					600,000
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded								-
Total Funding	-	-	600,000	-	-	-	-	600,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Loop Trails in Alicia Open Space
Project No.: 610



Description: Multi-use trail from Medocino Park to Alicia-La Paz Trail. To be coordinated with CIP No. 608.

Purpose / Justification: Trail linkage per the Open Space and Trails Master Plan

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

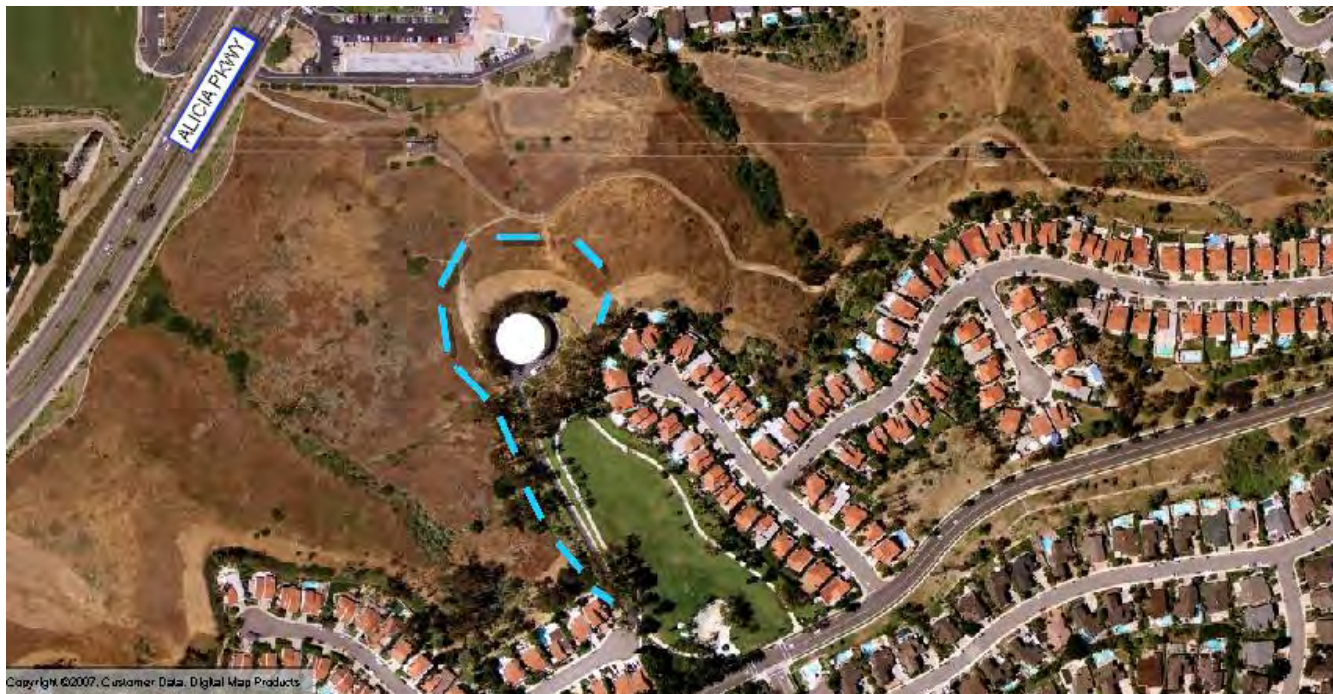
Operating Budget Impact: Minor trail maintenance estimated at \$1000/year

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

Schedule: Future

Project Name: Loop Trails in Alicia Open Space
Project Number: 610

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							40,000	40,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							335,000	335,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	400,000	400,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							400,000	400,000
Total Funding	-	-	-	-	-	-	400,000	400,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space

Project Name: La Paz Multi-Use Trail - Alameda Avenue to Paseo de Valencia

Project No.: 611



Description: Multi-use trail development on the northside of La Paz Road, in the open space, between Alameda Avenue and Paseo de Valencia. This trail is an extension of the trail completed on the northside of La Paz Road from Moulton Parkway to Alameda Avenue and will connect to the future Alicia-La Paz trail.

Purpose / Justification: Trail linkage per the Open Space and Trails Master Plan.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

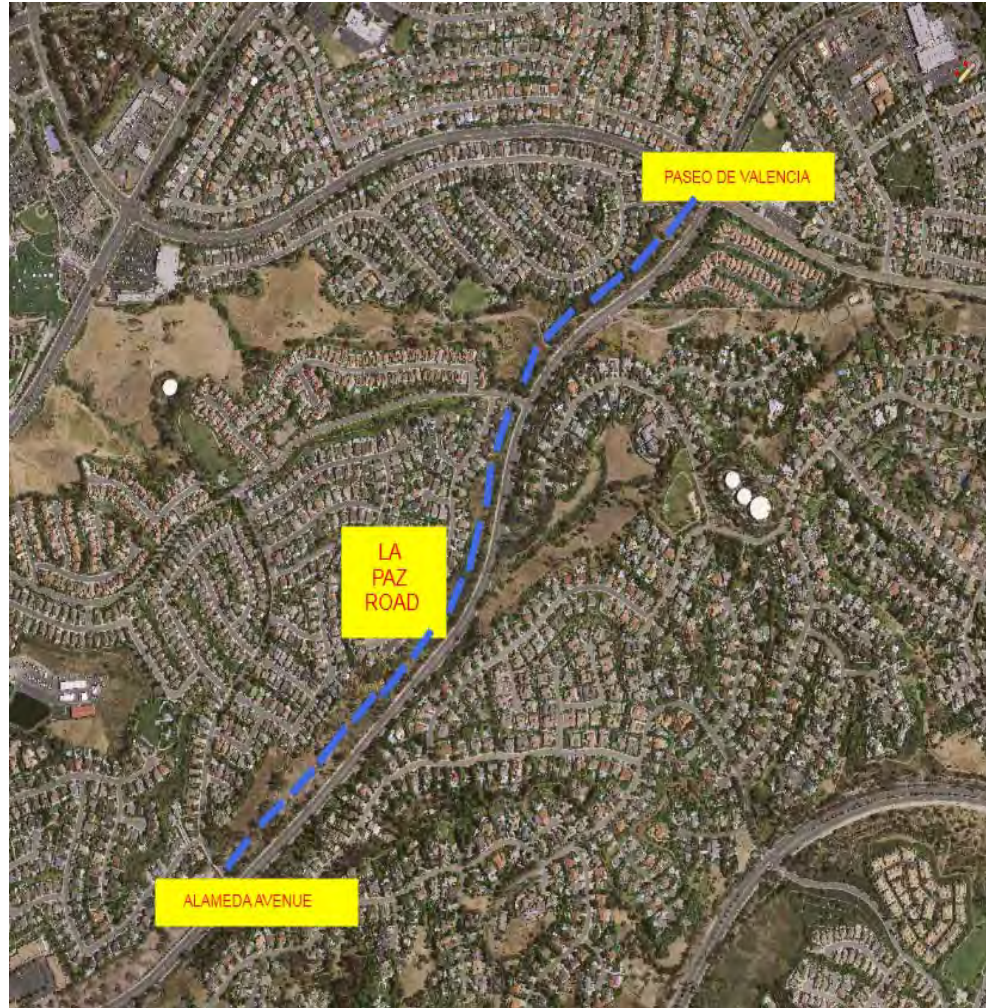
Operating Budget Impact: Minor trail maintenance estimated at \$2,000 per year.

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

Schedule: Future

Project Name: La Paz Multi-use Trail - Alameda to Paseo de Valencia
Project Number: 611

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							100,000	100,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							1,500,000	1,500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,675,000	1,675,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,675,000	1,675,000
Total Funding	-	-	-	-	-	-	1,675,000	1,675,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Alicia Pedestrian Bridge at Trail
Project No.: 612



Description: Pedestrian bridge across Alicia Parkway generally between Community Center Drive and Via Lomas as a trail linkage per the Open Space and Trails Master Plan - outside the SCE right of way.

Purpose / Justification: To provide a safe and convenient trail linkage.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Minimal costs for routine cleaning of facility

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

Schedule: Future

Project Name: Alicia Pedestrian Bridge at Trail
Project Number: 612

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							125,000	125,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							800,000	800,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,000,000	1,000,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,000,000	1,000,000
Total Funding	-	-	-	-	-	-	1,000,000	1,000,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space

Project Name: Trail along SJHTC

Project No.: 613



Description: Top of slope multi-use trail from Greenfield Drive to Maverick Circle per the Open Space and Trails Master Plan.

Purpose / Justification: Trail linkage and recreational enhancement.

Other Agencies Involved: Caltrans

Outside Agencies/Entities Clearance or Coordination Needs:

Caltrans - this trail is not consistent with Caltrans policies, would require a permit or agreement from Caltrans and may not be approved.

Operating Budget Impact: Additional trail maintenance estimated at \$1,000 per year.

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

Schedule: Future

Project Name: Trail along SJHTC
Project Number: 613

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							50,000	50,000
Admin/Inspection							25,000	25,000
Land Acquisition								-
Construction							225,000	225,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	300,000	300,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							300,000	300,000
Total Funding	-	-	-	-	-	-	300,000	300,000

City of Laguna Hills Capital Improvement Project

Program: Trails & Open Space

Project Name: Alicia Open Space Landscape Renovation

Project No.: 614



Description: Open space landscape renovation throughout the Alicia/La Paz Open Space per the Open Space and Trails Master Plan. 54 acres. The project can be phased over many years. A ten-year plan is recommended.

Purpose / Justification: Convert low value weed and obnoxious plant materials to upland and riparian habitats.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Reduce annual weed abatement program by an estimated \$20,000. Annual landscape maintenance costs of \$60,000 and utility costs of \$30,000.

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

Schedule: Future

Project Name: Alicia Open Space Landscaping
Project Number: 614

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							500,000	500,000
Admin/Inspection							250,000	250,000
Land Acquisition								-
Construction							10,250,000	10,250,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	11,000,000	11,000,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							11,000,000	11,000,000
Total Funding	-	-	-	-	-	-	11,000,000	11,000,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: La Paz Open Space Riparian Habitat
Project No.: 615



Description: Open space landscape renovation throughout the La Paz Open Space from Alameda Avenue to Paseo de Valencia per the Open Space and Trails Master Plan. Area of 30 acres. A first phase project was completed for the area between Moulton Parkway and Alameda Avenue utilizing a riparian habitat plant palette.

Purpose / Justification: Convert low value weed and obnoxious plant materials to high value upland and riparian habitats.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Reduce annual weed abatement program by an estimated \$10,000. Annual landscape maintenance costs of \$45,000 and utility cost of \$40,000.

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

Schedule: Future

Project Name: La Paz Open Space Riparian Habitat- Alameda to Paseo de Valencia
Project Number: 615

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							200,000	200,000
Admin/Inspection							200,000	200,000
Land Acquisition								-
Construction							4,500,000	4,500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	4,900,000	4,900,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							4,900,000	4,900,000
Total Funding	-	-	-	-	-	-	4,900,000	4,900,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Aliso Hills Area Open Space
Project No.: 616



Description: Renovation of existing irrigated and landscaped slope areas adjacent to homes within the open spaces generally bounded by Paseo de Valencia, Alicia Parkway, Moulton Parkway and La Paz Road. Six specific areas are:
1) Aliso Hills Road - north-eastside, 150,000 sf.; 2) northwest of Mendocino Park - 280,000 sf; 3) eastside Paseo de Valencia - 75,000 sf; 4) southeast of Mendocino Park - 160,000 sf; 5) northside of La Paz Road from Aliso Hills Road to Paseo de Valencia - 120,000 sf; and 6) north of Mendocino Park - 220,000 sf. The project can be phased over several years and is suitable for inclusion in Landscape Maintenance Assessment District.

Purpose / Justification: Replace antiquated irrigation and marginal landscaping for improved aesthetics, water conservation and community satisfaction. The irrigation system within these areas are upwards of 30 years old, consist of galvanized iron pipe and are not functional in many areas. The landscaping is marginal and is a common source of resident complaint.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: The landscape improvements within these areas are already under landscape maintenance resulting in no cost increases. The annual landscape maintenance cost is approximately \$40,000. Utility costs may slightly decrease or increase depending upon the final landscape materials installed at these seven locations. The annual utility cost is approximately \$30,000.

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

Schedule: Future

Project Name: Aliso Hills Area Open Space
Project Number: 616

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							300,000	300,000
Admin/Inspection							150,000	150,000
Land Acquisition								-
Construction							4,250,000	4,250,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	4,700,000	4,700,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							4,700,000	4,700,000
Total Funding	-	-	-	-	-	-	4,700,000	4,700,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Oso Parkway Open Space Landscape
Project No.: 617



Description: The renovation of the Oso Parkway Open Spaces, both north and south of Oso Parkway between Moulton Parkway and Cabot Road. The northside landscaping is irrigated and ornamental and the southside landscaping is riparian. The project can be phased over several years and is suitable for inclusion in a Landscape Maintenance Assessment District. This project entails the balance of the City's open spaces along Oso Parkway not improved with CIP Nos. 603 and 604 (FY2008-09)

Purpose / Justification: The existing irrigation system and landscaping on the northside of Oso Parkway is antiquated and requires replacement for proper growth and maintenance. The southside Oso Parkway landscaping is generally not landscaped and is proposed to be developed into riparian and some wetlands habitat consistent with the Open Space and Trails and Master Plan. The area on the northside of Oso Parkway represents approximately 27 acres of slope and parkway landscaping. The area on the southside of Oso Parkway represents approximately 39 acres of hill and valley landscaping.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

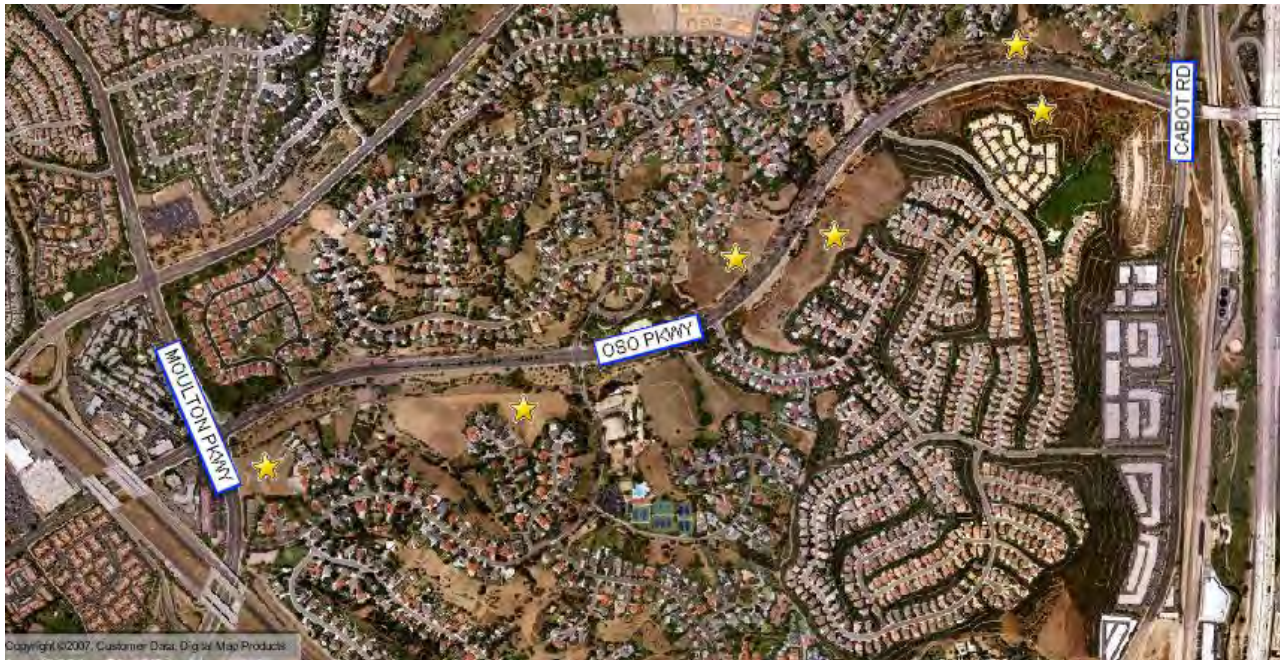
Operating Budget Impact: The northside Oso Parkway landscaping area is already under contract for landscape maintenance and there will be no change in that cost. However, the repair and improvement of the irrigation system may result in slightly higher or lower utility expenses depending upon the plant material selected. The southside Oso Parkway will involve all new landscaping and will result in an estimated annual maintenance cost increase of \$50,000. Utility cost increase of approximately \$5000.

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

Schedule: Future

Project Name: Oso Parkway Open Space Landscape
Project Number: 617

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							400,000	400,000
Admin/Inspection							200,000	200,000
Land Acquisition								-
Construction							8,000,000	8,000,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	8,600,000	8,600,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							8,600,000	8,600,000
Total Funding	-	-	-	-	-	-	8,600,000	8,600,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Ridge Route Open Space
Project No.: 618



Description: Temporary conversion of road right of way to alternate uses of trail, passive park, community garden and/or RV storage/parking lot.

Purpose / Justification: Temporary utilization of future road right of way.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: Annual landscape maintenance cost of \$3,000 and utility costs of \$2000.

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

Schedule: Future

Project Name: Ridge Route Open Space
Project Number: 618

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							75,000	75,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							675,000	675,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	800,000	800,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							800,000	800,000
Total Funding	-	-	-	-	-	-	800,000	800,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Slope Renovation South of Aliso Creek
Project No.: 619



Description: Renovation of an existing landscape slope southerly of Aliso Creek and westerly of I-5. This slope is approximately 2.4 acres and is in prominent public view.

Purpose / Justification: Replace antiquated irrigation and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

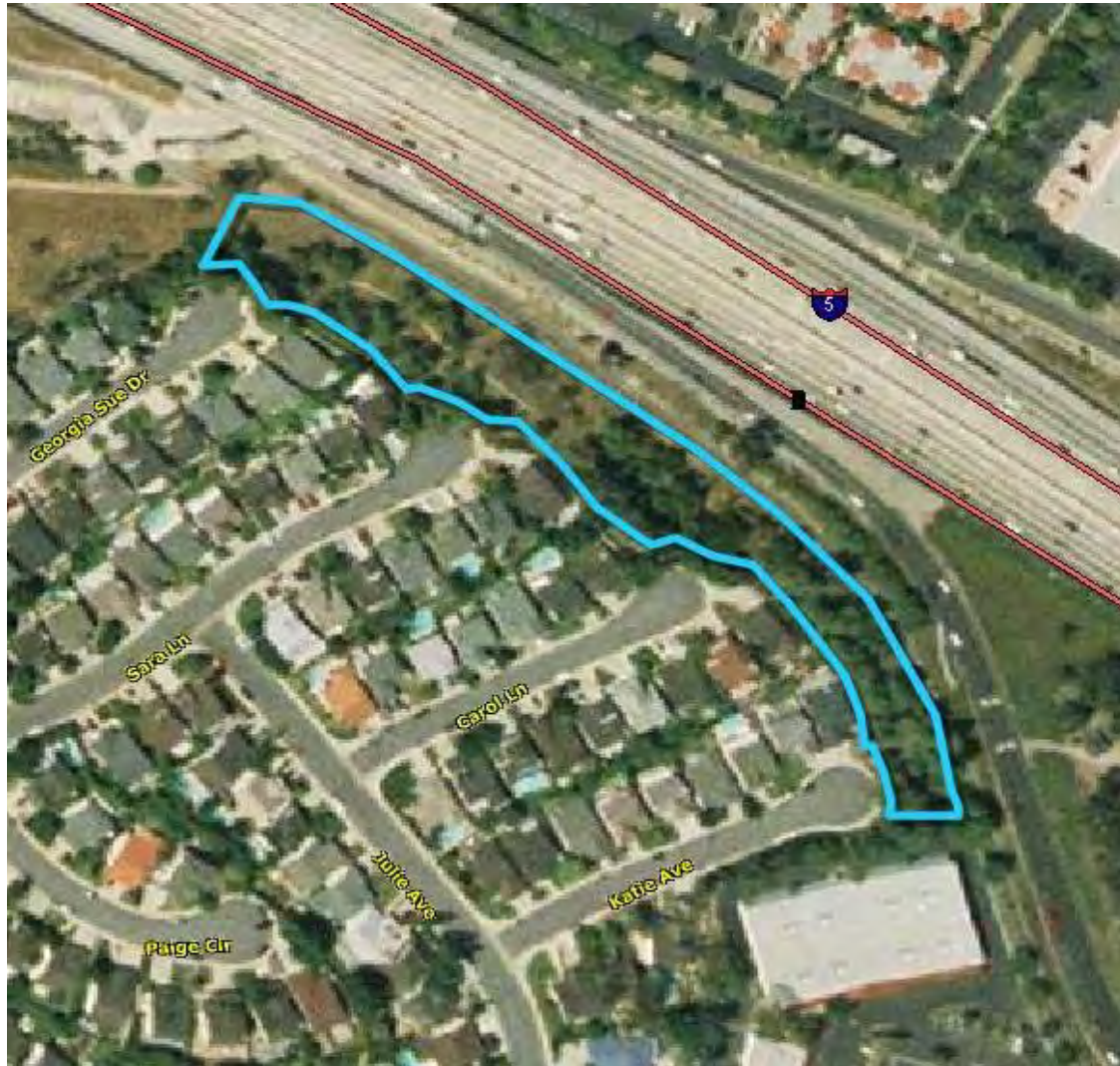
Operating Budget Impact: This site is already included in our landscape maintenance budget, no net change expected.

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

Schedule: Future

Project Name: Slope Renovation South of Aliso Creek
Project Number: 619

Site Map



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							75,000	75,000
Admin/Inspection							50,000	50,000
Land Acquisition								-
Construction							475,000	475,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	600,000	600,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							600,000	600,000
Total Funding	-	-	-	-	-	-	600,000	600,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Miscellaneous Landscape Renovations
Project No.: 620



Description: The renovation of various landscape pockets and otherwise isolated landscape areas that are not a part of other improvement projects to improve landscaping and irrigation systems. These include areas such as the following:

- Slope behind El Capitan from Marin to El Conejo Park (Area 35)
- Corner of Aliso Hills at La Paz (Area 37)
- Alameda east parkway from Aliso Hills to Elena (Area 38)
- Aliso Hills north parkway from Alicia to Mendocino Park (Area 42)
- Triangle on Paseo de Valencia at Cabot (Area 55)
- Slope behind Buena Vista, Los Gatos, Elena, Solano (Area 57)
- Moulton east parkway from Santa Maria to Ridge Route (Area 69.1)
- Santa Vittoria median island at Lake Forest (Area 70)
- Corner of Alameda at La Paz (Area 99)
- Corner of Alicia at Aliso Hills (Area 103)

Purpose / Justification: Replace antiquated irrigation systems and marginal landscape materials for improved aesthetics, water conservation and community satisfaction.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: None

Operating Budget Impact: These areas are already incorporated into the landscape maintenance services budget. Improvements, however, will likely require a higher frequency of maintenance at an added incremental cost balanced against reduced irrigation costs due to more efficient irrigation practices.

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

Schedule: Future

Project Name: Miscellaneous Landscape Renovations - Various Areas
Project Number: 620

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							150,000	150,000
Admin/Inspection							100,000	100,000
Land Acquisition								-
Construction							1,500,000	1,500,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,750,000	1,750,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,750,000	1,750,000
Total Funding	-	-	-	-	-	-	1,750,000	1,750,000

City of Laguna Hills Capital Improvement Project

Program: Trails and Open Space
Project Name: Recycled Water Conversions
Project No.: 621



Description: Conversion of existing domestic water based landscape irrigation systems at various open spaces, slopes and parkways to water efficient recycled water systems in the area serviced by Moulton Niguel Water District. Proposed conversion areas include the following:

- Open space north of La Paz and west of Paseo de Valencia (Area 27)
- Northside Luna Bonita from La Serra to El Segundo (Area 37)
- Alameda eastside parkway from La Paz to Aliso Hills (Area 38)
- Oso northside parkway from Tombstone to Bridlewood (Area 53)

Purpose / Justification: Replace antiquated irrigation systems and convert them to recycled water to 1) conserve water 2) utilize a renewable water source and 3) reduce costs for the purchase of water. The City has an obligation under the rules issued by the State and implemented by MNWD to convert to recycled water for irrigation uses when possible.

Other Agencies Involved: None

Outside Agencies/Entities Clearance or Coordination Needs: MNWD

Operating Budget Impact: The sites are already included in our landscape maintenance budget, no net change expected.

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

Schedule: Future

Project Name: Recycled Water Conversions
Project Number: 621

[Site Map](#)



Project Costs and Project Funding

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Future	Total
Project Costs:								
Planning/Design							150,000	150,000
Admin/Inspection							75,000	75,000
Land Acquisition								-
Construction							825,000	825,000
Operations & Maintenance								-
System Integration								-
Equipment								-
Total Cost	-	-	-	-	-	-	1,050,000	1,050,000
Project Funding:								
General Fund								-
Gas Tax								-
Quimby Act								-
Measure M2 - Competitive								-
HSIP								-
CARITS								-
Capital Reserve Funds								-
RSTP Federal Map-21								-
Other								-
Other								-
Unfunded							1,050,000	1,050,000
Total Funding	-	-	-	-	-	-	1,050,000	1,050,000

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APPENDIX



Appendix 1

FINANCIAL POLICIES

CITY OF LAGUNA HILLS



CITY COUNCIL POLICY

SUBJECT: FINANCIAL POLICIES
POLICY No. 105

Effective Date: July 1, 2015

Last Revision: July 1, 2013

PURPOSE:

Provide the framework and direction for financial planning and decision making by the City Council and City staff. These policies are designed to ensure the financial integrity of the City and a service delivery system that addresses the needs and desires of the citizens of Laguna Hills.

These policies establish financial parameters that will guide the budget development and deliberation process, safeguard financial assets, and maintain the City's strong financial condition.

BACKGROUND:

These policies have been designed to safeguard financial assets, maintain the integrity of financial and accounting systems, and ensure the long-term fiscal viability of the City. The emphasis in these policies is that the long-term implications of financial decisions are fully understood and taken into account in the decision-making process. These policies will be reviewed by the City Council at the beginning of each biennial budget development process.

POLICY:

A. BUDGETING

1. The City Manager shall present a proposed budget to the City Council on a biennial basis to be adopted no later than June 30th preceding the commencement of the two-year budget cycle. The budget will be prepared, presented, and administered by the City Manager and Assistant City Manager/Finance Director. It will serve as the policy document of the City Council for implementing City Council goals and objectives.
2. The City will maintain a long-range fiscal perspective through the use of a two-year operating budget, six-year Capital Improvement Plan, and an Eight-Year Resource Allocation Plan. The Budget will be developed and adopted with a sharp focus on long-term financial solvency and compliance with these Financial Policies.
3. The budget is a resource-allocation document and serves as the financial plan for the City. It will serve as the policy document of the City Council and will

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

provide policy direction to the City Manager in the areas of desired service levels and funding priorities.

4. Opportunities will be provided for public input during the City Council's public review and budget adoption process. Although not required by State or local laws, the City will hold a noticed public hearing prior to the adoption of the budget.
5. The budget document will be prepared so that it: (1) facilitates public study and (2) effectively communicates key economic issues and fiscal policies. Assumptions for underlying revenue sources and expenditure estimates will be explained and documented.
6. It is the City's policy to fund current year operating expenditures with current year operating revenues. In the budget proposal presented by the City Manager, recurring revenues shall meet or exceed recurring expenditures for ongoing operations. The City will strive to achieve and maintain an operating revenues-to-operating expenditures ratio of 1.1 to 1 or greater.

The formula for calculating this ratio is:

$$\frac{\text{Operating Revenues}^{(1)} + \text{Enterprise Fund Net Cash Flow}}{\text{Operating Expenditures} + \text{Direct Net Debt Service}}$$

(1) *For the purpose of this calculation, Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of Operating Revenues.*

7. No one-time, non-recurring revenues or Gas Tax revenues may be used in determining the ratio defined in paragraph 6 of this section. In the event this ratio is impossible to maintain without cuts in service levels, the City Manager will present recommended actions to the City Council.
8. The City Council may authorize the use of reserves and/or non-recurring revenues to balance the budget when unforeseen events occur that reduce the City's recurring revenues, and to direct the City Manager to make budgetary recommendations that will re-balance the budget within a specified timeframe.
9. All budgetary procedures will conform to state regulations and Generally Accepted Accounting Principles (GAAP) for governmental agencies.
10. The City's budget will be presented by department with a logical breakdown of programs. The budget format will clearly outline the major service areas and the associated expenditures.
11. The budgeting process will include quarterly reports to the City Council and will include budgetary status and compliance. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary modifications. The City Manager shall also inform the City Council if operating revenues are projected to decrease by more than 10% from the adopted Budget.
12. All appropriations in the Operating Budget will be automatically carried over from the first year to the second year of the two-year budget period.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

13. Departmental budget control shall be the responsibility of the Department Head. Department Heads shall, with the concurrence of the Assistant City Manager/Finance Director, have the authority to move appropriations between line items within their departmental budgets. At the discretion of the City Manager, expenditures may be moved from one department to another, or between funds within the Operating Budget.
14. At the discretion of the City Manager, expenditures may be moved from one capital improvement project to another within the adopted Capital Improvement Plan.
15. During the budget cycle, special circumstances may require an increase in the appropriations established in the adopted budget and would require a budget amendment. These may include:
 - a) changes to spending priorities;
 - b) increase in operating or capital expenditures;
 - c) decrease in operating revenues.
16. City Council approval is required to increase the total sum of the appropriations made for the Operating Budget or the Capital Improvement Plan from the adopted Budget Resolution. City Council approval is also required to move appropriations between the Operating Budget and the Capital Improvement Plan.

B. CAPITAL PLANNING

1. The purpose of the Capital Improvement Plan is to systematically plan, schedule, and finance capital projects as approved and prioritized by the City Council. The Capital Improvement Plan will be a six-year plan and will include major rehabilitation costs to existing infrastructure and facilities, as well as the cost of new facilities or capital improvements. Staff will inventory and assess the condition of all major capital assets every two years and make recommendations to the City Council regarding any modifications to the Capital Improvement Plan as part of the budget development process.
2. Capital projects will include projected changes in operating and maintenance costs, work force requirements, productivity, and risk management considerations.
3. A capital improvement project shall be established for all projects greater than \$100,000 with an expected useful life of at least 3 years that also meet the definition of a public project per Section 22002 of the State Public Contracts Code. These include projects involving construction, reconstruction, alteration, renovation, improvement, demolition or major repair work. This excludes routine, recurring and usual work for the preservation, protection, or maintenance of publicly owned land, improvements and equipment.
4. For purposes of this policy, the scope of a proposed capital improvement project may be defined as the work to be undertaken at a single location. However, if work at a specific location would not otherwise meet the cost threshold for

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

establishing a separate capital improvement project and similar work is to take place at other locations(s) during the six-year plan, then all such similar work shall be defined as one capital improvement project.

5. The Capital Improvement Plan process will realistically assess potential future revenues and avoid commitments for projects that lack economic feasibility. The Capital Improvement Plan will recognize the borrowing limitation of the City and the debt tolerance of the City as a whole.
6. All budgeted capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

C. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

1. The City's accounting and financial reporting systems shall be maintained in accordance with generally accepted accounting principles (GAAP) and other standards promulgated by the Governmental Accounting Standards Board (GASB).
2. The City shall prepare an annual report, in a Comprehensive Annual Financial Report (CAFR) format, which shall conform to the reporting standards established by the Governmental Accounting, Auditing and Financial Reporting (GAFR).
3. The annual financial report will be audited each year by an independent auditor. A new independent auditor shall be selected competitively, through a formal public request for proposal process, at least every six years pursuant to State law.
4. An Audit Committee shall be formed consisting of the City Manager, or his designee, and two Council Members for the purpose of providing a direct line of communication between the auditor and the City Council. The City Attorney shall be available to advise the Audit Committee.

D. CASH MANAGEMENT, INVESTMENTS, AND BANKING RELATIONS

1. Investments and cash management will be the responsibility of the Deputy Treasurer/Finance Director under the direction of the City Manager/Treasurer.
2. In accordance with Section 53646 of the Government Code, the City Council will review and update annually a specific investment and portfolio policy. The primary purpose of this policy is to set forth the City's investment philosophy and objectives. The City's investment objectives are: safety; compliance with Federal, State and local laws; liquidity; and yield. The policy also specifically outlines authorized investments, the acceptable percentages and maximum maturities allowed for each investment instrument and the criteria used to determine qualified depositories/dealers.
3. In the selection of banking services, a competitive public request for proposal process will be used at least every ten years.

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

E. DEBT MANAGEMENT

1. The most appropriate use of debt financing is for the purchase or construction of major capital facilities that will serve as a long-term community asset. In this instance, the use of a long-term debt instrument can spread the acquisition and construction costs of the facility over the period of years during which it will be used by the community. On the one hand, today's taxpayers need not pay for benefits enjoyed by others in the future. On the other hand, current residents should not burden their successors with costs that exceed the benefits of aging facilities.
2. The City will not use long-term debt financing for any recurring purpose such as current operating and maintenance expenditures.
3. The City's debt management shall conform to all other budgeting and financial reporting policies where applicable. All debt issuance shall comply with Federal and State requirements.
4. The term of any City debt issue shall not exceed the useful life of the assets being acquired or constructed by the debt issue.
5. Accompanying each debt issue will be an assessment of the City's capacity to repay the debt. The assessment will address the effects on the current Operating Budget, Capital Improvement Plan, and Eight-Year Resource Allocation Plan. Commitments to future operations, maintenance costs and stable debt retirement sources will also be identified.
6. For all outstanding General Fund debt, the City will not exceed a maximum debt burden of 12% of Operating Revenues. This debt service ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Service}^{(1)}}{\text{Operating Revenues}^{(2)} + \text{Enterprise Fund Net Cash Flow}}$$

(1) *Direct Net Debt is defined as any debt service paid by the General Fund and does not include self-supporting debt such as special assessments.*

(2) *For the purpose of this calculation Operating Revenues shall include interest earnings which shall be limited to a maximum of 10% of General Fund Revenues.*

7. In addition, the City shall calculate the Direct Net Debt Per Capita ratio and verify that it falls within the guidelines as recommended by Standard & Poor's bond rating agency to assure that the City maintain the best possible bond rating. The ratio shall be calculated as follows:

$$\frac{\text{Direct Net Debt Outstanding}^{(1)}}{\text{Population}}$$

(1) *Direct Net Debt is defined as debt that is supported by the General Fund. It does not include any self-supporting debt such as special assessments.*

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

8. No bond issue will be undertaken without consulting appropriate external financial advisers, bond counsel and disclosure counsel. Financial advisers and bond counsel will be selected in a manner consistent with the City's customary practice of hiring professional services.
9. The City will provide full disclosure on every financial report and bond prospectus and will strive to maintain the best possible bond rating on all debt issuances including an AA implied underlying General Fund rating from Standard & Poor's, or its equivalent. Ongoing efforts will be taken to improve and enhance the City's bond rating and the marketability of its debt.

F. REVENUE AND EXPENDITURES

1. The City will maintain a level of expenditures which will provide for the health, safety and welfare of the residents of the community.
2. The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of fluctuations in any single revenue source. Efforts will be directed to optimize existing revenue sources while periodically reviewing potential new revenue sources.
3. The City will project revenues using conventional forecasting methods including trend and statistical analysis. In the case of assumption uncertainty, conservative projections will be utilized based on appropriate and available socio-political and economic factors.
4. Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the City's Capital Improvement Plan and local government priorities, and whose operation and maintenance costs have been included in operating budget forecasts.
5. User fees shall not exceed the reasonable estimated cost of providing the service (or for administering the regulatory program) for which the fee is charged and shall not be levied for revenue generating purposes. Such costs are to be apportioned so that charges allocated to a payer bear a fair and reasonable relationship to the payer's burdens on or benefits from the service or regulatory activity.

User fees shall be established to ensure that the fees are reasonable, fair, equitable in nature, and are proportionately representative of the costs incurred by the City. The City shall recalculate the full cost of activities supported by user fees to take into account inflation and other cost increases at least every seven years.
6. Direct development processing costs and related administrative expenses shall be totally offset by development fees, whenever possible. However, in the interest of public health, safety and welfare, the City Council may, at its discretion, establish a charge and or fee that does not fully recover the costs of providing the service.

CITY COUNCIL POLICY

No. 105

FINANCIAL POLICIES

7. The City Manager will provide quarterly reports to the City Council that compares year-to-date actuals with revenue projections. The City Manager will notify the City Council whenever changing operations or economic developments require corrective budgetary measures.
8. Gas tax revenues will be annually earmarked to offset all costs in connection with the City's annual street maintenance program. The City will strive to maintain this program in such a manner that will not require the infusion of General Fund revenues.

G. FUND BALANCE

1. Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.
 - Nonspendable fund balance (inherently nonspendable)
 - Restricted fund balance (externally enforceable limitations on use)
 - Committed fund balance (self-imposed limitations on use)
 - Assigned fund balance (limitation resulting from intended use)
 - Unassigned fund balance (residual net resources)

The first two components listed above are not addressed in this policy due to the nature of their restrictions. An example of nonspendable fund balance is prepaid items. Restricted fund balance is either imposed by law or constrained by grantors, contributors, or laws or regulations of other governments. This policy is focused on financial reporting of unrestricted fund balance, or the last three components listed above.

2. Committed Fund Balance: The City Council may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment.
3. Assigned Fund Balance: These are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager, or his/her designee, for the purpose of reporting these amounts in the annual financial statements.
4. Unassigned Fund Balance: These are the residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.
5. Restricted fund balance should be spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, then committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

H. RESERVES

1. The City will strive to achieve and maintain a minimum Assigned and Unassigned (hereafter, Unrestricted) Fund Balance Reserve of 35% of the annual operating budget for operating contingencies, emergencies caused by calamitous events, economic uncertainty and to stabilize fluctuations in cash flow requirements. The formula for calculating this ratio is:

$$\frac{\text{Budgeted or Projected Year End Unrestricted Fund Balance}}{\text{Current Operating Expenditures}}$$

The City will also strive to achieve and maintain a minimum Unassigned Fund Balance of 25%. The formula for calculating this ratio will be the same as that above, but will exclude Assigned portions of Fund Balance.

2. In order to meet long-range maintenance and future equipment repair and replacement needs, the City shall maintain Maintenance Reserve Funds for: the Community Center; the Sports Complex; the Civic Center; and park equipment for component parts with a value of over \$ 50,000. The City shall maintain a fiscally responsible funding plan that will fully fund the long-term maintenance and replacement costs of major capital equipment within these facilities.

The City shall conduct a reserve analysis study to determine the amount required to fully fund the Maintenance Reserve at least every seven (7) years. The City will annually assign a portion of fund balance to fully fund the anticipated maintenance and replacement costs for identified components.

3. A Liability Self-Insurance Fund shall be maintained for the purpose of setting aside resources for costs not covered by the City's insurance programs such as claims within the City's self-insurance retention.
4. The City shall maintain a PERS Employer Contribution Stabilization Fund in order to reduce volatility in the employer contribution rates set by PERS. If the City's Actual Required Contribution (ARC) in any given year falls below 9%, the City shall contribute to this stabilization fund the difference between 9% and the City's actual ARC. In years when the actual ARC is above 9%, the City Manager may use monies in the Stabilization Fund to pay for any contribution amounts above 9%. The City Manager will notify the City Council when monies from this fund are used to pay any portion of the City's ARC above 9%.
5. The City shall remain in compliance with the requirement of the Government Accounting Standards Board's (GASB) most current Statements for the accounting and disclosure of information regarding the City's measurement and recognition of pension expenditures and related assets and liabilities.

I. EMPLOYEE COMPENSATION

1. The City has an established employee compensation program that is designed to attract and retain highly qualified individuals who are capable of delivering a

CITY COUNCIL POLICY
No. 105
FINANCIAL POLICIES

high level of service in a streamlined organization. The City will continue this commitment to competitive, market-based compensation and pay for performance.

2. For non-management employees, the City will strive to maintain a highly competitive salary and benefits program which sets the top step of salary ranges at 5% above the Comparator Agencies average for each comparable position. The Comparator Agencies are those cities identified in the City's 2011 Comprehensive Compensation Study. The City Manager will annually conduct a survey of comparable positions in the Comparator Agencies and recommend to the City Council salary adjustments in keeping with this policy, or any current Memorandum of Understanding.
3. Salary adjustments within a classification range may be given after the required comprehensive performance appraisal and will be based on merit only.

ATTACHMENTS:

None



Appendix 2

MAJOR PLANS

CITY OF LAGUNA HILLS

Rating Results for Proposed FY 2015-17 Major Plans

	Status	Average	Rating of Interest Summary				
			Blount	Carruth	Gilbert	Kogerman	Sedgwick
Parks and Recreation Commission							
Display the City's existing holiday & patriotic banners on Alicia Pkwy, El Toro Rd, La Paz Rd, and Paseo de Valencia.		0.2	0	0	0	0	1
General Government							
Work with Merlone-Geier Partners to facilitate the redevelopment of the former Laguna Hills Mall (now "Five Lagunas")	✓	2.0	2	2	2	2	2
Negotiate a 2nd amendment to the Oakbrook Village Development Agreement to expedite implementation of Phase 2.	✓	2.0	2	2	2	2	2
Develop & implement a succession/reorganization plan for the General Government Department.	✓	1.8	2	1	2	2	2
Develop Civic Leadership Academy course to prepare LH residents for leadership roles in City government.		0.4	0	0	0	2	0
Upgrade/replace agenda mgmt software and migrate from paper agenda packet to digital agenda packet.	✓	2.0	2	2	2	2	2
Non-Departmental							
Implement server virtualization project by consolidating more workloads on fewer servers.	✓	2.0	2	2	2	2	2
Community Development Department							
Complete entitlement process for the LH Mall (now "Five Lagunas") by March 2016.	✓	2.0	2	2	2	2	2
Issuing a Building Services RFP for inspection, plan checking and back-up counter coverage services.	✓	2.0	2	2	2	2	2
Evaluate the staffing model for the Building Division function (i.e. in-house staff, consultant, or hybrid)	✓	1.8	2	1	2	2	2
Evaluate the City's public nuisance abatement section & use of administrative citations in code enforcement process.	✓	1.6	0	2	2	2	2
Evaluate a zoning code permit streamlining process for City Council consideration by July 2016.	✓	2.0	2	2	2	2	2
Public Services							
Develop an ADA Transition Plan.	✓	1.6	2	2	1	2	1
Develop a Hazard Mitigation Plan.		1.0	0	2	0	2	1

✓ - Project approved by the City Council as a Major Plan and funding has been incorporated into the proposed FY 15-17 Biennial Budget



Appendix 3

BUDGET PROCESS, BUDGETARY BASIS AND ACCOUNTING PRICIPLES

CITY OF LAGUNA HILLS

BUDGET PROCESS

The process adopted for this biennial budget document demonstrates the City's effort to provide a forthright style of financial management. The City's objective is to carry a "goal-driven" approach throughout the budget process. In doing so, the City budget is a "strategic" planning tool which aligns the City's operating and capital goals with the fiscal stability of the City.

Accordingly, the following are the six budget process phases and their respective major milestones:

- Phase 1 - Stakeholder Participation
Management Staff Strategic Planning Session; Parks and Recreation Commission to review policies and recommendations in connection with parks and recreation operations of the City and the prioritization of parks capital projects; Traffic Commission to review policies and recommendations in connection with pertinent portions of public works and engineering operations of the City; Discussion begins on Major Plans and CIP.
- Phase 2 - Policy Development and Review
City Council review and update of City's financial policies.
- Phase 3 - Strategy Planning and Goal Setting
Development of preliminary Major Plans, Work Programs, CIP 6-Year plan, and 8-Year Financial Plan; City Council Strategic Planning Session to review Commission recommendations and review and rank proposed Major Plans and Work Programs.
- Phase 4 - Financial Resource and Policy Linkage
Continue development of CIP; Continue development of Departmental operating budgets; City Manager review of proposed CIP; City Manager review of proposed Departmental Operating Budgets; Complete revenue projections; City Council Study Session on proposed Operating Budget, Draft 8-Year Financial Plan, and CIP Budget.
- Phase 5 - Communication of Plan
Staff completes proposed Operating Budget, CIP and 8-Year Financial Plan; City Council holds public hearing and adopts final Operating Budget and CIP for the Biennial Budget; Final budget document printed and distributed; Budget posted on the Internet.

CITY OF LAGUNA HILLS

BUDGET PROCESS

- Phase 6 - Accountability and Performance Measurement
Mid-year Budget Review and Mid-cycle Budget Review.

ADOPTION

The budget is adopted by resolution. It is developed on a modified accrual basis of accounting, including revenues and expenditures expected to be realized during the budgeted fiscal years. The fiscal year begins on July 1 and ends June 30. The City Council adopts a biennial budget before July 1 of every other fiscal year, immediately following the municipal election cycle.

AMENDMENTS

The City reviews its biennial budget during December 31st of each fiscal year and at mid-cycle (June 30th after 1st year of operation). At these times, when deemed necessary, budget amendments may be made. Amendments that do not affect the “bottom line” for the City may be recommended by the Assistant City Manager, for approval by the City Manager who has the authority to transfer amounts between departments and funds. Budget amendments that will bring about a change in the total appropriation require City Council approval in the form of a resolution.

* * * * *

CITY OF LAGUNA HILLS

BUDGETARY BASIS AND ACCOUNTING PRINCIPLES

PRESENTATION

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

Governmental Funds

General Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for capital outlay, including the acquisition or construction of the City's capital facilities and other capital assets.

Special Revenue Funds

The Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City of Laguna Hills maintains special revenue funds for gas taxes, various types of transportation funding, and grants for air quality improvement, law enforcement, community development and recycling programs.

Fiduciary Funds

Agency Fund

The City of Laguna Hills maintains separate agency funds to account for construction deposits and trust monies from builders, land developers and other agencies, as well as for deferred compensation retirement funds held for City employees. These funds are custodial in nature and do not involve measurement of results of operations.

CITY OF LAGUNA HILLS
BUDGETARY BASIS AND ACCOUNTING PRINCIPLES

Proprietary Funds

Property Leasing

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

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All of the governmental funds and agency funds are accounted for using the modified accrual basis of accounting, which recognizes increases and decreases in financial resources only to the extent that they reflect near-term inflows and outflows of cash. Revenues are only recognized to the degree it becomes measurable and available to finance expenditures of the fiscal period. Expenditures are generally recognized when payment is due; since it is only at that time they are normally liquidated with expendable available finance resources.

BUDGETARY POLICY AND CONTROL

General Budget Policies

The City Council approves the biennial budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. The City Council has the legal authority to amend the budget during the fiscal year. At the discretion of the City Manager, expenditures may be moved from one department to another, or between funds within the Operating Budget. The City Manager also has the authority to move expenditures from one capital improvement project to another within the adopted Capital Improvement Plan. City Council approval is required to increase the total sum of the appropriations made for the Operating Budget or the Capital Improvement Plan from the adopted Budget Resolution. City Council is also required to move appropriations between the Operating Budget and the Capital Improvement Plan.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control is total expenditures by fund. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.

Variances between budget and actual activity are reported to the City Manager quarterly during the fiscal year and periodic amendments are made to the budget to reflect changes in budget estimates.

CITY OF LAGUNA HILLS
BUDGETARY BASIS AND ACCOUNTING PRINCIPLES

Continuing Appropriations

All appropriations in the Operating Budget will be automatically carried over from the first year to the second year of the two-year budget period. All budget capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

Budgetary Basis of Accounting

Budgets for the governmental type of funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). For all governmental funds types, financial statements comparing the legally adopted budget with actual data on the budgetary basis are included in the City Comprehensive Annual Financial Report.

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Appendix 4

BUDGET CALENDAR

CITY OF LAGUNA HILLS

BUDGET CALENDAR

FY 2015 – 2017

PHASE 1 - STAKEHOLDER PARTICIPATION February 2015 – April 2015

- Management/Staff Strategic Planning Session
- Parks and Recreation Commission to provide recommendations in connection with parks and recreation operations and the prioritization of parks capital projects.
- Traffic Commission to provide recommendations in connection with public works and engineering operations.
- Discussion begins on Major Plans and CIP.

PHASE 4 - FINANCIAL RESOURCE & POLICY LINKAGE April 2015 – May 2015

- Continue development of CIP and Department Operating Budgets.
- City Manager review of CIP and Operating Budgets.
- Complete revenue projections.
- **City Council** Study Session on Operating Budget, Draft 8-Year Financial Plan, and CIP Budget.

PHASE 2 - POLICY DEVELOPMENT & REVIEW March 2015

- **City Council** review the City's financial position and policies.

PHASE 5 – COMMUNICATION OF PLAN May 2015 – June 2015

- Completion of Proposed Operating and CIP Budgets.
- Completion of 8-Year Financial Plan
- **City Council** holds public hearing and adopts Operating & CIP Budgets.
- Biennial Budget printed and posted on Internet.

PHASE 3 – STRATEGIC PLANNING & GOAL SETTING March 2015 - April 2015

- Development of preliminary Major Plans, Work Programs, CIP 6-Year Plan, and 8-Year Financial Plan.
- **City Council** Strategic Planning Session to review Commission recommendations, and review and rank proposed Major Plans and Work Programs.

PHASE 6 - ACCOUNTABILITY & PERFORMANCE MEASUREMENT Ongoing

- Mid-year Budget Review.
- Mid-cycle Budget Review.
- Quarterly Financial Reports.



Appendix 5

APPROPRIATIONS LIMIT

Exhibit A
CITY OF LAGUNA HILLS
Appropriations Limit Summary

In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "Gann Initiative." The Proposition created Article XIII B of the State Constitution placing limits on the amount of revenue, which can be spent by all entities of government from the "proceeds of taxes." Proposition 4 became effective for the 1980-81 fiscal year, but the formula for calculating the limit was based on the 1978-79 "base year" revenues.

Section 9710 of the California Government Code, added in 1980 by the State Legislature, provides that "each year, the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following year..."

In order to address the increasing number of complaints by agencies about the restrictions of Proposition 4, and to provide guidelines for local governments in adopting their limits, the voters approved Proposition 111 in June 1990. Among other things, Proposition 111 provided new adjustment formulas, which make the Appropriations Limit more responsive to local growth issues. Proposition 111 also established a requirement for an annual review of Limit calculations.

Comparing the FY 2015/16 Appropriations Limit of \$34,015,765 and the Appropriations Subject to the Limit of \$11,664,507 indicates that the City will be well below its Appropriations Limit. The City's budgeted revenues for FY 2015/16 subject to limitation will be below its legal limit by \$22,351,258.

2014/15 Appropriations Limit

2014/15 factor - change in per capita personal income	-0.23%
2014/15 factor - change in County population	0.93%
\$32,189,463 x 0.9977 x 1.0093	\$ 32,414,101

2015/16 Appropriations Limit

2015/16 factor - change in per capita personal income	3.82%
2015/16 factor - change in County population	1.08%
\$32,414,101 x 1.0382 x 1.0108	\$ 34,015,765



Appendix 6

BUDGET RESOLUTION

RESOLUTION NO. 2015-06-09-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, ADOPTING THE OPERATING BUDGET, CAPITAL IMPROVEMENT PROGRAM AND OTHER APPROPRIATIONS FOR THE CITY OF LAGUNA HILLS FOR FISCAL YEARS 2015/2016-2016/2017

WHEREAS, the City Manager of the City of Laguna Hills has submitted to the City Council a proposed budget for Fiscal Years 2015/2016-2016/2017; and

WHEREAS, the City Council did consider said proposed budget and fixed June 9, 2015, as the date of public hearing; and

WHEREAS, after duly giving notice, the City Council did hold such public hearing, and all comments presented to the City Council were considered and evaluated.

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

SECTION 1. The City Manager's proposed operating budget shall be adopted in the amount of \$18,584,086, for FY 2015/2016 and \$18,914,391 for FY 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted on June 9, 2015.

SECTION 2. The City Manager's proposed Capital Improvement Plan shall be adopted in the amount of \$3,346,874 for FY 2015/2016 and \$4,300,000 for FY 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted on June 9, 2015.

SECTION 3. The City Manager's proposed debt service appropriation shall be adopted in the amount of \$1,801,387 for FY 2015/2016 and \$1,799,387 for FY 2016/2017.

SECTION 4. The City Manager's following proposed appropriations for Other Funding Uses shall be adopted in the amount listed below for FY 2015/2016 and FY 2016/2017, and shall include any changes made and approved as a result of the City's public hearing conducted June 9, 2015:

	<u>FY 15/16</u>	<u>FY 16/17</u>
Recycling Funds	\$ 103,039	\$ 80,300
Senior Mobility Fund	\$ 28,776	\$ 110,328
CDBG Fund	\$ 70,380	\$ 70,000

SECTION 5. The City Manager is hereby authorized to make such transfers within the budget as deemed desirable and necessary during each fiscal year in order to meet the City's needs and in compliance with the City's Financial Policies.

SECTION 6. That all budgeted capital improvement projects automatically re-appropriate each fiscal year until the project is completed.

SECTION 7. That all other unexpended appropriations ordered pursuant to Sections 1, 3 and 4 will be automatically carried over from the first fiscal year to the second fiscal year of the two-year budget period.

PASSED, APPROVED, AND ADOPTED this 9th day of June 2015.

DORE J. GILBERT, M.D., MAYOR

ATTEST:

MELISSA AU-YEUNG, CITY CLERK

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

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution No. 2015-06-09-__ adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 9th day of June 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



Appendix 7

PERSONNEL ALLOCATION SCHEDULE

CITY OF LAGUNA HILLS
Personnel Allocation Summary
FY 2015-17

City Positions	General Government	Non Departmental	Community Development	Public Services	Community Services	Public Safety	FTE
FULL TIME							
Accountant I	1.00						1.00
Accounting Technician	1.00						1.00
Administrative Asst. I		1.00	1.00	1.00			3.00
Administrative Asst to the City Manager	1.00						1.00
Asst. Building Official/Sr. Building Inspector		1.00					1.00
Assistant City Manager	1.00						1.00
Assistant to the City Manager/City Clerk	1.00						1.00
Associate Civil Engineer			1.00				1.00
City Manager	1.00						1.00
Community Development Director		1.00					1.00
Community Svcs. Superintendent				1.00			1.00
Community Svcs. Senior Leader				3.00			3.00
Deputy City Manager				1.00			1.00
Finance Manager	1.00						1.00
Information Technology Specialist		1.00					1.00
Management Assistant	1.00						1.00
Parks Supervisor			1.00				1.00
Permit Technician		1.00					1.00
Planner		2.00					2.00
Public Works Supervisor			1.00				1.00
Public Services Director / City Engineer			1.00				1.00
Receptionist/Secretary		1.00					1.00
Records Coordinator	1.00						1.00
SUB-TOTAL	9.00	1.00	7.00	5.00	6.00	0.00	28.00
PART TIME							
Administrative Intern	0.50						0.50
Clerical Assistant	0.75						0.75
Code Enforcement Officer		0.50					0.50
Senior Leader				0.90			0.90
Senior Planner		0.725					0.73
Recreation Leaders I and II				8.50			8.50
SUB-TOTAL	1.25	0.00	1.225	0.00	9.40	0.00	11.875
CONTRACT							
City Attorney	0.74						0.74
Administrative Sergeant					1.00		1.00
Community Service Officer					2.00		2.00
DS II Patrol Deputy					14.00		14.00
Patrol Sergeant					1.33		1.33
DS II Motorcycle Deputy					2.00		2.00
DS II School Resource Officer					1.00		1.00
Investigator					2.00		2.00
Lieutenant					1.00		1.00
Maintenance Workers			38.00				38.00
Crime Prevention Specialist					1.00		1.00
Regional Shared Staff-Police Services*					1.13		1.13
SUB-TOTAL	0.74	0.00	0.00	38.00	0.00	26.46	65.20
FY2015-17 Total FTE	10.99	1.00	8.225	43.00	15.40	26.46	105.08

*Does not include Orange County Fire Authority, OC Technology Branch Library, or OC Animal Care personnel



Appendix 8

DEBT INFORMATION

CITY OF LAGUNA HILLS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	132,275,000	0.258%	341,270
Saddleback Valley Unified School District	126,840,000	18.254%	23,153,374
Capistrano Unified School District Facilities Improvement District No. 1	35,109,930	0.025%	8,777
Moulton-Niguel Water District and, I.D.'s 6 & 8	13,855,000	3.303%	457,631
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT:			<u>\$ 23,961,052</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT</u>			
Orange County General Fund Obligations	145,476,000	1.276%	\$ 1,856,274
Orange County Pension Obligations	32,195,288	1.276%	410,812
Orange County Board of Education Certificates of Participation	15,500,000	1.276%	197,780
Municipal Water District of Orange County Water Facilities Corporation	7,775,000	1.527%	118,724
Capistrano Unified School District Certificates of Participation	18,245,000	0.017%	3,102
Moulton-Niguel Water District Certificates of Participation	81,795,000	13.624%	11,143,751
SUBTOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			<u>\$ 13,730,443</u>
City of Laguna Hills Certificates of Participation, Direct Debt	12,585,000	100.000%	<u>12,585,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT, AND LAGUNA HILLS CERTIFICATES OF PARTICIPATION:			26,315,443
Less: MWDOC Water Facilities Corporation (100% self-supporting)			<u>(118,724)</u>
TOTAL NET OVERLAPPING GENERAL FUND OBLIGATION DEBT:			<u><u>\$ 26,196,719</u></u>
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency)</u>	22,665,000	1.542%	349,434
<u>GROSS COMBINED TOTAL DEBT</u>			\$ 50,625,929
<u>NET COMBINED TOTAL DEBT</u>			\$ 50,507,205 ^(b)

(a) *Percentage of overlapping agency's assessed valuation located within boundaries of the city.*

(b) *Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations; see MWDOC above.*

Source: California Municipal Statistics, Inc.

CITY OF LAGUNA HILLS
2010 CERTIFICATES OF PARTICIPATION

On January 26, 2010, the City (through the City's blended component unit The Public Improvement Corporation) issued \$17,190,000 of Certificates of Participation (COPs). Proceeds from the sale were placed in an irrevocable trust that is used to service the future debt requirements of the 2001 and 2003 Certificates of Participation. This refunding resulted in an economic gain as well as savings from refunding. The economic gain realized in this refunding was \$1,072,242 and the savings resulting from the refunding was as follows:

Cash flow requirements to service old debt	\$ 23,858,154
Less: Cash flow requirements for new debt	<u>(22,738,962)</u>
Net savings from refunding	<u>\$ 1,119,192</u>

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

The Serial bonds mature in annual installments ranging from \$345,000 to \$1,670,000, commencing February 1, 2011 and ending February 1, 2025. Interest accrues at rates between 2.00% and 5.00% and is payable semiannually. The annual requirements to amortize the certificates of participation as of June 30, 2014, are as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,250,000	\$551,386	\$ 1,801,386
2016	1,300,000	501,386	1,801,386
2017	1,350,000	449,386	1,799,386
2018	1,390,000	395,388	1,785,388
2019	1,450,000	340,882	1,790,882
2020 - 2024	5,470,000	692,610	6,162,610
2025	<u>375,000</u>	<u>15,937</u>	<u>390,937</u>
Totals	<u>\$12,585,000</u>	<u>\$2,946,975</u>	<u>\$15,531,975</u>

BOND DEBT SERVICE

**City of Laguna Hills
2010 Refinancing Project
Certificates of Participation**

Final Pricing 1/7/10

S&P: AA+

No Optional Call

Mandatory Redemption From Net Insurance Proceeds, etc.

Dated Date 01/26/2010
Delivery Date 01/26/2010

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
02/01/2010						17,190,000	17,190,000
08/01/2010			360,281.08	360,281.08		17,190,000	17,190,000
02/01/2011	1,090,000	3.000%	350,543.75	1,440,543.75	1,800,824.83	16,100,000	16,100,000
08/01/2011			334,193.75	334,193.75		16,100,000	16,100,000
02/01/2012	1,130,000	4.000%	334,193.75	1,464,193.75	1,798,387.50	14,970,000	14,970,000
08/01/2012			311,593.75	311,593.75		14,970,000	14,970,000
02/01/2013	1,180,000	2.000%	311,593.75	1,491,593.75	1,803,187.50	13,790,000	13,790,000
08/01/2013			299,793.75	299,793.75		13,790,000	13,790,000
02/01/2014	1,205,000	4.000%	299,793.75	1,504,793.75	1,804,587.50	12,585,000	12,585,000
08/01/2014			275,693.75	275,693.75		12,585,000	12,585,000
02/01/2015	1,250,000	4.000%	275,693.75	1,525,693.75	1,801,387.50	11,335,000	11,335,000
08/01/2015			250,693.75	250,693.75		11,335,000	11,335,000
02/01/2016	1,300,000	4.000%	250,693.75	1,550,693.75	1,801,387.50	10,035,000	10,035,000
08/01/2016			224,693.75	224,693.75		10,035,000	10,035,000
02/01/2017	1,350,000	4.000%	224,693.75	1,574,693.75	1,799,387.50	8,685,000	8,685,000
08/01/2017			197,693.75	197,693.75		8,685,000	8,685,000
02/01/2018	1,390,000	**	197,693.75	1,587,693.75	1,785,387.50	7,295,000	7,295,000
08/01/2018			170,440.63	170,440.63		7,295,000	7,295,000
02/01/2019	1,450,000	4.000%	170,440.63	1,620,440.63	1,790,881.26	5,845,000	5,845,000
08/01/2019			141,440.63	141,440.63		5,845,000	5,845,000
02/01/2020	1,520,000	5.000%	141,440.63	1,661,440.63	1,802,881.26	4,325,000	4,325,000
08/01/2020			103,440.63	103,440.63		4,325,000	4,325,000
02/01/2021	1,580,000	5.000%	103,440.63	1,683,440.63	1,786,881.26	2,745,000	2,745,000
08/01/2021			63,940.63	63,940.63		2,745,000	2,745,000
02/01/2022	1,670,000	5.000%	63,940.63	1,733,940.63	1,797,881.26	1,075,000	1,075,000
08/01/2022			22,190.63	22,190.63		1,075,000	1,075,000
02/01/2023	345,000	4.000%	22,190.63	367,190.63	389,381.26	730,000	730,000
08/01/2023			15,290.63	15,290.63		730,000	730,000
02/01/2024	355,000	4.125%	15,290.63	370,290.63	385,581.26	375,000	375,000
08/01/2024			7,968.75	7,968.75		375,000	375,000
02/01/2025	375,000	4.250%	7,968.75	382,968.75	390,937.50		
	17,190,000		5,548,962.39	22,738,962.39	22,738,962.39		



Appendix 9

LAGUNA HILLS AT A GLANCE

CITY OF LAGUNA HILLS

AT A GLANCE

GENERAL INFORMATION

The City of Laguna Hills, located in South Orange County, has approximately 6.6 square miles of land in its corporate boundary and is now home to 30,410 people. While the majority of the area in the City has a distinctive residential character, the City has a strong commercial base in its northern part. This commercial area, or “Urban Village”, is anchored by the regional Laguna Hills Mall, the Oakbrook Village Shopping Center, and the Saddleback Memorial Hospital. It includes approximately 2,000,000 square feet of retail, restaurant, professional office, and medical related building space. When the City annexed the “North Laguna Hills” area in July of 1996, the City acquired 1.2 square miles of primarily light industrial, professional office, specialty retail, hotel, and residential uses. This annexed area contains a furniture row, office headquarters, major electronics products, retailer, and the only light industrial/manufacturing establishments in the City. In September of 2000, the City grew by another 150 acres as a result of the annexation of residential properties identified as West Laguna Hills.

HISTORY

Laguna Hills is built on one of the major land grants developed during the rancho area. Following Mexico’s independence from Spain in 1821, those who had served in the government or who had friends in authority were given vast lands for cattle grazing. Rancho Lomas de Santiago, Rancho San Joaquin, and Rancho Niguel covered much of the western portion of the Saddleback Valley. Don Juan Avila was granted the 13,000-acre Rancho Niguel on which Laguna Hills is now located.

In 1874, Lewis Moulton purchased Rancho Niguel from Don Juan Avila and increased the original grant to 22,000 acres. Moulton and his partner, Jean Piedrea Daguerre, used the ranch to raise sheep and cattle. The Moulton Ranch was eventually subdivided in the early 1960’s, part of which is recognized as Laguna Hills.

Incorporation efforts began in 1987 and on March 5, 1991, the goal of incorporation was finally achieved with 86% of the residents voting in favor of forming the City of Laguna Hills. On December 20, 1991, Laguna Hills officially became a City.

CITY GOVERNMENT

The City of Laguna Hills is a General Law City that operates under the Council/Manager form of government. The voters elect five of their fellow citizens to the City Council for overlapping four-year terms. The Council, in turn, selects one of its members to serve as Mayor for a one-year term. The City Council holds regular public meetings on the second and fourth Tuesday of each month.



Appendix 10

GLOSSARY

CITY OF LAGUNA HILLS BUDGET GLOSSARY

ACCRUAL BASIS: The method of accounting under which revenues and expenses are recorded when they occur, regardless of the timing of related cash flows. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned.

AMENDMENT: An amendment is a change in the budget which occurs after its initial adoption.

AMERICANS WITH DISABILITIES ACT (ADA): The Americans with Disabilities Act is a Federal law that gives civil rights protection to individuals with disabilities. The law guarantees equal opportunity for individuals with disabilities in State and local government services, public accommodations, employment, transportation, and telecommunications.

APPROPRIATION: A legal authorization granted by the City Council to make expenditures or incur obligations for specific purposes.

ASSESSED VALUATION: The value assigned to real property (land and buildings) and tangible personal property (moveable property), by the Orange County Assessor's Office, which is used as a basis in levying property taxes.

BUDGET: A financial plan that identifies revenues, and specific types and levels of services to be provided and establishes the amount of money which can be spent.

CAPITAL IMPROVEMENT PROGRAM (CIP): A multi-year financial plan for construction of physical assets such as buildings, street and recreation facilities.

CAPITAL OUTLAY: Expenditures that qualify as capital costs according to accounting standards, Includes items such as furniture, fixture, machinery, equipment and other relatively minor fixed assets.

CONSUMER PRICE INDEX (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

DEBT INSTRUMENT: Methods of borrowing funds, including general obligations (G.O.) bonds, revenue bonds, lease/purchase agreements, lease-revenue bonds, tax allocation bonds, certificate of participation (COPs), and assessment district bonds.

DEBT SERVICE: The payment of principal and interest on borrowed funds, such as bonds, notes, COP's, and other debt instruments, according to a pre-determined schedule.

DEPARTMENT: A major organizational unit of government that has overall management responsibility for a group of related service responsibilities or operations within a functional area.

EIGHT (8) YEAR RESOUCE ALLOCATION PLAN: The City's long-range financial plan, that on a biennial basis, projects revenues and expenditures over a eight year period.

CITY OF LAGUNA HILLS BUDGET GLOSSARY

ENCUMBRANCE: An amount of money committed for the payment of goods and services not yet received or paid for. A purchase order is a common encumbrance.

EXPENDITURE: Decrease in net financial resources, which represents the actual payment for goods and services or the accrual thereof.

FISCAL YEAR: The period designated by the City for the beginning and ending of financial transactions. The City's fiscal year begins July 1 and ends June 30.

FULL-TIME EQUIVALENTS (FTE): The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year, while a .25 FTE would work 520 hours per year.

FUND: An accounting entity with a set of self-balancing accounts used to record the financial affairs of a government organization.

FUND BALANCE: The difference between assets and liabilities for a particular fund.

GENERAL PLAN: A comprehensive, long-term plan, required of all California cities, for the physical development of the city.

GENERAL FUND: The primary operating fund of the City. All revenues that are not allocated by law or contractual agreement to a specific fund are accounted for in the General Fund.

GFOA: The *Government Finance Officers Association of the United States and Canada*, an organization of government finance officials in the United States and Canada. GFOA annually sponsors a Distinguished Budget Presentation Awards program and presents awards to those government budgets that meet program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

GRANT: Contributions, gifts of cash, or other assets from another government entity to be used or expended for a special purpose, activity, or facility.

INFRASTRUCTURE: The underlying physical foundation or basic framework of a city, including streets, medians, sidewalks, bridges, traffic signals, buildings, parks, and other related facilities and fixtures.

INTERFUND TRANSFER: Money transferred from one fund to another. Such money is transferred to finance the operations of another fund or to reimburse the fund for certain costs.

LINE ITEM: a line-item is the detailed grouping of expenditures used in the City's accounting system. It is subordinate to expense category. Typical line items are: professional services, office supplies, travel postage, office equipment, etc.

CITY OF LAGUNA HILLS BUDGET GLOSSARY

MODIFIED ACCRUAL BASIS: The method of accounting under which revenues are recorded when they are both measurable and available while expenditures are recognized when incurred.

MUNICIPAL CODE: A book which contains the City Council approved ordinances currently in effect. The Code defines City policy with respect to areas such as planning, etc

OPERATING BUDGET: Day-to-day costs of delivering City services.

OPERATING COSTS: Items categorized as operating costs in this budget include office supplies and other materials used in the normal operations of City departments, includes items such as books, maintenance materials and contractual services.

ORDINANCE: A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An ordinance has a higher legal standing than a resolution.

PERSONNEL COSTS: Salaries and benefits paid to City employees. Included are items such as insurance and retirement.

RESERVE: A separate account maintained for restricted use, e.g. self-insurance programs, capital improvement projects, or for unrestricted use to protect the City from emergencies or unanticipated expenditures.

RESOLUTION: An order of a legislative body requiring less formality than an ordinance.

RESOURCES: The amounts available for appropriation including estimated revenues, beginning fund balances and beginning appropriated reserves.

REVENUE: Income received through such sources as taxes, fines, fees, grants or service charges which can be used to finance operations or capital assets.

RISK MANAGEMENT: An organized attempt to protect an organization's assets against accidental loss in the most cost-effective manner.

SPECIAL REVENUE FUNDS: Funds used to account for the proceeds from specific revenue sources (other than trusts or major capital projects) that are legally restricted to expenditures for specific purposes. **See below for description of certain Special Revenue funds within the City of Laguna Hills.*

SUBVENTION: Revenues collected by the State that are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu and gasoline taxes.

TRANSFERS: All inter-fund transactions except loans or advances, quasi-external transactions and reimbursements.

TAX: A levy imposed by a government in conformance with the Government Code to raise revenue for public purpose.

CITY OF LAGUNA HILLS BUDGET GLOSSARY

CERTAIN SPECIAL REVENUE FUNDS WITHIN THE CITY:

Community Development Block Grant Fund - Used to account for revenues and expenditures to improve local and national objectives to provide decent and safe housing for low- and moderate-income families. This is grant funding obtained from the United States Department of Housing and Urban Development (HUD) for the purposes of rehabilitating “eligible” deteriorating housing in the City.

Recycling Funds

- **Beverage Recycling** - Pursuant to Public Resources Code Section 14581(a)(4)(A) of the California Beverage Container Recycling and Litter Reduction Act, the Department of Recycling Resources and Recovery (CalRecycle) distributes funds annually to eligible cities and counties to assist with beverage container recycling and litter cleanup activities. The City of Laguna Hills uses the funds received from CalRecycle to support existing beverage container recycling programs, trail clean-up projects, the purchase of recycling containers and products made from recycled materials, and recycling advertising. In addition, these funds are used to support the costs of personnel and consulting services required to implement new programs and to support existing programs.
- **CR&R Recycling Fee** - The CR&R Recycling Fee fund is used to support third party solid waste and recycling consulting services to the City. CR&R is required per its current solid waste and recycling services agreement with the City to provide the City an annual payment to fund recycling consulting services as selected by the City and under contract with the City. The current 10-year agreement between CR&R and the City of Laguna Hills for solid waste and recycling collection services commenced on July 1, 2006 and expires on June 30, 2016.
- **C&D Forfeited Deposits** - The City Council of Laguna Hills established a Construction and Demolition Waste Recycling Program by adding a new section, Chapter 5-48, to the City's Municipal Code on September 23, 2003. This program requires applicants of residential and commercial construction and demolition projects to submit a security deposit when an applicant's project meets certain thresholds. The security deposit is collected to ensure proper disposal and recycling of construction and demolition material. Upon completion of a project the security deposit is refunded to the applicant when it is demonstrated that the applicant has appropriately followed its recycling and disposal plan. In the event that an applicant does not follow its disposal and recycling plan, or an applicant does not request a refund of the security deposit in the timeline outlined in the City's Municipal Code, the security deposit is forfeited. The City of Laguna Hills uses forfeited security deposit funds to cover the administration costs of the program and to support recycling programs that divert waste from local landfills.
- **AB 939 Surcharge Grant** - In 2008, the City of Laguna Hills received \$20,000 from the County of Orange Regional Recycling and Waste Diversion Grant Program in order to enhance recycling efforts in Orange County and to divert waste from Orange County landfills. On June 24, 2008, the City Council approved a resolution to use these funds to implement a sharps waste disposal program and a new universal waste disposal program. Currently these funds are used to support the mail-back sharps waste program at local pharmacies and drop-off locations within the City for the proper disposal of Compact Fluorescent Lamps (CFLs), fluorescent tubes, and batteries.

CITY OF LAGUNA HILLS

BUDGET GLOSSARY

Senior Mobility Program Fund - The City of Laguna Hills receives monies from OCTA's Senior Mobility Program (SMP) to assist with transportation services for senior citizens. OCTA's SMP is designed to fill the gap between local fixed route buses and ADA paratransit, or ACCESS service, by providing local transportation services to seniors in participating cities in Orange County. Under the program, participating cities are eligible to receive funds and vehicles from OCTA to help design and operate a transit program that best fits the needs of older adults in their communities. The source of OCTA's SMP funding to the City is Renewed Measure M (M2) and Transit Development Act (TDA) Article 4.5 funds. OCTA's annual funding amount to the City of Laguna Hills is based on the City's senior population. The City uses these funds to support a Dial-a-Taxi program for seniors which began in August 2010.



Appendix 11

COMMUNITY PROFILE

CITY OF LAGUNA HILLS

DEMOGRAPHIC & ECONOMIC STATISTICS

Calendar Year	Population ⁽¹⁾	Personal Income		Per Capita	
		(in thousands)		Personal Income	Unemployment Rate
2004	32,987	\$ 1,275,828	\$	38,677	3.6%
2005	33,090	\$ 1,321,554	\$	39,938	3.2%
2006	33,115	\$ 1,384,623	\$	41,813	2.9%
2007	33,117	\$ 1,425,961	\$	43,058	3.3%
2008	33,246	\$ 1,441,089	\$	43,346	4.4%
2009	33,392	\$ 1,417,282	\$	42,444	7.6%
2010	33,593	\$ 1,500,666	\$	44,672	8.1%
2011	30,618	\$ 1,445,996	\$	47,227	7.4%
2012	30,703	\$ 1,363,858	\$	44,421	4.8%
2013	30,737	\$ 1,320,001	\$	42,778	4.2%
2014	30,857	\$ 1,333,022	\$	43,200	4.2%

Consumer Price Index		
Year	CPI	% Change
2004	193.2	3.3%
2005	201.8	4.5%
2006	210.4	4.3%
2007	217.3	3.3%
2008	225.0	3.5%
2009	223.2	-0.8%
2010	225.8	1.2%
2011	231.9	2.7%
2012	236.7	2.1%
2013	239.2	1.1%

2010 Population by Race/Ethnicity		
White	18,725	61.7%
Hispanic	6,242	20.6%
Asian & Pacific Islander	3,790	12.5%
Black	373	1.2%
Other	1,214	4.0%

2010 Population by Age		
Age	Population	%
0-4	1,563	5.2%
5-14	3,804	12.5%
15-24	4,012	13.2%
25-34	3,466	11.4%
35-54	9,319	30.7%
55-64	4,290	14.1%
65-74	2,106	6.9%
75+	1,784	5.9%

2012 Housing Units		
	Quantity	%
Total Housing Units	11,107	
Occupied	10,541	94.9%
Vacant	566	5.1%

Building Activity and Valuation (in thousands)			
	2011	2012	2013
Residential			
New Single Family	-	700	519
New Multi-Family	-	-	-
Additions, alterations	6,939	4,346	5,349
Total Residential	6,939	5,046	5,868
Commercial			
New Commercial	-	2,236	2,045
New Industrial	-	-	-
Additions, alterations	11,578	5,853	10,201
Total Non-Residential	11,578	8,089	12,246
Total Valuation	18,517	13,135	18,114
No. of New Dwelling Units	3	1	2

Sources: Cal State Fullerton Center for Demographic Research, HDL Reported City of Laguna Hills' Demographic and Economic Statistics, US Census Bureau and Department of Labor and Statistics; State of California EDD.

⁽¹⁾ Population: California State Department of Finance. Demographic Data is totaled from Census Block Groups that overlap the City's Boundaries.



City of Laguna Hills

City Council Meeting Agenda

Staff Report

DATE: JUNE 9, 2015

TO: MAYOR AND COUNCIL MEMBERS

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

**ISSUE: REPORT CONCERNING DENIAL OF A TEMPORARY USE PERMIT (TUP) TO
CIRCUS VARGAS.**

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

SUMMARY:

At the City Council meeting of April 28, 2015, staff was directed to prepare a report concerning the denial of the Temporary Use Permit (TUP) to Circus Vargas.

On March 6, 2015, Circus Vargas submitted an application to the Community Development Department seeking approval of a TUP to hold 21 shows over a 12-day period between May 7, 2015 and May 18, 2015, in the southeast parking lot area of the Laguna Hills Mall. After review by the Community Development Director, and in accordance with the requirements of the Laguna Hills Municipal Code, on March 24, 2015, the request was denied due to the project's potential to add an unacceptable amount of traffic around the El Toro Road/Avenida de La Carlota intersections. Staff also considered the number of temporary events already being held at the Laguna Hills Mall. The Applicant declined to appeal the decision due to the timing involved in bringing the item forward to the City Council for the appeal hearing and proposed show dates.

BACKGROUND:

The Zoning Code establishes requirements for permanent and temporary uses. A permanent use or development is either permitted "by right" or may require the filing of a development application for review and approval by staff. Where a request exceeds staff's authority to grant approval, the Planning Agency must act. For temporary uses, events of limited duration are subject to the issuance of a TUP which is reviewed by staff. Staff notes that the City's zoning policies are oriented to the regulation of temporary events that

are not conducted within a permanent building. Examples of activities included under the City's temporary uses regulations include the following:

- Carnival/Fair/Circus
- Outdoor Event
- Outdoor Sales
- Seasonal Outdoor Sales (Christmas Trees/ Pumpkin Patch/ Strawberry Stands)

TUP requirements are found in Chapter 9-62 of the Zoning Code¹. Specific temporary uses are identified in Table 9-10.050, Chapter 9-62, the Urban Village Specific Plan (UVSP) in Table 1, and under the Temporary Uses/Activities portion of the UVSP. The UVSP also provides direction for potential impacts to be reduced.

Whenever a new use or development is proposed, staff evaluates the proposal to determine if any adverse impacts would occur that diminish the quality of life for residents, diminish the utility of property, or create adverse environmental conditions. These value judgements are based on adopted standards found in the Laguna Hills Municipal Code (including the UVSP), the City's General Plan, and generally accepted environmental impact thresholds.

In the case of permanent uses and development, an environmental review is conducted, and the public is able to participate in the environmental review process if one is required. For temporary uses, there is no opportunity for the public to review or comment on possible adverse impacts – those evaluations are left to staff. When evaluating temporary uses, Section 9-62.040 provides that uses may be restricted to reduce impacts to adjacent properties. Requirements of the UVSP also provide the same direction. Section 9-62.070(C) also provides that not more than one [temporary use permit] event per calendar quarter shall be permitted for any applicant, group, or organization.

Staff Evaluation of the Circus Vargas Temporary Use

The evaluation of the TUP was based on potential traffic impacts the project would have on the local street network. Evaluation of traffic impacts routinely occurs for permanent projects, and as recently for the Raising Canes project. Although a traffic analysis is not typically required for a TUP, the proposed event would have taken place in a +/- 20,000 square foot temporary structure with a capacity for 1,250 guests per show (up to three shows were proposed per day). Based on reasonable traffic assumptions taken from the Institute of Traffic Engineers (ITE), the use would have added over 3,000 cars per day overall and several hundred vehicles to the El Toro Road/Avenida de la Carlota intersection, during the evening peak hour period, the heaviest traffic period for the community.

¹ All references are to the Laguna Hills Municipal Code unless otherwise noted.

Existing traffic studies used in the I-5 Widening Project from SR-73 to El Toro Road identify the El Toro Road off-ramp as being on the verge of operating at the worst traffic level from an operations standpoint. The proposed use would have added to the existing heavy traffic conditions that exist on El Toro Road during the evening rush hour period creating an unacceptable level of service. If a permanent development resulted in the same conditions, an environmental impact report would have been required with ample opportunity for public review and input.

In addition to the traffic issues, staff notes regulations governing temporary uses essentially limit the number of events on a property to one per quarter. Currently the mall property is home to a weekly event through an approved permit. Issuance of the TUP to Circus Vargas would have been a violation of the Zoning Code, and the City Council could not have granted relief from the limit placed on the number of temporary events via an appeal.

Appeal Consideration by the Applicant

The Applicant was notified of staff's decision to deny the requested TUP on March 24th and a discussion ensued with the Applicant regarding the City's appeal process. Staff determined that the earliest possible date for an appeal to be heard before the City Council was for the May 26th City Council meeting, after the proposed event. In reviewing the timelines surrounding the application and the possibility of having a more timely appeal hearing, staff noted that the Applicant entered into a lease with the property owner in January, but did not contact the City until early March about having the event.

Conclusion

The denial of the requested TUP was consistent with the permitting process' requirements to reduce impacts on surrounding properties. Staff has also advised both the previous and current property owner of the mall property that temporary uses are presently not appropriate since the property already exceeds the number of uses permitted for temporary events during the year. One TUP was approved in October for a use that occupied a permanent building which staff believes is distinguishable from the present situation since entertainment uses in a permanent building are permitted by right in the UVSP.

FISCAL IMPACT:

None

CEQA FINDINGS:

Transmittal of information to the City Council is not a project under CEQA.

ATTACHMENTS:

- Attachment 1 – Circus Vargas TUP Application
- Attachment 2 – Letter of Denial
- Attachment 3 – Temporary Use Regulations

Attachment 1 – Circus Vargas TUP Application



Permit #: TUP-315-3141

CITY OF LAGUNA HILLS TEMPORARY USE APPLICATION/PERMIT

(Please submit this application at least 30 days prior to the event)

(Please type or print)

Tabares Entertainment Inc

1) Name of Applicant: _____

Address: 992 Blue Lantern Dr. Henderson NV 89015

Phone Number: Daytime: 281-570-5758 Evening: 281-570-5758

2) Event Contact Person: ANGELIDA M. QUEVEDO GENERAL MANAGER

Address: 992 Blue Lantern Dr. Henderson NV 89015

Phone Number: Daytime: 702-513-9767 Evening: 702-513-9767

3) Name of Business: _____

4) Name of Property Owner/Manager: _____

Phone Number: Daytime: _____ Evening: _____

5) Date(s) of Event: 5/7-11 - 5/14-18 Time: From 12:30 to 9:30

6) Estimated Attendance: _____

7) Location of Event: Laguna Hills Mall 24155 Laguna Hills Mall, Laguna Hills, CA

8) Purpose of Event: Circus Vagas

9) Total Number of Events this Year: _____

10) Please attach a Site Plan & Diagram of your proposed event. Include any areas to be roped or cordoned off. If this is a walk-a-thon, bike-a-thon or 5-10k run, please provide the specific route your group intends to use, including a starting point, time of departure, termination point, time of termination and traffic plan.

PURSUANT TO CHAPTER 9-62 OF THE CITY OF LAGUNA HILLS DEVELOPMENT CODE, A TEMPORARY USE MAY BE CONDUCTED SUBJECT TO COMPLIANCE WITH THE PERFORMANCE STANDARDS CONTAINED THEREIN. THE EXECUTION OF THE TEMPORARY USE PERMIT SHALL SERVE AS OFFICIAL ACKNOWLEDGEMENT BY THE APPLICANT OF THE PROVISIONS OF THE ABOVE-MENTIONED CODE SECTIONS. IF THERE ARE ANY CHANGES TO THIS TEMPORARY USE, THE CITY OF LAGUNA HILLS SHALL BE NOTIFIED 30 DAYS PRIOR TO THE EVENT. IN SIGNING THIS TEMPORARY USE PERMIT, THE APPLICANT AGREES TO ABIDE BY THESE PROVISIONS.

Signature of Applicant

Date

Signature of Property Owner
(If different from applicant)

Date

↓ STAFF USE ONLY ↓

IN EXECUTING A TEMPORARY USE PERMIT TO PERMIT A TEMPORARY USE AT THE ABOVE-MENTIONED ADDRESS, I DO HEREBY CERTIFY:

- (a) That the applicant has been provided a copy of The City of Laguna Hills Development Code, Chapter 9-62 (Temporary Uses); and
- (b) That the applicant has concurrently completed the City of Laguna Hills Temporary Use Permit Form and submitted a fee of \$200 required for the review process; and
- (c) That, based on the information provided by the applicant, the nature, condition and development of adjacent uses, buildings and structures has been considered, and the proposal will not adversely affect or be materially detrimental to the adjacent uses, buildings or structures.

_____ **Christmas tree lots** may not initiate sales until Thanksgiving weekend, and shall end on December 26 each calendar year.

_____ **Pumpkin patch sales** shall not begin until October 1 and shall end on November 1 each calendar year.

_____ **All other temporary uses** shall be restricted to a period not to exceed ten consecutive calendar days.

Not more than one event per calendar quarter shall be permitted by any applicant.

APPROVAL:

I hereby approve the Temporary Use Permit to permit a temporary use at the above-mentioned address subject to the attached conditions.

NAME AND TITLE

DATE: _____



Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Location:	Requested Dates:	
Laguna Hills Mall 24155 Laguna Hills Mall, Laguna Hills, CA 92653	May 7 th to May 18 th 2015 11 performing days	

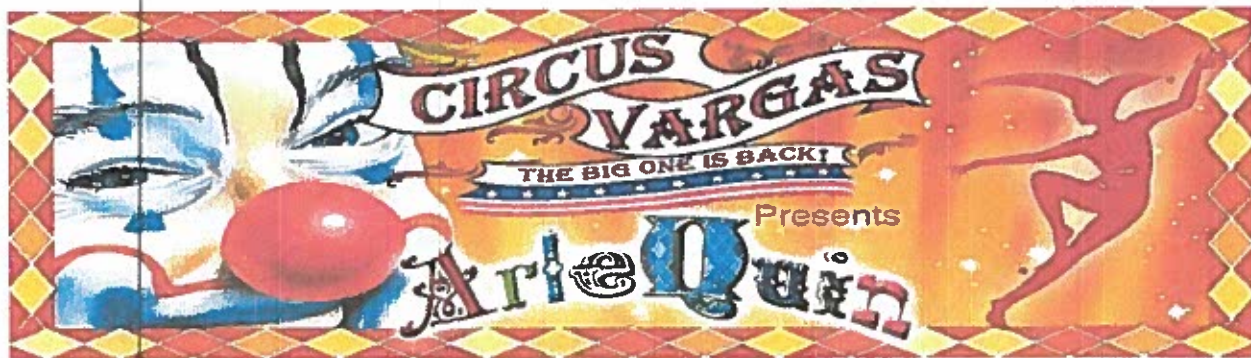
Dates: Showtimes and Set up schedule

Day:	Date:	Schedule:	Showtimes:
Tuesday	May 5 th	Will enter property at 1:00 am Set Up Day	No Performance
Wednesday	May 6 th	Set Up Day	No Performance
Thursday	May 7 th	Inspections 10am till 1pm Opening Night	7:30 PM
Friday	May 8 th		4:30 & 7:30 PM
Saturday	May 9 th		1:00 - 4:00 & 7:30 PM
Sunday	May 10 th		1:00 - 4:00 & 7:30 PM
Monday	May 11 th		7:00 PM
Tuesday	May 12 th		No Performance
Wednesday	May 13 th		7:30 PM
Thursday	May 14 th		7:30 PM
Friday	May 15 th		4:30 & 7:30 PM
Saturday	May 16 th		1:00 - 4:00 & 7:30 PM
Sunday	May 17 th		1:00 - 4:00 & 7:30 PM
Monday	May 18 th	Teardown of the circus will be done after the show	7:00 PM
Tuesday	May 19 th	- Circus Will be gone from the property before 7 AM - Clean up crew will finish cleaning the lot around 10:00 AM - All rented equipment such as porta-potties, fencing and Dumpster will be picked up before 9:00 am	

Angelina Quevedo - Tabares Entertainment, Inc. 992 Blue Lantern Dr. Henderson, NV 89015

Phone: 281-570-5758 E-Mail: Aquevedo@circusvargas.com

WWW.CIRCUSVARGAS.COM



Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Show Info:

LENGTH OF SHOW: Approximately one and one-half hours

EXPECTED ATTENDANCE: 300 – 500 per show

SEATING CAPACITY OF TENT: 1,250

NO GAME OF CHANCE

NO MECHANICAL RIDES

NO PERFORMING ANIMALS

NO PYRO OR OPEN FLAME ARE USE DURING THE SHOW

NO ALCOHOL IS SOLD OR SERVED

NO OUTSIDE CONTRACTED VENDORS

Circus Management provides in-house security guards. Managements carries radios and cell phone in case of 911 Emergency.

Circus Vargas is completely self-contained. The show has a two generator system with an emergency battery backup. If the main generator shuts down, the backup generator will be turn on but all emergency lighting will remain running with the battery backup system.

A source of water is usually provided to the Circus by the venue on which the Circus conducts business, if not the Circus will rent a Water meter from the city.

Circus Vargas rents porta-potties from a local sanitation companies.

Circus Vargas crew will perform daily cleanups to maintain the Circus Area clean from any trash.

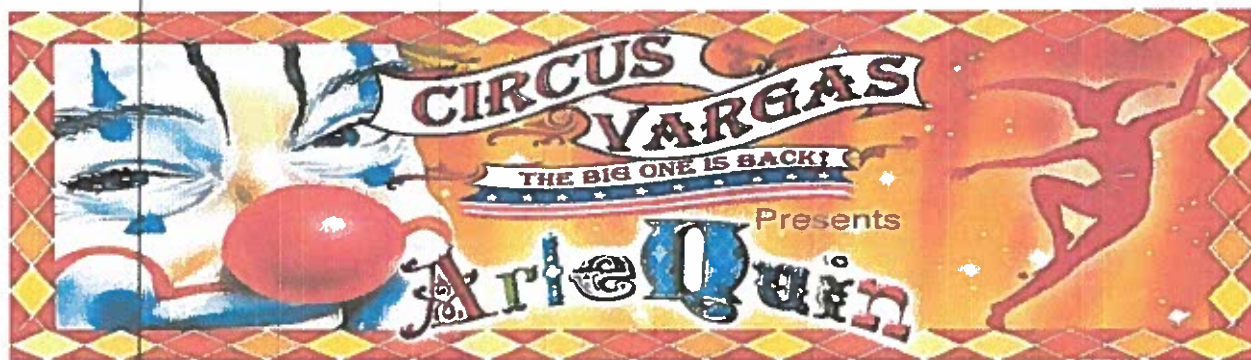
Circus Vargas rents a Dumpster for all trash produced by the Circus activities

Circus Vargas is a family show and attracts primarily families, in-house security is normally sufficient to provide appropriate crowd control. The security use radios to communicate with each other and can use cell phones to contact local law enforcement if the need exists.

Angelina Quevedo - Tabares Entertainment, Inc. 992 Blue Lantern Dr. Henderson, NV 89015

Phone: 281-570-5758 E-Mail: Aquevedo@circusvargas.com

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Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Parking lot area need it to accommodate Circus Vargas (far view)



Angelina Quevedo - Tabares Entertainment, Inc. 992 Blue Lantern Dr. Henderson, NV 89015
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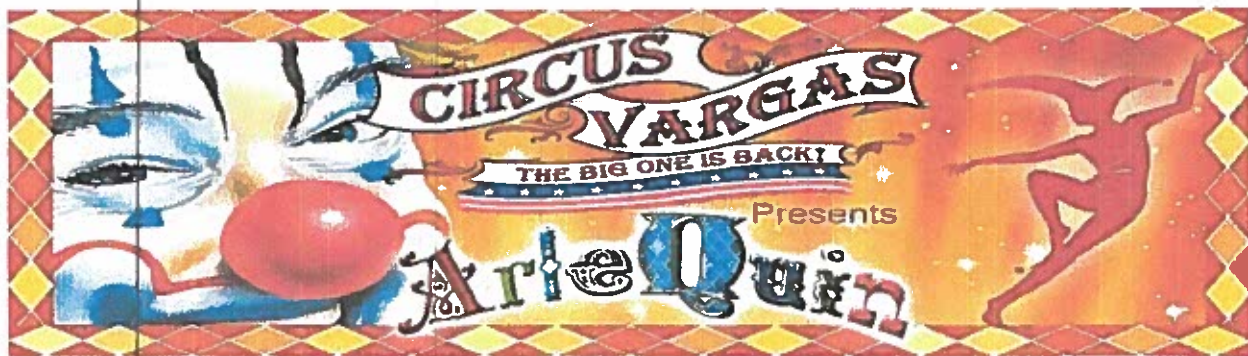


Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Circus Vargas Detail site lot plan



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WWW.CIRCUSVARGAS.COM



Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Circus Vargas Security Plan

Since Circus Vargas is a family show and attracts primarily families, in-house security has been sufficient to provide appropriate crowd control. Since there is nothing to see other than the show itself, there are no people just loitering in the area. Crowds come at show time, enter the enclosed midway area and take their seats. After the show there is nothing else to see so they exit to their cars.

Many of the things that attract or encourage trouble or the necessity for police intervention will not be present at Circus Vargas. Alcohol will not be sold or served and there are no games of chance or mechanical rides. While a carnival attracts ages 12-22, Circus Vargas primarily attracts children of elementary school ages or younger along with their parents and grandparents.

Circus Vargas has its own security team consisting 8 uniformed (unarmed) security personnel (includes one head of security). The uniforms consist of matching Circus Vargas shirts and pants. This low key approach to security maintains the atmosphere of family fun.

All security will be scheduled one hour before each performance and stay Thirty minutes after the performance. Security personal will be stationed both inside and outside the tent as well as next to the ticket booth.

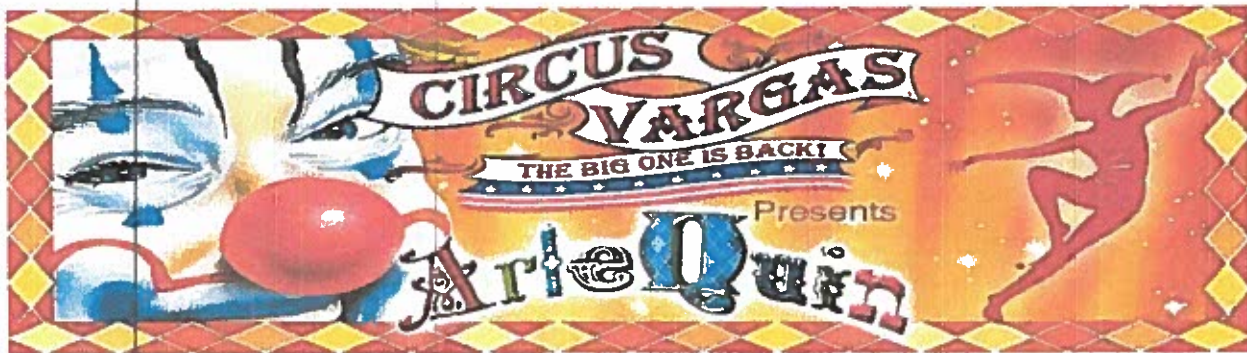
Security Personnel have access to walkie-talkies for communications between themselves in addition to cell phones that can be used to call additional personnel as well as local police or fire, if it becomes necessary.

In addition to the security officers, a closed circuit video security system monitors the inside of the ticket booth, where money is handled, as well as the midway area and the area in front of the ticket booth. This video system is attached to a recording device that can be used to have a record of events.

Angelina Quevedo - Tabares Entertainment, Inc. 992 Blue Lantern Dr. Henderson, NV 89015

Phone: 281-570-5758 E-Mail: Aquevedo@circusvargas.com

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Circus Vargas 2015 Event Proposal to Laguna Hills Mall

Circus Vargas Cleanup & Recycling Plan

Circus Vargas does not hire or contact with outside vendors or temporary workers. All staffing will be with workers that travel with the show. The staff is currently trained on proper sanitary and clean-up procedures. There is a staff of 25 people and while some people are working throughout the day, all of them are present from one hour before the first show of the day until after the show is over and clean-up is completed.

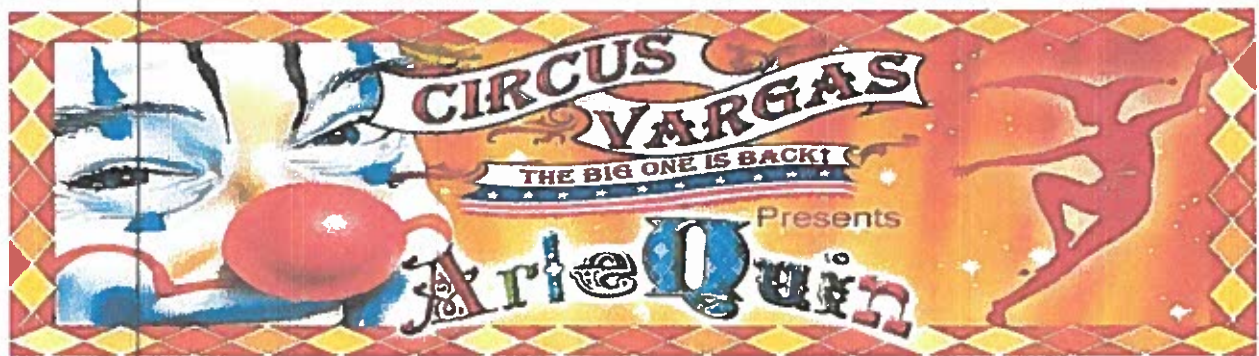
Since the nature of a circus limits the areas in which the public travels, the major portion of the clean up will be in a limited area. Plus, there are a very limited amount of food items sold.

Staff continuously cleans up the entrance area throughout the time the show is open to the public so trash does not remain on the ground. Trash is cleaned up after each performance inside the tent. And, once each day, trash will be picked up in the parking area, which is expected to be minimal since most people consume items early in the show and are unlikely to bring trash back to their car.

A trash dumpster will be contracted for placement on the grounds. Several trash cans are available for public use in the circus entrance area. We will also have bins in which people can put recyclable items. However, due to the nature of our operation, most people buy their food products and take them immediately into the tent where they sit down. They normally let their trash fall through the bleachers, where we clean it up after each show.

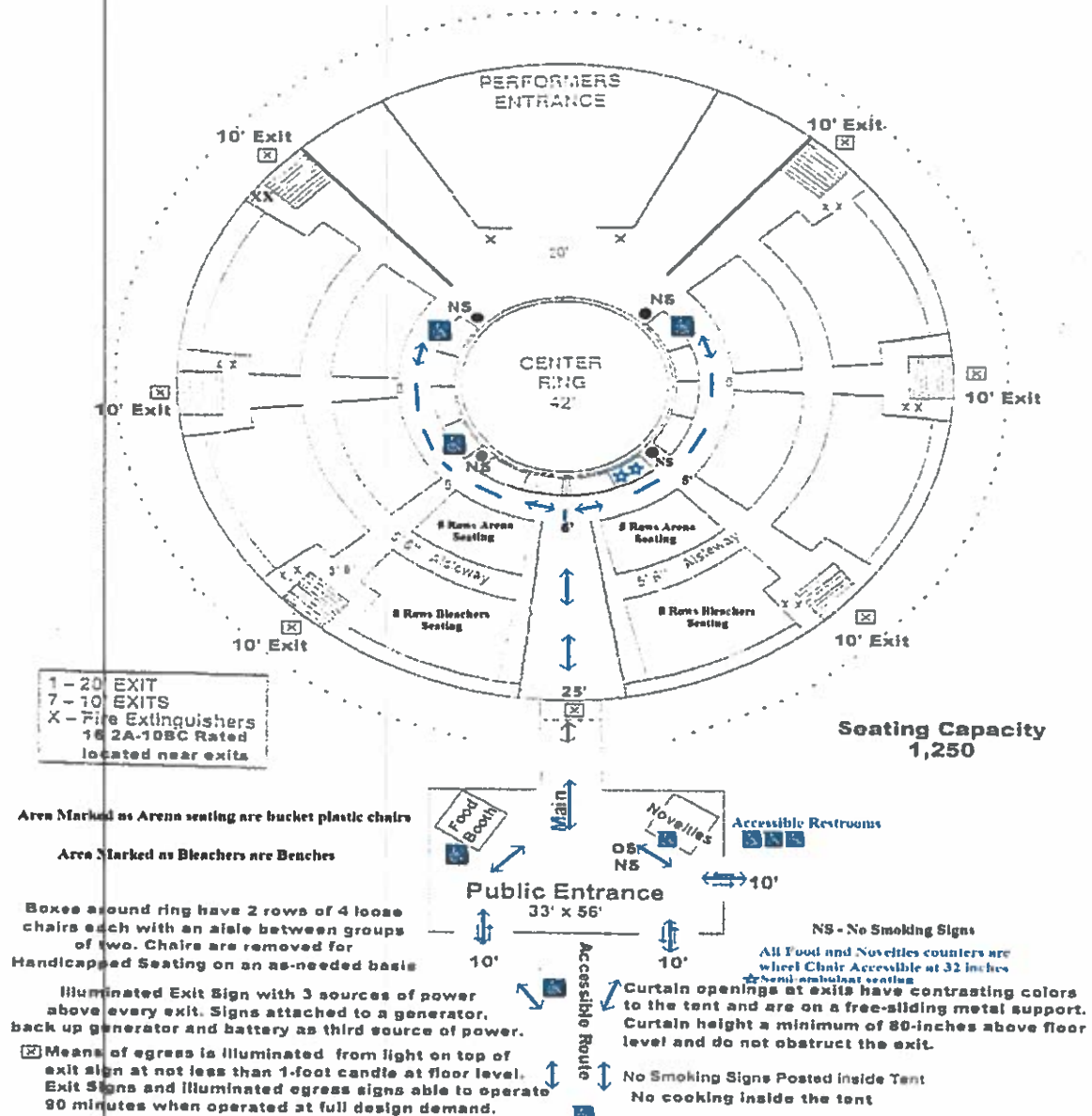
Since soda's and water are served in plastic bottles and cans, our staff will put those, along with appropriate paper products into the recycle bins and transport them to an appropriate recycling facility or make arrangements with the dumpster company for their removal.

I hope that I have provided you with all the information needed to approve this plan. If you have any questions please call me at 281-570-5758 and I will be happy to assist you.



Circus Vargas 2015 Event Proposal to Laguna Hills Mall

ACCESSIBILITY SHEET



Angelina Quevedo - Tabares Entertainment, Inc. 992 Blue Lantern Dr. Henderson, NV 89015

Phone: 281-570-5758 E-Mail: Aquevedo@circusvargas.com

WWW.CIRCUSVARGAS.COM

6/9/2015 ITEM NO. 6.1.1

Attachment 2 – Letter of Denial



CITY OF LAGUNA HILLS

March 24, 2015

Angelina Quevedo
Tabares Entertainment Inc.
992 Blue Lantern Dr.
Henderson, NV 89015

RE: Temporary Use Permit No. 3-15-3141 for Circus Vargas at the Laguna Hills Mall

Dear Ms. Quevedo,

The Community Development Director has reviewed your application for a temporary use permit to conduct a circus event at the Laguna Hills Mall from May 7, 2015 through May 18, 2015, and has determined that he is unable to approve your application based upon the potential for a significant traffic impact on the surrounding area. Please see attached for a detailed analysis.

If you would like to appeal the Community Development Director's decision to the City's Planning Agency, you may do so in writing by April 5, 2015. If you have any questions, please feel free to contact me at (949) 707-2662.

Sincerely,

Chris Dominguez
Assistant Planner

Attachment: Memo regarding TUP-3-15-3141

CITY OF LAGUNA HILLS



MEMORANDUM

DATE: March 20, 2015

TO: Chris Dominguez, Assistant Planner

FROM: David Chantarangsu, AICP
Community Development Director

SUBJECT: TUP No. 3-15-3141

I have reviewed the proposed TUP request and hereby deny the application based on traffic concerns. My authority to approve or deny uses is based on the requirements of the Urban Village Specific Plan (UVSP) for "Temporary Uses/Activities" and Chapter 9-62 of the Laguna Hills Municipal Code.

Although the proposed use is a permitted use as described by information submitted by the applicant, the UVSP regulations for Temporary Uses indicates that surrounding parcels are not to be impacted by the use (or uses shall be restricted to reduce impacts).

Background

The subject property is located at the Laguna Hills Mall, a +/- 90 acre site with access from El Toro Road, Avenida de la Carlota, and Paseo de Valencia. Primary freeway access to the site is from the NB/SB El Toro I-5 on/off ramps, and secondarily the NB/SB Lake Forest Drive I-5 on/off ramps via Avenida de la Carlota. The City participates in the County's implementation of the Master Plan of Arterial Highways to ensure regional travel demands are supported on major arterial highways within the county.

The major factors affecting access to the Project site are the location of the site and the efficiency of the roadway system serving the site. Efficiency of access is a function of travel time, convenience, directness, and available capacity of the routes utilized in accessing the development.

The major regional route that would provide access to the Project site is **Interstate 5 (I-5)**, which is located to the east of the Project site. In this analysis, Interstate 5 is assumed to run in a north-south alignment. I-5 is a twelve-to-fourteen-lane freeway (depending on the existence of one or two High Occupancy Vehicle (HOV) lanes and/or auxiliary lanes) in the immediate proximity to the Project and connects Orange County to Los Angeles County on the north and to San Diego County on the south.

The City of Laguna Hills's General Plan Circulation Plan has established a classification system for its roadways, which is consistent with the Orange County Master Plan of Arterial Highways (MPAH), as shown on **Figure 1**. The physical characteristics of the roadways serving the Project site are described as follows:

Avenida de la Carlota is a secondary arterial that runs in a north-south direction along the eastern boundary of the Project. It has two travel lanes in each direction and a painted median with left-turn access at four driveways (including one signalized intersection) to Laguna Hills Mall. Avenida de la Carlota begins at Lake Forest Drive to the north and terminates at Los Alisos Boulevard to the south. I-5 southbound on- and off-ramps intersect Avenida de la Carlota at its intersection with Paseo de Valencia.

El Toro Road is a major arterial that runs in an east-west to the north of the Project. It has three-to-four travel lanes eastbound and three travel lanes westbound adjacent to the Project, with turn lanes at key intersections. El Toro Road connects with I-5 northbound on- and off-ramps east of I-5 and there is a southbound slip on-ramp between I-5 and Avenida de la Carlota.

Paseo De Valencia is a major arterial that runs in a north-south direction west of the Project site and terminates at its intersection with Avenida de la Carlota/I-5 southbound ramps. It has three travel lanes in each direction and a raised median south of El Toro Road, and two travel lanes in each direction with a painted median north of El Toro Road with turn lanes provided at all intersections.

Los Alisos Boulevard is a major arterial that runs in an east-west direction to the south of the Project site. Los Olisos Road starts near the State Route 241 (SR-241, the Foothill Tollroad) on the east and terminates at Paseo de Valencia on the west. It has three travel lanes in each direction with a raised median between Avenida de la Carlota and Paseo de Valencia, and two travel lanes in each direction with a painted median east of Avenida de la Carlota.

Regional Center Drive is a connector from El Toro Road to the internal mall circulation system. It is signalized at its intersection with El Toro Road and has two lanes in each direction at the mall entrance, narrowing to one lane in each direction adjacent to the mall building.

Existing Street & Freeway Operating Standards

The City of Laguna Hills and Orange County CMP evaluate traffic levels of service (LOS) and impacts using the Intersection Capacity Utilization (ICU) methodology for signalized intersections.

“Level of Service” (LOS) is defined as a quantitative measure which describes operational conditions within a traffic stream, generally in terms of such factors as speed and travel time, freedom to maneuver, traffic interruptions, comfort and convenience, and safety. Level of service (LOS) is a measure of “quality-of-flow.” There are six levels of service, A through F, which relate to traffic congestion from best to worst, respectively.

In general, Level A represents free-flow conditions with no congestion. Conversely, Level F represents severe congestion with stop-and-go conditions. The table below further describes Level of Service.

**INTERSECTION CAPACITY UTILIZATION (ICU)
LEVEL OF SERVICE DEFINITIONS**

Level of Service	Definition	Nominal Range of ICU or V/C (Volume to Capacity Ratio)
A	Excellent operation. All approaches to the intersection appear quite open, turning movements are easily made, and nearly all drivers find freedom of operation.	0.00 to 0.60
B	Very good operation. An occasional approach phase is fully utilized. Many drivers feel somewhat restricted within platoons of vehicles.	0.61 to 0.70
C	Good operation. Major approach phases fully utilized. Most drivers feel somewhat restricted.	0.71 to 0.80
D	Fair operation. Drivers may have to wait through more than one red signal indication. Queues may develop but dissipate rapidly, without excessive delays.	0.81 to 0.90
E	Poor operation. Volumes at or near capacity. Vehicle may wait through several signal cycles. Long queues form upstream from intersections.	0.91 to 1.00
F	Forced flow. Represents jammed conditions. Intersection operates below capacity with low volumes. Queues may block upstream intersections.	≥1.00

Source: City of Laguna Hills Traffic Study Guidelines, August 31, 2010

Level of Service Standards

The City of Laguna Hills level of service standard for intersections and roadway segments is LOS D or ICU (V/C) of 0.90 or less. It should be noted that the City's

General Plan Mobility Element recognizes that not all traffic loads are attributed to land use decisions made by the City, and that some intersections may have physical or other constraints that create difficulties making sufficient improvements to achieve acceptable LOS standards. The City is a to the County's

Thresholds of Significance for Traffic Impacts

The City of Laguna Hills has defined that a significant impact due to a development project occurs when:

- A Project causes an intersection or roadway segment which operates at acceptable levels of service (ICU of 0.90 or below) under No-Project conditions to exceed an 0.90 ICU by an increase in ICU of 0.01; or
- A Project causes an intersection which operates at LOS E or F (ICU >0.90) to experience an increase in ICU of 0.01 or more.

In measuring impacts to freeways, OCTA and CalTrans may use different methodology and analysis to determine whether or not a project will have a significant impact on freeway operations. In 2012, the Orange County Transportation Authority issued its traffic analysis for the I-5 Widening Project from SR-73 to El Toro Road describing the evaluation criteria used for determining impacts occurring as a result of their project. It is incorporated as Attachment 1.

Potential Project Impact

The traffic study prepared for the I-5 Widening Project from SR-73 to El Toro Road identified existing traffic conditions for the El Toro NB off-ramp to be operating at an ICU level of 0.89 based on an existing volume of 1,330 vehicles in the PM period and capacity of 1,500 vehicles per hour. The proposed Project and approval of the TUP has the potential to exceed the 0.90 Level of Service standard if at least 27 vehicles are added to existing traffic levels. Using *Institute of Traffic Engineer Trip Generation (9th Edition)* to generally estimate traffic demand, based on ITE rates used for movie theaters (ITE Use Code 443 – KSF) given the similarity of use characteristics (multiple established show times, ability to accommodate large crowd gatherings, show lengths of 90 minutes, minimal concession offerings), it is estimated that the proposed use would generate approximately 3,100 vehicle trips per day and potentially 240 vehicle trips during peak hour periods. It is reasonable to assume that most vehicle trips will utilize I-5 to travel to and from the site raising the issue of potential significant traffic impacts to be created, albeit for a short duration, to El Toro Road, a designated roadway within the MPAH that serves the City of Laguna Hills.

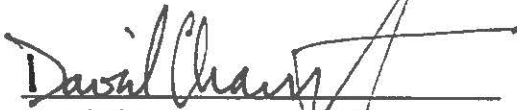
Determination

If the Project could reduce its size to 10,000 square feet then it is estimated that traffic impacts would be reduced sufficiently to avoid impacting the I-5 off-ramp, which is consistent with the direction to limit temporary uses provided in the UVSP. However, this represents a 75 percent reduction in the intensity of the use which would likely render the event unfeasible.

In any event the use as proposed is denied based on the potential to create significant traffic impacts in the area.

Appeals

Pursuant to Section 9-92.030, Decisions of the Community Development Director are appealable to the Planning Agency. Decisions shall be final ten calendar days after the hearing date unless appealed.



David Chantarangsu, AICP
Community Development Director



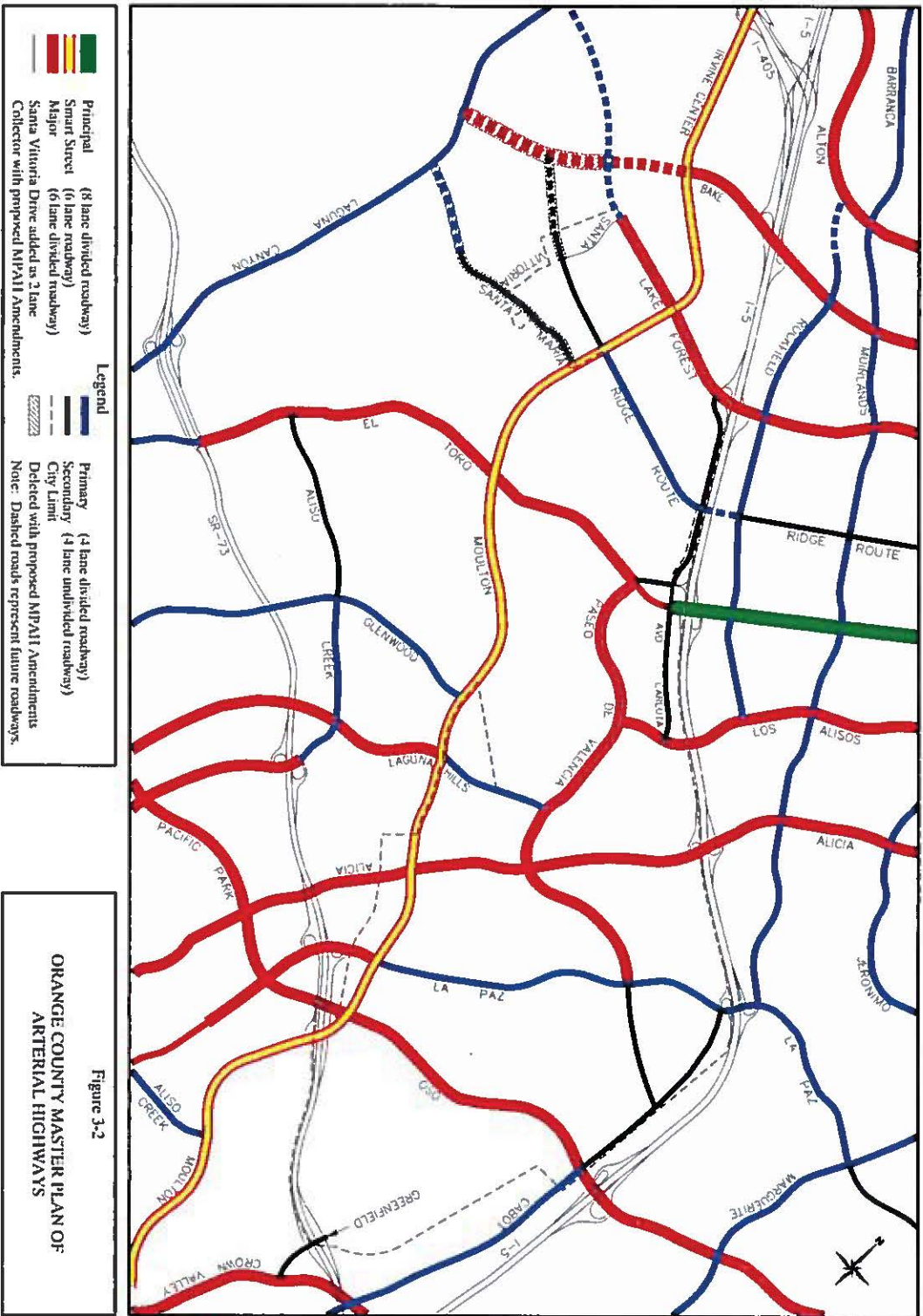
Mountain Pacific, Inc.
Civil/Transportation Engineers
P.O. Box 238 Laguna Beach, CA 92652 (949) 497-4171
www.mountainpacific.com

City of Laguna Hills General Plan Update
Mobility Element Traffic Study

ORANGE COUNTY MASTER PLAN OF ARTERIAL HIGHWAYS

LAGUNA HILLS MALL REDEVELOPMENT PROJECT, LAGUNA HILLS, CA

Figure 1



Austin-Frost Associates, Inc.
7/3/2018/rp14/fp3-2.dwg

Attachment 1

**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

1.4.2.2 Ramps and Ramp-Freeway Junctions

While the freeway facilities methodology primarily addresses ramp-freeway junctions in the operational analysis (i.e., merge and diverge locations along the freeway mainline), this technical report also evaluates the approximate capacity of the ramps themselves. The performance criteria used for evaluating freeway ramp capacity are shown in Table 1-5. They are based on the approximate maximum volume that can be accommodated by the various types of ramp configurations that are utilized within the project area. The measure reported from the analysis is the D/C ratio for the ramp.

For ramp-freeway junctions, merge, diverge, and weaving analyses are carried out as part of the freeway facilities methodology discussed in the section above. Table 1-6 summarizes the methodology which is based on vehicle density, and the corresponding LOS ranges. In accordance with the HCM procedures, a weaving analysis is carried out when merge segments are closely followed by diverge segments.

Deficiencies are identified and potential improvements are proposed, where feasible, for locations that operate at unacceptable LOS. Caltrans generally considers LOS E as the maximum acceptable LOS for urban locations such as the project area.

1.4.2.3 Ramp-Arterial Junctions and Arterial Intersections

For the operational analysis of the arterial roadway intersections serving the freeway interchange ramps, the HCM 2010 average vehicle delay procedures are utilized to derive LOS. For the study area intersections not serving freeway ramps, the intersection capacity utilization (ICU) methodology is used in accordance with the procedures of the local agencies and the County of Orange. The performance criteria for both the delay and ICU procedures are summarized in Table 1-7.

For this analysis, ICU values are used to evaluate intersections in accordance with the procedures of the local cities and the County of Orange. Impacts are identified and potential mitigation measures are proposed, where feasible, for locations that are significantly impacted by the project (see specific significance criteria later in this section).

A threshold of LOS D is generally utilized as the maximum acceptable intersection LOS. However some jurisdictions have adopted LOS E as the maximum acceptable intersection LOS for specific locations. In addition, the Orange County Congestion Management Program (CMP) designates specific intersections on the CMP highway system as locations where LOS E must be maintained, unless the baseline (1992 conditions) is LOS F (in which case, the intersections LOS F ICU may

Orange County Transportation Authority

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**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

Table 1-5 Freeway Ramp Performance Criteria

Performance Criteria Methodology		
Freeway Ramps	Criteria to be based on peak hour volume demand-to-capacity (D/C) ratios as the measurement. Deficiencies identified as locations that exceed a D/C of 1.00.	
Performance Thresholds		
Type	Lanes	Max. Volume (veh/hr)
Metered On-Ramps	One-lane metered on-ramp with only one mixed-flow lane at the meter.	900
	One-lane metered on-ramp (at freeway merge) with one mixed-flow lane at the meter plus one HOV preferential lane at the meter (20 percent greater capacity than one-lane on-ramp with one metered lane).	1,080
	One-lane metered on-ramp (at freeway merge) with two mixed-flow lanes at the meter (with or without a mainline auxiliary lane) and average metering rate (750 veh/hr/ln).	1,500
	One-lane metered on-ramp (at freeway merge) ¹ with two mixed-flow lanes at the meter (with or without a mainline auxiliary lane) and maximum metering rate (900 veh/hr/ln).	1,800
	Two-lane metered on-ramp (at freeway merge) with two mainline auxiliary lanes and with three mixed-flow lanes at the meter.	3,000
Non-Metered On-Ramps	One-lane on-ramp (with or without a mainline auxiliary lane).	1,500
	Two-lane on-ramp (at freeway merge) with two mainline auxiliary lanes.	3,000
Off-Ramps	One-lane off-ramp (with or without a mainline auxiliary lane).	1,500
	Two-lane off-ramp with one mainline auxiliary lane for the 2 nd lane (labeled as 1.5 lanes in the D/C tables).	2,250
	Two-lane off-ramp with two mainline auxiliary lanes.	3,000
	Three-lane off-ramp with three mainline auxiliary lanes.	4,500
Freeway to Freeway Connectors	One-lane connector ramp (with or without a mainline auxiliary lane).	2,000
	Two-lane connector ramp with one mainline auxiliary lane for the 2 nd lane (labeled as 1.5 lanes in the D/C tables).	3,000
	Two-lane connector ramp with two mainline auxiliary lanes.	4,000
	Three-lane connector ramp with two mainline auxiliary lanes (labeled as 2.5 lanes in the D/C tables).	5,000
Source: The indicated maximum volumes are approximations utilized by planning studies in Orange County, California.		
¹ Locations with two lanes at the freeway merge (with one auxiliary lane) are also present within the project area under existing conditions (labeled as 1.5 lanes in the D/C tables).		

Orange County Transportation Authority

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6/9/2015 ITEM NO. 6.1.1

**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

Table 1-6 Freeway Merge/Diverge and Weaving Performance Criteria

Performance Criteria Methodology			
Merge, Diverge, and Weaving Segments	Criteria to be based on LOS using peak hour volume density (passenger cars per mile per lane) as the measurement. Deficiencies identified as locations that exceed LOS E.		
Performance Thresholds			
Freeway Merge, Diverge and Weaving Segments		Collector-Distributor Weaving Segments	
LOS	Density (pc/mi/ln)	LOS	Density (pc/mi/ln)
A	≤10	A	≤12
B	>10 – 20	B	>12 – 24
C	>20 – 28	C	>24 – 32
D	>28 – 35	D	>32 – 36
E	>35	E	>36
F	demand exceeds capacity	F	demand exceeds capacity

Sources:
Merge/Diverge – HCM 2010 page 13-4
Weaving – HCM 2010 page 12-23

**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

Table 1-7 Intersection Performance Criteria

Performance Criteria Methodology									
Caltrans Intersections	Criteria to be based on LOS using intersection control delay (seconds per vehicle) as the measurement. Deficiencies identified as locations that exceed the LOS criteria of the local jurisdiction.								
Incorporated City Intersections	Criteria to be based on LOS using intersection capacity utilization (ICU) methodology as the measurement. Deficiencies identified as locations that exceed LOS D or, for select locations¹, LOS E. ICU calculations are based on the following parameters: <table><tr><td>Lane Capacity:</td><td>1,700 veh/hr</td></tr><tr><td>Clearance Interval:</td><td>0.05</td></tr><tr><td>Right-turn-on-red Utilization Factor:</td><td>0.75</td></tr></table>			Lane Capacity:	1,700 veh/hr	Clearance Interval:	0.05	Right-turn-on-red Utilization Factor:	0.75
Lane Capacity:	1,700 veh/hr								
Clearance Interval:	0.05								
Right-turn-on-red Utilization Factor:	0.75								
Unincorporated County Intersections	Criteria to be based on LOS using intersection capacity utilization (ICU) methodology as the measurement. Deficiencies identified as locations that exceed LOS D or, for select locations¹, LOS E. ICU calculations are based on the following parameters: <table><tr><td>Lane Capacity:</td><td>1,700 veh/hr</td></tr><tr><td>Clearance Interval:</td><td>0.05</td></tr><tr><td>Right-turn-on-red Utilization Factor:</td><td>0.00</td></tr></table>			Lane Capacity:	1,700 veh/hr	Clearance Interval:	0.05	Right-turn-on-red Utilization Factor:	0.00
Lane Capacity:	1,700 veh/hr								
Clearance Interval:	0.05								
Right-turn-on-red Utilization Factor:	0.00								
Performance Thresholds									
LOS	Control Delay – Signalized (sec/veh)	Control Delay – Stop Control (sec/veh)	ICU						
A	≤10	≤10	<0.61						
B	>10 – 20	>10 – 15	0.61 – 0.70						
C	>20 – 35	>15 – 25	0.71 – 0.80						
D	>35 – 55	>25 – 35	0.81 – 0.90						
E	>55 – 80	>35 – 50	0.91 – 1.00						
F	>80	>50	>1.00						

Sources:
Control Delay/Signalized – HCM 2010 page 18-6
Control Delay/Stop Control – HCM 2010 page 19-2
ICU – Orange County 2009 Congestion Management Program

¹See discussion in Section 1.4.2.3 for a listing of intersections where LOS E is utilized as the maximum acceptable LOS, and for the thresholds of significance utilized by each jurisdiction in the study area.

Orange County Transportation Authority

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6/9/2015 ITEM NO. 6.1.1

**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

not increase by more than 0.01.) Following is a list of the specific intersections within the study area that are CMP highway system intersections or where the local jurisdiction utilizes LOS E for the maximum acceptable LOS:

- El Toro Road and I-5 Northbound Ramps/Bridger Road (CMP Intersection with LOS E baseline)
- I-5 Southbound Ramps and Avenida de la Carlota (CMP Intersection with LOS F baseline)
- El Toro Road and Avenida de la Carlota (CMP Intersection with LOS E baseline)
- El Toro Road and Moulton Parkway (CMP Intersection with LOS E baseline for AM peak hour and LOS F baseline for PM peak hour)
- Moulton Parkway and Crown Valley Parkway (CMP Intersection with LOS E baseline)
- Crown Valley Parkway and I-5 Northbound Ramps (CMP Intersection with LOS E baseline)
- Crown Valley Parkway and I-5 Southbound Ramps (CMP Intersection with LOS E baseline for AM peak hour and LOS F baseline for PM peak hour)
- Marguerite Parkway and Crown Valley Parkway (City of Mission Viejo Intersection with LOS E baseline)
- I-5 Northbound Ramps and Bake Parkway (City of Irvine Intersection with LOS E baseline)
- I-5 Southbound Ramps and Bake Parkway (City of Irvine Intersection with LOS E baseline)
- I-5 Southbound Ramps and Lake Forest Drive (City of Irvine Intersection with LOS E baseline)
- Irvine Center Drive/Moulton Parkway and Lake Forest Drive (City of Irvine Intersection with LOS E baseline)

Each city, as well as the CMP, utilizes specific increases in ICU as the threshold of significance for the determination of significant impacts. Following are the specific criteria utilized by each jurisdiction:

City of Irvine: greater than 0.01 increase in ICU when the LOS performance standard is exceeded

City of Lake Forest: greater than 0.01 increase in ICU when the LOS performance standard is exceeded

City of Laguna Hills: greater than 0.01 increase in ICU when the LOS performance standard is exceeded

City of Laguna Niguel: greater than 0.01 increase in ICU when the LOS performance standard is exceeded

City of Laguna Woods: greater than 0.01 increase in ICU when the LOS performance standard is exceeded

City of Mission Viejo: 0.01 increase in ICU when the LOS performance standard is exceeded

City of San Juan Capistrano: 0.01 increase in ICU when the LOS performance standard is exceeded

**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

County of Orange CMP: 0.03 increase in ICU when the LOS E is exceeded

1.5 Abbreviations

The following abbreviations are used within this report:

ADT = Average Daily Traffic, or Average Daily Trips	OCP-2010 = Orange County Projections 2010
CIP = Capital Improvement Program	OCTA = Orange County Transportation Authority
CMP = (Orange County) Congestion Management Program	OCTAM = Orange County Transportation Analysis Model
D/C = Demand-to-Capacity ratio	PA/ED = Project Approval/Environmental Document
EB = Eastbound	PeMS = Performance Measurement System
ICU = Intersection Capacity Utilization	PSR = Project Study Report
GP = General Purpose	RSA = Regional Statistical Area
HCM 2010 = Highway Capacity Manual 2010	SCSAM = South County Sub-area Model
HOV = High Occupancy Vehicle	SB = Southbound
ITAM = Irvine Transportation Analysis Model	SR = State Route
LOS = Level of Service	VPH = Vehicles per Hour
NB = Northbound	WB = Westbound
NITM = North Irvine Transportation Mitigation Program	

1.6 References

The following references have been used for the preparation of this report:

1. Highway Capacity Manual 2010, Transportation Research Board of the National Academies, December 2010.
2. Project Study Report on Interstate 5 from PM 12.4 to PM 18.9 From SR-73 to El Toro Interchange in Orange County, Orange County Transportation Authority, February 2011.
3. Final Report I-5/Avery Parkway Feasibility Study, URS, June 2011.
4. Draft Initial Study/Mitigated Negative Declaration Avenida de la Carlota Street Widening and Intersection Improvements, Hogle-Ireland, Inc., January 2011.
5. Draft Project Study Report I-5 Southbound Off-Ramp at Los Alisos Boulevard, Caltrans, October 2001.
6. 2011 Orange County Congestion Management Program, Orange County Transportation Authority, 2011.

Orange County Transportation Authority

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**I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED
(EA OK0200, EFIS 1200000318)
TRAFFIC REPORT**

Introduction

June 2012

7. 2010 Traffic Flow Map, Orange County Transportation Authority, July 2011.
8. 2010 Annual Average Daily Truck Traffic on the California State Highway System, Caltrans, 2011.
9. Lake Forest Transportation Mitigation (LFTM) Program 2011 Baseline Adjustment Study, Austin-Foust Associates, Inc., August 2011.
10. Traffic Study for the Laguna Niguel Gateway Specific Plan Update, Iteris, June 2011.
11. Draft South Orange County Community College District (SOCCCD) Master Plan for Saddleback College Campus and Irvine Valley College Campus Traffic Study, Stantec, February 2012.
12. City of Irvine Planning Area 6 General Plan Amendment and Zone Change Traffic Study Final Report, Austin-Foust Associates, Inc., November 2011.
13. City of Laguna Hills General Plan Update Mobility Element Traffic Study, Austin-Foust Associates, Inc., December 2008.
14. La Pata Avenue Gap Closure and Camino Del Rio Extension Traffic Study, Austin-Foust Associates, Inc., December 2009.
15. South Orange County Transportation Infrastructure Improvement Project Traffic and Circulation Technical Report, Austin-Foust Associates, Inc., December 2003.

I-5 WIDENING PROJECT FROM SR-73 TO EL TORO ROAD PA/ED (EA OK0200, EFIS 1200000318)

TRAFFIC REPORT

Transportation Setting

June 2012

Table 2-5 Freeway Ramp Volume and Demand/Capacity Summary – Existing Conditions (Continued)

Location	Northbound Ramps						Southbound Ramps					
	Lanes			AM			Lanes			AM		
	Ramp	Aux.	Cap.	Vol.	D/C	Vol.	Ramp	Aux.	Cap.	Vol.	D/C	Vol.
El Toro NB Off-Ramp	1	1	1,500	980	0.65	1,330	1	0	1,080	280	0.26	500
El Toro NB Loop On-Ramp	1	0	1,500	930	0.62	970	1	0	1,500	580	0.39	810
El Toro NB Direct On-Ramp	1	1	1,500	1,240	0.83	800	1.5	1	2,250	1,630	0.72	1,730
Lake Forest NB Off-Ramp	1	1	1,500	1,020	0.68	710	1	0	1,500	230	0.15	600
Collector/Distributor NB Off	1.5	1	3,000	2,150	0.72	1,310	1	1	2,000	560	0.28	1,380
Lake Forest NB On-Ramp (to CD)	2	2	3,000	780	0.26	930	2	2	3,000	1,570	0.52	2,670
Bake NB Off-Ramp (from CD)	2	2	3,000	940	0.31	520	1	0	1,500	20	0.01	120
Bake NB Loop On-Ramp (to CD)	1	0	1,500	220	0.15	1,100	1	0	1,080	170	0.16	510
Bake NB Direct On-Ramp (to CD)	2	2	3,000	2,160	0.72	2,850	2	2	4,000	840	0.21	1,520
Collector/Distributor to I-405 NB	2	2	4,000	1,530	0.38	1,970	3	2	4,500	2,680	0.60	2,340
Collector/Distributor to I-5 NB	2	2	4,000	2,840	0.71	3,700	1	0	1,500	1,730	1.15	1,540
							1	1	1,500	950	0.63	800
							1.5	1	3,000	2,830	0.94	3,440

Location outside of project limits

Location with D/C > 1.00

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Attachment 3 – Temporary Use Regulations

Chapter 9-62**TEMPORARY USES****Sections:**

- 9-62.010 Purpose and intent.**
- 9-62.020 Permit required.**
- 9-62.030 Permitted temporary uses.**
- 9-62.040 Limitations on temporary uses.**
- 9-62.050 Application requirements.**
- 9-62.060 Fees.**
- 9-62.070 Special restrictions.**
- 9-62.080 Exempt activity.**
- 9-62.090 Appeals.**

9-62.010 Purpose and intent.

The intent and purpose of this chapter is to establish standards and to regulate temporary uses within Laguna Hills. (Ord. 98-8 § 2 (part); prior code § 9-49.010)

9-62.020 Permit required.

Each individual, agency, organization, institution, or association wishing to conduct a temporary use shall first obtain a permit from the Planning Department, unless such temporary use is exempt from permit requirements. The Community Development Director shall be the reviewing and approval authority for any temporary use not involving public facilities or rights of ways. The Public Works Director or City Engineer shall approve all temporary use permits involving public facilities or rights of way. (Ord. 98-8 § 2 (part); prior code § 9-49.020)

9-62.030 Permitted temporary uses.

Temporary uses permitted by the individual zoning districts are contained in the list of uses for each district, and are identified by the letter "T" on those lists. Only those listed temporary uses shall be permitted. (Ord. 98-8 § 2 (part); prior code § 9-49.030)

9-62.040 Limitations on temporary uses.

Temporary uses shall be limited to reduce impacts to adjacent properties. Limitations applicable may include:

- A. Number of consecutive days in event;
- B. Location to which restricted;
- C. Date and time of event;
- D. Hours of operation;
- E. Requirements for additional permits or clearances;
- F. Advertising displays;
- G. Use of sound systems;
- H. Parking and security controls;

I. Surety or cleaning deposits as necessary to insure proper return to use on site. (Ord. 98-8 § 2 (part); prior code § 9-49.040)

9-62.050 Application requirements.

Application materials and the process shall be as prescribed by the Planning Department. Application shall be made to the Department not later than thirty (30) days prior to the event in order to insure proper consideration. (Ord. 98-8 § 2 (part); prior code § 9-49.050)

9-62.060 Fees.

Fees for temporary use permits shall be those prescribed by resolution of the City Council. (Ord. 98-8 § 2 (part); prior code § 9-49.060)

9-62.070 Special restrictions.

Temporary uses shall be restricted as follows:

A. Outdoor events, outdoor sales and recycling events shall be restricted to a period not to exceed ten consecutive calendar days per event, except as otherwise permitted by this code. An additional forty-eight (48) hours shall be allowed for both the set-up and breakdown of facilities. Seasonal outdoor sales requiring longer selling periods shall be permitted as follows:

1. Christmas tree lots may not initiate sales until Thanksgiving weekend, and shall end on December 26th each calendar year.

2. Pumpkin patch sales shall not begin until October 1st each calendar year and shall end on November 1st.

3. Seasonal strawberry stands shall be subject to the following regulations:

a. Permits for strawberry stands are limited to 120 days per calendar year.

b. Strawberry stands shall be permitted to sell only items related directly to strawberries.

c. All associated signs shall be attached to the strawberry stand structure, and shall not extend above or beyond the strawberry stand structure. Other signs and advertising devices, such as banners, pennants, flags, A-frame signs, and light strings, are prohibited.

d. Portable toilets are not permitted at strawberry stands. Such temporary uses must have access to existing permanent restroom facilities for the use of employees.

B. Garage/yard sales shall be limited to two consecutive calendar days per event. For coordinated garage/yard sales involving five or more households within any given neighborhood, an address list shall be submitted with the temporary use permit application. A map indicating the location of the participating house-

holds may also be required if deemed necessary by the Planning Department.

C. Not more than one event per calendar quarter shall be permitted for any applicant, group or organization.

D. The event shall not encroach upon the public right-of-way unless the City Engineer has approved an encroachment permit.

E. The location of the event shall be cleaned and cleared of all materials and signage within forty-eight (48) hours after the close of the event.

F. Temporary construction offices and facilities may be permitted for the duration of construction for a given development project. The acceptable time period shall be determined by the Community Development Director subject to the review of a construction schedule to be submitted in conjunction with the temporary use permit application. (Ord. 2011-4 § 1 (Exh. A (part)); Ord. 98-8 § 2 (part); prior code § 9-49.070)

9-62.080 Exempt activity.

The following activity does not require the issuance of a temporary use permit:

A. Garage sales involving four or fewer households. (Ord. 98-8 § 2 (part); prior code § 9-49.080)

9-62.090 Appeals.

Appeals of decisions of the Community Development Director shall be made in the same manner as any other appeal. (Ord. 98-8 § 2 (part); prior code § 9-49.090)

UVSP Temporary Use Regulations

goals of the Public Art Program. The applicant may propose to locate the Public Art on the project site or at an appropriate off-site location in the vicinity of the project. The artwork should not be sited near monument signs, walls, benches, or utility boxes, since these structures may block viewing the art and diminish the aesthetic value of the artwork. The Public Art shall be created and installed prior to the issuance of the Occupancy Permits for the project.

At the discretion of the Community Development Director, based upon the size, scale, location and construction costs of the project, the applicant may be required to contribute to the Public Art In-Lieu Fund rather than install a piece of art. The City may commission and acquire artwork using the Public Art In-Lieu Funds. City artwork shall meet the same design and location criteria as private artwork.

TEMPORARY USES/ACTIVITIES

Unless modified by this section, the provisions of chapter 9-62 of the LPMC relating to Temporary Uses, shall apply to properties in the Urban Village. The Town Green and plazas will provide opportunities for a variety of temporary uses, some that are associated with the adjoining businesses and others that create activity to encourage pedestrian uses. Other locations within the Urban Village may also be appropriate for temporary uses. Temporary uses could include: civic ceremonies, farmers markets, festivals, live performances, fairs and seasonal activities. Each temporary use shall be limited in size, location and scale to ensure that surrounding parcels are not impacted by the use. Conditions

may be placed on the use by the City to reduce any potential impacts.

OUTDOOR VENDORS/CARTS/KIOSK

Throughout the Urban Village, to create an atmosphere that encourages pedestrian traffic and invites people to walk between uses, outdoor vendors are permitted as an accessory use, subject to the approval of a Conditional Use Permit. While the vendors' cart or kiosk may appear to be temporary in nature, they shall be designed to complement the architectural style of the other buildings on the site and integrated into the site design to provide for easy pedestrian access. Moving vendor carts are prohibited. The size and location of vendor carts shall be limited to ensure that the business is oriented to the pedestrian and not the surrounding streets and to provide for adequate pedestrian circulation around the use. When outdoor vendor uses are located within the Town Greens or plazas, the primary function of those spaces for strolling, sitting, walking, eating and interaction with others shall not be compromised.

LIGHTING

Exterior lighting shall be energy-efficient and shielded or recessed so that direct glare and reflections are contained within the boundaries of the parcel, and shall be directed downward and away from adjoining properties and public rights-of-way. No lighting shall blink, flash, or be of unusually high intensity or brightness. All lighting fixtures shall be appropriate in scale, intensity, and height to the use it is serving. Security lighting shall be provided at all entrances.

