CITY OF LAGUNA HILLS
CITY COUNCIL SPECIAL MEETING
AGENDA
MAY 12, 2015
4:00 PM

Dore J. Gilbert, M.D., Mayor

Barbara Kogerman, Mayor Pro Tempore | **Melody Carruth, Council Member**
Andrew Blount, Council Member | **Don Sedgwick, Council Member**

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

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER CARRUTH

ROLL CALL OF CITY COUNCIL MEMBERS

PUBLIC COMMENTS

1. TRAFFIC COMMISSION INTERVIEW

RECOMMENDATION: THAT THE CITY COUNCIL INTERVIEW APPLICANT FOR THE TRAFFIC COMMISSION AND APPOINT ONE PERSON TO COMPLETE THE REMAINING VACATED TERM OF OFFICE THROUGH JANUARY 31, 2017.

2. 2015-2017 BIENNIAL BUDGET STUDY SESSION - OPERATING BUDGET

RECOMMENDATION: THAT THE CITY COUNCIL CONDUCT A STUDY SESSION ON THE PROPOSED 2015-2017 OPERATING BUDGET

ADJOURNMENT

The next Regular Meeting of the City Council will be May 12, 2015, at 7:00 PM, 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 La Paz Center by May 8, 2015.

______________________________	May 8, 2015
MELISSA AU-YEUNG, CITY CLERK	**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 convening special council meetings.

City of Laguna Hills
City Council Meeting Agenda
Staff Report

DATE: MAY 12, 2015

TO: MAYOR AND COUNCIL MEMBERS

FROM: BRUCE E. CHANNING
CITY MANAGER

ISSUE: 2015-2017 BIENNIAL BUDGET STUDY SESSION - OPERATING BUDGET

RECOMMENDATION: THAT THE CITY COUNCIL CONDUCT A STUDY SESSION ON THE PROPOSED 2015-2017 OPERATING BUDGET.

SUMMARY:

The purpose of the May 12, 2015, City Council Study Session is to afford the City Council the opportunity to review and comment on the City Manager's proposed 2015-17 Biennial Budget and 6-Year Capital Improvement Plan (CIP). Staff is proposing an operating budget which allocates $18,584,086 in General Fund expenditures and budgets $21,397,256 in operating revenues for fiscal year 2015-16, and another $18,914,391 in General Fund expenditures and $21,778,711 in operating revenues for fiscal year 2016-17. The proposed Biennial Budget continues the budget austerity imposed six years ago. The proposed 6-Year CIP allocates $15,427,832 over the next six years and appropriates $7,646,874 over the next two years. A final budget will be considered by the City Council at a public hearing on June 9, 2015.

BACKGROUND:

Organized into five sections, the Budget Study Session Binder provides the details of the proposed operating budget for the upcoming 2015-17 Biennial Budget cycle and the 6-Year CIP. The contents of the study session binder sections are described in greater detail below:

1. <u>Staff Report</u>
   Included as an attachment to this staff report is the PowerPoint presentation that will be presented at the Study Session.

2. <u>City Council Ratings of Major Plans</u>
   This section includes the results of the City Council's rating of 14 major plans presented by Council Members and staff.

3. <u>Operating Budget Summaries</u>
   This section is divided into three sub-sections:

   - The revenue sub-section provides a summary of all operating revenue sources for the upcoming two fiscal years.

   - The expenditures sub-section summarizes the City's General Fund operating expenditures by department and by expense category such as Personnel, Maintenance and Operation, Contractual Services, and Capital Outlay.

   - This subsection contains the City's 8-Year Resource Allocation Plan.

4. <u>Proposed Department Budgets</u>
   All proposed department budgets are included in this section as well as each department's respective major plans and work programs. Each department budget includes a description, mission statement, budgeted staffing levels, major plans, work programs, and a General Fund expenditure graph that portrays its 4-year expenditure trend.

5. <u>Capital Improvement Plan</u>
   This section includes expenditure and revenue summaries.

2014-15 YEAR END PROJECTIONS

Before launching into the proposed budget, an analysis of the current fiscal year, especially projected fund balances, is in order. Table 1 on the next page shows year-end estimates for the 2014-15 operating budget. Essentially, year-end estimates are not expected to materially deviate from the budget.

Table 1– 2014-15 Operating Budget

	2014-15 Original Budget	2014-15 Year-End Estimate	Variances Positive/ (Negative)	Actual as % of budget
Personnel	$ 4,910,073	$ 4,785,741	$ 124,332	97.5%
Maintenance & Operations	$ 2,054,843	$ 2,108,515	$ (53,672)	102.6%
Contract/Professional Services	$ 10,803,468	$ 10,752,130	$ 51,338	99.5%
Capital Outlay	$ 114,830	$ 149,941	$ (35,111)	130.6%
Total Operating Expenditures	$ 17,883,214	$ 17,796,327	$ 86,887	99.5%
Debt Service	$ 1,801,000	$ 1,801,387	$ (387)	100.0%
Total Operating Revenues	$ 20,669,000	$ 20,483,144	$ (185,856)	99.1%
Operating Surplus/(Deficit)	$ 984,786	$ 885,430	$ (99,356)	
Operating Ratio	1.05	1.05		

Fund Balance Projections

Based on year-end estimates, Staff has projected the following year-end fund balances in Table 2 below:

Table 2 – 2014-15 Fund Balance Projections

	30-Jun-15 (estimated)	Ratio
Total Fund Balance	10,175,458	**57%**
Less the following fund balances:		
Reservation for Debt Service	(1,804,588)	
Non-major Governmental Funds	(1,478,774)	
Unrestricted General Fund Balance	6,892,096	**39%**
Less Assignments		
Total Capital Replacement Funds	(930,959)	
Insurance Reserve Funds	(200,000)	
Unassigned Fund Balance	5,761,137	**32%**

These fund balance ratios are healthy and will provide solid financial footing for the City going forward.

PROPOSED REVISIONS TO FINANCIAL POLICIES

The City's financial policies underwent a major revision two years ago during the development of the 2013-15 budget. As such, staff is proposing only one change to the financial policies dealing with the targeted Unrestricted General Fund Balance. 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. The net effect of this change is to free up an additional $1.7M for discretionary projects over the next six years. Staff is recommending this revision 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.

A separate report and resolution adopting the revised financial policies will be brought to the City Council in the near future. That said, it should be noted that staff's proposed revision has been incorporated in the development of this proposed 2015-17 Biennial Budget, 6-Year CIP, and 8-year plan. It is also how the ratios in Table 2 above were calculated.

PROPOSED 2015-16 OPERATING BUDGET

Assumptions

The proposed budget and 8-Year Plan are based on these assumptions over the next 8 years for the following categories:

Table 3 - Assumptions

	1	2	3	4	5	6	7	8
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
General Inflation	2.00%	2.25%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%
Taxable Sales	11.10%	-1.67%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%
Assessed Valuation	4.45%	3.26%	3.34%	3.25%	3.24%	3.00%	2.50%	2.50%
Sheriff's Contract	-2.93%	4.17%	2.41%	2.07%	2.35%	3.50%	3.50%	3.50%

It should be noted that none of the assumptions in the budget or 8-year plan factor in the redevelopment of the Laguna Hills Mall, or any other prospective developments. Overall, the assumptions are generally conservative and assume a continued low inflationary environment. The sales tax estimates for the next two years have been provided by the City's sales tax consultant. The large sales tax increase in year 1 is attributable to the ending of the complicated triple-flip sales tax scheme enacted by the State in 2005. About 6% of the 11.1% increase is the result of the end of the triple-flip in the first half of 2016. The assessed valuation projections for the next five years have been projected by OCFA's property tax consultant. The percentage changes in the Sheriff's contract for the next five years have been provided by the Sheriff's Department and are based on their 5-year strategic plan. The decrease of -2.93% in year 1 was originally an increase of 9.98%. The reduction is largely attributable to achieving contract equity with Laguna Woods and the elimination of one motorcycle position.

On the personnel side, the entire 8-year plan assumes annual salary increases of 3.5%, which is partially off-set by the employee's pick up of PERS and sharing in any increases in medical insurance premiums. Consistent with our practice over the last two years, the 8-year plan assumes that employees will continue to pick up an additional 0.75% of the employee's PERS contribution each year until that contribution reaches the full 7%. Medical insurance premiums are projected to increase by 6% annually with employees picking up 50% of the increase.

General Fund Revenues

Before the Great Recession began, the City's General Fund revenues hit a peak of \$20,260,741 in 2006-07 before falling to a low of \$17,318,731 in 20011-12. This is an unprecedented decline of \$2,942,010, or 14.5%. Based on the most recent data available, it appears that General Fund revenues will climb to \$19,830,417 this fiscal year and pass their pre-recessionary highs in nominal terms in 2015-16. The table below shows the year-over-year changes in property taxes, sales taxes, and transient occupancy taxes (the City's top three revenue sources), plus all other sources, since 2008-09, including year-end estimates and projections over the next biennial budget period.

Table 4 – General Fund Revenue History and Projections

Fiscal Year	Property Tax	Sales Tax	TOT	Other	Total	% Change
2006-07	8,379,429	7,048,634	1,227,989	3,604,689	20,260,741	
2007-08	8,865,886	6,377,719	1,219,609	3,553,046	20,016,260	-1.21%
2008-09	8,624,076	5,618,965	915,807	3,298,648	18,457,496	-7.79%
2009-10	8,490,682	4,970,647	752,478	3,209,311	17,423,118	-5.60%
2010-11	8,283,989	5,328,434	869,505	3,344,643	17,826,571	2.32%
2011-12	8,223,234	5,113,272	1,004,483	2,977,742	17,318,730	-2.85%
2012-13	8,722,406	5,191,918	1,108,290	3,065,356	18,087,970	4.44%
2013-14	8,826,271	5,523,069	1,203,422	3,156,813	18,709,575	3.44%
2014-15	*9,257,754*	*5,677,000*	*1,233,508*	*3,662,155*	*19,830,417*	5.99%
2015-16	*9,662,081*	*6,307,000*	*1,258,200*	*3,432,485*	*20,659,766*	4.18%
2016-17	*9,973,907*	*6,201,744*	*1,286,510*	*3,519,300*	*20,981,461*	1.56%

Detailed revenue projections can be found in the Operating Budget Summary – Revenue Subsection in the Study Session Binder.

Operating Expenditures

Six years ago, during the 2009-11 Biennial Budget process, the City Council approved budget cuts totaling $2.4 million from the General Fund operating budget in response to a deepening recession. Over the next two budget cycles, as the Great Recession eroded City revenues and recovery stalled, the City continued a budget austerity program. Even though revenues have started to recover from the lows of the Great Recession, on an inflationary adjusted basis, they may never quite return until the redevelopment of the Laguna Hills Mall is completed. Consequently, over the past two years staff has made significant strides to cut on-going expenditures from the operating budget. The following is a brief summary of the more substantial cost-cutting endeavors that are included in the proposed biennial budget:

- Public Works Contracts: staff has put out to competitive bid both the street maintenance contract and the traffic signal maintenance contract and have cut $150,000 in on-going operating costs.
- Personnel Reorganization: staff has reorganized the City Clerk's department and conducted a minor reorganization in Community Services. Collectively, these have cut $180,000 in on-going operating costs.
- Police Services Contract: the City Council authorized a police services study in the fall of 2013. This report identified several opportunities for cost savings in the contract. First and foremost was the recommendation to achieve contract equity with Laguna Woods, and second was the elimination of one motorcycle position. Working with the Sheriff's Department and the cities of Aliso Viejo and Laguna Woods, we have made significant steps in achieving contract equity and ensuring

that Laguna Hills does not subsidize police services in any adjacent cities. These cost savings are included in the final contract estimate from the Sheriff for 2015-16. These cost savings, coupled with the deletion of one motorcycle position, have cut $628,000 in on-going operating costs.

These cuts, along with other efforts, have reduced the City's ongoing operating costs by over $1 million. For the upcoming Biennial Budget, the City Manager is proposing budgeted General Fund operating expenditures of $18,584,086 in 2015-16, which represents a 3.9% increase from the amended 2014-15 budget. For 2016-17, staff is proposing an $18,914,391operating budget, which represents a 1.78% increase over the proposed 2015-16 budget. At the March 10, Study Session, the City Council rated 14 major plans. Of these 14 major plans, 11 were approved by the City Council. The final results may be found in the Council Ratings of Major Plans Section in the Study Session Binder. All 11 approved major plans are included in the proposed operating budget. Details of the proposed 2015-17 Biennial Budget can be found in the Operating Budget Summary-Expenditure Subsection and in the Department Budget Section.

6-YEAR CAPITAL IMPROVEMENT PLAN

At the April 14, 2015, Study Session, the City Council reviewed the City Manager's proposed 6-Year Capital Improvement Plan (CIP). Staff proposed a 6-year CIP that allocated $12,422,832 over the next six years, including an appropriation of $6,666,874 over the next two years. In addition, staff asked the City Council to consider and prioritize eight discretionary capital projects totaling $9,750,000 for possible inclusion in the 6-year CIP. The following four projects were prioritized by the City Council and have been included in the 6-year CIP:

1. Alicia Parkway Median Island Renovation - $985,000
2. Community Center to Indian Hill Multi-Use Trail – $600,000
3. Laguna Hills Drive Median Landscape - $540,000
4. Paseo de Valencia New Median Island - $1,425,000

The Alicia Parkway Median Island Renovation project is scheduled for 2016-17. The other three projects are scheduled in subsequent years. Expenditures for the next two years now stand at $7,646,874. Of this amount, only $1,597,000 is from the General Fund. The table below lists all proposed projects for the next two years. Summary pages of the entire 6-year CIP, including funding sources, is in the CIP summary section of this binder.

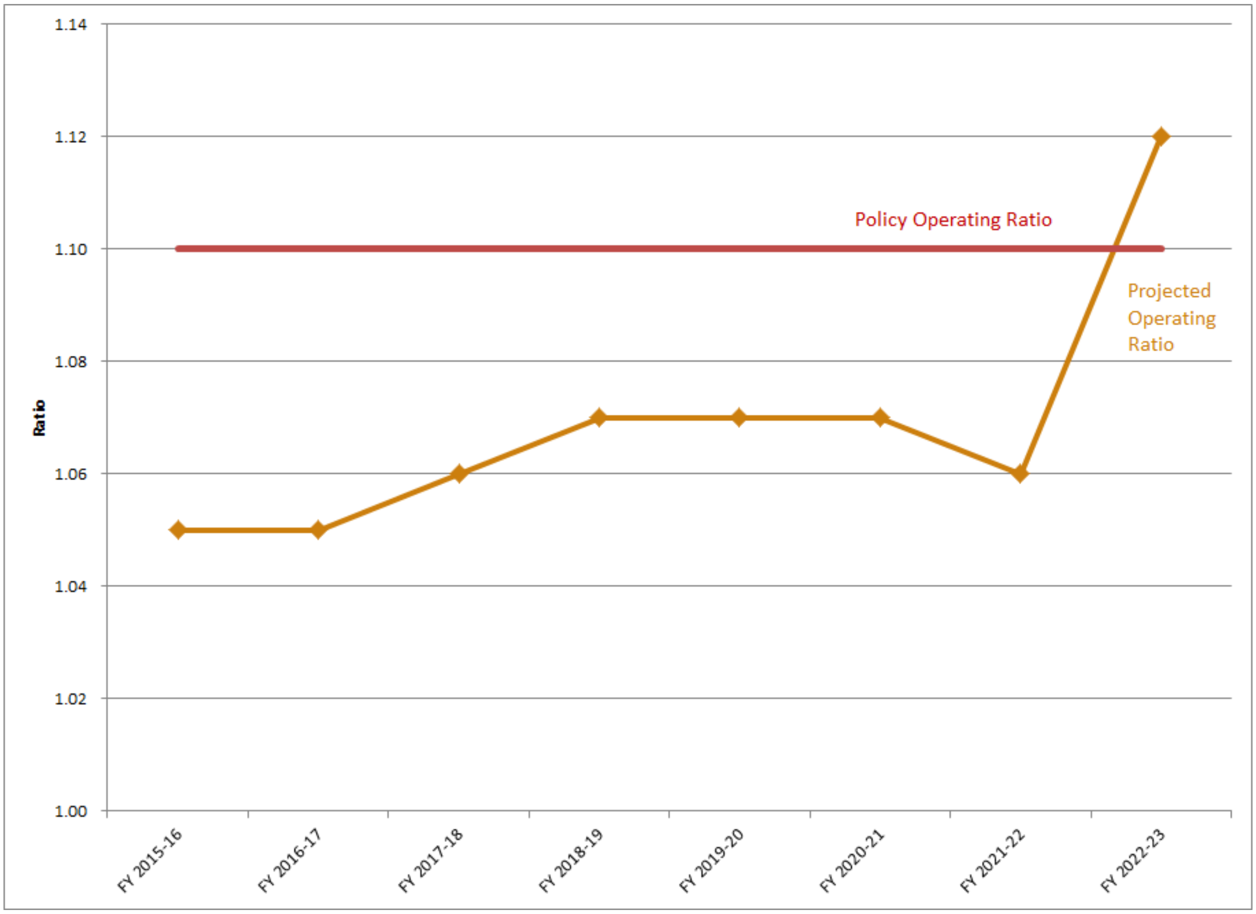
Table 5 – CIP Appropriations

Project No.	Project Name	2015-16	2016-17
101	Annual Street Maintenance	$ -	$ 730,000
145	Paseo de Valencia Widening	$ -	$ 400,000
168	Traffic Signal Improvements/Coordination	$2,309,000	$ -
171	La Paz Sidewalk Widening	$ 175,000	$ 390,000
175	Arterial Hwy Pavement Maintenance	$ 100,000	$1,170,000
301	Alicia Pkwy Median Islands Rehab	$ -	$ 980,000
329	Wayfinding Signs	$ 25,000	$ 25,000
403	Storm Drain/Slope Repair	$ -	$ 50,000
410	NPDES/Water Quality Program	$ 440,000	$ 255,000
412	Water Quality (2) Improvements	$ 75,000	$ 75,000
238	Sports Complex Field Renovations	$ -	$ 225,000
241	General Park Improvements	$ 210,000	
513	Community Center Renovations	$ 12,874	$ -
	Total Capital Project Budget	**$3,346,874**	**$4,300,000**

8-YEAR RESOURCE ALLOCATION PLAN

The 8-Year Resource Allocation Plan may be found in the Operating Budget Summary -8-Year Plan Subsection in the Study Session Binder. Given the fiscal discipline that has been imposed since the start of the Great Recession in December of 2007, coupled with current efforts to reduce on-going operating expenditures, the City's long term financial outlook is positive. Table 6 below plots the operating ratio over the eight year period:

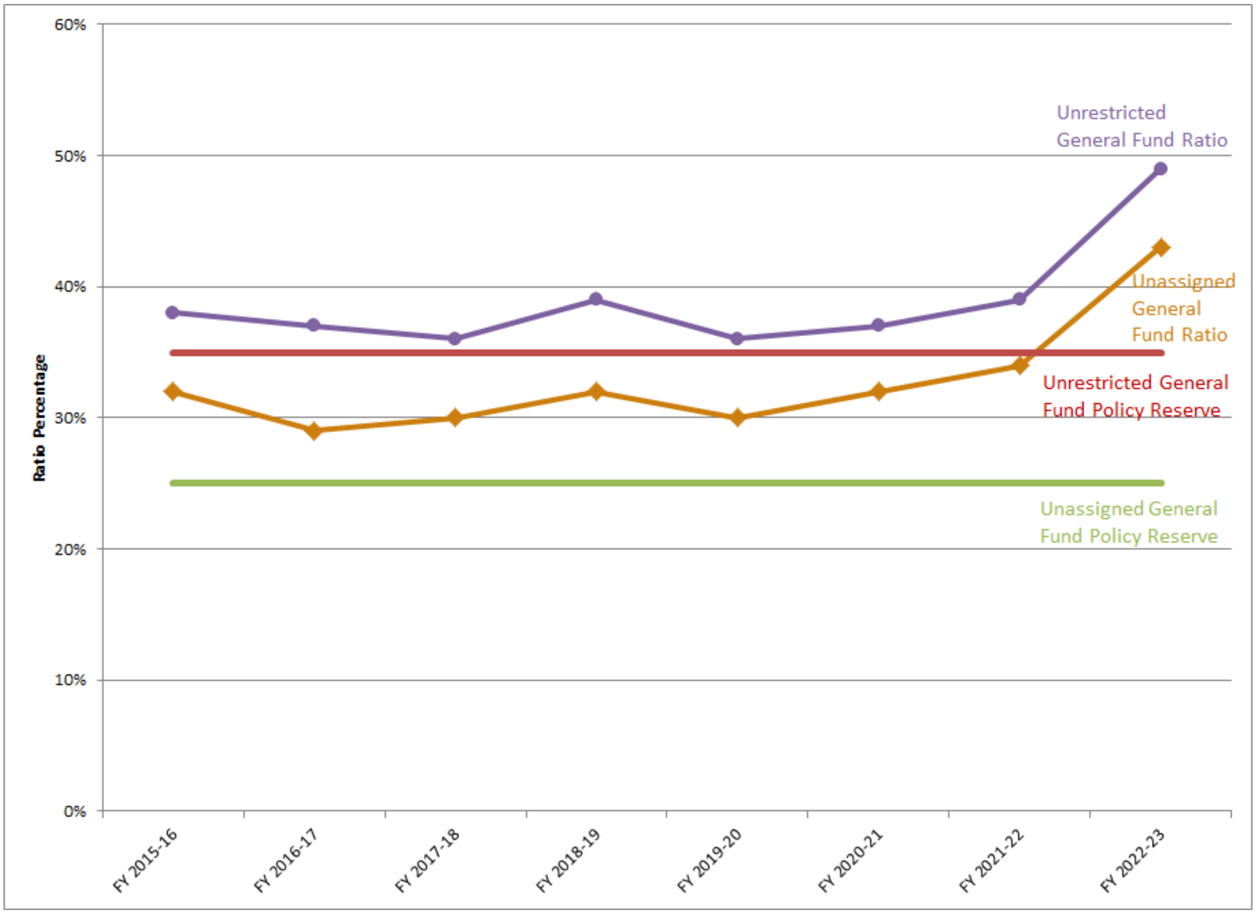
Table 6 – Operating Ratio



The City is projected to have an operating surplus in every year of the plan. The operating ratio increases from a 1.05 in in each of the next two years to 1.07 in year 4 of the forecast. In dollar terms, the annual operating surplus grows steadily from $1,011,783 in 2015-16 to over $2.7 million in 2022-23 when the City's debt service decreases significantly. As the City Council has witnessed in past times, when the operating ratio improves, more money becomes available for either adding new programs or expenses to the yearly operating budget, or increasing one-time expenditures on Capital Improvement Projects.

Table 7 plots the City's Unrestricted General Fund Balance and Unassigned General Fund Balance over the next eight years:

Table 7 – Fund Balance Ratios



The Unrestricted General Fund policy ratio remains greater than the proposed 35% policy minimum throughout the 8-year plan. The Unassigned General Fund Balance is substantially above the 25% policy minimum throughout the plan. This is achieved even after paying off the City's CalPERS unfunded liability in years 6, 7 and 8 of the plan (see line 10 of the 8-year plan). At the end of the 8-year plan, reserve balances stand at 49% for the Unrestricted General Fund Balance and 43% for the Unassigned General Fund Balance.

ATTACHMENT:

- PowerPoint Presentation

2015-2017 Biennial Budget Study Session

May 12, 2015

FY 14-15 Operating Budget

	2014-15 Original Budget	2014-15 Year-End Estimate	Variances Positive/ (Negative)	Actual as % of budget
Personnel	$ 4,910,073	$ 4,785,741	$ 124,332	97.5%
Maintenance & Operations	$ 2,054,843	$ 2,108,515	$ (53,672)	102.6%
Contract/Professional Services	$ 10,803,468	$ 10,752,130	$ 51,338	99.5%
Capital Outlay	$ 114,830	$ 149,941	$ (35,111)	130.6%
Total Operating Expenditures	$ 17,883,214	$ 17,796,327	$ 86,887	99.5%
Debt Service	$ 1,801,000	$ 1,801,387	$ (387)	100.0%
Total Operating Revenues	$ 20,669,000	$ 20,483,144	$ (185,856)	99.1%
Operating Surplus/(Deficit)	$ 984,786	$ 885,430	$ (99,356)	
Operating Ratio	1.05	1.05		

Fund Balance Projections

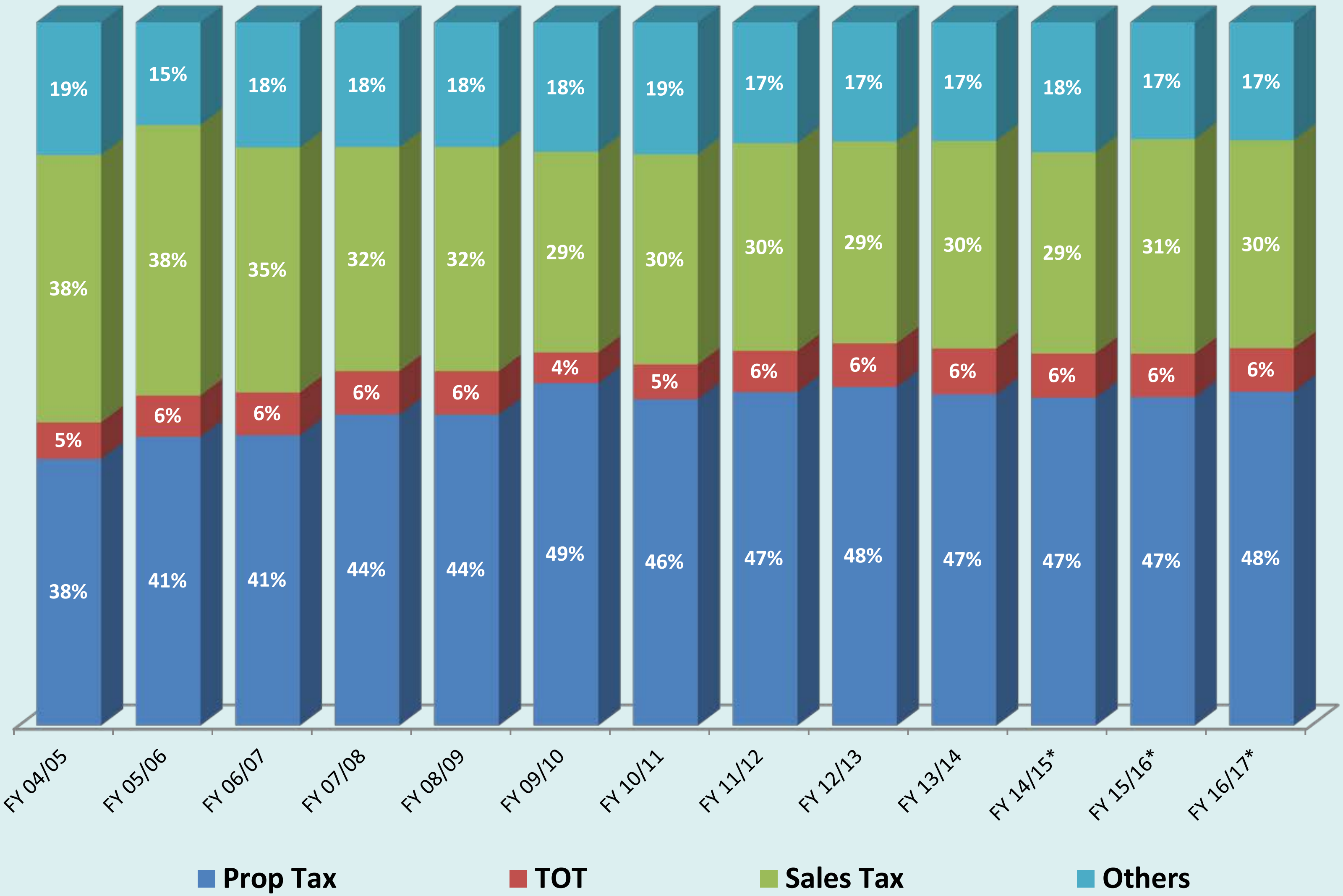
	30-Jun-15 (estimated)	Ratio
Total Fund Balance	10,175,458	**57%**
Less the following fund balances:		
Reservation for Debt Service	(1,804,588)	
Non-major Governmental Funds	(1,478,774)	
Unrestricted General Fund Balance	6,892,096	**39%**
Less Assignments		
Total Capital Replacement Funds	(930,959)	
Insurance Reserve Funds	(200,000)	
Unassigned Fund Balance	5,761,137	**32%**

8-Year Resource Allocation Plan Assumptions

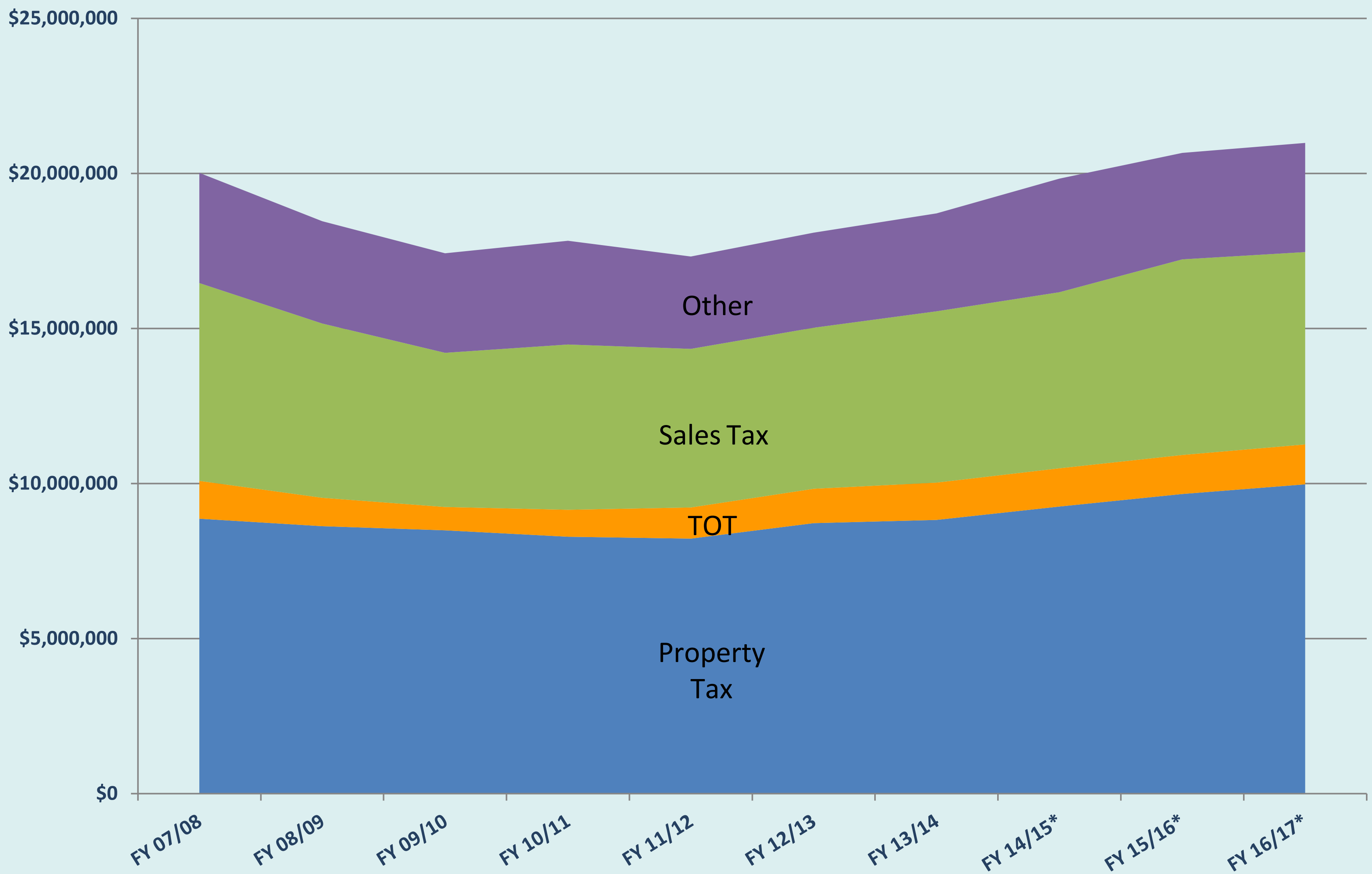
	1 2015-16	2 2016-17	3 2017-18	4 2018-19	5 2019-20	6 2020-21	7 2021-22	8 2022-23	Average
General Inflation	2.00%	2.25%	2.50%	2.75%	3.00%	3.00%	3.00%	3.00%	2.69%
Taxable Sales	11.10%	-1.67%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.49%
Assessed Valuation	4.45%	3.26%	3.34%	3.25%	3.24%	3.00%	2.50%	2.50%	3.19%
Sheriff's Contract	-2.93%	4.17%	2.41%	2.07%	2.35%	3.50%	3.50%	3.50%	2.32%

5/12/2015 ITEM NO.

Analysis of General Fund Revenues



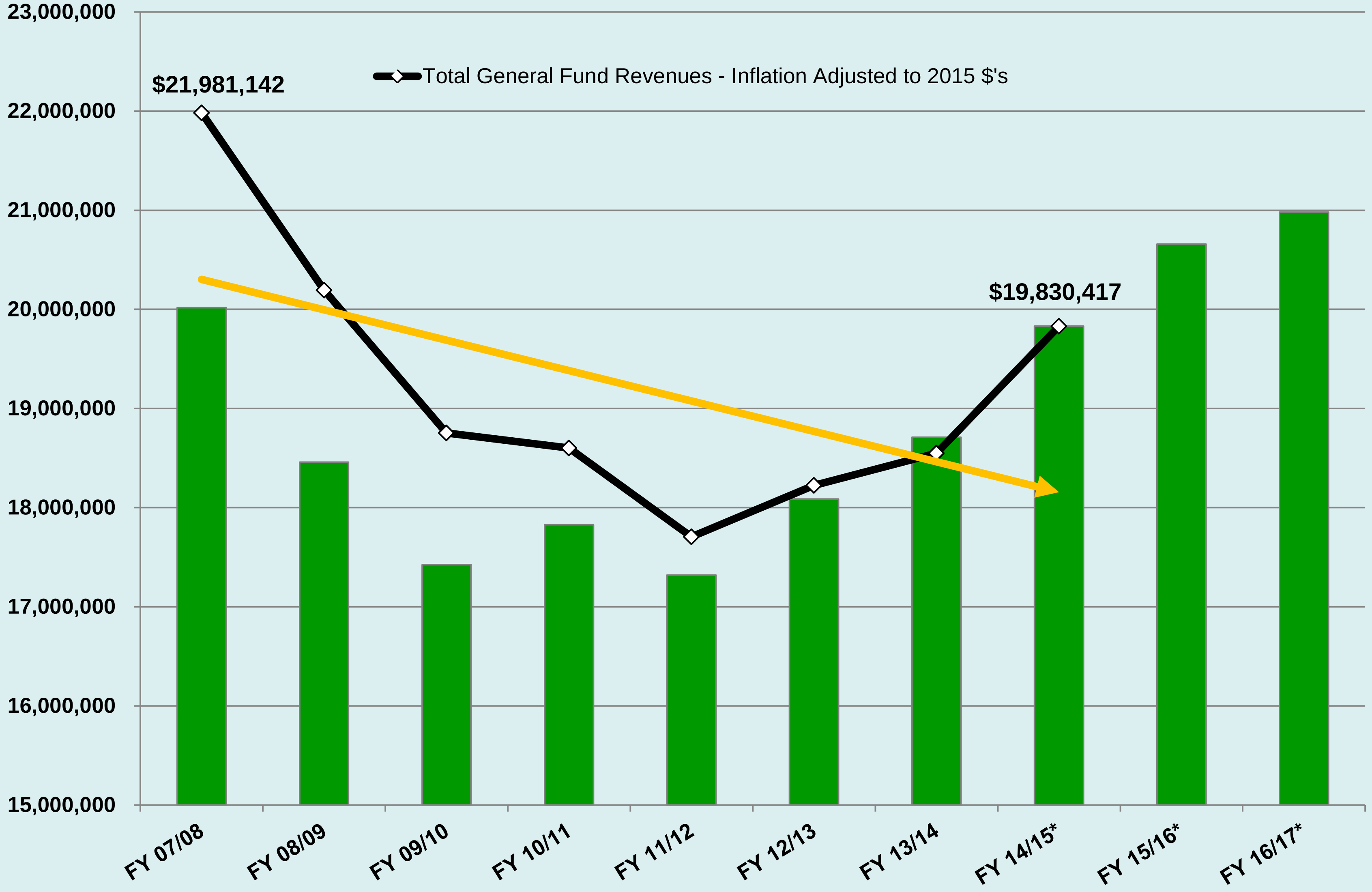
General Fund Revenues FY 2007/08 to FY 2016/17



5/12/2015 ITEM NO.

5/12/2015 ITEM NO.

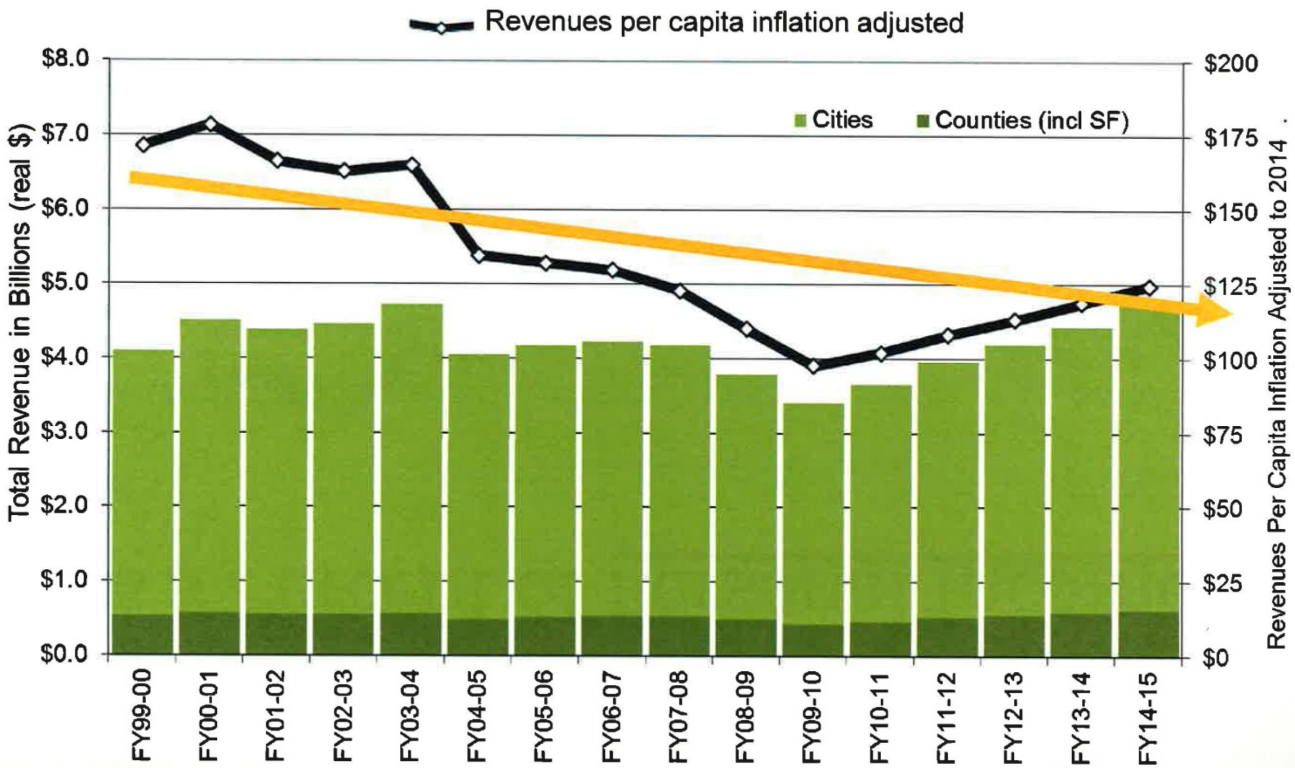
General Fund Revenues FY 2007/08 to FY 2016/17



Municipal Revenues in Moderate Recovery

Sales Tax Collections

CAUTION



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LEAGUE OF CALIFORNIA CITIES

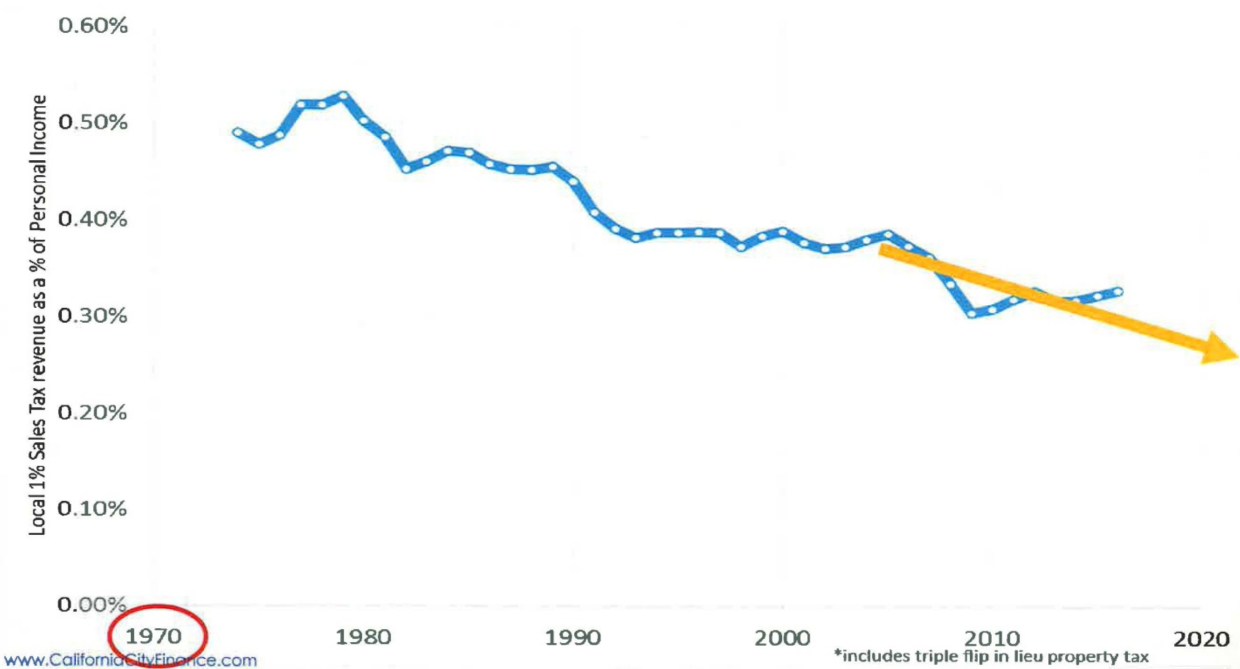
Source: California State Board of Equalization (Sales Tax), CA Dept of Finance (Popualtion), CA Dept of Industrial Relations (CPI)

5/12/2015 ITEM NO.

Municipal Revenues in Moderate Recovery

CAUTION

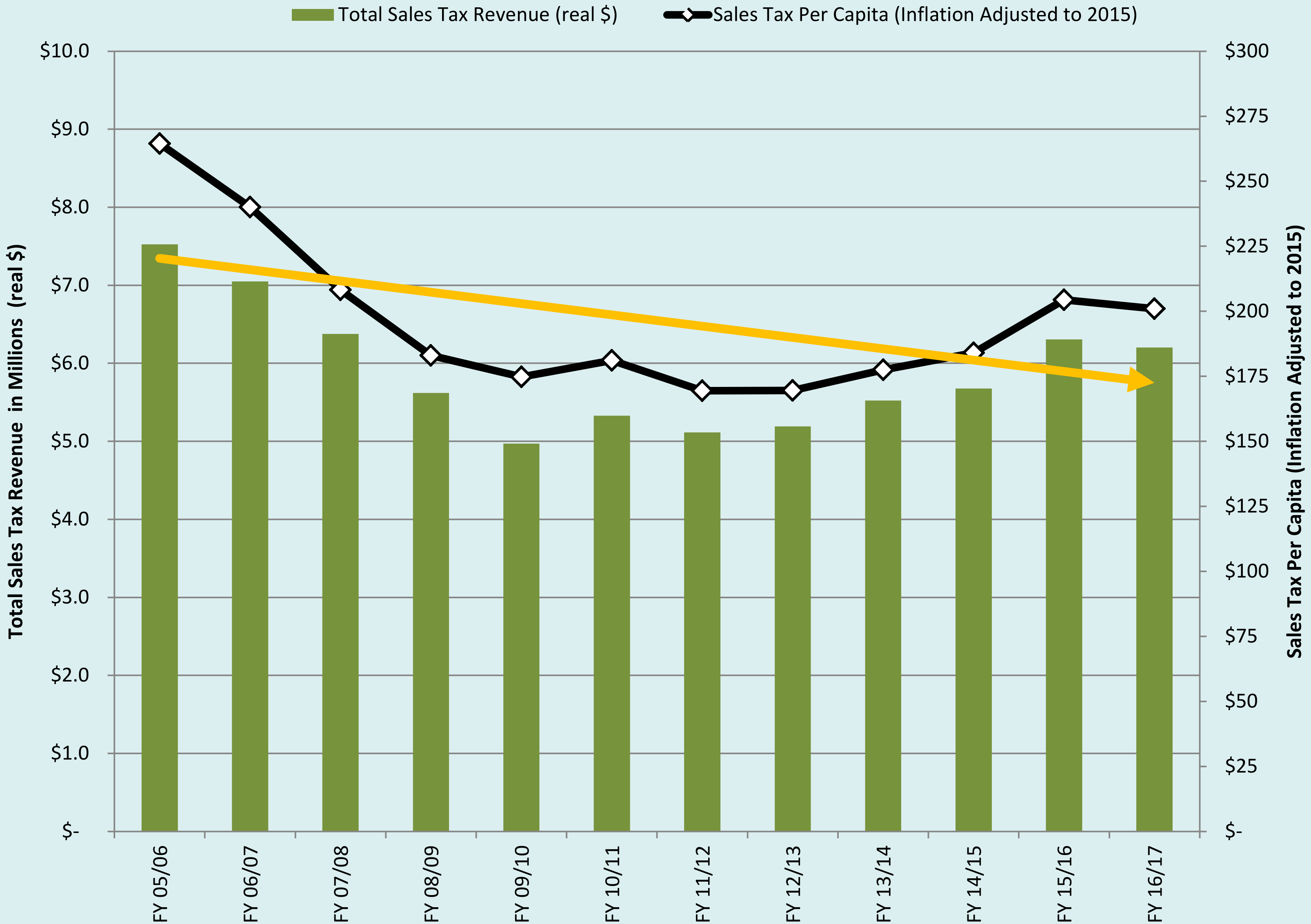
Local 1% Sales Tax Revenue as a Percent of Personal Income



Source: California State Board of Equalization (Sales Tax), US Dept of Commerce Bureau of Economic Analysis (California Personal Income)

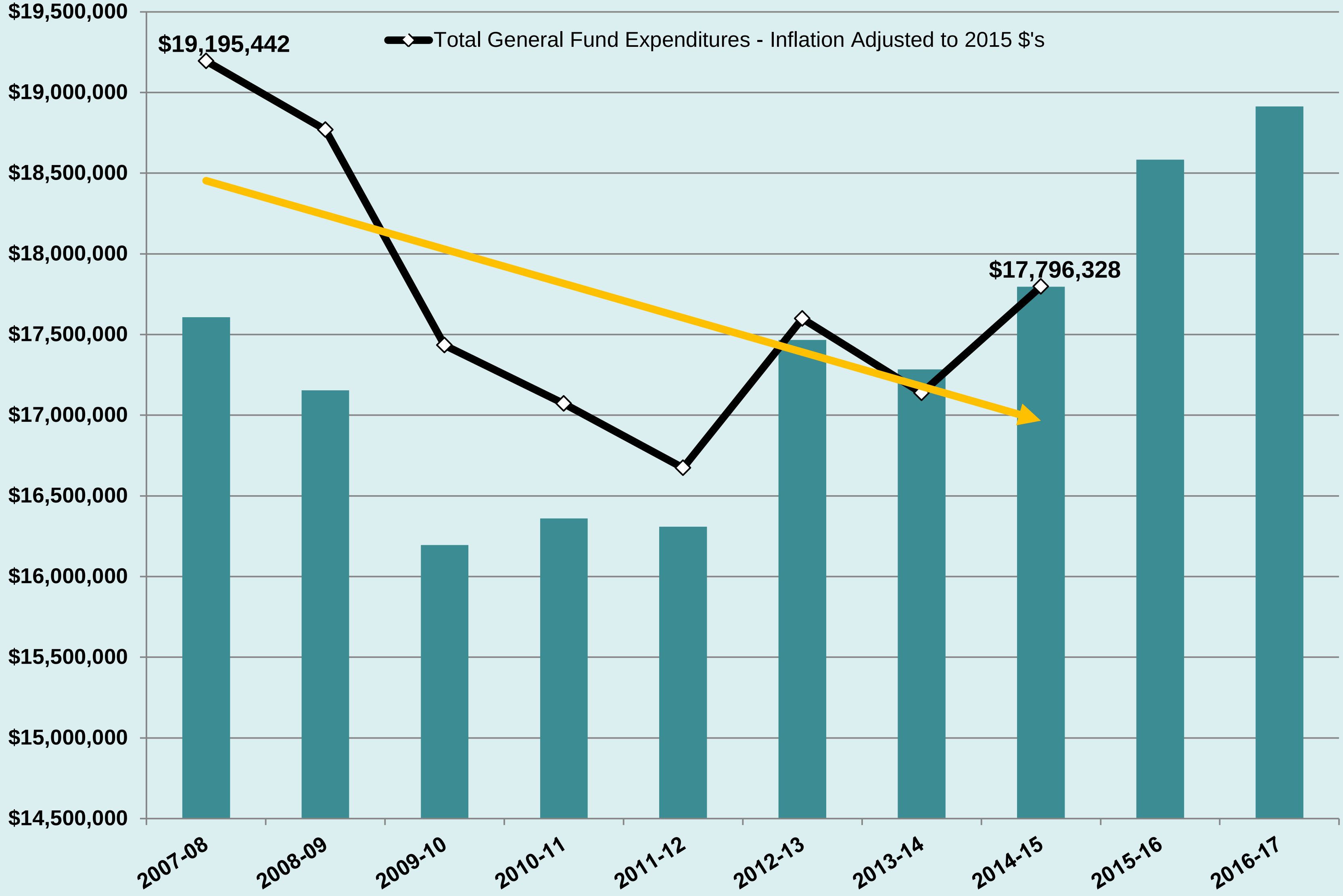
LEAGUE OF CALIFORNIA CITIES

Sales Tax Revenue by Fiscal Year



5/12/2015 ITEM NO.

General Fund Expenditures FY 2007/08 to FY 2016/17



Personnel Costs

Fiscal	Personnel		as a % of
Year	**Costs**	**Budget**	**Budget**
2014-15	$4,785,741	$17,796,327	26.89%
2015-16	$4,918,341	$18,584,086	26.47%
2016-17	$5,101,854	$18,914,390	26.97%
2017-18	$5,220,440	$19,335,910	27.00%
2018-19	$5,383,791	$19,733,561	27.28%
2019-20	$5,561,590	$20,226,101	27.50%
2020-21	$5,737,254	$20,950,073	27.39%
2021-22	$5,915,608	$21,627,254	27.35%
2022-23	$6,059,307	$22,358,977	27.10%

Medical Insurance Premium Costs

Fiscal Year	Medical Costs	Budget	as a % of Budget
2014-15	$ 443,288	$17,796,327	2.49%
2015-16	$ 492,848	$18,584,086	2.65%
2016-17	$ 508,017	$18,914,390	2.69%
2017-18	$ 523,257	$19,335,910	2.71%
2018-19	$ 538,955	$19,733,561	2.73%
2019-20	$ 555,123	$20,226,101	2.74%
2020-21	$ 571,777	$20,950,073	2.73%
2021-22	$ 588,930	$21,627,254	2.72%
2022-23	$ 606,598	$22,358,977	2.71%

PERS Cost Projections

Fiscal Year	PERS Costs	Budget	as a % of Budget
2014-15	$ 478,216	$ 17,796,327	2.69%
2015-16	$ 535,449	$ 18,584,086	2.88%
2016-17	$ 585,781	$ 18,914,390	3.10%
2017-18	$ 489,093	$ 19,335,910	2.53%
2018-19	$ 497,595	$ 19,733,561	2.52%
2019-20	$ 506,123	$ 20,226,101	2.50%
2020-21	$ 496,667	$ 20,950,073	2.37%
2021-22	$ 467,278	$ 21,627,254	2.16%
2022-23	$ 435,515	$ 22,358,977	1.95%

Sheriff's Contract Cost History

Fiscal Year	Contract Amount	% Increase	CPI	Inflation Adjusted	Amount Over/(Under)	Percentage Difference
2005-06	5,475,795			5,475,795	-	0.00%
2006-07	5,791,924	5.77%	5.20%	5,760,536	31,388	0.54%
2007-08	6,000,788	3.61%	2.90%	5,927,592	73,196	1.23%
2008-09	6,533,677	8.88%	5.40%	6,247,682	285,995	4.58%
2009-10	6,391,470	-2.18%	-2.20%	6,110,233	281,237	4.60%
2010-11	6,457,708	1.04%	0.90%	6,165,225	292,483	4.74%
2011-12	6,540,385	1.28%	2.90%	6,344,016	196,369	3.10%
2012-13	6,633,168	1.42%	1.60%	6,445,521	187,647	2.91%
2013-14	6,811,407	2.69%	1.30%	6,529,313	282,094	4.32%
2014-15	7,138,513	4.80%	1.80%	6,646,840	491,673	7.40%
2015-16	*7,851,281*	*9.98%*	*2.00%*	*6,779,777*	*1,071,504*	*15.80%*
2016-17	*8,178,679*	*4.17%*	*2.25%*	*6,932,322*	*1,246,358*	*17.98%*

Sheriff's Contract Cost History - Updated

Fiscal Year	Contract Amount	% Increase	CPI	Inflation Adjusted	Amount Over/(Under)	Percentage Difference
2005-06	5,475,795			5,475,795	-	0.00%
2006-07	5,791,924	5.77%	5.20%	5,760,536	31,388	0.54%
2007-08	6,000,788	3.61%	2.90%	5,927,592	73,196	1.23%
2008-09	6,533,677	8.88%	5.40%	6,247,682	285,995	4.58%
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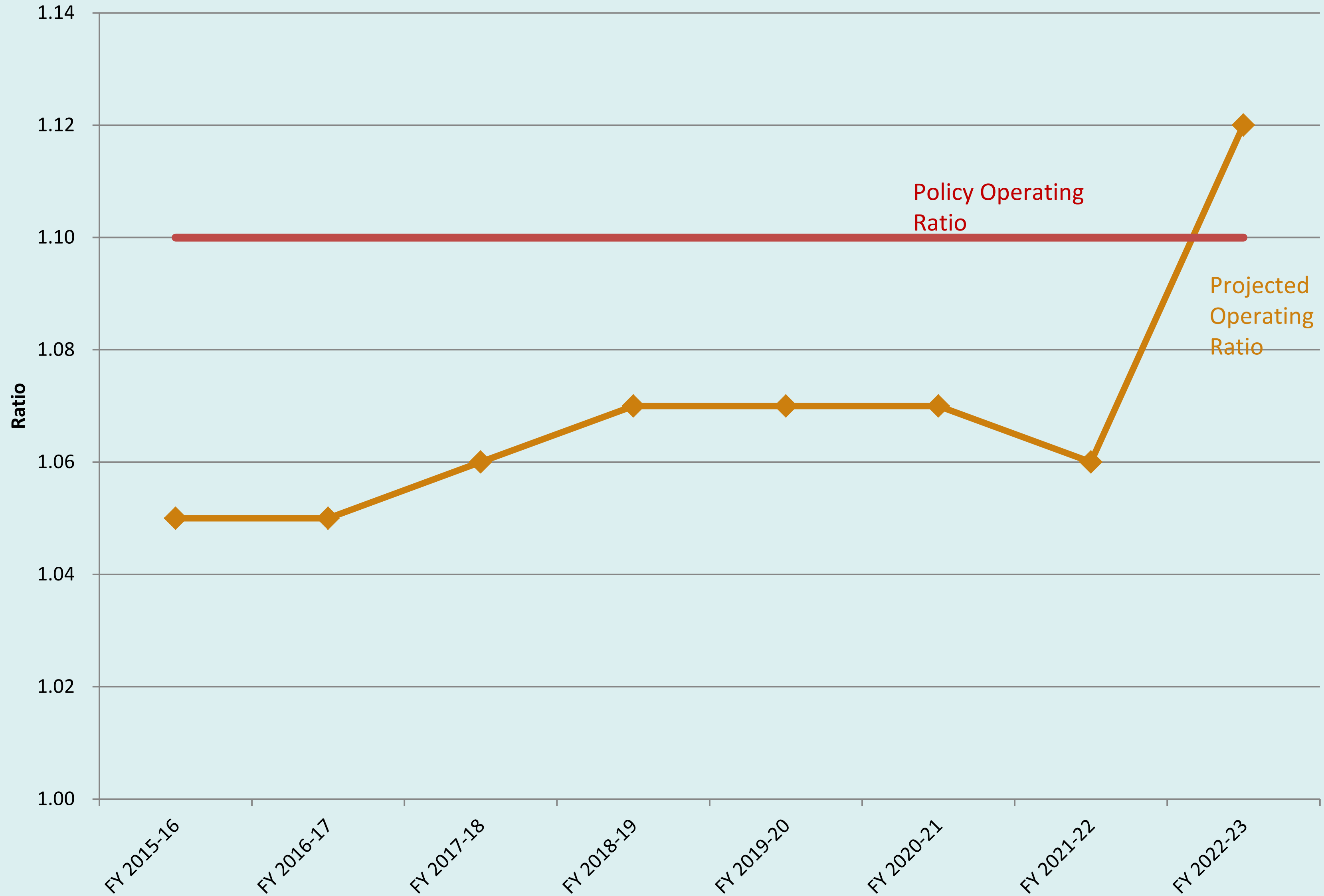
2014-15	7,138,513	4.80%	1.80%	6,646,840	491,673	7.40%
2015-16	*6,929,092*	*-2.93%*	*2.00%*	*6,779,777*	*149,315*	*2.20%*
2016-17	*7,218,035*	*4.17%*	*2.25%*	*6,932,322*	*285,713*	*4.12%*

5/12/2015 ITEM NO.

Proposed CIP Projects for 2015-17

Project No.	**Project Name**	**2015-16**	**2016-17**
101	Annual Street Maintenance	$ -	$ 730,000
145	Paseo de Valencia Widening	$ -	$ 400,000
168	Traffic Signal Improvements/Coordination	$ 2,309,000	$ -
171	La Paz Sidewalk Widening	$ 175,000	$ 390,000
175	Arterial Hwy Pavement Maintenance	$ 100,000	$ 1,170,000
301	Alicia Pkwy Median Islands Rehab	$ -	$ 980,000
329	Wayfinding Signs	$ 25,000	$ 25,000
403	Storm Drain/Slope Repair	$ -	$ 50,000
410	NPDES/Water Quality Program	$ 440,000	$ 255,000
412	Water Quality (2) Improvements	$ 75,000	$ 75,000
238	Sports Complex Field Renovations	$ -	$ 225,000
241	General Park Improvements	$ 210,000	
513	Community Center Renovations	$ 12,874	$ -
	Total Capital Project Budget	**$ 3,346,874**	**$ 4,300,000**

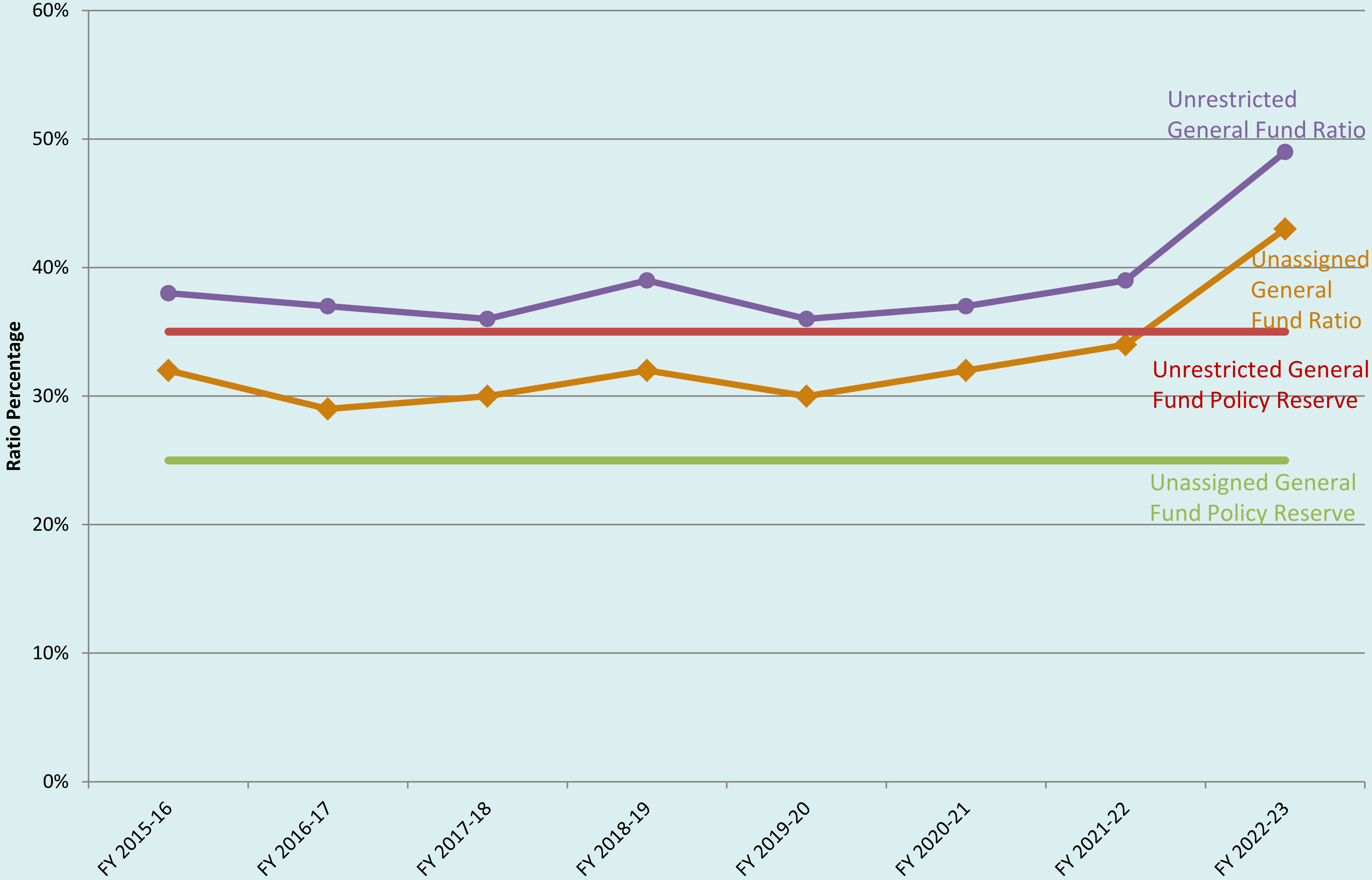
Operating Ratio



5/12/2015 ITEM NO.

5/12/2015 ITEM NO.

Fund Balance Projections



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

5/12/2015 ITEM NO.

CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17

OPERATING BUDGET

	FY 14/15			
	AMENDED BUDGET	YEAR-END ESTIMATE	FY 15/16	FY 16/17
OPERATING REVENUES				
Property Taxes	$ 9,114,324	$ 9,257,754	$ 9,662,081	$ 9,973,907
Franchise Fees	2,611,407	2,535,858	2,598,700	2,657,171
Intergovernmental Revenues	5,952,540	5,705,026	6,307,000	6,201,744
Licenses and Permits	761,500	1,063,000	700,000	725,000
Charges for Current Services	962,371	1,008,779	1,131,985	1,163,639
Fines and Forfeitures	325,000	260,000	260,000	260,000
Measure M2 Fairshare	567,482	552,727	587,490	622,250
Other Operating Revenues	300,000	100,000	150,000	175,000
TOTAL OPERATING REVENUES	**20,594,624**	**20,483,144**	**21,397,256**	**21,778,711**
OPERATING EXPENDITURES				
General Government	2,661,481	2,648,462	2,694,512	2,754,308
Non-departmental	623,146	616,883	680,763	631,111
Community Development	1,191,500	1,252,629	1,396,218	1,450,827
Public Services	4,284,860	4,199,772	4,300,900	4,462,569
Community Services	1,892,292	1,914,287	2,015,498	2,051,365
Public Safety	7,229,935	7,164,295	7,496,195	7,564,212
Debt Service	1,801,387	1,801,387	1,801,387	1,799,387
TOTAL OPERATING EXPENDITURES	**19,684,601**	**19,597,715**	**20,385,473**	**20,713,779**
REVENUES OVER EXPENDITURES	**$ 910,023**	**$ 885,429**	**$ 1,011,783**	**$ 1,064,932**

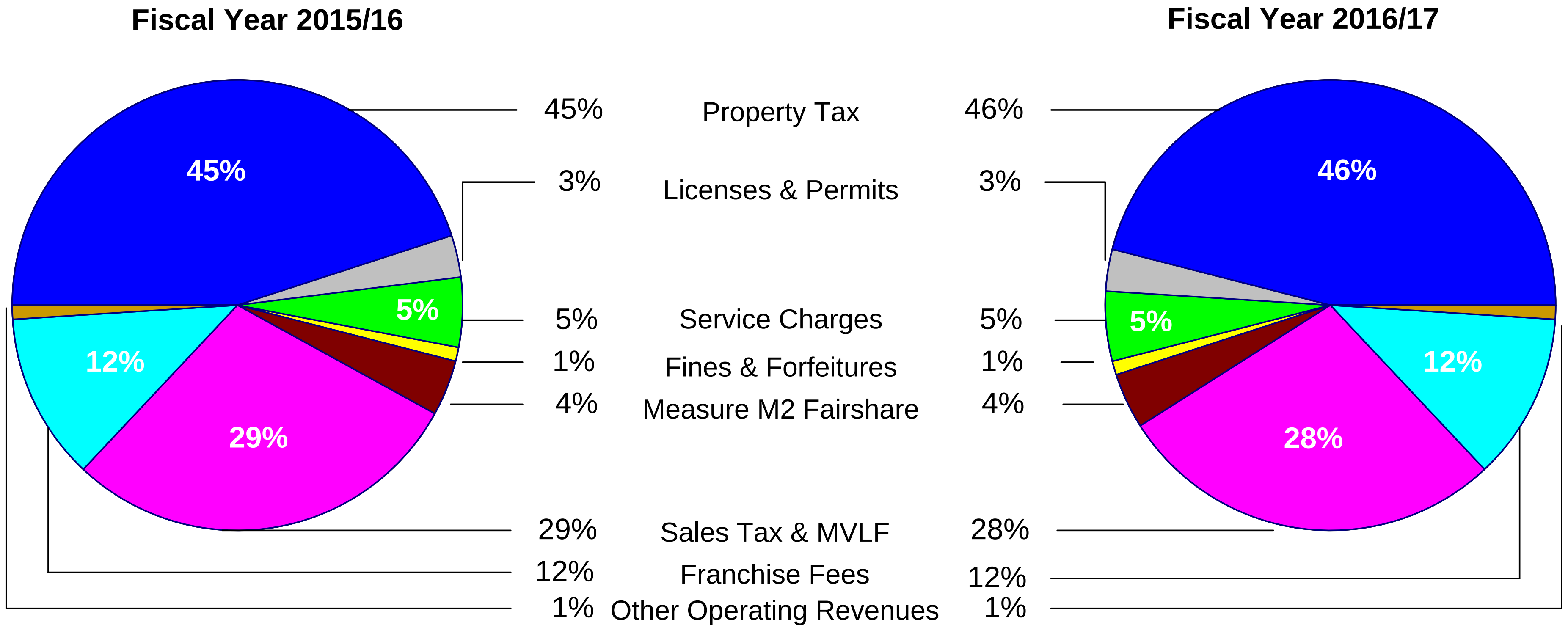
CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17

Operating Revenues

	FY 14/15 Amended Budget	FY 14/15 Year-End Estimate	FY 15/16	FY 16/17
GENERAL FUND REVENUES				
Property Taxes	$ 9,114,324	$ 9,257,754	$ 9,662,081	$ 9,973,907
Franchise Fees				
Uitlity Franchise Fees	986,008	1,017,011	999,500	1,021,988
Waste Disposal, Landfill, & Recycling Fees	292,899	285,339	341,000	348,673
Transient Occupancy Taxes	1,332,500	1,233,508	1,258,200	1,286,510
Total Franchise Taxes	2,611,407	2,535,858	2,598,700	2,657,171
Intergovernmental Revenues				
Intergovernmental - Sales Tax	5,952,540	5,677,000	6,307,000	6,201,744
Intergovernmental - MV in Lieu	-	13,856	-	-
State Mandated Reimbursements	-	14,170	-	-
Total Intergovernmental Revenues	5,952,540	5,705,026	6,307,000	6,201,744
Licenses and Permits				
Building Related Licenses/Permits	700,000	975,000	600,000	600,000
Engineering Permits	61,500	88,000	100,000	125,000
Total Licenses and Permits	761,500	1,063,000	700,000	725,000
Charges for Current Services				
Recreation Fees	686,058	819,779	837,985	869,639
Development Services Fees	100,750	45,000	150,000	150,000
Rental/Lease Fees	125,563	114,000	114,000	114,000
Miscellaneous & Other Service Charges	50,000	30,000	30,000	30,000
Total Service Charges	962,371	1,008,779	1,131,985	1,163,639
Fines and Forfeitures	325,000	260,000	260,000	260,000
SUBTOTAL - GENERAL FUND REVENUES	**$ 19,727,142**	**$ 19,830,417**	**$ 20,659,766**	**$ 20,981,461**
Measure M Local Fairshare	567,482	552,727	587,490	622,250
Other Operating Revenues	300,000	100,000	150,000	175,000
TOTAL OPERATING REVENUES	**$ 20,594,624**	**$ 20,483,144**	**$ 21,397,256**	**$ 21,778,711**

Operating Revenues

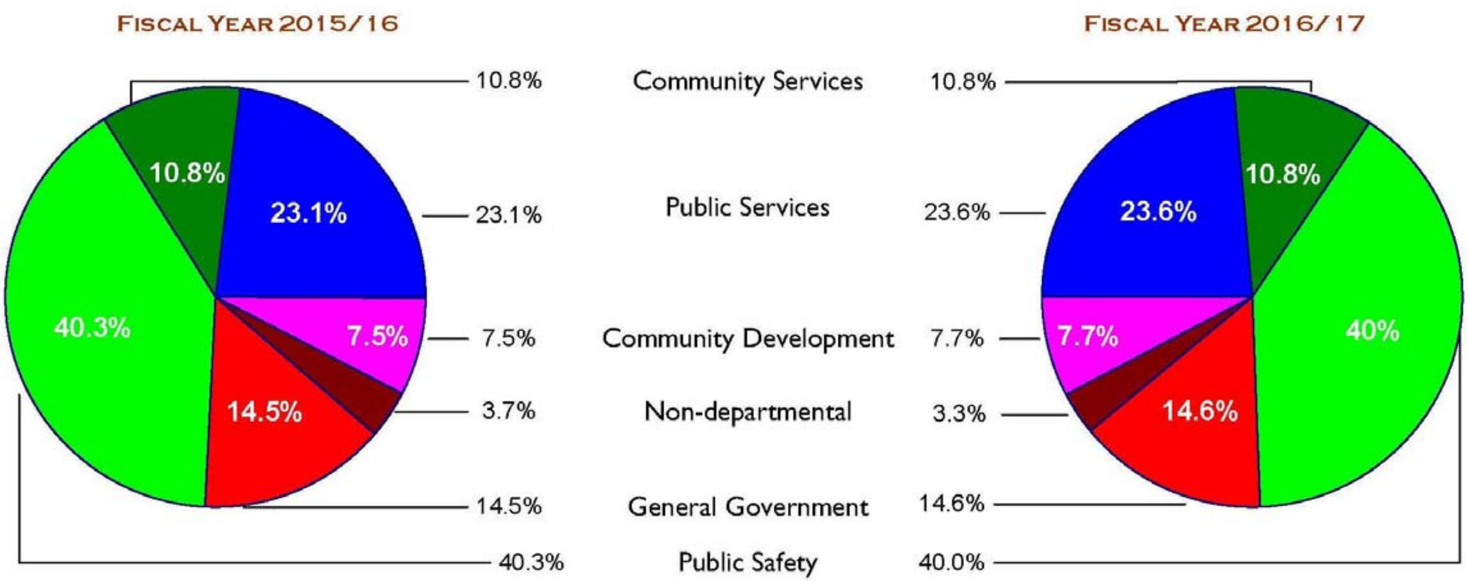
% of Total Operating Revenues



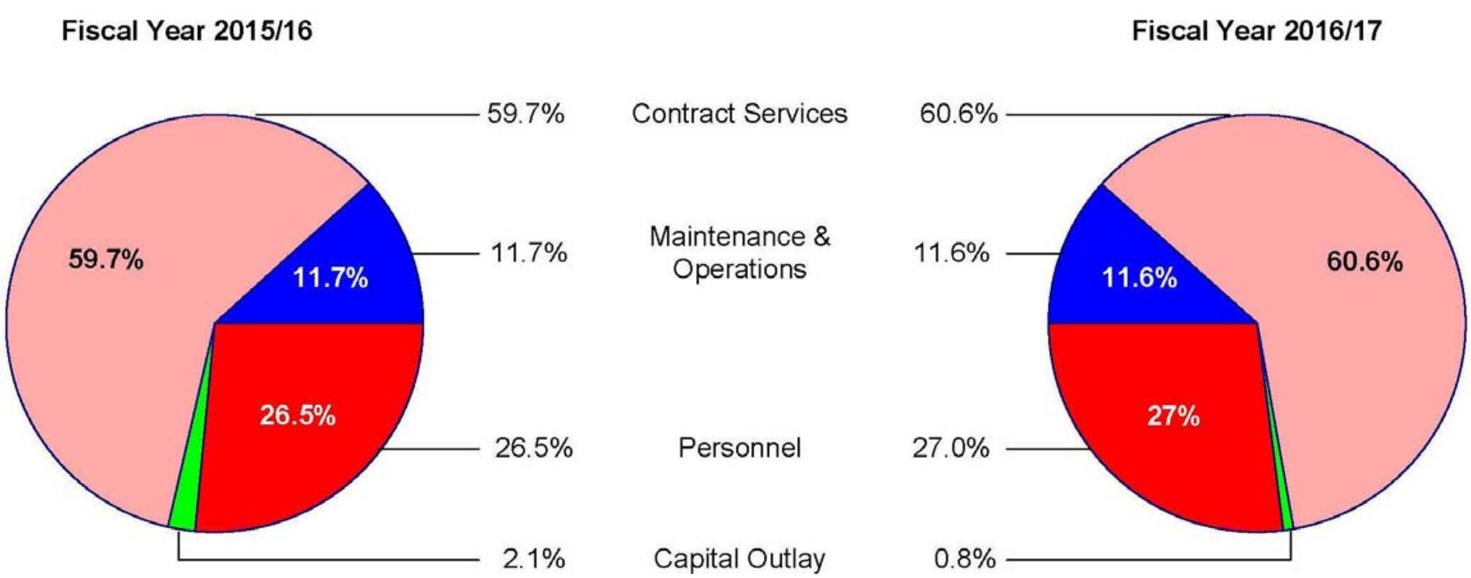
CITY OF LAGUNA HILLS
BIENNIAL BUDGET
FY 2015/16 - 2016/17
OPERATING EXPENDITURES

	FY 14/15 Amended Budget	FY 14/15 Year-End Estimate	FY 15/16	FY 16/17
General Government				
Personnel	$ 1,925,216	$ 1,898,105	$ 1,842,959	$ 1,907,040
Maintenance and Operation	239,895	210,085	230,513	242,378
Contract Services	491,770	540,272	621,040	604,890
Capital Outlay	4,600	-	-	-
Total General Government	**2,661,481**	**2,648,462**	**2,694,512**	**2,754,308**
Non-departmental				
Personnel	128,974	102,532	111,438	115,876
Maintenance and Operation	336,773	336,555	364,133	368,097
Contract Services	100,669	106,210	110,927	117,137
Capital Outlay	56,730	71,586	94,265	30,000
Total Non-departmental	**623,146**	**616,883**	**680,763**	**631,110**
Community Development				
Personnel	944,950	936,404	1,032,693	1,090,802
Maintenance and Operation	19,550	11,225	21,025	17,525
Contract Services	227,000	305,000	342,500	342,500
Total Community Development	**1,191,500**	**1,252,629**	**1,396,218**	**1,450,827**
Public Services				
Personnel	840,172	789,685	829,050	839,519
Maintenance and Operation	899,688	958,087	958,850	969,050
Contract Services	2,532,000	2,439,000	2,498,000	2,608,000
Capital Outlay	13,000	13,000	15,000	46,000
Total Public Services	**4,284,860**	**4,199,772**	**4,300,900**	**4,462,569**
Community Services				
Personnel	1,070,761	1,059,016	1,102,201	1,148,618
Maintenance and Operation	503,587	545,113	565,021	564,471
Contract Services	309,444	306,658	327,276	329,276
Capital Outlay	8,500	3,500	21,000	9,000
Total Community Services	**1,892,292**	**1,914,287**	**2,015,498**	**2,051,365**
Public Safety				
Maintenance and Operation	55,350	47,450	42,475	36,330
Contract Services	7,142,585	7,054,990	7,191,245	7,464,622
Capital Outlay	32,000	61,855	262,475	63,260
Total Public Safety	**7,229,935**	**7,164,295**	**7,496,195**	**7,564,212**
TOTAL OPERATING EXPENDITURES	**17,883,214**	**17,796,328**	**18,584,086**	**18,914,391**

% OF TOTAL GENERAL FUND OPERATING EXPENDITURES
BY DEPARTMENT



GENERAL FUND EXPENDITURE CLASSIFICATIONS
% OF TOTAL GENERAL FUND OPERATING EXPENDITURES



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.

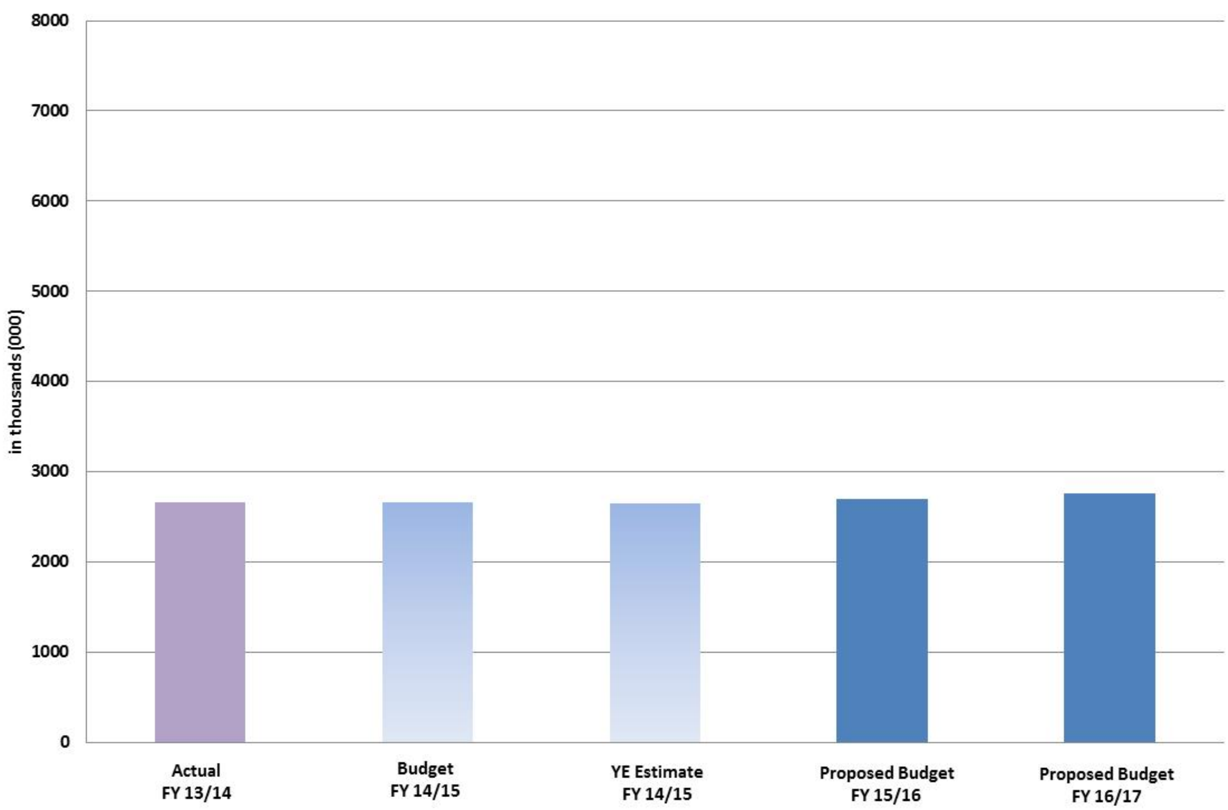
4. Investigate methods of soliciting public input on City projects and programs as an alternative to the traditional citizen survey.

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:



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	Proposed Budget 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	PROPOSED BUDGET 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

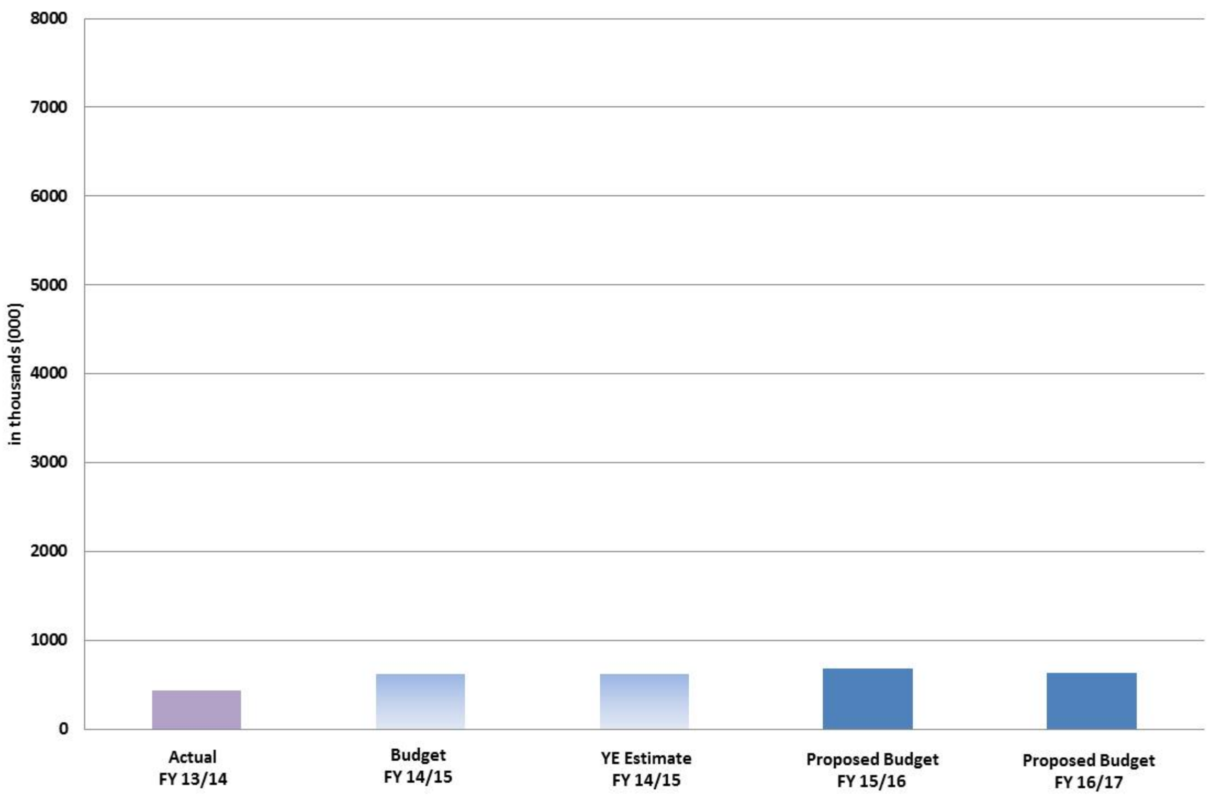
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

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	AMENDED BUDGET	YEAR END ESTIMATE	PROPOSED BUDGET	
		FY 13/14	FY 14/15	FY 14/15	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**

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.

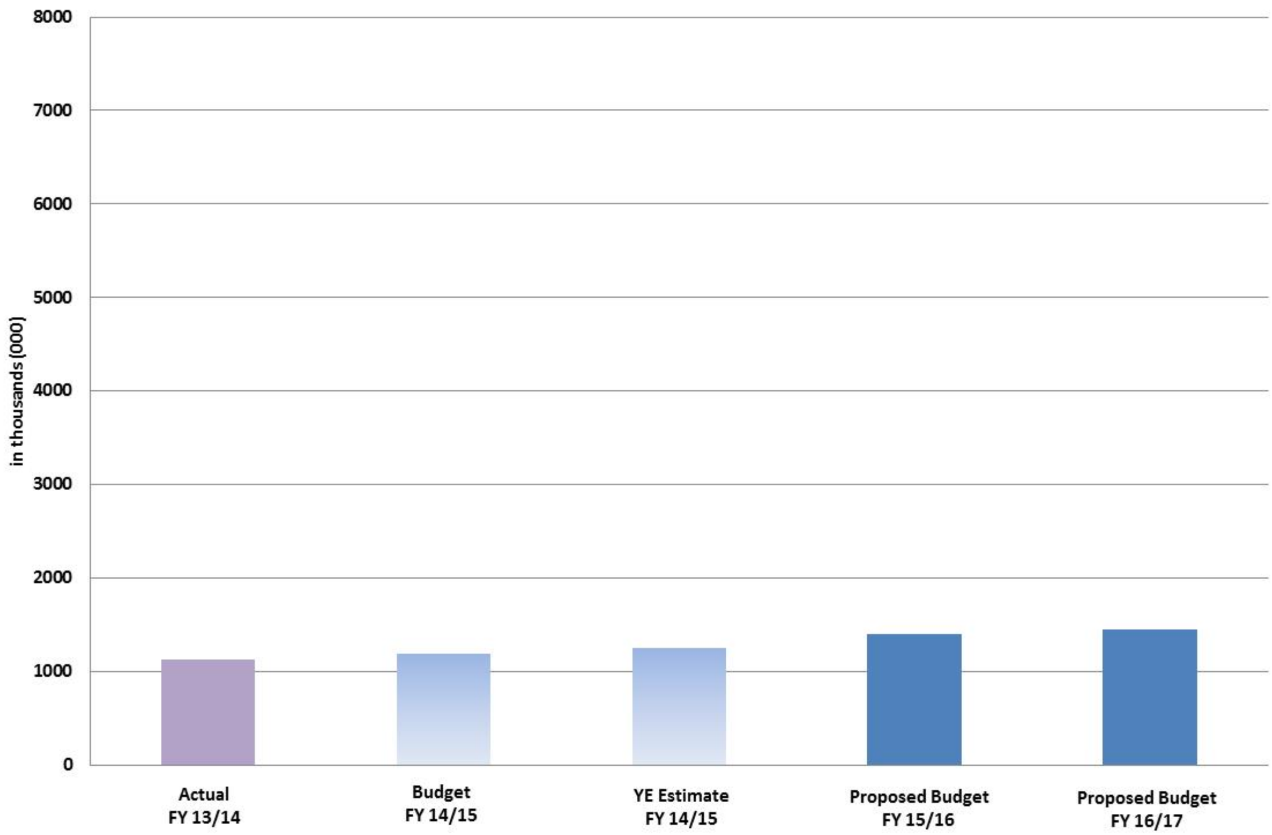
2. Building Division Inspection – Throughout FY 2015/16 & FY2016/17, ensure necessary inspection coverage for the City's day-to-day inspection requirements in addition to major projects for Phillips Mazda, Oakbrook Village, and the Laguna Hills Mall.

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	Proposed Budget 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**

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.

DEPARTMENT: PUBLIC SERVICES

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:

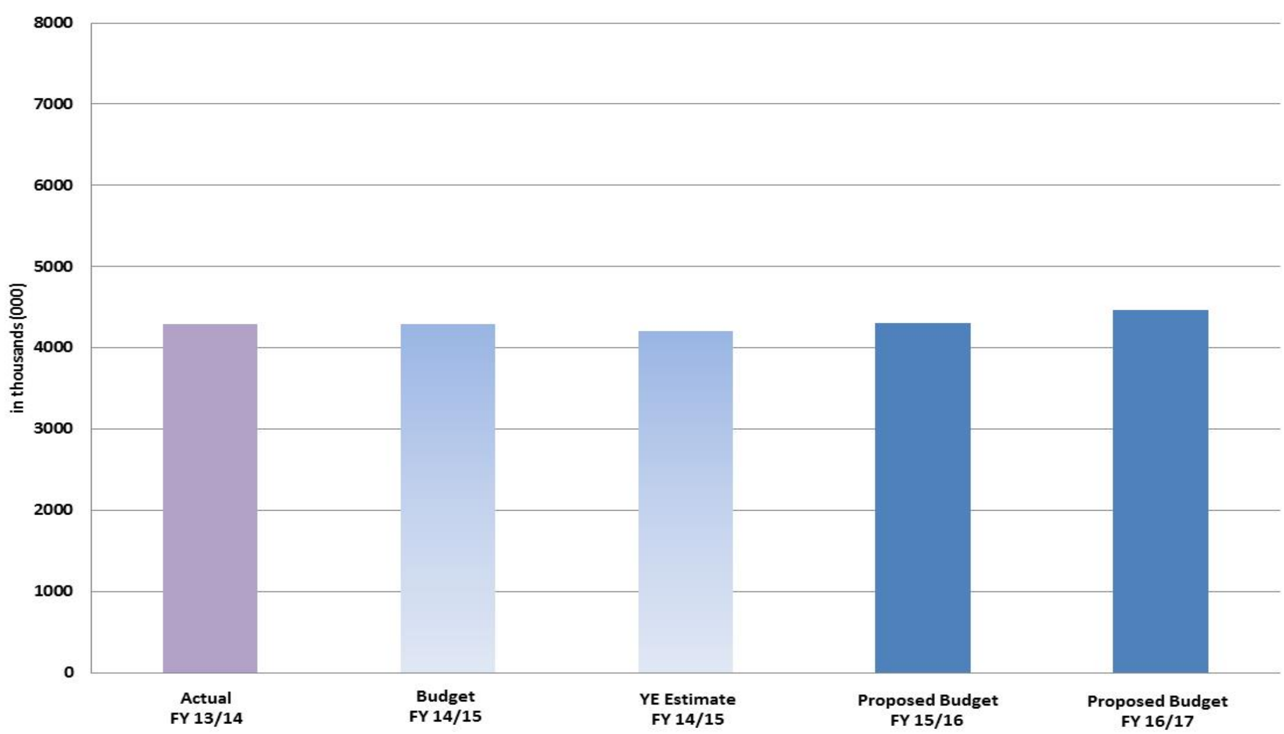
1. Develop a current Americans with Disability Act (ADA) Transition Plan as required to remain in compliance with the ADA and the eligibility requirements to receive Federal funding for projects. Work to include an ADA assessment of all City Parks, public facilities, and public rights of ways.

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:



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	Amended Budget	Year End Estimate	Proposed Budget	
		FY 13/14	FY 14/15	FY 14/15	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	-	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/SIGNALS	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	-	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	-	5,000	5,000	5,000	5,000
700.255	IMPROVEMENT INSPECTION	100,510	60,000	125,000	125,000	150,000
720.400	COUNTY EMA - 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 MAINTENANCE	149,086	150,000	140,000	125,000	129,000
720.500	GRAFFITI REMOVAL	20,113	25,000	20,000	20,000	21,000

	DESCRIPTION	CODE NO.
Fund:	General Fund	100
Department:	Public Services	255

		Prior Year's Actual	Amended Budget	Year End Estimate	Proposed Budget	
		FY 13/14	FY 14/15	FY 14/15	FY 15/16	FY 16/17
720.700	LANDSCAPE MAINTENANCE	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	ANNUAL WEED ABATEMENT PRORAM	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	-	-	-	-	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.

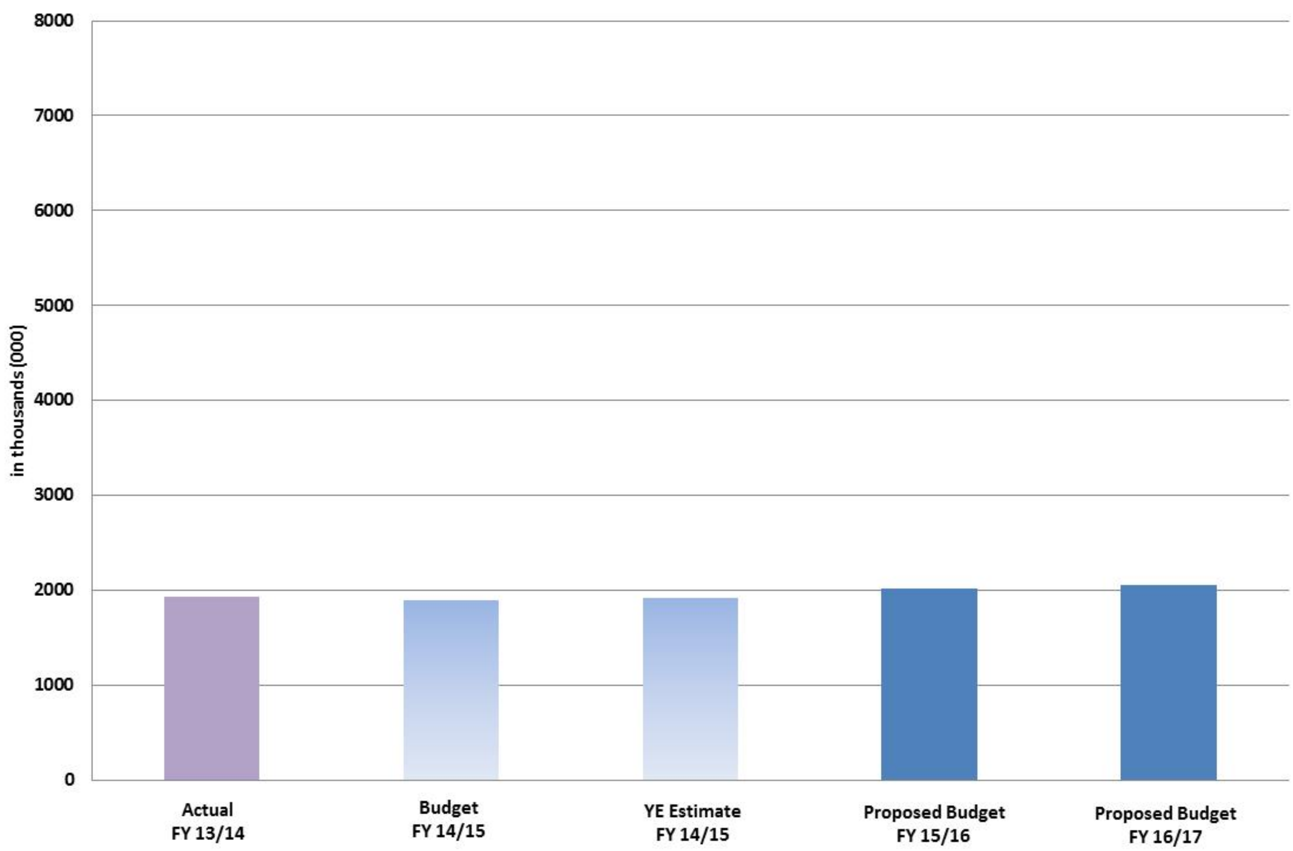
5. Analyze the recreation and facility rental fees and compare with the surrounding community and update the City's reservation policies.

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:



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

	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	Proposed Budget 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**

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

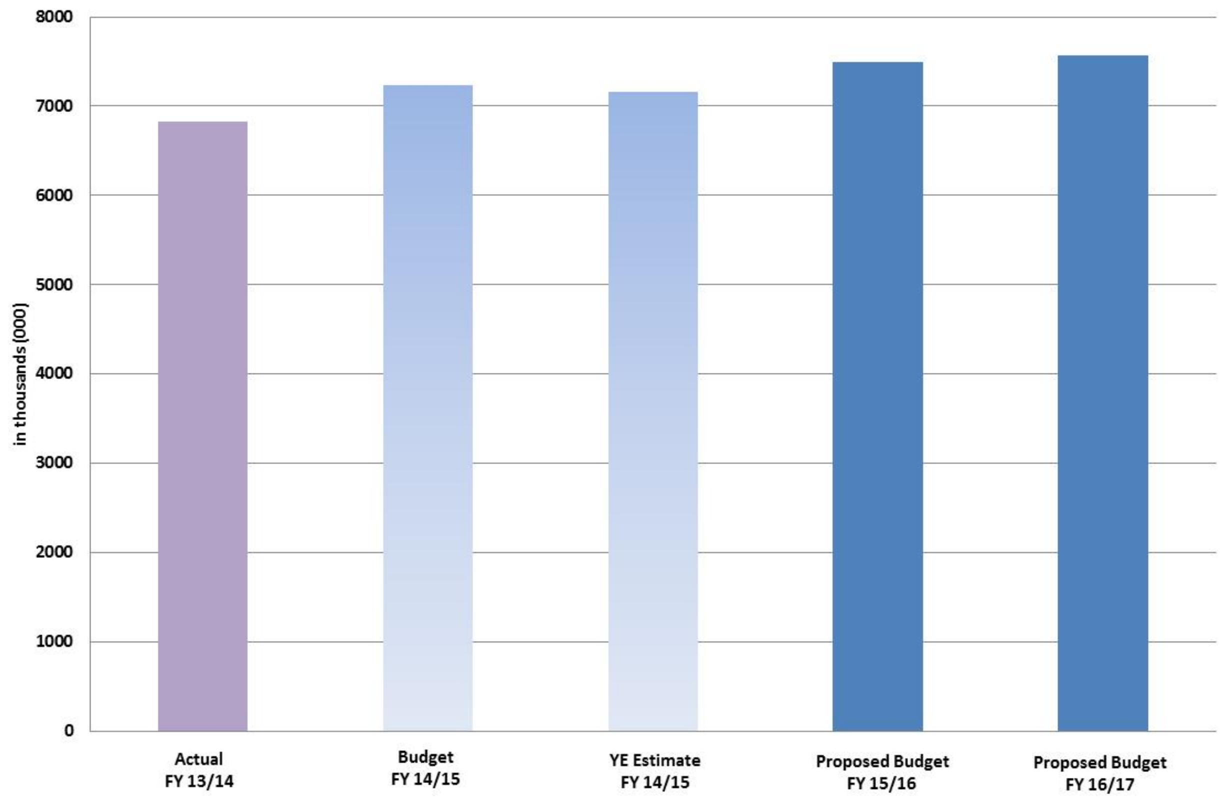
MAJOR PLANS FOR FY 2015/16 – FY 2016/17:

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:



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	ORIGINAL BUDGET	YEAR END ESTIMATE	PROPOSED BUDGET	
		FY 13/14	FY 14/15	FY 14/15	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**

5/12/2015 ITEM NO.

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	$ 4,430,000	$ -	$ 730,000	$ -	$ 1,800,000	$ -	$ 1,900,000	$ -
112	Traffic Signals	250,000	-	-	-	-	-	-	250,000
139	Cabot Widening - La Paz to Paseo de Valencia	3,150,000	-	-	-	-	-	-	3,150,000
145	Paseo de Valencia Widening	6,600,000	-	400,000	-	-	-	-	6,200,000
168	Traffic Signal Improvements/Coordination Projects	3,809,000	2,309,000	-	-	-	-	-	1,500,000
170	Access Ramp Construction	1,875,000	-	-	-	-	-	-	1,875,000
171	La Paz Road Sidewalk Widening	565,000	175,000	390,000	-	-	-	-	-
175	Arterial Highway Pavement Maintenance - Various Locations	1,270,000	100,000	1,170,000	-	-	-	-	-
178	South Moulton Pavement Rehabilitation (VIA Lomas to SCL)	1,575,000	-	-	-	-	-	-	1,575,000
181	Oso Parkway Pavement Rehabilitation (Cabot to WCL)	1,750,000	-	-	-	-	-	-	1,750,000
182	Lake Forest Drive Pavement Rehabilitation (ECL to WCL)	1,200,000	-	-	-	-	-	-	1,200,000
183	Avenida Carlota Pavement Rehabilitation (El Toro Rd to Los Alisos Blvd)	825,000	-	-	-	-	-	-	825,000
184	La Paz Road Widening (McIntyre to Cabot)	1,450,000	-	-	-	-	-	-	1,450,000
185	Replacement of Illuminated Street Name Signs at all Traffic Signal Locations	300,000	-	-	-	-	-	-	300,000
188	Ridge Route Pavement Rehabilitation - Moulton Parkway to Santa Vittoria Drive	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	$ 980,000	$ -	$ 980,000	$ -	$ -	$ -	$ -	$ -
305	La Paz Median Islands	3,890,000	-	-	-	-	-	-	3,890,000
307	Entry Monuments	500,000	-	-	-	-	-	-	500,000
312	Paseo de Valencia Median Island Rehabilitation	3,375,000	-	-	-	-	-	-	3,375,000
314	Paseo de Valencia Median Islands	1,425,000	-	-	-	-	1,425,000	-	-
315	Rehabilitation of Oso Median Islands	2,450,000	-	-	-	-	-	-	2,450,000
319	Alicia Parkway South Side Slope	1,150,000	-	-	-	-	-	-	1,150,000
321	Paseo de Valencia East Side Slope	825,000	-	-	-	-	-	-	825,000
322	Rehabilitation of Moulton Median Island	1,650,000	-	-	-	-	-	-	1,650,000
323	Rehabilitation of Laguna Hills Drive Median Island	675,000	-	-	-	-	-	-	675,000
324	Rehabilitation of La Paz Median Island	525,000	-	-	-	-	-	-	525,000
325	Ridge Route Median Islands - Santa Vittoria to Moulton Pkwy	1,175,000	-	-	-	-	-	-	1,175,000
326	Laguna Hills Drive Median Islands and North Parkway	540,000	-	-	-	-	-	540,000	-
329	Wayfinding Signs	50,000	25,000	25,000	-	-	-	-	-
330	Alicia Pkwy & Paseo de Valencia Street Tree Program	525,000	-	-	-	-	-	-	525,000
331	Synthetic Landscape Turf Median Islands	815,000	-	-	-	-	-	-	815,000
333	Ridge Route Medians - Moulton Pkwy to Avenida de la Carlota	1,700,000	-	-	-	-	-	-	1,700,000
334	Aliso Hills Drive North Down Slope	825,000	-	-	-	-	-	-	825,000
335	La Paz Road South Side Slope Renovation	3,200,000	-	-	-	-	-	-	3,200,000
336	Palermo and Taranto Slope Renovation	200,000	-	-	-	-	-	-	200,000
337	San Remo Drive Slope Renovation	600,000	-	-	-	-	-	-	600,000
338	Paseo De Valencia East and West Parkway Renovation	1,200,000	-	-	-	-	-	-	1,200,000
339	Paseo de Valencia Southwest Parkway Renovation	500,000	-	-	-	-	-	-	500,000
340	Nottingham Ct Entry Median Island	85,000	-	-	-	-	-	-	85,000
	Sub-Total	**$ 28,860,000**	**$ 25,000**	**$ 1,005,000**	**$ -**	**$ -**	**$ 1,425,000**	**$ 540,000**	**$ 25,865,000**

5/12/2015 ITEM NO.

5/12/2015 ITEM NO.

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	$ 150,000	$ -	$ 50,000	$ -	$ 50,000	$ -	$ 50,000	$ -
406	F23 Canada Channel (Veeh Park)	750,000	-	-	-	-	-	-	750,000
407	Aliso Creek Watershed	500,000	-	-	-	-	-	-	500,000
410	NPDES / Water Quality Program	1,105,000	440,000	255,000	205,000	205,000	-	-	-
411	Largo Storm Drain Improvements (secondary outlet)	300,000	-	-	-	-	-	-	300,000
412	Water Quality (2) Improvements	225,000	75,000	75,000	75,000	-	-	-	-
413	Oso Parkway Wetlands	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	$ 2,775,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,775,000
238	Community Center and Sports Complex Field Renovations	710,000	-	225,000	-	235,000	-	250,000	-
241	General Park Renovations	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	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000
508	Equipment & Supply Storage Building	525,000	-	-	-	-	-	-	525,000
510	Public Art Program - Civic Center	200,000	-	-	-	-	-	-	200,000
512	Roller Hockey Roof Structure	1,000,000	-	-	-	-	-	-	1,000,000
513	Community Center Renovation	487,820	12,874	-	67,018	272,815	57,626	77,487	-
514	Sports Complex Renovations	51,012	-	-	30,360	13,485	-	7,167	-
515	Community Center and Sports Complex Energy Efficient Field Lights	285,000	-	-	-	-	-	-	285,000
	Sub-Total	**$ 2,848,832**	**$ 12,874**	**$ -**	**$ 97,378**	**$ 286,300**	**$ 57,626**	**$ 84,654**	**$ 2,310,000**

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
	Trails and Open Space								
601	Trails Master Plan - Other Projects	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,000,000
606	Trail Head Plazas	1,200,000	-	-	-	-	-	-	1,200,000
607	Aliso Hills Channel Pedestrian Crossing JO5PO3	315,000	-	-	-	-	-	-	315,000
608	Multi-use Trail - Alicia to La Paz	4,200,000	-	-	-	-	-	-	4,200,000
609	Multi-use Trail - Community Center to Indian Hill	600,000	-	-	600,000	-	-	-	-
610	Loop Trails in Alicia Open Space	400,000	-	-	-	-	-	-	400,000
611	La Paz Multi-use Trail - Alameda to Paseo de Valencia	1,675,000	-	-	-	-	-	-	1,675,000
612	Alicia Pedestrian Bridge at Trail	1,000,000	-	-	-	-	-	-	1,000,000
613	Trail along SJHTC	300,000	-	-	-	-	-	-	300,000
614	Alicia Open Space Landscaping	11,000,000	-	-	-	-	-	-	11,000,000
615	La Paz Open Space Riparian Habitat- Alameda to Paseo de Valencia	4,900,000	-	-	-	-	-	-	4,900,000
616	Aliso Hills Area Open Space	4,700,000	-	-	-	-	-	-	4,700,000
617	Oso Parkway Open Space Landscape	8,600,000	-	-	-	-	-	-	8,600,000
618	Ridge Route Open Space	800,000	-	-	-	-	-	-	800,000
619	Slope Renovation South of Aliso Creek	600,000	-	-	-	-	-	-	600,000
620	Miscellaneous Landscape Renovations - Various Areas	1,750,000	-	-	-	-	-	-	1,750,000
621	Recycled Water Conversions	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**

5/12/2015 ITEM NO.

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**

5/12/2015 ITEM NO.

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**