



CITY OF LAGUNA HILLS CITY COUNCIL/PLANNING AGENCY

REGULAR MEETING AGENDA Tuesday, May 9, 2017 – 7:00 PM (Closed Session at 6:00 PM when scheduled)

Don Sedgwick, Mayor

**Melody Carruth, Mayor Pro Tempore
Janine Heft, Council Member**

**Dore J. Gilbert, M.D., Council Member
Barbara D. Kogerman, Council Member**

Location: City Council Chamber, 24035 El Toro Road, Laguna Hills, CA 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 CARRUTH

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 update from Laguna Hills High School Student Liaison Sherwin Afshar.

1.2 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.

1.3 Presentation of Proclamation for "Drowning Prevention Awareness"

Recommendation: That the City Council issue a Proclamation declaring May through October as "Drowning Prevention Awareness" and that Mayor Sedgwick present the Proclamation to George Casario, Battalion Chief, Orange County Fire Authority.

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 April 25, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the April 25, 2017, Regular Meeting.

3.3 Approval of Warrant Register for Period Ended May 9, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$1,615,063.42.

3.4 Excused Absence Request from Council Member Barbara Kogerman for May 9, 2017, City Council Meeting

Recommendation: That the City Council approve an Excused Absence Request from Council Member Barbara Kogerman for the May 9, 2017, City Council meeting.

3.5 Authorization to Purchase Police Motorcycle

Recommendation: That the City Council authorize the purchase of a police motorcycle in accordance with Section 3-080.130 of the Laguna Hills Municipal Code.

3.6 Fiscal Year 2017/2018 School Crossing Guard Agreement

Recommendation: That the City Council: (1) Waive competitive formal bidding requirements and procedures set forth in the Laguna Hills Municipal Code (LHMC) Section 3-08.090 and authorize the Agreement with All City Management, as it is hereby found and determined, pursuant to LHMC 3-08.110, that All City Management's experience, specialized qualifications, performance history, and reputation make it uniquely qualified for this particular task; and (2) Approve the proposed Crossing Guard Services Agreement for Fiscal Year 2017/2018 with All City Management Services and authorize the Mayor to execute the Agreement.

3.7 Approval of Amendment Four to "Cooperation Agreement Between the County of Orange and City of Laguna Hills" for the Purpose of Extending the City's Eligibility to Participate in the County of Orange Community Development Block Grant (CDBG) Program

Recommendation: That the City Council approve Amendment Four to the Cooperation Agreement between the County of Orange and City of Laguna Hills and authorize the City Manager to sign the Amendment.

3.8 Healthy Eating Active Living (HEAL) Cities Campaign

Recommendation: That the City Council approve of the City of Laguna Hills joining the Healthy Eating Active Living Cities Campaign by adopting the attached Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, that declares Laguna Hills a Healthy Eating Active Living (HEAL) City."

3.9 Authorization to Purchase a Vehicle for the Public Services Department

Recommendation: That the City Council authorize the procurement of a replacement truck for the Public Services Department and approve the future sale of the 2004 truck.

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 APRIL 25, 2017, REGULAR MEETING**4.3.1 Approval of Minutes for April 25, 2017, Regular Meeting**

Recommendation: That the Planning Agency approve the Minutes for the April 25, 2017, Regular Meeting.

4.4 ADMINISTRATIVE REPORTS**4.5 PLANNING AGENCY PUBLIC HEARINGS****PLANNING AGENCY ADJOURNMENT****5. CITY COUNCIL PUBLIC HEARINGS****5.1 Public Hearing on 2017 Weed, Rubbish, and Refuse Abatement**

Recommendation: That the City Council: (1) Conduct a Public Hearing, Receive and Consider all Objections; and (2) Adopt a Resolution Entitled: "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."

6. ADMINISTRATIVE REPORTS**6.1 City Manager**

6.1.1 City Manager's Proposed 2017-2019 Biennial Budget and Six-Year Capital Improvement Plan

Recommendation: That the City Council review and comment on the City Manager's Proposed 2017-2019 Biennial Budget and Six-Year Capital Improvement Plan.

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

The next Regular Meeting of the City Council/Planning Agency will be May 23, 2017, 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 on May 5, 2017, by 5:00 p.m.



City Clerk

May 5, 2017

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/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Presentation of Proclamation for "Drowning Prevention Awareness"

RECOMMENDATION: That the City Council issue a Proclamation declaring May through October as "Drowning Prevention Awareness" and that Mayor Sedgwick present the Proclamation to George Casario, Battalion Chief, Orange County Fire Authority.

SUMMARY:

The City received a request from the Orange County Fire Authority (OCFA) to issue a Proclamation declaring the City's participation in the "Always Watch Your Child Around Water" and "Never Swim Alone" campaign from May through October. Staff is recommending that the City Council issue the Proclamation to be presented to OCFA Battalion Chief George Casario at the May 9, 2017, City Council meeting.

ATTACHMENTS:

- Proclamation - Drowning Prevention Awareness



CITY OF LAGUNA HILLS

PROCLAMATION DROWNING PREVENTION AWARENESS MAY THROUGH OCTOBER

WHEREAS, drowning is the leading cause of death and disability in California for children under five years of age, and in 2016 there were 3 fatal drownings and 26 non-fatal incidents involving children in Orange County; and

WHEREAS, drowning is a major problem for adults ages 35-64, and as a result there were 16 fatal drownings and 12 non-fatal incidents for adults in 2016; and

WHEREAS, fatal and non-fatal drowning is a silent event, occurring in as little as two inches of water, including swimming pools, spas, lakes, the ocean, and any other body of water; and

WHEREAS, the themes of this year's water safety campaign "Always Watch Your Child Around Water" and "Never Swim Alone," in-depth information will be provided by staff on what Orange County residents can do to prevent drowning; and

WHEREAS, the initiatives set forth in the "ABCs of Water Safety" program will increase public awareness regarding proper procedures to prevent this needless tragedy; and

WHEREAS, the Orange County Fire Authority, in collaboration with the Orange County Task Force on Drowning Prevention, will be taking this opportunity to increase public awareness about drowning prevention through a diverse community outreach campaign; and

WHEREAS, the Orange County Fire Authority will launch its 24-week water safety campaign in May and continue through October.

NOW, THEREFORE, I, Don Sedgwick, on behalf of the City Council of the City of Laguna Hills, California, do hereby proclaim its participation in the "Always Watch Your Child Around Water" and "Never Swim Alone" 2017 campaigns—that kick-off in May and continue through October by encouraging all families, parents, residents, schools, recreational facilities, businesses, and homeowner associations to become partners in preparedness by increasing their knowledge of proper safety measures in drowning prevention.

Dated this 9th day of May 2017.

DON SEDGWICK, MAYOR



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for April 25, 2017, Regular Meeting

RECOMMENDATION: That the City Council approve the Minutes for the April 25, 2017, Regular Meeting.

ATTACHMENTS:

- 170425 CC Minutes

**CITY OF LAGUNA HILLS
CITY COUNCIL/PLANNING AGENCY**

**REGULAR MEETING
MINUTES
Tuesday, April 25, 2017**

GENERAL BUSINESS-CONVENING AT 7:00 PM

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by Mayor Don Sedgwick.

PLEDGE OF ALLEGIANCE: COUNCIL MEMBER HEFT

ROLL CALL OF CITY COUNCIL MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Mayor	Present	
Melody Carruth	Mayor Pro Tempore	Present	
Dore J. Gilbert, M.D.	Council Member	Present	
Janine Heft	Council Member	Present	
Barbara D. Kogerman	Council Member	Absent	

CLOSED SESSION REPORT

There was no 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 Sherwin Afshar.

1.2 Eagle Scout Project to Install Quarter Mile Markers on the Oso Parkway Multi-Use Trail

Recommendation: Eagle Scout Candidate Parker Siedel provided an oral report and brief PowerPoint presentation. City Council approved Eagle Scout Candidate Parker Siedel's project to install quarter mile markers on the Oso Parkway multi-use trail.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D, Council Member
SECONDER:	Melody Carruth, Mayor Pro Tempore
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, Council Member

1.3 Certificate of Recognition - Team Niko

Recommendation: The Greco family provided a brief oral presentation regarding Team Niko. City Council presented a Certificate of Recognition to Team Niko, and proclaimed May 5, 2017, as Cinco de Niko Day.

1.4 Certificate of Recognition - Strength in Support

Recommendation: Dr. Evan Fewsmith, Strength in Support Executive Director, provided a brief oral presentation on the services provided by the organization. The City Council presented a Certificate of Recognition to Strength in Support.

2. PUBLIC COMMENTS

MEG GORHAM

Meg Gorham, a resident of Laguna Hills, reported on the upcoming Laguna Hills High School Grad night and invited Council Members, staff, residents, and community/business members to attend the “Grad Night Preview” event being held on Thursday, June 15, 2017.

DEBRA ASHBY

Debra Ashby, RN, South Coast Air Quality Management District Senior Public Information Specialist, introduced herself to City Council, distributed literature, and made a few brief announcements regarding the SCAQMD.

MICHAEL DUNBAR

Michael Dunbar, Chair, PC 15, South Orange County Wastewater Authority, reported that SOCWA PC 15 has committed to scheduling an agenda meeting to discuss the parameters of Moulton Niguel Water District’s request to divest from the Coastal Treatment Plant.

3. CONSENT CALENDAR

Motion to approve the Consent Calendar:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dore J. Gilbert, M.D., Council Member
SECONDER:	Janine Heft, Council Member
AYES:	Don Sedgwick, Mayor; Melody Carruth, Mayor Pro Tempore; Dore J. Gilbert, M.D., Council Member; Janine Heft, Council Member
ABSENT:	Barbara D. Kogerman, Council Member

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 April 11, 2017, Regular Meeting

Recommendation: That the City Council approve the Minutes for the April 11, 2017, Regular Meeting.

3.3 Approval of Warrant Register for Period ended April 25, 2017

Recommendation: That the City Council approve the Warrant Register in the amount of \$1,033,504.33.

3.4 Garage Clean-Up and Paper Shredding Post Event Report

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

3.5 Progress Payment No. 1 for Arterial Pavement Management Project Street Rehabilitation, CIP No. 175

Recommendation: That the City Council Approve Progress Payment No. 1, in the Net Amount of \$752,230.37, to Hardy & Harper Inc., for the Arterial Pavement Management Project Street Rehabilitation, CIP No. 175.

3.6 Third Quarter Financial and Treasurer's Report for Fiscal Year 2016/2017

Recommendation: That the City Council receive and file the Third Quarter Financial and Treasurer's Report for Fiscal Year 2016/2017.

3.7 Proposed Lease with Carolyn Behrens, an Individual, for 24031 El Toro Road, Suite 330, Laguna Hills, California

Recommendation: That the City Council approve the lease with Carolyn Behrens, an individual, for 24031 El Toro Road, Suite 330, Laguna Hills, California, and authorize the City Manager to execute the Lease.

3.8 Moulton Niguel Water District's Request for Support of Divestment in the Coastal Treatment Plant

Recommendation: That the City Council adopt Resolution No. 2017-04-25-1, A Resolution of the City Council of the City of Laguna Hills, California, in support of Moulton Niguel Water District's request for an open discussion to resolve financing of Coastal Treatment Plant.

3.9 Authorization to Amend the Professional Services Agreement with White Nelson Diehl Evans LLP to Perform Independent Auditing and Accounting Services for an Additional Two Fiscal Years: Fiscal Year 2016/2017 and Fiscal Year 2017/2018

Recommendation: That the City Council approve and authorize the Mayor to sign proposed Amendment No. 1 to the Professional Services Agreement with White Nelson Diehl Evans LLP, to amend the scope of work to include auditing and accounting services for the City's Annual Financial Report for an additional two fiscal years: Fiscal Year 2016/2017 and Fiscal Year 2017/2018.

3.10 Civic Center Third Quarter Financial Report for Fiscal Year 2016/2017

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

3.11 Second Reading and Adoption of Ordinance Amending Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions) Amending Table 9-11.050 Hospitality Overlay Zone Development Standards Related to Maximum Density, Changing from a Floor Area Ratio (FAR) of 1.0 to a FAR of 1.1

Recommendation: That the City Council adopt Ordinance No. 2017-2, An Ordinance of the City of Laguna Hills, California, approving Zone Text Amendment No. 10-16-3672, amending Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions) Amending Table 9-11.050 Hospitality Overlay Zone Development Standards related to Maximum Density, changing from a Floor Area Ratio (FAR) of 1.0 to a FAR of 1.1.

3.12 Second Reading and Adoption of an Ordinance Amending Chapters 9-103 and 9-04 of Title 9 of the Laguna Hills Municipal Code to Permit the Limited Personal Cultivation of Marijuana Inside a Person's Private Residence and Inside an Accessory Structure to a Person's Private Residence in Accordance with State Law

Recommendation: That the City Council adopt Ordinance No. 2017-3, An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 2-17-3793 amending Chapters 9-103 (Marijuana Businesses) and 9-04 (Definitions) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit the Limited Personal Cultivation of Marijuana inside a Person's Private Residence and inside an Accessory Structure to a Person's Private Residence in accordance with State law.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Sedgwick 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 7:38 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR APRIL 11, 2017, REGULAR MEETING

4.3.1 Approval of Minutes for April 11, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the April 11, 2017, Regular Meeting.

RESULT:	APPROVED [3 to 0]
MOVER:	Melody Carruth, Vice Chair
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Don Sedgwick, Chair
ABSENT:	Barbara D. Kogerman, Agency Member

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

Chair Sedgwick reconvened the City Council meeting at 7:40 p.m. All Council Members were present with the exception of Council Member Kogerman.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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

8. CITY COUNCIL MEMBER COMMENTS**Mayor Pro Tempore Carruth**

Mayor Pro Tempore Carruth thanked Public Services Director Rosenfield for the new sign located at Cabot Road and La Paz Road reminding drivers not to execute a right turn on a red signal.

ADJOURNMENT

There being no further business before the City Council at this session, Mayor Sedgwick declared the meeting adjourned at 7:41 p.m.

Melissa Au-Yeung, City Clerk

ATTEST:

Don Sedgwick, Mayor

Approved at meeting of May 9, 2017.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Donald J. White
Assistant City Manager
ISSUE: Approval of Warrant Register for Period Ended May 9, 2017

RECOMMENDATION: That the City Council approve the Warrant Register in the amount of \$1,615,063.42.

ATTACHMENTS:

- Warrant Register 050917



City of Laguna Hills City Council Meeting Agenda Staff Report

DATE: May 09, 2017
TO: MAYOR AND COUNCIL MEMBERS
FROM: DONALD J. WHITE, ASSISTANT CITY MANAGER
ISSUE: APPROVAL OF WARRANT REGISTER FOR PERIOD ENDED MAY 09, 2017.

RECOMMENDATION: THAT THE CITY COUNCIL APPROVE THE WARRANT REGISTER IN THE AMOUNT OF \$1,615,063.42.

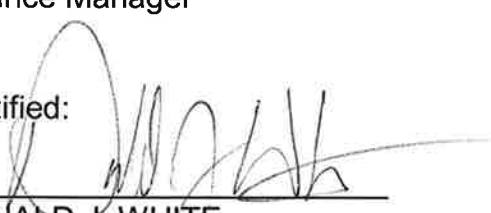
SUMMARY:

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

May 09, 2017

DATE

FISCAL IMPACT:

The warrant register total is \$1,615,063.42.

ATTACHMENTS:

1. Warrant Register

Attachment: Warrant Register 050917 (1285 : Approval of Warrant Register for Period Ended May 9, 2017)

Check Register Report

Warrant Register 05/09/17

Date: 04/27/2017

Time: 4:59 pm

Page:

3.3.a

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							
8812627	04/20/2017	Printed		C-0023	COX COMMUNICATION	Signal System, Apr '17	130.0
8812628	04/20/2017	Printed		Z-CS-0014	DALTON, MIGUEL	Refund, Fac Dep, V#2004050.002	500.0
8812629	04/20/2017	Printed		Z-CS-0017	DAVIS, DANA	Refund, Sec Dep, V#2004056.002	98.0
8812630	04/20/2017	Printed		Z-CS-0015	DEDICATED ANIMAL WELFARE GROUP	Refund, 1/2 Marathon Booth	200.0
8812631	04/20/2017	Printed		D-0552	DUNBAR ARMORED, INC.	Courier Fee, Armored Trans, Apr	135.0
8812632	04/20/2017	Printed		I-0942	IRVINE RANCH WATER DISTRICT	Water Usage, Public Svcs, Mar	107.8
8812633	04/20/2017	Printed		Z-CS-0016	LAGUNA BEACH CONGREGATION	Refund, Fac Dep, V#2004052.002	500.0
8812634	04/20/2017	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, Apr '17	644,280.1
8812635	04/20/2017	Printed		N-1474	NIEVES LANDSCAPE, INC.	Other Assorted Landscape, Mar	9,096.0
8812636	04/20/2017	Printed		S-1902	SAN DIEGO GAS & ELECTRIC	ST Lites, TC, Mar '17	275.3
8812637	04/20/2017	Printed		S-1949	SMART & FINAL	Office & Program Supp. CH & CC	153.9
8812638	04/20/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Mar '17	578.8
8812639	04/20/2017	Printed		Z-CS-0018	VILLADOLID, MARCO	Refund, Sec Dep, V#2004055.002	343.0
8812640	04/20/2017	Printed		W-2441	WEST COAST MOVEMENT PROJECT,	Contract Inst Svcs., Dance	16,028.6
8812641	04/27/2017	Printed		A-0138	ALL CITY MANAGEMENT, INC.	Crossing Guard Svc, 3/26-04/08	4,029.6
8812642	04/27/2017	Printed		A-0359	ANDERSON PENNA PARTNERS, INC.	Inspection Services, Mar '17	14,440.0
8812643	04/27/2017	Printed		A-0141	APWA	Micro Paver Enhancement Fee	550.0
8812644	04/27/2017	Printed		A-0360	ARC DOCUMENT SOLUTIONS, LLC	Printing, Engineering & CIP410	167.5
8812645	04/27/2017	Printed		A-0365	AT&T - CALNET 3	Traf Sig, PS, Alarm, CC	94.7
8812646	04/27/2017	Printed		B-0276	BANK OF AMERICA	Departmental Expenditure, Apr	12,042.1
8812647	04/27/2017	Printed		B-0430	BASICS OF SKATEBOARDING	Contract Inst Svcs, Skateboard	372.4
8812648	04/27/2017	Printed		C-0412	C&D ELECTRIC, INC.	Park Repairs, Pub Svcs, Apr 17	605.5
8812649	04/27/2017	Printed		C-1102	CALIFORNIA BUILDINGS	Building Standard Fund, Jan-Mar	1,197.9
8812650	04/27/2017	Printed		C-0408	CARL WARREN & COMPANY	Processing Fee, Sml Claims Mar	1,349.0
8812651	04/27/2017	Printed		C-1022	CDW GOVERNMENT, INC.	Computer Hardware	99.8
8812652	04/27/2017	Printed		C-1144	CHARLES ABBOTT ASSOCIATES, INC	Road Maintenance, Mar '17	32,820.6
8812653	04/27/2017	Printed		C-1180	CIVIL SOURCE, INC.	NPDES Permit Inspections, Jan	1,960.0
8812654	04/27/2017	Printed		C-1191	COMMUNICATIONS CHGS- LAW ENF	Communications Chgs, Jan-Mar	1,320.0
8812655	04/27/2017	Printed		C-1139	COMPLETE OFFICE OF CALIFORNIA	Computer, Office&Operating Sup	2,467.7
8812656	04/27/2017	Printed		C-1176	COMPUTER SERVICE CO.	Traffic Sig. Maint, Mar '17	6,638.1
8812657	04/27/2017	Printed		D-0461	DATA TICKET, INC.	Process Fee, Park Cit, Mar '17	764.4
8812658	04/27/2017	Printed		D-0453	DEPARTMENT OF CONSERVATION	Remittance, SMIP Fee, Jan-Mar	6,853.2
8812659	04/27/2017	Printed		E-0593	EISENBERG, DALE	Contract Inst Svcs., Aikido	689.5
8812660	04/27/2017	Printed		E-0553	ELKINS, CHRISTINA	Contract Inst Svcs., Dance	182.0
8812661	04/27/2017	Printed		F-0604	FEDERAL EXPRESS CORPORATION	Delivery Services, Apr '17	109.5
8812662	04/27/2017	Printed		F-0714	FIREWORKS & STAGE FX AMERICA,	Deposit, 4th of July Event	13,250.0
8812663	04/27/2017	Printed		G-0821	G2 CONSTRUCTION INC.	Professional Svcs, CIP # 410	1,650.0
8812664	04/27/2017	Printed		G-0859	GORHAM, MARY MEG	Contract Inst Svcs., Cooking	315.0
8812665	04/27/2017	Printed		Z-CS-0019	GUTIERREZ, KELLY	Refund, Fac Dep, V#2004062.002	250.0
8812666	04/27/2017	Printed		H-0959	HABASH, JOHN	Contract Inst Svcs., Dance	329.0
8812667	04/27/2017	Printed		H-0805	HARRINGTON GEOTECH ENGINEERING	Professional Svcs, CIP#410,175	3,034.0
8812668	04/27/2017	Printed		H-0829	HARTZOG & CRABILL, INC.	Traf Signal Mgmt Svs, Feb '17	264.0
8812669	04/27/2017	Printed		H-0934	HOME DEPOT	Program Supplies, CS, Mar	12.0
8812670	04/27/2017	Printed		H-0955	HR GREEN CALIFORNIA, INC.	Inspections & CIP #410 & 241	18,063.4
8812671	04/27/2017	Printed		Z-CD-0022	IBRA FARMS RESTAURANTS	Refund, Permit Fees, CR# 54762	1,413.5
8812672	04/27/2017	Printed		J-1057	JAMEY CLARK, INC.	Park Repair & Graffiti Removal	2,990.7
8812673	04/27/2017	Printed		C-1007	LAW ENFORCEMENT	Law Enforcement Svcs, May '17	645,857.0
8812674	04/27/2017	Printed		L-1376	LONG BEACH BMW MOTORCYCLES	Motorcycle Maint, PS, Mar '17	1,976.0
8812675	04/27/2017	Printed		M-1552	MARTIN-RUSK, DINA	Contract Instr Svcs, Zumba	641.20
8812676	04/27/2017	Printed		M-1513	MEEHAN, DANIEL	1/2 Marathon - Change Boxes	1,250.00

Attachment: Warrant Register 050917 (1285 : Approval of Warrant Register for Period Ended May 9, 2017)

Check Register Report

Warrant Register 05/09/17

3.3.a

Date:

Time:

4:59 pm

Page:

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							
8812677	04/27/2017	Printed		M-1396	MONOGRAM MAGIC	Uniforms, Police Services	68.9
8812678	04/27/2017	Printed		M-1583	MOORE IACOFANO GOLTSMAN, INC.	Professional Services, Mar '17	5,400.0
8812679	04/27/2017	Printed		M-1302	MOULTON NIGUEL WATER DISTRICT	Water Usage, CC, Pub Svcs	4,252.0
8812680	04/27/2017	Printed		M-1535	MUSIC MOVES ACADEMY, INC.	Contract Inst Svcs, Music	1,327.0
8812681	04/27/2017	Printed		N-1484	NICHOLS CONSULTING	Professional Services, Jun '17	1,000.0
8812682	04/27/2017	Printed		N-1474	NIEVES LANDSCAPE, INC.	Other Assorted Landscape, Apr	661.0
8812683	04/27/2017	Printed		C-1008	NPDES	Share Nat'l Pollutant, CIP#410	45,458.0
8812684	04/27/2017	Printed		N-1487	NUVIS	Planning Fees, Five Lagunas	1,624.0
8812686	04/27/2017	Printed		O-1546	OFFICE SOLUTIONS	Office/Operating Supplies	840.0
8812687	04/27/2017	Printed		O-1500	ORANGE COUNTY REGISTER	Subscription, CC, 3/6 - 5/2	79.0
8812688	04/27/2017	Printed		Z-CS-0020	PACIFIC SUN LEAGUE	Refund, Fac Dep, V#2004064.002	500.0
8812689	04/27/2017	Printed		C-1003	PARKING VIOLATIONS	Parking Fee Surcharge, Mar '17	2,045.0
8812690	04/27/2017	Printed		R-1934	RENEGADE RACING	Event Mgmt Svcs, 1/2 Marathon	8,000.0
8812691	04/27/2017	Printed		R-1855	RICHARD FISHER ASSOCIATES	Professional Svcs & CIP # 410	13,990.0
8812692	04/27/2017	Printed		Z-CD-0020	SAA	Refund, Plan Ck Fees, CR#55866	530.0
8812693	04/27/2017	Printed		Z-CD-0021	SEASIDE AIR CONDITIONING &	Refund, Permit Fees, CR# 55749	47.0
8812694	04/27/2017	Printed		S-2276	SEDGWICK, DON	Travel Reimb., ACC-OC, Mar	40.0
8812695	04/27/2017	Printed		S-2239	SOCAL OFFICE TECHNOLOGIES	Copier Usage, CC, 1/22 - 4/21	1,985.0
8812696	04/27/2017	Printed		S-1904	SOUTHERN CALIFORNIA EDISON	ST Lites, TC, Apr '17	9,378.0
8812697	04/27/2017	Printed		S-2250	SPARKLETTTS	Operating Supplies, CS, Apr 17	106.0
8812698	04/27/2017	Printed		S-2059	STAPLETON, VIVIAN	Cntr Inst Svcs Early Childhood	472.0
8812699	04/27/2017	Printed		T-2002	TAB PRODUCTS COMPANY	Office Supplies, Gen Gov	668.0
8812700	04/27/2017	Printed		T-2663	THE ACTIVE NETWORK	Employee Training, Com Svcs	850.0
8812701	04/27/2017	Printed		T-2681	TOTALFUNDS BY HASLER	Postage Replenishment, Apr '17	1,000.0
8812702	04/27/2017	Printed		T-2042	TRAUMA INTERVENTION PROGRAMS	Community Program, TIP, Apr-Jun	910.0
8812703	04/27/2017	Printed		T-2656	TYLER TECHNOLOGIES, INC.	Energov Prof Management	393.0
8812704	04/27/2017	Printed		U-2121	U.S. POSTAL SERVICE	Postage, City Views, May	2,500.0
8812705	04/27/2017	Printed		V-2249	US BANK VOYAGER FLEET SYS	Vehicle Fuel, Apr '17	1,598.0
8812706	04/27/2017	Printed		U-2163	USA DANCE, INC., OC CHAP #4018	Contract Inst Svcs, Dancing	196.0
8812707	04/27/2017	Printed		Z-CD-0007	VIVINT SOLAR	Refund, Permit Fees, CR# 55367	53.0
8812708	04/27/2017	Printed		W-2337	WEST COAST ARBORISTS, INC.	Tree Trimming, Mar - Apr '17	7,788.0
8812709	04/27/2017	Printed		W-2441	WEST COAST MOVEMENT PROJECT,	Contract Inst Svcs., Dance	1,194.0
8812710	04/27/2017	Printed		R-1801	WOODRUFF, SPRADLIN & SMART	Professional Svcs, Legal, Mar	47,624.0

Total Checks: 83

Checks Total (excluding void checks):

1,615,063.4

Total Payments: 83

Bank Total (excluding void checks):

1,615,063.4

Total Payments: 83

Grand Total (excluding void checks):

1,615,063.4

Attachment: Warrant Register 050917 (1285 : Approval of Warrant Register for Period Ended May 9, 2017)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017

TO: Mayor and Council Members

FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk

ISSUE: Excused Absence Request from Council Member Barbara Kogerman for May 9, 2017, City Council Meeting

RECOMMENDATION: That the City Council approve an Excused Absence Request from Council Member Barbara Kogerman for the May 9, 2017, City Council meeting.

SUMMARY:

Council Member Barbara Kogerman has informed staff that she will be out of town due to a previously planned trip and will be unable to attend the May 9, 2017, City Council meeting. Accordingly, Council Member Kogerman is requesting the City Council approve an excused absence for the affected May 9, 2017, City Council meeting.

Excused Absence Request from Councilmember Kogerman

May 9, 2017

Page 2



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Roland Chacon
Police Chief
ISSUE: Authorization to Purchase Police Motorcycle

RECOMMENDATION: That the City Council authorize the purchase of a police motorcycle in accordance with Section 3-080.130 of the Laguna Hills Municipal Code.

SUMMARY:

Our Police Services 2012 BMW R 1200 RT-P enforcement motorcycle is out of warranty. Police motorcycles have a life expectancy of four to five years, and the current motorcycle has been in service five years. With frequent engine starts, quick acceleration, and traffic enforcement stops, the type of miles put on our police motorcycles is taxing on the equipment. With the bike out of warranty, maintenance costs on this aging motorcycle are beginning to build. With the service-life threshold exceeded, and costly maintenance issues imminent, it is our recommendation this motorcycle be retired. Long Beach BMW has been contacted and informed us new police motorcycles are available for purchase.

In accordance with Section 3-08.130 of the City's Municipal Code, any vehicles with an estimated value greater than twenty thousand dollars (\$20,000) to be purchased by the City shall be approved in advance by the City Council prior to commencement of the procurement process. The motorcycle was a BMW R 1200 RT-P. The estimated cost of the replacement motorcycle is approximately \$32,000, including tax and freight charges.

Authorization to Purchase Police Motorcycle

May 9, 2017

Page 2

FISCAL IMPACT:

The purchase of a police motorcycle is included in the last two fiscal years Public Safety Operating Budget. The estimated cost of this purchase is within the budget.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Melissa Au-Yeung
Assistant to the City Manager/City Clerk
ISSUE: Fiscal Year 2017/2018 School Crossing Guard Agreement

RECOMMENDATION: That the City Council: (1) Waive competitive formal bidding requirements and procedures set forth in the Laguna Hills Municipal Code (LHMC) Section 3-08.090 and authorize the Agreement with All City Management, as it is hereby found and determined, pursuant to LHMC 3-08.110, that All City Management's experience, specialized qualifications, performance history, and reputation make it uniquely qualified for this particular task; and (2) Approve the proposed Crossing Guard Services Agreement for Fiscal Year 2017/2018 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.

The City's Purchasing Ordinance generally requires competitive formal bidding for agreements with a dollar value of greater than \$50,000. However, these bidding requirements and procedures set forth in Laguna Hills Municipal Code (LHMC) 3-08.090 may be waived at the discretion of the Purchasing Officer or by the City Council when any of the exemptions listed in Section 3-08.110 apply. In this case, because of the experience, specialized qualifications, performance history, and reputation of All City Management Services and its personnel, All City Management Services is uniquely qualified to provide this service.

FY 2017/2018 School Crossing Guard Agreement

May 9, 2017

Page 2

Section 3-08.110 (l) provides for an exemption “when an usual or unique situation exists, in that due to experience, specialized qualifications, particular expertise, performance history, and/or reputation, a particular company, vendor, consultant, or contractor is uniquely qualified for a particular task or project, which makes application of the requirements for competitive solicitation under this chapter contrary to either the intended purpose of the project or the public interest.” All City Management Services’ experience in the City, its reliable and satisfactory performance history, the qualifications of its personnel, and its reputation as a quality crossing guard services vendor make it uniquely suited and qualified for this Agreement.

Staff recommends the City Council make the appropriate findings pursuant to LHMC 3-08.110 and approve the Agreement with All City Management Services to continue the current level of services for Fiscal Year 2017/2018 and authorize the Mayor to execute the Agreement.

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 2017/2018 shall not exceed seventy-seven thousand seven hundred sixteen dollars and eighty cents (\$77,716.80) at a billing rate of \$17.99 per hour. There was an increase of 7.1% in this year's Agreement due to new increased minimum wage requirements and the implementation of mandated sick-leave time for all part-time employees.

ATTACHMENTS:

- Agreement
- Agreement Exhibit A

CONTRACT SERVICES AGREEMENT

All-City Management Services, Inc.
(Crossing Guard Services – FY 2017/18)

THIS CONTRACT SERVICES AGREEMENT (hereinafter “Agreement”) is made and entered into, to be effective this 1st day of July 2017, 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 MANAGEMENT SERVICES, 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 continued 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 written proposal, dated March 31, 2017, to provide continued 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, training, specialized equipment, or technical expertise able to perform the work and services contracted for herein.

D. City desires to retain Contractor to provide such 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 continue to provide and perform crossing guard services to City for the Project as described and as set forth in Contractor’s Proposal/Scope of Work, dated March 31, 2017, inclusive of Contractors Letter Proposal, Scope of Services, Client Worksheet 2017-2018, and Client Matrix, which is attached hereto as Exhibit “A” and is

Attachment: Agreement (1281 : FY 2017/2018 School Crossing Guard Agreement)

incorporated herein by reference (hereinafter collectively 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 contractors in the same or similar discipline in the State of California. Contractor represents and warrants that it is skilled in the contract services 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 and 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 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 Contractor’s signed, original March 31, 2017 proposal, inclusive of Contractors Letter Proposal, Scope of Services, Client Worksheet 2017-2018, and Client Matrix, 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 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 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 Contractor, 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 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 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. 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 and/or other consultants or contractors perform the same or services similar to the services that are the subject of this Agreement, at City's sole discretion.

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, including authorized reimbursements, 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 Seven Thousand Seven Hundred Sixteen Dollars and Eighty Cents (\$77,716.80) (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". 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. Toward this end, the Contract Officer is hereby 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 due to scheduling needs, priorities, budget considerations, and/or other circumstances. 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, 2017, and ending on June 30, 2018, unless extended by mutual written agreement of the Parties.

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 and Subsection 1.8 herein, 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. 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 Approved Surplus Lines Insurers (LASLI), by the latest edition of A.M. Best's Key Rating Guide, except that the City will accept workers' compensation insurance from the State Compensation Fund. In the event the City determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the 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.

3. Notice: The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability Insurance shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or modified, or reduced in coverage or in limits, except after thirty (30) days prior written notice by First Class U.S. Mail, postage-prepaid, has been provided to the City. Notwithstanding the foregoing, if coverage is to be suspended, voided, or cancelled because of Contractor’s failure to pay the insurance premium, the notice provided to City shall be by ten (10) days prior written notice.

B. For all policies of Commercial General Liability Insurance, 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 or Subcontractors. Contractor shall either: (1) include all subconsultants or subcontractors engaged in any Work or Services for Contractor relating to this Agreement as additional named insureds under the Contractor's insurance policies; or (2) 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 provided evidence satisfactory to City that the subconsultant or subcontractor has secured all insurance required under this section.

5.12 Other Insurance Requirements. The following terms and conditions shall apply to the insurance policies required of 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 Services, Inc.
Attention: Baron Farwell, President/General Manager
10440 Pioneer Boulevard, Suite #5
Santa 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]

Attachment: Agreement (1281 : FY 2017/2018 School Crossing Guard Agreement)

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

 DON SEDGWICK,
 Mayor of the City of Laguna Hills

ATTEST:

 (SEAL)
 MELISSA AU-YEUNG,
 Assistant to the City Manager/City Clerk

APPROVED AS TO FORM:

 GREGORY E. SIMONIAN,
 City Attorney

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

By: _____
 BARON FARWELL,
 President/General Manager

By: _____
 DEMETRA FARWELL,
 Secretary

Attachment: Agreement (1281 : FY 2017/2018 School Crossing Guard Agreement)

EXHIBIT “A”**CONTRACTOR’S PROPOSAL/ SCOPE OF WORK****DATED: MARCH 31, 2017****INCLUSIVE OF****CONTRACTOR’S LETTER PROPOSAL,****SCOPE OF SERVICES,****CLIENT MATRIX AND CLIENT WORKSHEET 2017-2018**

SCOPE OF SERVICES FOR PROJECT**INCLUDING,****SCHEDULE OF PERFORMANCE****AND****SCHEDULE OF COMPENSATION/ FEES****Attachment: Agreement (1281 : FY 2017/2018 School Crossing Guard Agreement)**



ALL CITY MANAGEMENT SERVICES

March 31, 2017

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

We again come to that time of year when many agencies are planning their budgets for the coming fiscal year. This year I hate to be the bearer of bad news, but you may know that the California Legislature ushered in another round of minimum wage increases effective January 1st of this year. The current law mandates an increase on January 1st for each of the next 4 years. The mandated wage rate for California employees is \$15.00 per hour by the year 2022.

You may recall a commitment I made in 2015 to freeze our billing rate for 3 years. California had just undergone the most significant increase in minimum wages in our history. I unfortunately did not foresee the legislature mandating a second round of increases which became law in 2015. As such, this January we incurred a .50 cents increase and during the upcoming 2017-2018 fiscal year we will incur another .50 cents increase (January 2018).

Our commitment to freeze our billing rates was also compromised by California Bill AB No.1522. 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.

In effect, these subsequent cost increases have forced us to abandon our commitment and propose new billing rates for the coming fiscal year. Toward that end the proposed rate for services for the City of Laguna Hills this year is \$ 17.99 per hour. As per the minimum wage mandates we anticipate annual price increases for the next 4 years to simply keep pace with minimum wage mandates.

We appreciate your business and if you have any questions or need additional information, please contact me at (800) 540-9290. Take care.

Baron Farwell, General Manager

"The Crossing Guard Company"

All City Management Services Inc.

Client Worksheet 2017 - 2018

Department: 3101

Billing Rate for 2017/2018: \$17.99

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		\$17.99	=	\$77,716.8
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 2016

TOTAL PROJECTED HOURS	4320	TOTAL ANNUAL PROJECTED COST	\$77,716.80
------------------------------	-------------	------------------------------------	--------------------

Attachment: Agreement Exhibit A (1281 : FY 2017/2018 School Crossing Guard Agreement)

Client Matrix



ALL CITY MANAGEMENT SERVICES

PAYNE, CARRIE

Ph: (562) 335-3137

3101

Laguna Hills, City of

		MON	TUE	WED	THU	FRI
1.1 Alicia/Wilkes Lomarena Elem.	949.581.1370	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 1:05 PM - 1:50 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM
Saddleback Valley	Reg 4 Other 4					
1.2 Alicia/Wilkes Lomarena Elem.	949.581.1370	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 1:05 PM - 1:50 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM	7:35 AM - 8:20 AM 2:20 PM - 3:05 PM
Saddleback Valley	Reg 4 Other 4					
2 Earhart/Barents Lomarena Elem.	949.581.1370	7:40 AM - 8:25 AM 2:15 PM - 3:00 PM	7:40 AM - 8:25 AM 2:15 PM - 3:00 PM	7:40 AM - 8:25 AM 1:00 PM - 1:45 PM	7:40 AM - 8:25 AM 2:15 PM - 3:00 PM	7:40 AM - 8:25 AM 2:15 PM - 3:00 PM
Saddleback Valley	Reg 4 Other 4					
3 Santa Victoria/Barbera San Joaquin Elem.	949.581.3450	7:25 AM - 8:10 AM 1:45 PM - 2:30 PM	7:25 AM - 8:10 AM 1:45 PM - 2:30 PM	7:25 AM - 8:10 AM 1:45 PM - 2:30 PM	7:25 AM - 8:10 AM 1:45 PM - 2:30 PM	7:25 AM - 8:10 AM 1:45 PM - 2:30 PM
Saddleback Valley	Reg 4 Other 4					
4.1 La Paz/ Paseo De Valencia Valencia Elem.	949.830.3650	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM
Saddleback Valley	Reg 4 Other 4					
4.2 La Paz/Paseo De Valencia Valencia Elem.	949.830.3650	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM	8:00 AM - 8:45 AM 2:15 PM - 3:00 PM
Saddleback Valley	Reg 4 Other 4					

Attachment: Agreement Exhibit A (1281 : FY 2017/2018 School Crossing Guard Agreement)



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017

TO: Mayor and Council Members

FROM: David Chantarangsu
Community Development Director

ISSUE: Approval of Amendment Four to "Cooperation Agreement Between the County of Orange and City of Laguna Hills" for the Purpose of Extending the City's Eligibility to Participate in the County of Orange Community Development Block Grant (CDBG) Program

RECOMMENDATION: That the City Council approve Amendment Four to the Cooperation Agreement between the County of Orange and City of Laguna Hills and authorize the City Manager to sign the Amendment.

SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) provides federal grant money to local communities through its Community Development Block Grant (CDBG) Program to provide assistance to low and moderate income persons, households, and neighborhoods in the areas of housing, services, programs, and infrastructure. Because of the requirements of the CDBG Program, cities under 50,000 population are not eligible to receive funds directly from HUD; therefore, the County of Orange receives CDBG funds on the City's behalf. When CDBG funds have been directed to the City, the City has historically programmed funds for improvements at the Florence Sylvester Memorial Senior Center and the Aliso Meadows condominium complex. The improvements made over the years have benefited low- and moderate-income residents of the City.

In order to continue to be eligible to receive CDBG funds from HUD on behalf of the City, the City Council must authorize the County of Orange to act on the City's behalf in matters pertaining to the CDBG Program. The City Council's approval of the attached

Amendment Four to the City's CDBG Agreement with the County of Orange

May 9, 2017

Page 2

“Amendment Four” to the 2005 Cooperation Agreement between the County of Orange and the City of Laguna Hills signifies the City’s approval to have the County of Orange act on the City’s behalf for the CDBG Program. Amendment Four commits the City to a three-year contract term ending in 2021; however, the City is not obligated to pursue CDBG funds during the term.

BACKGROUND:

The CDBG Program was established by HUD in 1975 as a means of allowing local communities to fund projects that address social and economic issues associated with poverty. Today, over 1,000 communities and agencies throughout the country use CDBG funds to support housing programs, social programs, services, and building revitalization efforts that serve low- and moderate-income residents in their communities. However, the CDBG Program distinguishes the funding process between cities above and below the 50,000 population mark. While cities over 50,000 population can receive funds directly from HUD and administer their own CDBG Program, cities under 50,000 population, like Laguna Hills, participate in CDBG programs through their county or state. The City participates in HUD’s CDBG Program through the County of Orange.

As a participant in the County’s CDBG Program, the City must consent to the County’s administration of the CDBG Program on behalf of the City every three years to remain eligible to receive CDBG funds. Since the City began participating in the County’s CDBG Program in the 1990s, the City has received approximately \$3 million for housing rehabilitation on behalf of Aliso Meadows residents, and facility improvements for the Florence Sylvester Memorial Senior Center. Approval of Amendment Four enables the City to continue to participate in the CDBG Program with the County through 2018. A three-year extension is also available unless the City chooses to opt out of the program by notifying the County before June 2017.

The City entered into its current Agreement with the County to participate in the County’s CDBG Program in 2005 (Attachment 1). It was subsequently amended in 2008 by Amendment One, in 2011 by Amendment Two, and in 2014 by Amendment Three. The County proposes to amend the 2005 Agreement once again by entering into Amendment Four (Attachment 2). Each of the Amendments has extended the original 2005 Agreement for a period of three years along with other non-substantive contract changes. The current Agreement expires in June 2018, but due to the lead times associated with the preparation of planning documents for the CDBG Program, the County is seeking an extension commitment from the City prior to the

Amendment Four to the City's CDBG Agreement with the County of Orange

May 9, 2017

Page 3

commencement of its planning activities, which is set to begin within the next few months.

CEQA FINDINGS:

Environmental review is not required under CEQA pursuant to the California Code of Regulations, Title 14, Chapter 3, Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and Section 15060(c)(3) (the activity is not a project as defined in Section 15378) because it has no potential for resulting in physical change to the environment, directly or indirectly. The proposed action is limited to the approval of an extension of an Agreement for the City to participate in the County of Orange CDBG Program without committing to fund or carry out a specific development project.

FISCAL IMPACT:

In previous years, the City has budgeted approximately \$30,000 annually to support its CDBG activities, but typically receives three to five times that amount annually in funds for Aliso Meadows and the Florence Sylvester Memorial Senior Center. Staff opted not to pursue CDBG funding for Aliso Meadows during the current cycle in order to focus on key development projects, including Five Lagunas. Only staff time is spent on projects for the senior center which typically receives a funding allocation from the County annually.

ATTACHMENTS:

- Attachment 1 - 2005 Cooperation Agreement
- Attachment 2 - Amendment Four



Attachment #1

2005 Cooperation Agreement

COOPERATION AGREEMENT

"Small-City"

THIS AGREEMENT is entered into this first day of July, 2005

BY AND BETWEEN

CITY OF LAGUNA HILLS, a municipal
Corporation, hereinafter referred to as CITY,

AND

COUNTY OF ORANGE, a political
subdivision of the State of California and
recognized Urban County under the Federal
Housing and Community Development Act
of 1974 (Public Law 93-383), as amended,
hereinafter referred to as "COUNTY".

RECITALS

WHEREAS, Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, hereinafter referred to as ACT, makes available to the COUNTY as an Urban County, and to cities under 50,000 in population, grants through the Community Development Block Grant Program (hereinafter referred to as "CDBG"), and the HOME Investment Partnership Program (hereinafter referred to as "HOME"), and any subsequent United States Department of Housing and Urban Development (hereinafter referred to as "HUD") Program which may become available to the COUNTY to be used for eligible housing and community development activities; and

WHEREAS, the ACT requires such cities and the COUNTY to enter into cooperation agreements in order for the cities to be included as part of the Urban County CDBG and HOME Programs; and

WHEREAS, the COUNTY and CITY desire to cooperate to undertake, or assist in undertaking, community development and lower income housing assistance activities, which might include, but are not limited to, (1) acquisition of property for disposition for private reuse, especially for low- and moderate-income housing, (2) direct rehabilitation of or financial

1 assistance to housing, (3) low rent housing activities, (4) disposition of land to private developers
2 for appropriate redevelopment, and (5) condemnation of property for low income housing

3 NOW, THEREFORE, the parties agree as follows:

4 1. This Agreement shall constitute a cooperation agreement between the parties
5 within the meaning of Section 102 (a)(b) of the ACT. The parties agree to cooperate to
6 undertake, or assist in undertaking, activities which might include, but are not limited to, (1)
7 acquisition of property for disposition for private reuse, especially for low- and moderate-income
8 housing, (2) direct rehabilitation of or financial assistance to housing, (3) low rent housing
9 activities, (4) disposition of land to private developers for appropriate redevelopment, and (5)
10 condemnation of property for low income housing-community.

11 2. COUNTY shall have the authority to carry out activities, which will be funded
12 from annual CDBG or HOME Program funds appropriated for Federal Fiscal Years 2006-2007,
13 2007-2008, and 2008-2009 and from any program income generated from the expenditure of such
14 funds.

15 3. COUNTY shall have final responsibility for selecting activities and annually filing
16 the grant application (i.e. Annual Action Plan) with HUD. In the preparation of said application,
17 COUNTY shall give due consideration to CITY's analysis of community development needs and
18 proposed activities.

19 4. COUNTY certifies that it is following an adopted Consolidated Plan as required by
20 24 CFR Part 91 and 24 CFR Part 570.306.

21 5. Since HUD will not accept an Agreement including a provision for veto or other
22 restriction which would allow any party to obstruct implementation of the Consolidated Plan,
23 both COUNTY and CITY shall attempt to fulfill housing goals established by the HUD approved
24 Consolidated Plan for the period of this Agreement.

25 6. CITY acknowledges that it has adopted and is enforcing:

26 a. A policy prohibiting the use of excessive force by law enforcement agencies
27 within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations;
28 and

29 b. A policy of enforcing applicable State and local laws against physically barring
30 entrance to or exit from a facility or location which is the subject of such non-violent civil rights
31 demonstrations within jurisdictions.

7. COUNTY and CITY agree to take all actions necessary to ensure compliance with the Urban County's certification required by Section 104 (b) of Title I of the Housing Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974, and other applicable laws. Failure by CITY to comply with these provisions or to affirmatively further fair housing within its own jurisdiction or CITY action which impedes the COUNTY's actions to comply with the COUNTY's fair housing certification, which may constitute noncompliance with the Urban County CDBG and HOME Programs, which may cause funding sanctions or other remedial actions by HUD and/or COUNTY.

8. In the event COUNTY's Urban County application is approved by HUD, COUNTY shall contract with the CITY to utilize any such grant funds received from HUD which are attributable to activities administered by CITY, unless another form of allocation is required by HUD.

9. This Agreement shall cover Program Years 32, 33 and 34 (Fiscal Years 2006-2007, 2007-2008 and 2008-2009, respectively) of CDBG and HOME program applications, including any subsequent Supplemental sources (Paragraph 23 below). In no event shall this agreement be terminated by either party before June 30, 2009, except as allowed in legislation enacted by the U.S. Congress for termination or withdrawal from the Urban County Program and as permitted by HUD.

10. In accordance with HUD Notice CPD 05-01, this agreement will be automatically extended for an additional three (3) year period (i.e. from July 1, 2009 to June 30, 2012) unless COUNTY or CITY provides written notice that it elects not to participate in a new qualification period. COUNTY shall notify CITY in writing of its right not to participate no later than the date specified in HUD's Urban County Qualification Notice for the next qualification period.

11. CITY and COUNTY agree to adopt amendment(s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s) subsequent to June 30, 2009. The COUNTY will notify CITY of its right to terminate its participation in the program based on the adoption of any such amendment. If either CITY or COUNTY refuses to adopt any such amendment, this automatic renewal provision herein will be void.

12. The eligible activities to be undertaken during the term of this Agreement will be chosen by CITY from those authorized by HUD Rules and Regulations governing the CDBG and

HOME Programs and any regulations which may be applicable to future Supplemental Federal Programs.

13. The parties agree to comply with the requirement(s) of the CDBG and HOME Programs, including laws and policies applicable to said Programs.

14. CITY acknowledges by its execution of CDBG and HOME cooperation agreement(s) the included unit of general local government it:

a. May not apply for grants from appropriations under the Small Cities or State CDBG Programs for fiscal years during the period in which it participates in the COUNTY'S CDBG program and;

b. May not participate in a HOME consortium except through the Urban County, regardless of whether the Urban County currently received a HOME formula allocation.

c. May not terminate or withdraw from the Cooperation Agreement while it remains in effect until the CDBG and HOME funds and income received with respect to the three-year qualification period (and any successive qualification periods under agreements that provide for automatic renewals) are expended and the funded activities completed.

15. a. CITY must inform COUNTY, through periodic reports requested by COUNTY, of any income generated by the expenditure of Program funds received by the CITY. Pursuant to applicable federal requirements, such program income must be paid to the COUNTY. CITY may retain such program income only if agreed upon by COUNTY and used exclusively for eligible activities as determined by the COUNTY and in accordance with all CDBG and HOME Program requirements as may then apply.

b. CITY shall keep and maintain appropriate records on the use of program income as required by COUNTY as the COUNTY has the responsibility of monitoring and reporting program income to HUD.

c. In the event of close-out or change in status of CITY, any program income at that time or received subsequent to the close-out or change in status shall be paid by CITY to the COUNTY within ninety (90) days after the expiration of the term of this Agreement.

16. a. Any proposed modification or change of use of any real property acquired or improved in whole or in part by the CITY using CDBG funds (from the use planned at the time of acquisition or improvement), including disposition, must be reported by CITY to the COUNTY.

COUNTY may approve the proposed modification or change of use. CITY shall not implement the modification or change in use without COUNTY approval.

b. Should the disposition, sale or transfer of such real property acquired or improved in whole or in part using CDBG or HOME Program funds result in a use which does not qualify under CDBG or HOME Program regulations, the CITY shall reimburse COUNTY in the amount equal to the then current fair market value of the property (less any portion thereof attributable to expenditure of non-CDBG/HOME funds).

c. Any program income generated from the disposition, transfer or sale of such property prior to or subsequent to the close-out, change of status or termination of the cooperation agreement between the COUNTY and CITY may be either used by CITY for other specific eligible activities in the CITY or paid to the COUNTY for other eligible Urban County activities, as determined in advance of the expenditure at the discretion of the COUNTY.

17. a. CITY shall indemnify, hold harmless, and defend with counsel approved in writing by COUNTY, its officers, agents and employees against all liability, claims, losses, demands and actions for injury to or death of persons or damage to property arising out of or alleged to arise out of or in consequence of this Agreement including attorneys' fees, provided such liability, claims, demands, losses or actions are due to the acts or omissions of CITY, its officers, agents or employees in the performance of this Agreement, including any activities conducted by CITY under its application.

b. In addition, CITY shall indemnify, defend with counsel approved in writing by COUNTY, and hold harmless COUNTY against any liability, claims, losses, demands, and actions including attorneys' fees incurred by COUNTY as a result of a determination by HUD that activities undertaken by CITY under CITY's application failed to comply with any laws, regulations, or policies applicable thereto or that any funds forwarded to CITY under this Agreement were improperly expended.

c. The provisions of Section 2778 of the California Civil Code, as said section exists on the effective date of this Agreement, shall be applicable to the above indemnification provisions. Transmittal to CITY of any pleadings served upon COUNTY shall be deemed to be a request to defend.

18. a. COUNTY shall indemnify, hold harmless and defend with counsel approved in writing by CITY, its officers, agents and employees against all liability, claims, losses, demands

1 and actions for injury to or death of persons or damage to property arising out of or alleged to arise
2 out of or in consequence of this Agreement, provided such liability, claims, demands, losses or
3 actions are due to the acts or omissions of COUNTY, its officers, agents or employees in the
4 performance of this Agreement, including any activities conducted by COUNTY under its
5 application.

6 b. In addition, COUNTY shall indemnify, defend with counsel approved in
7 writing by CITY, and hold harmless CITY against any liability, claims, losses, demands, and
8 actions including attorneys' fees incurred by CITY as a result of a determination by HUD that
9 activities undertaken by COUNTY under COUNTY's application failed to comply with any laws,
10 regulations, or policies applicable thereto or that any funds forwarded to COUNTY under this
11 Agreement were improperly expended.

12 c. The provisions of Section 2778 of the California Civil code, as said section exists
13 on the effective date of this Agreement, shall be applicable to the above indemnification
14 provisions. Transmittal to COUNTY of any pleadings served upon CITY shall be deemed to be a
15 request to defend.

16 19. COUNTY shall have the right to periodically audit CITY's records to determine
17 compliance with this Agreement.

18 20. CITY shall forward to COUNTY a copy of each annual audit of the CITY
19 conducted by an independent public auditor during the period of this Agreement as soon as the
20 audit report becomes available. COUNTY shall have the right to ensure that necessary corrective
21 actions are made by CITY for any audit findings pertinent to CITY handling of CDBG Program
22 funding pursuant to federal requirements.

23 21. No CDBG or HOME Program funds shall be expended on any activity, which does
24 not affirmatively further fair housing goals within CITY.

25 22. Pursuant to 24 CFR Part 570.501(b) of CDBG and 24 CFR Part 92.504 of HOME
26 program regulations, CITY is subject to all requirements applicable to subrecipients, including the
27 requirement of a written agreement set forth in 24 CFR Part 570.503 of CDBG and 24 CFR Parts
28 92.505-509 of HOME program regulations.

29 23. This Cooperation Agreement shall apply to any supplemental program which
30 HUD makes available through the CDBG or the HOME Programs.

1 24. CITY may void this Agreement only if it submits to COUNTY on or before July
2 08, 2005 the notification from HUD that CITY has qualified as a "Metropolitan City" or an
3 "Entitlement City" prior to the completion of the re-qualification process for Fiscal Years 2006-
4 2007, 2007-2008, 2008-2009. Upon such notification by HUD, CITY also must submit to
5 COUNTY and HUD written notification of its decision to either remain in the Urban County
6 Program as a "Metropolitan City" or become an "Entitlement City" as a separate entity.

7 //

8 //

9 //

10 //

IN WITNESS WHEREOF, CITY has caused this Agreement to be executed by its Mayor/City Manager and attested by its City Clerk; COUNTY has caused this Agreement to be executed by the Director of the Housing and Community Services Department; each having been duly authorized by the CITY Council and the COUNTY Board of Supervisors, respectively.

CITY OF LAGUNA HILLS, a municipal Corporation in the State of California

By: [Signature]

Name: Randal Bressette

Title: Mayor

Date: May 24, 2005

ATTEST:

By: [Signature]

Name: Mary A. Carlson

Title: City Clerk

Date: May 24, 2005

APPROVED AS TO FORM:

[Signature]
Lois E. Jeffrey, City Attorney

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

By: [Signature]

Paula Burrier-Lund, Director

Housing and Community

Services Department

Date: 6/30/05

ORIGINAL FORM CONTRACT

APPROVED AS TO FORM and REQUIRED COUNTY COUNSEL STATEMENT:

"The terms and provisions of the agreement are fully authorized under State and local law and the agreement provides full legal authority for the County."

By: [Signature] Date: 7/1/05



Attachment #2

Amendment Four

**AMENDMENT FOUR TO
COOPERATION AGREEMENT BETWEEN
THE COUNTY OF ORANGE
AND
CITY OF LAGUNA HILLS**

This Amendment Number FOUR (hereinafter "Amendment FOUR") is made and entered into by the County of Orange, a political subdivision of the State of California, ("COUNTY") and CITY OF LAGUNA HILLS, a municipal corporation, ("CITY"), DUNS Number 798794947 which are sometimes individually referred to as "Party" or collectively referred to as "Parties", and is effective as of July 1, 2018, hereinafter referred to as "EFFECTIVE DATE".

WHEREAS, COUNTY and CITY executed that certain COOPERATION AGREEMENT "Small-City" (hereinafter "Original Agreement" or "Agreement") for commencement July 1, 2005; and

WHEREAS, the Original Agreement was amended by Amendment ONE, effective as of July 16, 2008; and

WHEREAS, the Original Agreement was amended by Amendment TWO, effective as of July 1 2012; and

WHEREAS, the Original Agreement was amended by Amendment THREE, effective as of July 1, 2015; and

WHEREAS, U.S. Department of Housing and Urban Development ("HUD") Notice CPD-14-07 allows "automatic" renewals for up to three years provided that COUNTY sends a letter to CITY notifying it that the Original Agreement will be renewed unless CITY notifies COUNTY that it wishes to terminate the agreement and a copy of such a letter is provided to HUD; and

WHEREAS, COUNTY sent CITY a letter notifying CITY of such renewal on February 2, 2017; and

WHEREAS, CITY did not advise COUNTY that it wished to terminate the Original Agreement with County; and

WHEREAS, the Parties desire to further amend the Original Agreement at this time in the manner set forth herein.

NOW, THEREFORE, the Parties hereby agree to the following modifications to the Original Agreement:

1. Section 2 of the Original Agreement is amended in its entirety as follows:

"COUNTY shall have the authority to carry out activities, which will be funded from annual Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Solutions Grant (ESG) Program funds appropriated for Federal Fiscal Years 2018-2019, 2019-2020 and 2020-2021 and from any program income generated from the expenditure of such funds."

2. Section 6 of the Original Agreement shall be amended to add subsection (c.) as follows:

"c. A policy to undertake or assist in undertaking, community renewal and lower-income housing assistance activities."

3. Section 9 of the Original Agreement shall read as amended in its entirety as follows:

This Agreement shall cover Fiscal Years 2018-2019, 2019-2020 and 2020-2021, respectively of CDBG, HOME and ESG program applications, including any subsequent Supplemental sources (Paragraph 23 of the Agreement). In no event shall this agreement be terminated by either Party before June 30, 2021, except as allowed in legislation enacted by the U.S. Congress for termination or withdrawal from the Urban County Program and as permitted by HUD.

4. Section 10 shall be added to Agreement to read:

"In accordance with HUD Notice CPD 14-07, and subsequent CPD Notices, this Agreement will be automatically extended for an additional 3 (three) year period (July 1, 2021 to June 30, 2024) unless COUNTY or CITY provides written notice that it elects not to participate in a new qualification period. COUNTY shall notify CITY in writing of its right not to participate any longer than the date specified in HUD's Urban County Qualification Notice for the next qualification period."

5. Section 11. Of the Original Agreement is amended to read:

"CITY and COUNTY agree to adopt amendments (s) to this Agreement as may be required by HUD to meet any new Urban County Qualification requirement(s) subsequent to June 30, 2020. The COUNTY will notify CITY of its right to terminate its participation in the program based on the adoption of any such amendment. If either CITY or COUNTY refuses to adopt any such amendment, this automatic renewal provision herein will be void."

6. Section 24. Is amended to read:

"CITY may void this Agreement only if it submits to COUNTY on or before June 2017 the notification from HUD that CITY has qualified as a "Metropolitan City" or an "Entitlement City" prior to the completion of the

re-qualification process for Fiscal Years 2018-19, 2019-2020, and 2020-2021. Upon such notification by HUD, CITY also must submit to COUNTY and HUD written notification of its decision to either remain in the Urban County Program as a "Metropolitan City" or become an "Entitlement City" as a separate entity."

7. All other provisions of the Original Agreement, as amended, a copy of which is attached hereto as Exhibit A and incorporated by this reference, to the extent they are not inconsistent with this Agreement, remain unchanged and in full force and effect.

IN WITNESS WHEREOF, CITY has caused this Amendment FOUR to be executed by its City Manager and attested by its City Clerk; COUNTY has caused this Amendment FOUR to be executed by the Director of the Orange County Community Resources; each having been duly authorized by the CITY Council and the COUNTY Board of Supervisors, respectively.

ATTEST:

City of _____, a municipal
Corporation in the State of California

By: _____

Name:

Title: City Manager

Date: _____

By: _____

Name:

Title: City Clerk

Date: _____

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

By: _____

Dylan Wright, Director

Orange County Community Resources

Date: _____

////////////////////////////////////

ORIGINAL FORM CONTRACT

APPROVED AS TO FORM and REQUIRED COUNTY COUNSEL STATEMENT:

"The terms and provisions of the agreement are fully authorized under State and local law and the agreement provides full legal authority for the County."

Carolyn S. Frost

Date: 04/26/17

By: Deputy County Counsel



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Dan Meehan
Community Services Superintendent
ISSUE: Healthy Eating Active Living (HEAL) Cities Campaign

RECOMMENDATION: That the City Council approve of the City of Laguna Hills joining the Healthy Eating Active Living Cities Campaign by adopting the attached Resolution entitled: "A Resolution of the City Council of the City of Laguna Hills, California, that declares Laguna Hills a Healthy Eating Active Living (HEAL) City."

SUMMARY:

A Community Services Department work program in the 2015/2017 Budget Cycle is to: "Join the Healthy Eating Active Living (HEAL) Cities campaign, which promotes the policies of active life land use decisions, healthy food, and employee wellness." The HEAL Cities Campaign is a partnership of the League of California Cities and Public Health Advocates. Staff from the HEAL Cities Campaign work with cities throughout California to adopt policies and programs that encourage and enable citizens of all ages to undertake exercise. As noted in the attached materials, California's children are suffering from the effects of being overweight including being diagnosed with diseases previously seen only in adults, such as Type 2 diabetes and heart disease. The City of Laguna Hills is eligible to join the HEAL Cities Campaign based on existing policies and programs already implemented (i.e. Get Fit). The City of Laguna Hills will formally join the HEAL Cities Campaign by City Council's adoption of the attached Resolution. This information was presented to the Parks and Recreation Commission at its April 5, 2017, meeting, and the Commission was in support of the City of Laguna Hills participating in this program.

Healthy Eating Active Living (HEAL) Cities Campaign

May 9, 2017

Page 2

BACKGROUND:

A Community Services Department work program in the 2015/2017 Budget Cycle is to: “Join the HEAL Cities Campaign, which promotes the policies of active life land use decisions, healthy food, and employee wellness.” The HEAL Cities Campaign is a partnership of the League of California Cities and Public Health Advocates. Staff from the HEAL Cities Campaign currently work with 180 cities in California to adopt policies and programs that support daily physical activity and proper nutrition. Policies considered by HEAL Cities Campaign staff to be key to becoming a healthy community fall within these categories:

- Complete Parks – A park system that is accessible to all residents, well funded, well maintained, well programmed, and well used is known as a Complete Parks System.
- Land Use – Cities’ land use tools of planning, zoning, and infrastructure investment can have a positive impact on community health.
- Healthy Foods – Cities have the ability to attract and approve healthy food options such as farmer’s markets and community gardens.
- Worksite Wellness – Cities can reduce the impact of stress and poor health on their employees by creating a work environment and programs that support nutrition, physical activity, and stress reduction.

The Campaign recognizes cities that adopt healthy eating and active living policies with three designations, which are listed below:

- Eager Cities – Cities that join the campaign by resolving to focus on a HEAL Cities Campaign area or policy related to a campaign area.
- Active Cities – These cities have already adopted and implemented two policies in at least one campaign area. Active Cities join the campaign by adopting a HEAL Cities Campaign Resolution that includes at least two commitments for further policy development or by adopting an additional policy in one of the campaign areas that they have not yet addressed.
- Fit Cities – These cities have already adopted and implemented at least one policy in each of the campaign areas. Fit Cities join the campaign by adopting a HEAL Cities Campaign Resolution that includes at least two

Healthy Eating Active Living (HEAL) Cities Campaign

May 9, 2017

Page 3

commitments for further policy development or by adopting an additional policy in one of the campaign areas.

The City of Laguna Hills' General Plan includes policies that adhere to the above guidelines of the HEAL Cities Campaign. In the Land Use, Mobility, Conservation and Open Space, and Community Services and Facilities sections of the General Plan, these policies include:

- Policy LU-1.4: Promote walkability throughout the community through enhanced pedestrian amenities, attractive streetscapes, plazas, and civic gathering areas.
- Policy LU-3.3: Ensure safe, efficient pedestrian connections are made between adjacent neighborhoods, sidewalks, parking areas, and entrances to stores.
- Policy M-3.1: Continue to extend and maintain pedestrian paths, bikeways, and equestrian trails that connect to local and regional activity centers.
- Policy M-3.7: Encourage the provision of bicycle facilities in activity centers, places of employment, and public transit systems.
- Policy COS-1.12: Maintain unique and diverse open spaces for purposes of protecting scenic resources, passive recreation, and habitat protection.
- Policy COS-2.1: Expand and improve the network of trails that provides interesting and safe access to parks, schools, neighborhood commercial areas, activity centers, and regional recreational opportunities.
- Policy COS-2.6: Improve access to healthy and local food by encouraging community gardens, farmer's markets, and farm-to-school programs.
- Policy CSF-1.2: Investigate the need for additional community facilities in Laguna Hills, such as community centers, swimming pools, parks, sports fields, a library, and/or an amphitheater.
- Policy CSF-1.3: Provide recreation opportunities at the Community Center in response to the changing needs of the community.

It is staff's opinion that the City of Laguna Hills qualifies to join the HEAL Cities Campaign at the "Active City" level. Benefits that the City will receive from the HEAL Cities

Healthy Eating Active Living (HEAL) Cities Campaign

May 9, 2017

Page 4

Campaign as an “Active City” include the HEAL Cities Campaign logo for display on the City’s website, a framed campaign certificate, recognition on the HEAL Cities Campaign website, and recognition at the League of California Cities Annual Conference. The draft Resolution that declares Laguna Hills a HEAL City is attached to this staff report for the City Council’s review. Staff is recommending that the City Council adopt the Resolution and that the City of Laguna Hills join the HEAL Cities Campaign.

FISCAL IMPACT:

A nominal amount of staff time will be required to administer and adhere to the campaign requirements.

ATTACHMENTS:

- HEAL Cities Campaign Resolution
- HEAL Cities Campaign Materials

RESOLUTION NO. 2017-05-09-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA HILLS, CALIFORNIA, THAT DECLARES LAGUNA
HILLS A HEALTHY EATING ACTIVE LIVING (HEAL) CITY

WHEREAS, in 2004, the League of California Cities adopted an Annual Conference Resolution to encourage cities to embrace policies that facilitate activities to promote healthier lifestyles and communities, including healthy diet and nutrition and adoption of city design and planning principles that enable citizens of all ages and abilities to undertake exercise; and

WHEREAS, the League of California Cities has a strategic goal to promote and develop safe and healthy cities; and

WHEREAS, one in four youth between the ages of 9 and 16 in California is overweight; and

WHEREAS, more children are being diagnosed with diseases linked to overweight and obesity previously seen only in adults, such as Type 2 diabetes and heart disease; and

WHEREAS, the current generation of children are expected to have shorter lives than their parents due to the consequences of obesity; and

WHEREAS, high rates of costly chronic disease among both children and adults are correlated to environments with few or no options for healthy eating and active living.

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

That the City Council has hereby recognized that obesity is a serious public health threat to the health and wellbeing of adults, children, and families in Laguna Hills. While individual lifestyle changes are necessary, individual effort alone is insufficient to combat obesity's rising tide. Significant societal and environmental changes are needed to support individual efforts to make healthier choices. To that end, the City of Laguna Hills adopts this Healthy Eating Active Living (HEAL) Resolution:

SECTION 1. BUILT ENVIRONMENT:

BE IT FURTHER RESOLVED that the City of Laguna Hills planners, engineers, community services, and community development personnel responsible for the design of parks, neighborhoods, streets, and business areas make every effort to:

- Plan and construct a built environment that encourages walking, biking, and other forms of physical activity; and
- Encourage capital improvement projects to increase the opportunities for physical activities in existing areas; and
- Continue to facilitate farmers markets to increase access to healthy food, including fresh fruit and vegetables.

SECTION 2. EMPLOYEE WELLNESS:

BE IT FURTHER RESOLVED that in order to promote wellness within the City of Laguna Hills, and to set an example for other businesses, The City of Laguna Hills pledges to continue and improve its employee wellness policy. The City of Laguna Hills will consider the following employee wellness concepts:

- Continue to offer an employee discount on health and wellness classes offered by the Community Services Department; and
- Provide a “Wellness Newsletter” to employees each month; and
- Offer healthy choices in the vending machines located in City facilities; and
- Plan a wellness class or presentation during the lunch hour on a bi-annual basis.

SECTION 3. IMPLEMENTATION:

BE IT FURTHER RESOLVED that the head of each affected department should report back to the City Council annually regarding steps taken to implement the Resolution, additional steps planned, and any desired actions that would be recommended to the City Council.

PASSED, APPROVED, AND ADOPTED this 9th day of May 2017.

DON SEDGWICK., 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. 2017-05-09-X adopted by the City Council of the City of Laguna Hills, California, at a Regular Meeting thereof held on the 9th day of May 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK

Cities' Role in Reversing the Obesity Epidemic

Due to the rapid rise in obesity, today's youth may—for the first time in modern history—live shorter lives than their parents.¹

Cities and their residents are facing increased health care costs and diminished quality of life due to the epidemic of obesity and overweight. City leaders across California are stepping up to help stem the obesity epidemic in their communities. This fact sheet is intended to help city council members and executive city staff see how municipalities can help reduce obesity and overweight through policies that advance healthy eating and active living.



Obesity and Overweight Cost Cities in Health Care, Preventable Disease, and Lost Productivity

California's children are suffering from overweight and its effects:

- On average, one in four California youth between the ages of 9 and 16 is overweight; in many California cities, that statistic is one in three
- More children are being diagnosed with diseases linked to overweight and obesity previously seen only in adults, such as Type 2 diabetes and heart disease
- Overweight children are far more likely to be obese as adults²

California's adults face serious problems from obesity:

- More than half of California's adults are overweight or obese: 23 percent are obese and another 35 percent are overweight³
- Obese adults face increased risks for many chronic conditions: diabetes, heart disease, cancer, arthritis, stroke, and hypertension⁴
- Each year in California, obesity is directly or indirectly responsible for hundreds of deaths and thousands of hospitalizations⁵
- In 2006, the annual cost to California—in medical bills, workers compensation and lost productivity—for overweight, obesity, and physical inactivity was \$41 billion⁶



The Healthy Eating Active Living Cities Campaign provides training and technical assistance to help city officials adopt policies that improve their communities' physical activity and retail food environments. Supporting healthy choices is essential to address the obesity epidemic among California's children and adults, currently costing the state more than \$41 billion annually in healthcare and lost productivity.

The Campaign, funded by Kaiser Permanente and the Vitamin Cases Consumer Settlement Fund, is a partnership of the League of California Cities, the California Center for Public Health Advocacy, and the Cities Counties and Schools Partnership.

This fact sheet is one in a series providing background and policy ideas for healthy cities.

www.HealCitiesCampaign.org



Low-Income Communities Fare Worst

Rates of obesity are highest and have risen most rapidly among people of color and in low-income communities, where choices for healthy eating and physical activity are limited.⁷ Even after accounting for individual risk factors such as socioeconomic status and race/ethnicity, living in a community that has a lot more unhealthy food outlets is associated with significantly higher rates of obesity and diabetes than living in a community with more opportunities to buy healthy food.⁴

Cities Have an Important Role in Obesity Prevention

Increasingly, policymakers, advocates, and health care providers are recognizing the influence of community factors on health,⁸ including the following:

- Local access to healthy foods
- Safe places to play and be active
- Opportunities for people to walk and bike within their neighborhoods

City councils can improve the physical activity and food environments in their cities and contribute to preventing obesity among their employees and residents through:

- Internal personnel policies
- Land use decisions
- Redevelopment priorities
- Community and economic development plans

In conjunction with leaders from 100 California Cities, the Healthy Eating Active Living Cities Campaign has developed policy recommendations that could improve the food and physical activity environments in communities, available at www.HealCitiesCampaign.org.

The Benefits to Your City

By adopting one or more of the policies described at www.HealCitiesCampaign.org, your city could see these benefits:

- Cost savings through employee wellness policies and health incentives
- Improved quality of life for residents through active lifestyles
- Improved community connections and civic life through community interactions in parks and public places, slowing people down to see and talk with one another
- Improved public safety and reduced crime by ensuring more “eyes on the street” when residents walk, bike, or run
- Neighborhood recreation options that help keep kids out of the street
- Better-performing kids: healthy kids do better in school, giving them a greater chance to contribute eventually to the region’s economic vitality
- Greater life expectancy for the next generation than predicted under current circumstances
- Creation of attractive destinations that offer good food, multiple activities, and places where people want to spend time and money
- Less traffic congestion and cleaner air as folks leave their cars to ride bicycles and walk
- Contribution to AB 32 and SB 375 goals by increasing walkability and biking and decreasing vehicle miles traveled

Join the Healthy Eating Active Living Cities Campaign

Go to www.HealCitiesCampaign.org and let us know what you are doing, or contact the campaign:

Charlotte Dickson, Campaign Director
 Healthy Eating Active Living Cities Campaign
cd@PublicHealthAdvocacy.org
 (510) 302-3387

References

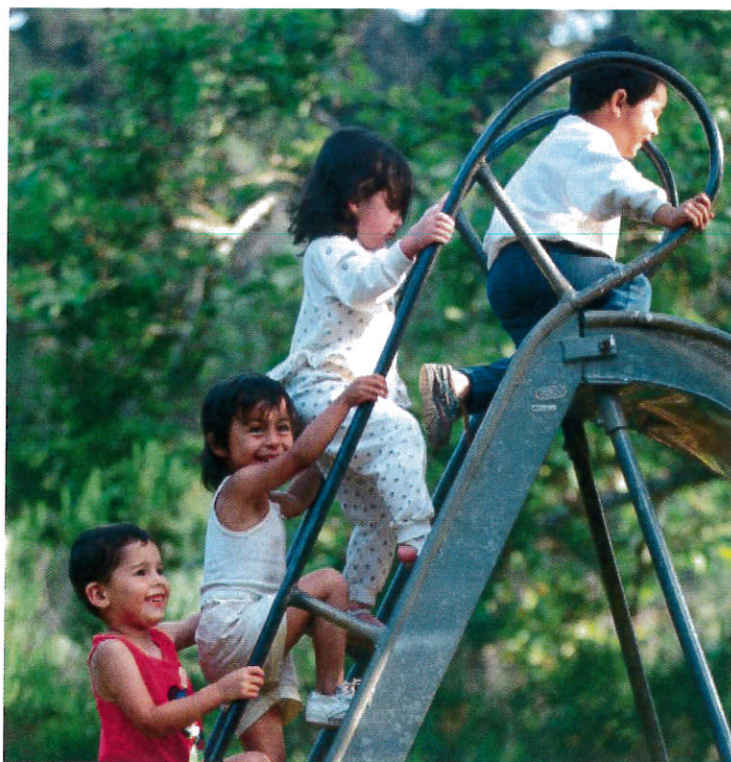
1. Olshansky SJ, Passaro DJ, Hershow RC, et al. A potential decline in life expectancy in the United States in the 21st century. *N Eng J Med*. Mar 17 2005;352(11):1138-1145.
2. *The Growing Epidemic*, California Center for Public Health Advocacy, 2005.
3. Prevalence and Trends Data, California—2007, Overweight and Obesity. Retrieved November 14, 2008, from <http://apps.nccd.cdc.gov/brfss/display.asp?cat=OB&yr=2007&qkey=4409&state=CA>.
4. *Designed for disease: The link between local food environments and obesity and diabetes*, California Center for Public Health Advocacy, PolicyLink, and the UCLA Center for Health Policy Research, 2008.
5. Sutocck J. *Obesity-related morbidity and mortality: California, 2000-2002*. California Department of Health Services Center for Health Statistics, Office of Health Information and Research; 2005.
6. *The economic costs of physical inactivity, obesity, and overweight in California adults: Health care, workers' compensation and lost productivity*. California Department of Health Services and Public Health Institute; 2005.
7. *Healthy People 2010: Understanding and improving health*. U.S. Department of Health and Human Services; 2002. See also Deitel M. The Surgeon-General's call to action to prevent an increase in overweight and obesity. *Obes Surg*. Feb 2002;12(1):3-4.
8. Haan M, Kaplan GA, Camacho T. Poverty and health. Prospective evidence from the Alameda County study. *Am J Epidemiol*. Jun 1987;125(6):989-998.

Be a City with Healthy Land Use Policies

Many people believe that dealing with overweight and obesity is a personal responsibility. To some degree they are right, but it is also a community responsibility. When there are no safe, accessible places for children to play or adults to walk, jog, or ride a bike, that is a community responsibility.¹

—U.S. Surgeon General

Think of a city where you love walking. Are there safe sidewalks, grocery stores or restaurants, and other people out walking? Are children and families relaxed and playing in well-maintained parks? It's not an accident that some neighborhoods attract pedestrians and that some communities have parks while others do not. What gets built in a city reflects that city's policies and goals for improving the health and activity of their residents and workers.



Cities can help improve residents' health with general plan and zoning policies. Photo by Visions LLC/Photolibrary.

In much of California, housing, schools, retail, worksites and parks are separated from each other by roads that discourage walking and biking and make people dependent on cars. In an effort to improve the health of their residents, some cities are promoting physical activity, particularly walking and biking, through their general plans and zoning codes. These strategies address both the obesity epidemic—rates of obesity increase in proportion to vehicular miles traveled²—and state mandates to reduce greenhouse gasses.³

Access to healthy food can likewise be enhanced through land use strategies. Adding measurable goals regarding access to grocery stores, farmers' markets and community gardens to a city's general plan can establish the foundation for zoning ordinances, permitting processes and business incentives to bring produce and other healthy items into underserved neighborhoods.

The co-benefits of using your city's general plan, zoning code and infrastructure investments to promote safe, active transportation, increase open space and support nutritious food are a healthy population and a healthy environment.



The Healthy Eating Active Living Cities Campaign provides training and technical assistance to help city officials adopt policies that improve their communities' physical activity and retail food environments. Supporting healthy choices is essential to address the obesity epidemic among California's children and adults, currently costing the state more than \$41 billion annually in healthcare and lost productivity.

The Campaign, funded by Kaiser Permanente and the Vitamin Cases Consumer Settlement Fund, is a partnership of the League of California Cities, the California Center for Public Health Advocacy, and the Cities Counties and Schools Partnership.

This fact sheet is one in a series providing background and policy ideas for healthy cities.

www.HealCitiesCampaign.org

Healthy Eating Active Living City Policies

This fact sheet explores policies that cities can adopt to create a healthy built environment through three land use mechanisms:

1. The city's planning process
2. Zoning regulations
3. Infrastructure investments

Cities can use these land use mechanisms to become more healthy and sustainable.

See the HEAL Cities Campaign website (www.HealCitiesCampaign.org) for more resources.

1 Healthy Planning

Cities throughout California are using their planning processes to address the obesity epidemic. Approximately 30 cities are using the general plan update to articulate measurable goals and policies that will enhance residents' physical activity and access to healthy food. Some cities are including a separate health element in their general plan; others are adding health goals and policies in various general plan elements.

For example, the City of Richmond drafted the Community Health and Wellness Element in its general plan update to formulate 10 goals that set the stage for policies to improve residents' proximity to open space, parks and produce markets; increase access to federal food programs such as WIC and the USDA lunch program; and implement joint use agreements with the school district.

Many are including a focus on smart growth principles. The term "smart growth" refers to developing healthy, vibrant communities where homes, jobs, schools and places for play are nearby each other and linked by walking, biking, and transit. The smart growth approach is gaining ground as climate change mandates shape transportation and housing planning. Smart growth principles can be included in the general plan and implemented through the zoning code.



Many cities are promoting bicycling for fun, fitness and transportation.
Photo by Monique Rodriguez.



The City of Anderson's River Park provides multiple recreation areas for residents of all ages. Picture by Jeri Butler, Shasta County Public Health.

The City of Chula Vista's general plan update incorporates health-related goals and policies throughout the elements, including a focus on smart growth principles and walking and biking systems. The City of South Gate's general plan update encompasses safe routes to school, community gardens and attention to the concentration of unhealthy foods, particularly around schools.

■ Increase Park and Open Space Acreage Through the General Plan

Cities can set goals to increase parklands in their general plan and aim to increase the acreage of total recreational areas by looking at public easements, old railroad rights-of-way and vacant city-owned land. The City of Santa Rosa prioritizes funding for park development and maintenance in "park-poor" and low-income neighborhoods in its general plan.

Cities' master plans and specific plans offer additional avenues for incorporating access to physical activity and healthy food into the planning process. Many cities are using their bike and pedestrian master plans to shape zoning regulations and infrastructure investment to build sidewalks, crosswalks, bike lanes and other elements to increase active transportation.

2 Healthy Zoning Regulations

Zoning regulations are another powerful land use tool for promoting healthy eating and active living. The Healthy Eating Active Living Cities Campaign recommends the following zoning strategies to improve your residents' health.

■ Promote Compact, Mixed-Use and Transit-Oriented Development

Cities can support increased daily physical activity among residents by adopting high-density mixed-use zoning. A mix of residential, commercial and office uses in a particular zone can create a neighborhood where people can walk and bike to meet their daily needs. Establishing a minimum—rather than a maximum—density in these zones assures there are enough people and development to support a lively, interactive destination.



*Pedestrian bridges can link residents to nearby commerce.
Photo by Jeri Butler, Shasta County Public Health.*

The City of Walnut Creek has been a smart growth city since the early 1980s. The highest residential densities are downtown and near the BART station, allowing more compact development close to activity and providing good access to regional transit. The city promotes this increased density in conjunction with other important goals of the general plan, including provision of additional housing, preservation of neighborhood scale, an emphasis on retail development, and expansion of the park and open space system.⁴

■ Increase Walking and Biking Through Street Design

Cities can establish design guidelines and standards for pedestrian corridors and roadways that support walking and biking. Guidelines can include the following:

- Using universal design and “complete streets” principles to accommodate pedestrians, bicyclists, skaters and wheelchairs along with motor vehicles in transportation corridors
- Enhancing the connectivity between streets, trails and other pedestrian thoroughfares
- Calming traffic to slow down vehicles
- Installing streetscaping such as vegetation, trees and art installations to enhance the aesthetics of walking and biking throughways

The “complete streets” movement embodies these guidelines for enhancing walking and biking. The complete streets approach can be included in the zoning code as well as the general plan, the bike and pedestrian master and specific plans, and redevelopment plans and financing. The City of Sacramento’s Pedestrian-Friendly Street Standards exemplify this approach.

Bikable Cities

The City of Davis is known as one of the most bikable cities in California, with about 25% of all trips made by bicycle. Davis provides more than 100 miles of bike lanes, trails and other bicycle routes within its 10.5 square miles. The city has prioritized pedestrian and bicycle safety with highway underpasses and overpasses and traffic-light sensors for bike crossing. The current general plan states, “The keys to Davis’ successful bike system are its linkage of key origins and destinations and its connections across physical barriers such as freeways, creeks, and major streets.” The city has a bicycle advisory committee and a full-time pedestrian and bike coordinator.

■ Support Existing and Create New Farmers’ Markets

Farmers’ markets provide access to fresh fruits and vegetables and serve as an economic and social hub in a community. They are often an important source of produce in underserved neighborhoods. Defining farmers’ markets as an allowable use within the municipal code and designating appropriate locations is an important step cities can take to protect existing markets and create new ones. Encouraging farmers’ markets to accept federal food subsidies makes their produce accessible to low-income residents.

Community members, the planning department and elected officials of the City of Fresno worked together to amend its zoning code to define farmers’ markets as an allowed use.⁵ The Cities of Fresno and Ceres, and the San Diego neighborhood of La Jolla are partnering with schools to host farmers’ markets on school grounds. The City of San Francisco requires its farmers’ markets to accept Electronic Benefits cards (EBT) and WIC and Senior Farmers’ Market Program vouchers.⁶



Cities can increase places for youth to be physically active. Photo by Tim Wagner for HEAC.

■ Support Existing and Create New Community Gardens

Community gardens are a potential source of produce, whether they are located on school grounds, on easements and rights of way, in new housing developments or on vacant city land. Cities can include language in their general plans to protect existing and create new community gardens. The zoning code can be amended to define community gardens as a sub-use within designated open spaces and as an approved use within designated districts, such as residential, multi-family, industrial or other zones. The City of Escondido adopted a zoning amendment to make vacant land available for community gardens.⁷ The City of Sacramento adopted the Front Yard Landscape Ordinance to allow diversified urban landscapes, including fruit and vegetable gardens, in front yards.⁸

■ Limit Unhealthy Food Retail

A number of cities have modified their municipal codes to restrict the number of fast-food restaurants.

The Institute for Local Self Reliance offers many national examples, among them these California cities:

- Carmel-by-the-Sea prohibits fast food, drive-in and chain restaurants.
- The City of Arcata's Formula Business Restrictions ordinance limits the number of chain restaurants in the city to no more than nine at any one time.
- The Calistoga city council passed a city ordinance prohibiting fast-food restaurants as necessary to preserve the unique character of Calistoga's downtown commercial district.
- The City of Los Angeles passed a moratorium on fast-food in South LA, along with a package of incentives to support healthy food retail.



Community gardens encourage exercise and neighbor interactions and provide affordable food. Photo by the City of Chino.



Farmers' markets increase the availability of fruits and vegetables. Photo by Rhonda Winter.

3 Healthy Infrastructure Investment

Cities can focus infrastructure investments on walking, biking and access to recreation.

■ Target infrastructure investments on walking and biking

One vehicle for increasing walking and biking is the city's Capital Improvements Program (CIP), which can prioritize projects to build sidewalks, crosswalks and bike lanes. An annual review can judge how well CIP infrastructure projects match general plan policies.

The City of La Mesa created a prioritized list for adding sidewalks along routes to schools and recreational facilities as part of a Walkability Plan in 2005. A youth-led survey subsequently identified walkability as a priority for high school students. With the students' input, the city obtained grants to improve sidewalks at a high school and at all of the elementary and middle schools in the City.

■ Utilize joint use agreements to increase recreational opportunities

Cities can partner with school districts to share the costs and responsibilities of building and maintaining park and recreation facilities and making school grounds available to city residents during non-school hours. Built-out cities can utilize joint use agreements to increase resident access to open space and recreational facilities. The Cities of Richmond and Berkeley include joint use goals and policies in their general plans. The Cities of Fresno, Pixley, Chula Vista and Baldwin Park, among others, have strong joint use agreements in place.



Cities can consider vacant city-owned land, public easements, and old railroad rights-of-way to increase parklands.
Photo by richreidphotography.com.

Resources—Organizations and Toolkits

Institute for Local Government (ILG), www.ca-ilg.org, is the nonprofit research and education affiliate of the League of California Cities and the California State Association of Counties. ILG provides tools and resources for city and county officials and community leaders on a range of topics, including intergovernmental collaboration, climate change and land use planning. ILG's Healthy Neighborhoods Project focuses on the intersection between land use and health. Their *Guide to Creating Healthy Neighborhoods* will be part of a new series on *Understanding the Basics of Land Use*.

Planning for Healthy Places, www.healthyplanning.org, a program of Public Health Law and Policy, offers multiple resources on land use, including the following:

- *How to Create and Implement Healthy General Plans*—A primer on how the general plan can advance health; includes sample language and case studies.
- *Economic Development and Redevelopment: A Toolkit on Land Use and Health*—An introduction to available economic development and redevelopment tools and resources that can improve access to healthy food in low-income neighborhoods.
- *Establishing Land Use Protection for Community Gardens*—A brief that includes general plan and model zoning language to protect and expand community gardens.
- *Establishing Land Use Protection for Farmers' Markets*—A brief that includes model general plan language to protect and expand farmers' markets.

Policy Link, www.policylink.org, has a report, *The Impact of the Built Environment on Health*, that provides case studies of California cities that are incorporating health into planning and development (see especially pages 23–29).

Local Government Commission (LGC), www.lgc.org, is a nonprofit, nonpartisan membership organization that provides technical assistance and networking to local elected officials and community leaders. LGC fact sheets in English and Spanish provide excellent information on smart growth, walkability and bikability, community gardens and a host of other topics related to planning and health.

Among their many useful tools:

- *Smart Growth Zoning Codes: A Resource Guide*
- *Street Design Guidelines for Healthy Neighborhoods*

The City Project, www.cityprojectca.org, uses GIS mapping to analyze the ratio of residents to open space and parks in the Los Angeles and San Diego regions. Its report, *Healthy Parks, Schools and Communities for All: Park Development and Community Revitalization*, outlines guidelines for allocating park resources.

The League of American Bicyclists, www.bikeleague.org, promotes bicycling for fun, fitness and transportation and advocates for a bicycle-friendly America. Their website includes local resources.

California's **Joint Use Statewide Task Force (JUST)**, www.jointuse.org, offers resources for cities interested in pursuing effective joint use policies and agreements.

Resources continue on next page.

Resources—City Policies

City of Chula Vista, www.chulavistaca.gov

Chula Vista's general plan update includes health goals, smart growth principles, and bikeways, sidewalks, paths and trails.

City of Davis, www.cityofdavis.org/bicycles

The City of Davis website provides information about its bicycle advisory committee, maps, bike safety, bike history and forthcoming national bike museum.

City of South Gate

www.raimiassociates.com/db_files/calapa2008healthysgraimicompatibilitymode.pdf.

This document presents the rationale for the new health element of the City of South Gate's general plan, provides health data and delineates health-related goals and objectives.

City of Richmond, www.cityofrichmondgeneralplan.org

This draft health element has 10 goals that include proximity to open space, parks and produce markets; increased access to federal food programs, such as food stamps and the subsidized lunch program; and joint use with the school district.

City of La Mesa, www.cityoflamesa.com

The city's Wellness Program has produced guidelines for increasing walking and biking.

City of Fresno

<http://www.fresno.gov/NR/exeres/02461475-5097-41A4-948E-271C55377056.htm>

This article under "green enterprise" outlines the background and gives the details of the city's new zoning language amending its municipal code to define farmers' markets as an allowable use.

City of Berkeley, www.ci.berkeley.ca.us

The expanded open space and recreation element of the city's general plan includes policies for community gardens, highlighting locations and potential partners.



With a mix of residential, commercial and office uses people can walk or bike to most activities. Photo Rhonda Winter.

Join the Healthy Eating Active Living Cities Campaign

Go to www.HealCitiesCampaign.org and let us know what you are doing, or contact the campaign:

Charlotte Dickson, Campaign Director
Healthy Eating Active Living Cities Campaign
cd@PublicHealthAdvocacy.org
(510) 302-3387

References

1. *Call to Action to Prevent and Decrease Overweight and Obesity*. U.S. Surgeon General, 2001.
2. Frank LD, Andresen MA, Schmid TL. Obesity relationships with community design, physical activity, and time spent in cars. *Am J Prev Med* 2004;27:87-96.
3. S.B. 375, signed on September 30, 2008, will set regional caps for automobile and light truck emissions and directs metropolitan planning organizations to examine land-use patterns and create long-term housing and transportation plans that can be used to achieve the regional caps.
4. Association of Bay Area Governments, Theory in Action Case Study.
5. Fresno Municipal Code § 4.5.
6. S.F. Park Code § 9A.15.
7. <http://www.preventioninstitute.org/sa/policies/pdf/text/InterimLandUsePolicy.pdf>.
8. http://www.qcode.us/codes/sacramento/view.php?topic=17-iii-17_68-17_68_010&cframes=on.

Be a City with Healthy Food Choices

People living in neighborhoods crowded with fast-food and convenience stores but relatively few grocery or produce outlets are at significantly higher risk of...obesity and diabetes.¹

You are what you eat turns out to be true when it comes to health. The food that city residents and workers can buy near work or home does make a difference to their well-being.



People who live near grocery stores and produce vendors are less likely to be obese or have diabetes. Photo by John MacKenzie.

Proximity and Balanced Choices Matter

The typical California community has four times as many retail outlets offering unhealthy food as outlets with healthy choices. In other words, most Californians are four times as likely to encounter fast food or a snack shop when looking for something to eat as they are to come across fresh fruits and vegetables.²

Moreover, people who live in neighborhoods where fast-food restaurants and convenience stores are more numerous than grocery stores and produce vendors are more likely to have diabetes and be obese.³

Regardless of individual or community income, proximity and balanced choices matter.

City Policies Can Encourage Healthy Eating

Cities have powerful planning, economic development and public relations tools that can be used to attract healthy food retail. This fact sheet details ways cities can create a healthier food environment. The HEAL Cities Campaign website (www.HealCitiesCampaign.org) offers resources for each of the following policies:

1. Create a vision and challenge for health with a HEAL City Resolution or Mayor's Challenge
2. Attract healthy food retail options
3. Let residents know which local businesses promote healthy choices



The Healthy Eating Active Living Cities Campaign provides training and technical assistance to help city officials adopt policies that improve their communities' physical activity and retail food environments. Supporting healthy choices is essential to address the obesity epidemic among California's children and adults, currently costing the state more than \$41 billion annually in healthcare and lost productivity.

The Campaign, funded by Kaiser Permanente and the Vitamin Cases Consumer Settlement Fund, is a partnership of the League of California Cities, the California Center for Public Health Advocacy, and the Cities Counties and Schools Partnership.

This fact sheet is one in a series providing background and policy ideas for healthy cities.

www.HealCitiesCampaign.org

1 Pass a Resolution to Be a Healthy Eating Active Living City

The first step for many cities is to acknowledge the obesity epidemic along with its human and economic costs and to set a vision and directive to commit the city to healthier eating and more active living. This commitment can take the form of a city resolution or mayor's initiative.

In San Francisco, for example, the "Shape Up San Francisco" mayor's initiative seeks "to increase the awareness of and opportunities for increased physical activity and improved nutrition where people live, play, work and learn."⁴

2 Attract Healthy Food Options

There are a number of ways that cities can support and attract more retailers of healthy foods:

■ Promote Farmers' Markets

These lively retail options create a destination, promote social interaction, support local agriculture and bring healthy food to residents. Cities can support and promote local farmers' markets by defining them in the general plan and zoning code and encouraging them to accept the electronic benefit transfer card (EBT—formerly food stamps) and WIC coupons. Cities typically seek locations with adequate parking and attractive adjacent property uses, such as parks and retail. With many shopping centers closing and school wellness policies in force, some cities are passing ordinances to allow farmers' markets in previously off-bounds places,

Developing new grocery stores and cooperatives, creating farmers' markets, and improving the quality of food sold at convenience stores are all ways to increase a community's access to healthy foods.⁵

such as schools and parks. Fresno, Ceres and La Jolla have thriving farmers' markets at schools, and Petaluma has at least one in a neighborhood park. The county agriculture commissioner can provide guidance on the formation and certification of farmers' markets.

■ Promote Community Gardens

Community gardens can provide affordable produce to residents as well as neighborhood green space and places for community-building and physical activity. Many families who farmed or gardened in their countries of origin are eager to get involved in community gardening in their neighborhoods and schools. Cities can support and promote community gardens by defining them in the general plan and zoning code and outlining a process for creating an inventory of appropriate sites, such as parks or vacant land. A community garden ordinance can also address such issues as access to water, liability insurance, contracts with private landowners and other maintenance needs. See the HEAL Cities Campaign land use fact sheet for related information.

SHAPE UP SAN FRANCISCO

The "Shape Up San Francisco" mayor's initiative seeks "to increase the awareness of and opportunities for increased physical activity and improved nutrition where people live, play, work and learn."⁴ A multi-disciplinary Shape Up Coalition includes representation from city government, community-based organizations, businesses, schools, healthcare providers and others. The coalition is working in four strategic locations: worksites; neighborhoods; schools, after school programs and childcare programs; and healthcare providers.



Farmers' markets in low-income neighborhoods can be encouraged to accept EBT and WIC coupons.
Photo by Rhonda Winter.

In one activity, staff from the city's Office of Economic Development and Workforce participate in a coalition working to bring healthy and affordable produce to residents of some of the city's poorest neighborhoods. Through this city-community collaboration, city staff have attracted an expert grocery consultant to help a failing small grocer redesign his store to provide the healthier food options residents are asking for.



Community gardens provide affordable food and physical activity while building community among residents. Photo by richreidphotography.com.

■ Promote Healthy Food Retail

Attracting retailers who stock healthy food—including grocery stores, produce markets, and corner stores with fruits and vegetables—is a complex endeavor that requires collaboration with community partners.

The city's role in this partnership is to coordinate and focus its economic development, planning, financing, permitting and, if applicable, redevelopment tools and assets to attract and support healthy food retail. For example, a city can direct tax breaks, grants and loans, land assembly, conditional use zoning, dedicated assistance for infrastructure such as refrigeration and signage, technical assistance with business planning and marketing, and fast track and/or streamlined permitting for grocery stores in underserved areas.

In 2006 the Los Angeles City Council created a working group led by the Redevelopment Agency and including the Departments of Planning, Water and Power along with the Mayor's Office to develop a package of incentives for full-service grocery stores and healthy sit-down restaurants. None of the incentives were new—they had all been offered previously—but they were presented in a more attractive and actionable way. Several healthy food retail projects are now in the pipeline.

■ Prioritize Health Goals in Redevelopment Areas

Redevelopment agencies can include health goals—including access to healthy foods and physical activity—as a matter of general agency policy or on a project-by-project basis. The Project Area Committee or Community Advisory Committee can include access to healthy food in the community benefits agreement for each proposed development project.⁶



As part of a community project, a high school student in Southern California works with corner store owners to improve signage pointing to healthier options. Photo by Tim Wagner.

- **Increase Access for Low-Income Populations.** Federal food assistance programs are vital to increasing low-income residents' access to healthy food. Increasing the number of locations that accept EBT can provide more access to fruits and vegetables. For example, using the zoning code to encourage or require farmers' markets to accept EBT and the WIC and Senior Farmers' Market Program vouchers benefits both customers and farmers.

3 Recognize Businesses That Offer Healthy Choices

The HEAL campaign has public awareness materials—including sample city resolutions and press packets—that cities can use to recognize businesses that offer and promote healthy eating. Signage is also available for stores and restaurants that institute “healthy check-out lanes” or post calories on menus and menu boards prior to the January 1, 2011 implementation date for the state’s menu-labeling law.

Join the Healthy Eating Active Living Cities Campaign

Go to www.HealCitiesCampaign.org and let us know what you are doing, or contact the campaign:

Charlotte Dickson, Campaign Director
Healthy Eating Active Living Cities Campaign
cd@PublicHealthAdvocacy.org
(510) 302-3387

References

1. California Center for Public Health Advocacy, UCLA Center for Health Policy Research, Policy Link. 2008. *Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes*.
2. California Center for Public Health Advocacy. 2007. *Searching for Healthy Food: The Food Landscape in California Cities and Counties*.
3. California Center for Public Health Advocacy, UCLA Center for Health Policy Research, Policy Link. 2008. *Designed for Disease: The Link Between Local Food Environments and Obesity and Diabetes*.
4. Shape Up San Francisco Policy Platform, retrieved April 2009 from www.sfgov.org/site/shapeupsf_index.asp?id=58059.
5. Planning for Healthy Places. *Funding Sources for Healthy Food Retail: A Guide to Federal and California State Economic Development Resources*. April 2008. <http://www.healthypolicy.org/FoodRetailPrograms.pdf>.
6. Public Health Law & Policy. *How to Use Redevelopment to Create Healthier Communities*.



La Loma Mercado y Carniceria on 23rd Street in San Pablo prominently features fresh produce that is culturally familiar.

Resources

American Community Gardening Association offers tips on elements to include in a community garden ordinance. www.communitygarden.org.

Local Government Commission has an excellent fact sheet on community gardens, with specific recommendations for city policy makers. www.lgc.org.

Los Angeles Community Redevelopment Agency's Market Opportunities document describes LA's coordinated approach to attract healthy food retail to South LA. www.crala.org/internet-site/Development/upload/Market_Opportunities_08.pdf.

Planning for Healthy Places, a program of Public Health Law and Policy, offers multiple resources on healthy retail. www.healthypolicy.org.

- *How to Use Economic Development Resources to Improve Access to Healthy Food*
www.healthypolicy.org/factsheets/PHLP_EconDev_factsheet.pdf.
- *How to Use Redevelopment to Create Healthier Communities*
www.healthypolicy.org/factsheets/PHLP_Redevelopment_factsheet.pdf.
- *Funding Sources for Healthy Food Retail: A Guide to Federal and California Economic Development Resources*.
www.healthypolicy.org/FoodRetailPrograms.pdf.
- *Healthy Planning Redevelopment Agency Resolution*: sample language that prioritizes obesity prevention as the redevelopment agency strategy. www.healthypolicy.org/ecdev_toolkit/ed_appendix2.pdf.

Policy Link highlights promising strategies to develop grocery stores, improve the selection and quality of food in existing smaller stores, and start and sustain farmers' markets in the report, *Healthy Food, Healthy Communities: Improving Access and Opportunities Through Food Retailing*. A second helpful report is *Grocery Store Attraction Strategies: A Resource Guide for Community Activists and Local Governments*. www.policylink.org.

Be a City with a Healthy Workforce

For every dollar invested by employers in workplace wellness programs, there was an average savings of more than \$3.00. In business terms, that's a 3:1 return on investment.¹

Healthcare costs are an increasing burden on city budgets. Yet those costs could be reduced if fewer employees suffered from the chronic diseases related to obesity and overweight.



*City policies can help city workers feel better and stay healthy.
Photo by Reed Hutchinson.*

Preventable chronic diseases account for more than 75% of all healthcare expenditures.² Health care and lost productivity from overweight, obesity, and physical inactivity cost California more than \$41 billion in 2006.³

To stem their costs from healthcare utilization, injury and lost productivity and to increase staff morale, many cities are implementing employee wellness policies and no-cost and low-cost health incentives.

This fact sheet offers ideas for policies that cities can adopt to create healthier food and physical activity environments for their employees. The HEAL Cities Campaign website (www.HealCitiesCampaign.org) offers resources for each of the following Healthy Eating Active Living city policies:

1. Pass an employee wellness resolution
2. Create policies to include health breaks during the work day
3. Institute healthy snack choices
4. Improve breastfeeding accommodations for employees



The Healthy Eating Active Living Cities Campaign provides training and technical assistance to help city officials adopt policies that improve their communities' physical activity and retail food environments. Supporting healthy choices is essential to address the obesity epidemic among California's children and adults, currently costing the state more than \$41 billion annually in healthcare and lost productivity.

The Campaign, funded by Kaiser Permanente and the Vitamin Cases Consumer Settlement Fund, is a partnership of the League of California Cities, the California Center for Public Health Advocacy, and the Cities Counties and Schools Partnership.

This fact sheet is one in a series providing background and policy ideas for healthy cities.

www.HealCitiesCampaign.org

1 Pass an Employee Wellness Resolution

Address employee wellness with a city council resolution, a mayor's executive order or a city manager's administrative policy. For example, the Mayor of **San Francisco** issued an executive order mandating a timeline for all city departments to incorporate strategies for enhancing employee wellness into departmental mission and values statements and for implementing workplace wellness policies and programs.

2 Create Policies to Include Health Breaks During the Work Day

One step toward improving employee health is creating policies that build health breaks or healthy behaviors into the work day.

■ 10-Minute Physical Activity Opportunities

Employees can reap meaningful health benefits from even a single 10-minute physical activity break each day. Benefits include improvements in blood pressure, waist circumference, mood states, cumulative trauma disorders, attention span and other clinical measures.⁴ Cities can establish a policy to adopt UCLA's Lift Off! program to introduce short exercise breaks throughout the work week at a set time each day and at meetings lasting more than one hour. **Orange County's Public Health Department** adopted the Lift Off! program, giving employees 10 minutes of paid time to participate if they choose. Employees who choose not participate do not receive the extra paid break.



Cities can partner with local organizations to run exercise classes. Photo courtesy of Thousand Oaks Wellnes Program.

ESTABLISH A WORKSITE WELLNESS COMMITTEE

The role of the Worksite Wellness Committee is to assess the nutrition and physical activity environment within the workplace, survey employees about their needs and interests, implement programs and recommend policy changes.

In the **City of Stockton**, the Parks and Recreation and Human Resources departments have initiated an employee wellness program by establishing a committee with representatives from all city departments. The **City of Seaside** maintains a six-member wellness committee that includes management and non-management employees.

■ Active Stairwell Policies

Walking one flight up or two flights down is an effective and inexpensive way to add physical activity into the daily routine. Cities can set standards for stairwell safety—including unlocked doors into stairwells and adequate lighting—and encourage employees to use stairwells whenever possible. The **City of Chino's** award-winning stairwell program includes a local art exhibit in city stairwells to heighten their aesthetics and a competition regarding stair use with low-cost and donated prizes.

■ Stretch Warm-Ups

The **San Francisco Public Works Department** maintains an award-winning program of stretching for general services employees at their work sites each morning. The decentralized, employee-led program has resulted in a significant reduction in the rates of employee injury and illness, reductions in lost work days, and an increase in productivity.⁵

■ Stress Management and Wellness Workshops

To provide workshops in stress reduction and other health-related topics to employees, cities can partner with local health organizations that have ready-made programs. The American Cancer Society and American Heart Association offer free and low-cost employee wellness programs. The **City of Thousand Oaks** partners with local health care providers to offer free lunchtime classes and campaigns on specific health topics. The **City of Paradise** offers the CHIP (Coronary Health Improvement Project) to its employees.

3 Institute Healthy Snack Choices

Many workers consume a significant portion of their daily food while on the job. Foods consumed from vending machines, through concessions, in meetings and at other public food-service establishments are often higher in calories, fat, sugar and salt than are foods prepared at home. Making healthy food available at work is one way to address obesity and overweight by enabling employees to eat a healthy diet. Offering healthy choices in public areas can also benefit residents who use city facilities and programs.

■ Healthier Vending Machines

A vending machine policy can require that a certain percentage of items—typically 50% to 100%—meet standards set forth by state legislation governing school vending. The City of San Jose's vending policy for libraries requires 100% of items to meet State standards for school vending. Machines located in other city-owned facilities are required to have at least 50% of their items meet the State standards.

■ Healthier Food at City-Sponsored Meetings, Events and Programs

Policies that require healthier foods at city-sponsored meetings and events is another way cities can support employee and resident health.

The City of San Leandro's Recreation and Human Services Department established a wellness policy that sets nutritional guidelines for meals and snacks at its youth and senior programs. Recommended snacks include fresh fruits and vegetables;



Healthy food choices on the job help workers stay more alert and focused. Photo courtesy of Thousand Oaks Wellness Program.

nuts and dried fruits; multi-grain breads, tortillas and crackers; and low-fat and no-sugar spreads. Brentwood's City Council adopted a wellness policy whose nutritional guidelines ensure that staff and residents have healthy choices among items sold at public facilities.



Cities that include fruit and vegetable options at meetings and events help employees stay healthy. Photo by Judy Rabbani, CCPHA.

HEALTHY MEETING POLICY

Meetings are a major part of the workday for city employees in administrative, program and management positions. Oftentimes, meetings include food and beverages along with long periods of sitting. A healthy meeting policy that provides guidelines for food and beverages and prescribes activity breaks for longer meetings can help employees stay alert, focused and healthy. The University of California has an excellent online guide to healthy meetings and events:

www.uhs.berkeley.edu/facstaff/healthmatters/healthymeetings.shtml



Providing lactation rooms helps mothers maintain breastfeeding when they return to work.

4 Improve Breastfeeding Accommodations for Employees

Breastfeeding is the first line of prevention for childhood obesity and provides a host of additional health benefits for mother and child.⁶

Because breastfed babies have less illness, support for breastfeeding mothers results in reduced employee absenteeism to care for ill children, along with improved employee productivity and higher morale.⁷ While state law mandates a baseline of accommodation measures for breastfeeding in government worksites, local breastfeeding policies can enhance accommodations so that mothers are more supported to pump their milk at work.

The City of Walnut Creek allows breastfeeding mothers a flexible schedule to pump their milk during the day. The Cities of Baldwin Park and Chula Vista adopted policies that include educating managers about lactation accommodation and informing employees about the city's lactation accommodation policies before and after maternity leave.

Join the Healthy Eating Active Living Cities Campaign

Go to www.HealCitiesCampaign.org and let us know what you are doing, or contact the campaign:

Charlotte Dickson, Campaign Director
Healthy Eating Active Living Cities Campaign
cd@PublicHealthAdvocacy.org
(510) 302-3387

Resources

California Fit Business Toolkit, www.takeactionca.com/california-fit-business-kit-tools.asp.

Online toolkit with guidelines for starting a wellness committee, conducting an assessment of workplace physical activity and nutrition environments, and implementing policies and programs.

American Cancer Society Workplace Solutions, Building a Healthy Workplace, www.cancer.org/downloads/COM/Employer_Wellness_Final.pdf.

A brochure for businesses about partnering with the ACS to improve the workplace environment and help workers practice healthy behaviors.

The American Heart Association—Start! Program
mystartonline.org/home.jsp.

This program focuses on walking and nutrition for fitness and heart health.

The Centers for Disease Control and Prevention—LEANWorks, www.cdc.gov/leanworks/

A free, web-based program that helps employers calculate how much obesity costs their company and how much the company could save by implementing an obesity prevention program in the workplace. It also provides guidelines for adopting effective policies and creating programs.

UCLA School of Public Health. Lift Off!

Two useful documents about these 10-minute, structured group-based exercise breaks:

- *Lift Off! 10-Minute physical activity breaks*
www.ph.ucla.edu/cehd/Documents/ALR_Lift_OffsAre.pdf
- *Lift Offs work!: The rapidly growing evidence base*
www.ph.ucla.edu/cehd/Documents/ALR_Lift_Off_Evidence.pdf.

The Bay Area Physical Activity and Nutrition Collaborative
www.banpac.org/healthy_vending_machine_toolkit.htm.

BANPAC's online toolkit guides cities and counties to establish a vending machine policy. Includes examples from the cities of San Jose and Berkeley.

U.S. Health Resources and Services Administration Breastfeeding Toolkit,
ask.hrsa.gov/detail.cfm?PubID=MCH00250

A free publication makes the business case for breastfeeding and includes hands-on materials to enable management to implement breastfeeding accommodation policies.

References

1. Fit Together NC. *Workplace Wellness*. Retrieved May 5, 2009 from <http://www.fittogethernc.org/WorkplaceWellness.aspx>.
2. Centers for Disease Control and Prevention. 2004. *Chronic disease overview*. Retrieved April 30, 2009 from <http://www.cdc.gov/nccdphp/overview.htm>.
3. The California Center for Public Health Advocacy. 2009. *The economic costs of overweight, obesity, and physical inactivity among California adults—2006*. <http://www.publichealthadvocacy.org/costofobesity.html>.
4. UCLA School of Public Health, Center to Eliminate Health Disparities. 2008. *Lift Offs work!: The rapidly growing evidence base*. Retrieved July 23, 2009 from http://www.ph.ucla.edu/cehd/Documents/ALR_Lift_Off_Evidence.pdf.
5. San Francisco Department of Public Works Fit Business Award application, 2008.
6. Ip S, Chung M, Raman G, et al. 2007. *Breastfeeding and maternal and infant health outcomes in developed countries*. Rockville, MD: Agency for Healthcare Research and Quality. <http://www.ahrq.gov/clinic/tp/brfouotp.htm>.
7. United States Breastfeeding Committee. 2002. *Workplace breastfeeding support* (issue paper). Raleigh, NC: United States Breastfeeding Committee.

Is Your City a Healthy Eating Active Living City?



HEALTHY EATING
ACTIVE LIVING
**CITIES
CAMPAIGN**

Use this checklist to identify policies for healthy eating and active living that your city has already established. Then submit them to the Campaign and we'll designate your city as an Eager, Active, or Fit HEAL city and work with you on the next steps. Send your policies to www.healcitiescampaign.org/policy_submission.html

Land Use Policies

- ☐ General Plan—Health Goals and Policies
- ☐ Mixed-use neighborhoods
- ☐ Transit-oriented development
- ☐ Safe Routes to Schools
- ☐ Complete streets
- ☐ Bike and pedestrian plans
- ☐ Parks and open space
- ☐ Preservation of agricultural land
- ☐ Community gardens/urban agriculture
- ☐ Farmers markets

Healthy Food Retail Policies

- ☐ Planning and economic incentives
- ☐ Healthy mobile vending/produce carts
- ☐ Corner store revitalization

Workplace Wellness Policies

- ☐ Health incentives
- ☐ Physical activity breaks
- ☐ Breastfeeding accommodation
- ☐ Walking meetings and use of stairways
- ☐ Nutrition standards for city facilities, programs, meetings
- ☐ Healthy Vending

Related Policies

The Campaign recognizes cities that adopt varied healthy eating and active living policies with three designations. To be designated **ACTIVE** or **FIT**, cities must submit their qualifying policies along with the resolution or policy through which they are joining the campaign.

Eager	EAGER CITIES join the campaign by resolving to focus on a HEAL Cities Campaign area or a policy related to a campaign area.
Active	ACTIVE CITIES have already adopted and implemented two policies in at least one campaign area. ACTIVE CITIES join the campaign by adopting a HEAL Cities Campaign Resolution that includes at least two commitments for further policy development OR by adopting an additional policy in one of the campaign areas they have not yet addressed.
Fit	FIT CITIES have already adopted and implemented at least one policy in each of the three campaign areas. FIT CITIES join the campaign by adopting a HEAL Cities Campaign Resolution that includes at least two commitments for further policy development OR by adopting an additional policy in one of the campaign areas.

Your City will receive these benefits from the Campaign:

	HEAL Cities Campaign logo for city Website	Framed campaign certificate	Recognition on the HEAL Cities Campaign Website	Tailored press release for local press outlets	Recognition at the League Annual Conference	Paid ad in <i>Western Cities</i> magazine
Eager	✓	✓	✓	✓		
Active	✓	✓	✓	✓	✓	
Fit	✓	✓	✓	✓	✓	✓

Your city and email address: _____



The HEAL Cities Campaign is a partnership of the California Center for Public Health Advocacy and the League of California Cities. It is funded by Kaiser Permanente. To learn more, visit www.HealCitiesCampaign.org or call Charlotte Dickson, Campaign Director, at 510-302-3387.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer
ISSUE: Authorization to Purchase a Vehicle for the Public Services Department

RECOMMENDATION: That the City Council authorize the procurement of a replacement truck for the Public Services Department and approve the future sale of the 2004 truck.

SUMMARY:

In accordance with provisions of the Municipal Code, City Council is requested to authorize the procurement of a pickup truck replacement for use by the Parks Division of the Public Services Department as is included within the Fiscal Year 2016/2017 Budget. Additionally, City Council is requested to approve the future sale, or trade-in, of the 2004 pickup truck.

BACKGROUND:

The Fiscal Year 2016/2017 Public Services Department Budget includes an allocation of \$30,000 for the purchase of a replacement pickup truck. The proposed cab-crew pickup truck is planned to be utilized by the Parks Division of the Public Services Department for daily duties of monitoring landscape maintenance, tree maintenance, graffiti removal, and skilled trade's contracts, as well as to respond to citizen inquiries on an as needed basis.

The Municipal Code states in Section 3-08.130: "Any vehicle(s) with an estimated value greater than twenty thousand dollars (\$20,000.00) to be purchased or leased by the City shall be approved in advance by the City Council prior to commencement of the

Authorization to Procure a Vehicle for the Public Services Department

May 9, 2017

Page 2

procurement process.” Hence, City Council authorization to proceed with this procurement is requested.

As a result of this proposed procurement, the 2004 pickup truck in the City’s inventory would likely become surplus and could be offered as a trade-in or otherwise sold. While Section 3-08.140 of the Municipal Code specifically authorizes the Purchasing Officer to take this action, City Council is offered the opportunity to approve this action.

FISCAL IMPACT:

The Fiscal Year 2016/2017 Public Services Department Budget includes an allocation of \$30,000 for the procurement of one vehicle. Preliminary quotes from pickup truck vendors indicates this purchase can be completed for approximately \$29,500, without consideration of any future income to be derived from the disposal of the 2004 pickup truck.



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Chair and Agency Members
FROM: Cindy Sands
Admin. Assistant to City Manager
ISSUE: Approval of Minutes for April 25, 2017, Regular Meeting

RECOMMENDATION: That the Planning Agency approve the Minutes for the April 25, 2017, Regular Meeting.

ATTACHMENTS:

- PA Minutes 042517

Recommendation: That the City Council adopt Ordinance No. 2017-2, An Ordinance of the City of Laguna Hills, California, approving Zone Text Amendment No. 10-16-3672, amending Title 9 of the Laguna Hills Municipal Code (Zoning and Subdivisions) Amending Table 9-11.050 Hospitality Overlay Zone Development Standards related to Maximum Density, changing from a Floor Area Ratio (FAR) of 1.0 to a FAR of 1.1.

3.12 Second Reading and Adoption of an Ordinance Amending Chapters 9-103 and 9-04 of Title 9 of the Laguna Hills Municipal Code to Permit the Limited Personal Cultivation of Marijuana Inside a Person's Private Residence and Inside an Accessory Structure to a Person's Private Residence in Accordance with State Law

Recommendation: That the City Council adopt Ordinance No. 2017-3, An Ordinance of the City of Laguna Hills, California, adopting Zoning Text Amendment No. 2-17-3793 amending Chapters 9-103 (Marijuana Businesses) and 9-04 (Definitions) of Title 9 (Zoning and Subdivisions) of the Laguna Hills Municipal Code to Permit the Limited Personal Cultivation of Marijuana inside a Person's Private Residence and inside an Accessory Structure to a Person's Private Residence in accordance with State law.

ITEMS REMOVED FROM THE CONSENT CALENDAR

There were no items removed from the Consent Calendar.

4. PLANNING AGENCY

Mayor Sedgwick 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 7:38 p.m.

4.1 ROLL CALL OF PLANNING AGENCY MEMBERS

Attendee Name	Title	Status	Arrived
Don Sedgwick	Chair	Present	
Melody Carruth	Vice Chair	Present	
Dore J. Gilbert, M.D.	Agency Member	Present	
Janine Heft	Agency Member	Present	
Barbara D. Kogerman	Agency Member	Absent	

4.2 PUBLIC COMMENTS

There were no Public Comments.

4.3 APPROVAL OF MINUTES FOR APRIL 11, 2017, REGULAR MEETING

4.3.1 Approval of Minutes for April 11, 2017, Regular Meeting

Recommendation: That the Planning Agency approve the Minutes for the April 11, 2017, Regular Meeting.

RESULT:	APPROVED [3 to 0]
MOVER:	Melody Carruth, Vice Chair
SECONDER:	Dore J. Gilbert, M.D., Agency Member
AYES:	Melody Carruth, Vice Chair; Dore J. Gilbert, M.D., Agency Member; Janine Heft, Agency Member
ABSTAIN:	Don Sedgwick, Chair
ABSENT:	Barbara D. Kogerman, Agency Member

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

Chair Sedgwick reconvened the City Council meeting at 7:40 p.m. All Council Members were present with the exception of Council Member Kogerman.

5. CITY COUNCIL PUBLIC HEARINGS

There were no City Council Public Hearings.

6. ADMINISTRATIVE REPORTS

6.1 City Manager

The City Manager gave no Administrative Reports.

7. MATTERS AGENDIZED AND PRESENTED BY CITY COUNCIL MEMBERS

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



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017
TO: Mayor and Council Members
FROM: Kenneth H. Rosenfield P.E.
Director of Public Services/City Engineer
ISSUE: Public Hearing on 2017 Weed, Rubbish, and Refuse Abatement

RECOMMENDATION: That the City Council: (1) Conduct a Public Hearing, Receive and Consider all Objections; and (2) Adopt a Resolution Entitled: "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."

SUMMARY:

This is the time and place established for the first Public Hearing associated with the Annual Weed Abatement Program. The Public Services Department requests the City Council conduct the required Public Hearing, receive public testimony, and adopt a Resolution issuing an abatement order authorizing the Director of Public Services/City Engineer to abate and remove all weeds, rubbish, refuse and/or dirt on specified parcels in the City of Laguna Hills.

BACKGROUND:

On April 11, 2017, the City Council adopted Resolution No. 2017-04-11-1, thereby commencing the Weed Abatement Program for 2017 in accordance with the requirements and procedures set forth in Government Code Section 39560 *et seq.* The objective of the Weed Abatement Program is to declare by Resolution as a public nuisance, and abate, all weeds growing upon the streets, sidewalks, or private property in the City, and all rubbish, refuse, and dirt upon parkways, sidewalks, or private property in the City as identified and described in the 2017 Weed Abatement List, as

Public Hearing on 2017 Weed, Rubbish and Refuse Abatement

May 9, 2017

Page 2

submitted on April 11, 2017, for health and safety purposes, for management of fire hazards, and to provide a reasonable degree of fire safety to both improved and unimproved properties.

Resolution No. 2017-04-11-1 commenced the 2017 Weed Abatement Program by declaring the weeds, rubbish, refuse, and/or dirt on parcels identified in the 2017 Weed Abatement List to be a public nuisance and authorized the City Clerk to send written notice of the proposed public nuisance abatement to all persons owning property identified and described in the 2017 Weed Abatement List and advising them to remove any and all weeds, rubbish, refuse, and/or dirt that, when dry, become a fire hazard.

On April 12, 2017, the City mailed the legally required notice to destroy weeds and remove rubbish, refuse, and/or dirt to all affected property owners identified on the 2017 Weed Abatement List. The notice provided that if the public nuisance is not abated and removed by the owners of the parcels of land, such nuisances will be abated and removed by City authorities in accordance with the abatement procedures set forth in Government Code Section 39560 *et seq.*, in which case the cost of such removal shall be assessed upon the parcel of lands from which or in front of which such weeds, rubbish, refuse, and/or dirt, are removed and that upon confirmation such cost will constitute a lien upon such parcel or lands until paid.

Pursuant to the April 12, 2017, mailed notice, affected property owners have been given until May 31, 2017, to abate and remove the weeds, rubbish, refuse, and/or dirt on their property at their sole cost and expense. The notice further provided that the City Council will hear and consider all property owner objections and protests to the proposed public nuisance abatement as part of a Public Hearing process conducted on May 9, 2017, at 7:00 p.m., or as soon thereafter as possible.

The City Council is requested to open the Public Hearing, receive and consider public testimony, and adopt a Resolution allowing or overruling any objections, authorizing the Director of Public Services/City Engineer to abate and remove the weeds, rubbish, refuse, and/or dirt on the parcels identified and described on the 2017 Weed Abatement List, and report in writing to the City Council on July 11, 2017, regarding the cost of abatement. Any objections by the property owners liable to be assessed for the costs of abatement will be heard by the City Council on July 11, 2017. Pursuant to state law, upon issuance of the abatement order through the adoption of the attached Resolution, the City Council acquires jurisdiction to proceed and perform the work of removal.

Public Hearing on 2017 Weed, Rubbish and Refuse Abatement

May 9, 2017

Page 3

FISCAL IMPACT:

The 2016/2017 Fiscal Year Budget for the Annual Weed Abatement Program is \$44,000. Privately owned parcels abated by the City contractor shall each be assessed an administrative fee in addition to the cost to clear the respective parcels. These costs are anticipated to be within the funds available.

ATTACHMENTS:

- Resolution Weed Abatement Public Hearing_May 9 2017

RESOLUTION NO. 2017-05-09-

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

WHEREAS, on April 11, 2017, the City Council adopted Resolution No. 2017-04-11-1, thereby commencing the Weed Abatement Program for 2017 in accordance with the requirements and procedures set forth in Government Code Section 39560 *et seq.*; the objective of the Weed Abatement Program is to declare by resolution as a public nuisance, and abate, all weeds growing upon the streets, sidewalks, or private property in the City, and all rubbish, refuse, and dirt upon parkways, sidewalks, or private property in the City, as identified and described in the 2017 Weed Abatement List, for health and safety purposes, for management of fire hazards, and to provide a reasonable degree of fire safety to both improved and unimproved properties; and

WHEREAS, Resolution No. 2017-04-11-1 commenced the 2017 Weed Abatement Program by declaring the weeds, rubbish, refuse, and/or dirt on specified parcels of land identified in the 2017 Weed Abatement List to be a public nuisance and authorized the City Clerk to send written notice of the proposed public nuisance abatement to all persons owning property identified and described in the 2017 Weed Abatement List and advising them to remove any and all weeds, rubbish, refuse and/or dirt that, when dry, become a fire hazard; and

WHEREAS, on April 12, 2017, the City mailed the legally required notice to destroy weeds and remove rubbish, refuse, and dirt; the notice provided that if the public nuisance is not abated and removed by the owners of the affected parcels of land by May 31, 2017, such nuisances will be abated and removed by City authorities in accordance with the abatement procedures set forth in Government Code §39560 *et seq.*, in which case the cost of such removal shall be assessed upon the parcel of lands from which or in front of which such weeds, rubbish, refuse, and/or dirt are removed and that upon confirmation such cost will constitute a lien upon such parcel or lands until paid; and

WHEREAS, the legally required mailed notice sent to the affected property owners provided that the City Council will hear and consider all property owner objections and protests to the proposed public nuisance abatement as part of a Public Hearing process conducted on May 9, 2017; and

WHEREAS, during the May 9, 2017, Public Hearing, the City Council heard and considered all objections and protests presented by property owners and other interested parties to the proposed public nuisance abatement and removal of all

weeds, rubbish, refuse, and/or dirt on specified parcels identified and described in the 2017 Weed Abatement List.

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

SECTION 1. After hearing all objections and protests during the Public Hearing, the City Council hereby determines not to allow any objections.

SECTION 2. Pursuant to Government Code Section 39560 *et seq.*, the City Council hereby issues an abatement order and authorizes the Director of Public Services/City Engineer to abate and remove by use of City authorities all weeds, rubbish, refuse, and/or dirt on specified parcels as identified and described in the 2017 Weed Abatement List.

SECTION 3. By adoption of this Resolution, the City Council hereby acquires jurisdiction to proceed and perform the work of weed, rubbish, refuse, and/or dirt removal on specified parcels, pursuant to Government Code Section 39569.

SECTION 4. It is the intention of the City Council to assess the amount of the City's cost for the abatement of the public nuisances upon the specified parcels of land identified and described on the 2017 Weed Abatement List. Such assessments against the respective parcels of land shall constitute a lien.

SECTION 5. The Director of Public Services/City Engineer shall keep an account of the cost of abatement on each separate parcel of land where removal work is performed and shall submit to the City Council for confirmation an itemized written report showing such abatement costs. Pursuant to Government Code section 39575, a copy of the report shall be posted for at least three (3) days prior to its submission to the City Council on or near the City Council Chamber doors, with a notice of the time of submission. Pursuant to Government Code Section 39576, such report shall be submitted to the City Council on July 11, 2017, which date shall be fixed for receiving and considering the report and during such time the City Council shall hear it with any objections of the property owners liable to be assessed for the abatement.

SECTION 6. The decision of the City Council to issue this abatement order is final.

PASSED, APPROVED, AND ADOPTED this 9th day of May 2017.

DON SEDGWICK, 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. 2017-05-09-X adopted by the City Council of the City of Laguna Hills, California, at
a Regular Meeting thereof held on the 9th day of May 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

MELISSA AU-YEUNG, CITY CLERK



City of Laguna Hills

City Council/Planning Agency

Staff Report

DATE: May 9, 2017

TO: Mayor and Council Members

FROM: Janice Reyes
Finance Manager

ISSUE: City Manager's Proposed 2017-2019 Biennial Budget and Six-Year Capital Improvement Plan

RECOMMENDATION: That the City Council review and comment on the City Manager's Proposed 2017-2019 Biennial Budget and Six-Year Capital Improvement Plan.

SUMMARY:

In accordance with City Council policy, the City Manager has prepared a proposed budget for the City Council. This is the City Council's opportunity to review and comment on the City Manager's Proposed 2017-2019 Biennial Budget and 6-Year Capital Improvement Plan (CIP). The following Table 1 provides a summary glance of the proposed two-year budget.

Table 1 - Proposed 2017-2019 Biennial Budget

	<u>2017-18</u>	<u>2018-19</u>	<u>TOTAL</u>
General Fund Revenues	21,596,718	22,206,139	43,802,857
Special Revenues	7,768,199	6,945,654	14,713,853
Other Funding Sources	670,658	690,060	1,360,718
Civic Center Transfers-in	<u>50,000</u>	<u>100,000</u>	<u>150,000</u>
TOTAL REVENUES	\$30,085,574	\$29,941,853	\$60,027,428
Operating Expenditures	20,420,402	20,420,017	40,840,419
Capital Expenditures	1,932,000	1,795,000	3,727,000
Other Funding Uses	177,207	136,628	313,835
Elimination of PERS Unfunded Liability		520,000	520,000
Use of Reserve Funds (Civic Center/Insurances)	80,178	50,000	130,178
Debt Service	<u>1,785,387</u>	<u>1,790,881</u>	<u>3,576,268</u>
TOTAL EXPENDITURES	\$24,395,174	\$24,712,526	\$49,107,700
Change in Total Fund Balance	<u>5,690,400</u>	<u>5,229,327</u>	<u>10,919,728</u>

The proposed biennial budget should be considered a status quo budget over the next two years as the City awaits the completion of the redevelopment of the Five Lagunas Project. A final proposed budget will be considered by the City Council at a Public Hearing on June 9, 2017.

BACKGROUND:

Organized into five sections, the City Manager's Proposed Budget binder provides the details of the proposed operating budget for the upcoming 2017-2019 Biennial Budget cycle and the 6-Year CIP. The contents of the City Manager's Proposed Budget binder sections are described in greater detail as follows:

1. Staff Report
2. City Council Ratings of Major Plans
This section includes the results of the City Council's ratings of 12 major plans presented by Council Members, the Parks and Recreation Commission, Traffic Commission, and staff.
3. Operating Budget Summary
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 expenditure 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.
 - The last sub-section contains the City's updated 8-Year Resource Allocation Plan.
4. Proposed Department Budgets
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 five-year expenditure trend.
5. Capital Improvement Plan
This section includes expenditure and revenue summaries along with individual project descriptions.

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 3

FY 2016/2017 YEAR-END PROJECTIONS

Before launching into the proposed budget, an analysis of the current Fiscal Year (FY) is in order. Table 2 below shows year-end estimates for the FY 2016/2017 Operating Budget. Essentially, the year-end estimates are not expected to materially deviate from the budget. The bottom line in the table shows that the estimated year-end operating ratio of 1.02 is appropriately in line with the budget.

Table 2 - FY 2016/2017 Operating Budget

	FY 2016-17 Budget	FY 2016-17 Year-End Estimate	Variances Positive/ (Negative)	% Change from FY 2016-17 Budget	YE Estimate as a % of Budget
Personnel	\$ 5,097,856	\$ 4,840,662	\$ 257,194	5.0%	95.0%
Maintenance & Operations	2,264,501	2,148,774	115,727	5.1%	94.9%
Contract/Professional Services	11,918,096	11,880,911	37,185	0.3%	99.7%
Capital Outlay	351,983	399,049	(47,066)	-13.4%	113.4%
Total Operating Expenditures	19,632,436	19,269,396	363,040	1.8%	98.2%
Debt Service	1,799,387	1,799,387	-	0.0%	100.0%
Total Operating Revenues	21,778,711	21,468,356	(310,355)	-1.4%	98.6%
Operating Surplus/(Deficit)	\$ 346,888	\$ 399,573	\$ 52,685		
Operating Ratio	1.02	1.02			

Revenues are anticipated to come under budget by roughly \$310,335 as a result of lower sales tax revenues, largely attributable to the Five Lagunas redevelopment project. Actions taken to control costs have mitigated the impact of lower revenues. Operating expenditures are projected to come under budget by approximately \$363,040, as a result of savings in personnel due to changes in staffing levels and savings in Maintenance & Operation. Overall, for FY 2016/2017, we are projecting an operating surplus of \$399,573.

Capital Improvement Plan

Attachment 1 to this report is a summary of Capital Improvement Projects for FY 2016/2017, which details the budget and year-end estimates for each project. The summary includes the total expenditures and the various funding sources. For planning

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 4

purposes, it is assumed that all initiated projects will be completed this Fiscal Year. This report shows that the City will expend \$3,474,499 on capital projects in FY 2016/2017. Of this amount, \$972,000 is funded by the City's General Fund.

Fund Balance Projections

The following Table 3 considers the anticipated year-end revenues, operating expenditures, debt service, and capital expenditures detailed above and then estimates the City's June 30, 2017, fund balances.

Table 3 - FY 2016/2017 Fund Balance Projections

	30-Jun-17 (Projected)	Ratio
Total Fund Balance	\$ 10,912,684	
<i>Less the following fund balances:</i>		
Reservation for Debt Service	(1,804,588)	
Non-major Governmental Funds	<u>(1,933,730)</u>	
Unrestricted General Fund Balance (>35%)	\$ 7,174,366	37%
<i>Less Assignments:</i>		
Total Capital Replacement Funds	(659,959)	
Insurance Reserve Funds	<u>(200,000)</u>	
Unassigned Fund Balance (>25%)	\$ 6,314,407	33%

The City's fund balance projections are healthy and exceed policy targets.

PROPOSED BIENNIAL PERIOD 2017-2019 OPERATING BUDGET

An updated 8-Year Plan is presented in the Operating Budget Summary section of this report, which incorporates anticipated condition changes and assumptions. Given the current revenue picture and outlook discussed in more detail below, staff is proposing a biennial budget that continues budgetary austerity, maintaining a vigilance to control costs.

Assumptions

The proposed 2017-2019 Biennial Budget and 8-Year Resource Allocation Plan are based on the assumptions in the following Table 4 over the next eight years for the following categories.

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 5

Table 4 - Assumptions

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average
General Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Taxable Sales (Base only)	0.00%	1.90%	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.36%
Secured Assessed Valuation	6.26%	3.86%	3.99%	3.12%	5.75%	2.00%	2.00%	2.00%	3.62%
Sheriff's Contract	4.58%	4.14%	3.58%	2.57%	2.77%	3.00%	3.00%	3.00%	3.33%

Overall, the assumptions are generally conservative and assume a continued low general inflationary environment. Sales tax estimates for the next two years have been provided by the City's sales tax consultant. The assessed valuation projections for the next five years have been projected by OCFA's property tax consultant. The percentage change in the Sheriff's contract for the next five years have been provided by the Orange County Sheriff's Department and are based on their Strategic Five-Year Plan. If past experience serves to provide an indication of what to expect, the increases may be greater than projected in the County's Strategic Five-Year Plan.

The proposed 2017-2019 Biennial Budget and 8-Year Resource Allocation Plan were also based on the following local development assumptions:

Five Lagunas Project

- Quimby Act Fees, projected at \$15,448,368, are phased in over three years starting in FY 2017/2018.
- Traffic Impact Fees, projected at \$2,200,000, are phased in over three years starting in FY 2017/2018.
- A sales tax increase, projected at \$1.3 million, is phased in over three years starting in FY 2019/2020.

The positive effects of the Five Lagunas Project assumptions on sales tax and property tax revenues are not anticipated to impact the 2017-2019 Biennial Budget cycle. On the other hand, the anticipated Quimby Act Fees and traffic impact fees are expected to be received starting in the first year of this 2017-2019 Biennial Budget period, which has a positive impact to the funding of capital projects. If the Five Lagunas Project is delayed, and that results in a delay of Quimby Act Fees, it may have an impact to capital projects, which then may be deferred.

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 6

General Fund Revenues

Before the Great Recession began, the City's General Fund revenues hit a peak of \$20,260,741 in FY 2006/2007, before falling to a low of \$17,318,731 in FY 2011/2012, an unprecedented decline of \$2,942,010, or 14.5%. Last fiscal year ended June 30, 2016, total General Fund revenues were \$20,643,126, surpassing the pre-recessionary high for the first time since the Great Recession began. Based on the most recent data available, General Fund Revenues are anticipated to reach \$20,795,928 this FY 2016/2017 and continue a steady increase over the next eight years. Table 5 below reports a ten-year history of property taxes, sales taxes, and transient occupancy taxes (the City's top three revenue sources), plus all other General Fund revenues and total General Fund revenues, since FY 2006/2007, as well as the year-end estimates for FY 2016/2017 and projections over the next biennial budget period.

Table 5 - General Fund Revenue History and Projections

Fiscal Year	Property Tax	Sales Tax	TOT	Other	Total General Fund Revenue	Annual % Change - Total GF Revenues
FY 06/07	\$ 8,379,429	\$ 7,048,634	\$ 1,227,989	\$ 3,604,689	\$ 20,260,741	
FY 07/08	8,865,886	6,377,719	1,219,609	3,553,046	20,016,260	-1.2%
FY 08/09	8,624,076	5,618,965	915,807	3,298,648	18,457,496	-7.8%
FY 09/10	8,490,682	4,970,647	752,478	3,209,311	17,423,118	-5.6%
FY 10/11	8,283,989	5,328,434	869,505	3,344,643	17,826,571	2.3%
FY 11/12	8,223,234	5,113,272	1,004,483	2,977,742	17,318,731	-2.8%
FY 12/13	8,722,406	5,191,918	1,108,290	3,065,356	18,087,970	4.4%
FY 13/14	8,826,271	5,523,069	1,203,422	3,156,813	18,709,575	3.4%
FY 14/15	9,128,568	5,603,521	1,285,455	3,773,497	19,791,041	5.8%
FY 15/16	9,660,614	5,439,210	1,406,823	4,136,479	20,643,126	4.3%
FY 16/17*	9,992,683	5,849,000	1,412,000	3,542,245	20,795,928	0.7%
FY 17/18*	10,595,386	5,849,000	1,447,300	3,705,032	21,596,718	3.9%
FY 18/19*	10,991,912	5,960,131	1,483,483	3,770,613	22,206,139	2.8%

A detail of Operating Revenue projections can be found in the Operating Budget Summary – Revenue sub-section in the City Manager's Proposed Budget binder.

Operating Expenditures

The following Table 6 shows a ten-year history of General Fund expenditures, including the current year projection for FY 2016/2017.

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 7

Table 6 - General Fund Expenditures

Fiscal Year	Total GF Expenditures	Annual % Change
2006-07	16,032,718	
2007-08	17,223,854	6.9%
2008-09	17,554,792	1.9%
2009-10	16,474,969	-6.6%
2010-11	17,156,944	4.0%
2011-12	16,923,152	-1.4%
2012-13	17,367,504	2.6%
2013-14	17,327,545	-0.2%
2014-15	17,792,484	2.6%
2015-16	18,584,086	4.3%
2016-17	18,914,391	1.7%

For the upcoming Biennial Budget, the City Manager is proposing a General Fund operating expenditures budget of \$20,420,402, which represents a 4% increase from the amended FY 2016/2017 budget. For FY 2017/2018, the proposed General Fund operating expenditure is \$20,420,017, effectively holding the line on operating expenditures in year two of the biennial budget. Details of the proposed 2017-2019 Biennial Budget can be found in the Operating Budget Summary – Expenditure subsection and in the Department Budget Section.

Major Plans

At the March 11, 2017, City Council Workshop, the City Council rated twelve major plans presented by Council Members, the Parks and Recreation Commission, Traffic Commission, and staff. Of the twelve major plans proposed, five were approved by City Council. The final results may be found in the Council Ratings of Major Plans Section in the City Manager's Proposed Budget binder. The proposed operating budgets include all five approved major plans, as listed below:

- 1) Installing holiday banners on City medians, combined with No. 2.
- 2) City-wide holiday lighting/decorations (\$50,000 in FY 2017/2018 and \$50,000 in FY 2018/2019).
- 3) Conducting a Recreation Needs Assessment and Master Plan for the Community Center and Sports Complex (\$100,000 in FY 2017/2018).
- 4) Updating all technology and audio-visual systems in the City Council Chambers

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 8

 (\$95,000 in FY 2017/2018).

- 5) Developing a five-year expenditure plan for parks and recreational facilities (utilizing in-house staff time).

Pension – CalPERS Rate

Today, pension costs are in sharp focus both locally and nationally as pension systems deliberate and execute changes to key actuarial assumptions. Recently, the CalPERS Board approved a phased-in lowering of the discount rate from 7.5% to 7.0%. CalPERS provided the City with a method to estimate the impact of this rate reduction on future pension costs. Attachment 2 to this report is a calculation using the technique CalPERS provided of the estimated future pension costs, which are contained within the 8-Year Plan.

The normal cost rate (line 3) is projected to increase from 8.262% in FY 2016/2017 to 10.3% beginning in 2020/2021. The normal cost (line 4) is projected to increase from \$229,900 in FY 2016/2017 to \$346,448 in the final year of the 8-Year Plan. This assumes the continued phase-in of employee participation of .75% annually until employees are picking up their full 7% share (line 5). In addition to the normal cost, the City is required to make payments on its unfunded accrued liability (UAL). From the latest actuarial valuation report from CalPERS, as of June 30, 2015, the City's UAL is \$2,318,898. This amount will increase due to the lowering of the discount rate, but CalPERS will not be able to provide the new UAL value until this July with its Annual Actuarial Valuation Report. Staff estimates that the new UAL will be roughly \$3.0 - \$3.5 million. The proposed 8-Year Plan has the City paying off the estimated \$3.5 million UAL over the next six years. Theoretically, this will achieve 100% funding by June 30, 2023. The UAL payments (line 7) are the new minimum required payments toward the City's UAL. These increase from \$90,796 in FY 2016/2017 to \$396,000 in FY 2022/2023. The City's total minimum projected contributions to CalPERS (line 8), increase from a low of \$432,000 in FY 2016/2017 to a high of \$722,560 in FY 2022/2023. As a percentage of the General Fund budget, pension costs increase from 2.24% this year to a high of 4.74% in 2019/2020 (line 12). However, as a result of the additional UAL payments (line 9), the City's net pension cost is expected to drop to \$346,448 in Year 8, at only 1.28% of budget.

Police Services Cost

The City has successfully contracted for police services with the Orange County Sheriff's Department since incorporation and enjoys one of the highest levels of service among

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 9

all cities in Orange County. However, the rising cost of the Sheriff's contract, born largely from the effects of the enhanced defined benefit retirement plans provided to both sworn and unsworn personnel, has become an unrelenting challenge. The following Table 7 shows the historical Sheriff's contract cost going back to FY 2005/2006, as well as projections included in the updated 8-Year Plan.

Table 7 – Sheriff's Contract Cost History

Fiscal Year	Sheriff Contract	Sheriff Contract Annual % Change	Total GF Expenditures	Contract % of GF Expenditure	Total GF Revenues	Contract % of GF Revenues
2005-06	5,475,795		15,262,007	36%	19,396,143	28%
2006-07	5,791,924	5.5%	16,032,718	36%	19,935,475	29%
2007-08	6,000,788	3.5%	17,223,854	35%	19,689,935	30%
2008-09	6,533,677	8.2%	17,554,792	37%	18,340,055	36%
2009-10	6,391,470	-2.2%	16,474,969	39%	17,418,904	37%
2010-11	6,457,708	1.0%	17,156,944	38%	17,810,057	36%
2011-12	6,540,385	1.3%	16,923,152	39%	17,309,834	38%
2012-13	6,633,168	1.4%	17,367,504	38%	18,077,125	37%
2013-14	6,811,407	2.6%	17,327,545	39%	18,698,042	36%
2014-15	7,128,344	4.4%	17,792,484	40%	19,781,377	36%
2015-16	6,928,991	-2.9%	18,584,086	37%	20,632,176	34%
2016-17	7,628,880	9.2%	18,914,391	40%	20,795,928	37%
2017-18	7,988,723	4.5%	20,420,402	39%	21,596,718	37%
2018-19	8,319,456	4.0%	20,420,017	41%	22,206,139	37%
2019-20	8,617,293	3.5%	20,865,164	41%	22,849,250	38%
2020-21	9,438,757	8.7%	22,029,701	43%	24,432,292	39%
2021-22	9,700,211	2.7%	22,561,803	43%	25,409,005	38%
2022-23	9,991,217	2.9%	23,211,224	43%	25,985,619	38%
2023-24	10,290,953	2.9%	23,797,336	43%	26,536,144	39%
2024-25	10,599,682	2.9%	24,480,599	43%	27,099,217	39%

The projected Sheriff's costs included in the 8-Year plan for the next five years are based on the County's Strategic Five-Year Plan provided by the Orange County Sheriff's Department. Also, in FY 2020/2021, assuming the completion of the Five Lagunas Project, approximately \$600,000 was added to account for added personnel in public safety.

As Table 7 displays, these updated projections from the Sheriff's have a significant impact on the 8-Year Plan. The Sheriff's contract has risen from comprising 36% of General Fund Expenditures in FY 2005/2006 to 41% in FY 2018/2019, and is projected to grow to 43% in FY 2020/2021. However, even more troubling is the rise in the Sheriff's contract cost in comparison to General Fund revenues, from 28% of General Fund

revenues in FY 2005/2006 to a high of 39% of projected General Fund revenues in the 8-Year Plan.

It is staff's assessment that the current contract model for Police Services is unsustainable over the long-term. It is imperative that the City work with the Sheriff's and other contract cities to explore changes to the contract model that will yield significant cost savings without compromising officer safety or the safety of the public. Additionally, the City is working with the cities of Aliso Viejo and Laguna Woods on an alternative service delivery model, allowing for additional cost sharing.

6-YEAR CAPITAL IMPROVEMENT PLAN

The proposed 6-Year Capital Improvement Plan (CIP) can be found in the Capital Improvement Projects section of the City Manager's Proposed Budget binder. Staff has identified a list of capital projects totaling \$121,887,000. Of this amount, \$14,227,000 has been programmed over the next six years and \$3,727,000 is proposed for appropriation in the 2017-2019 biennial period. Capital projects have been distributed over the next six years in a manner that is consistent with the City's financial policies. Summary pages of the entire 6-Year CIP, including funding sources, is in the CIP Summary section of this binder.

Gas Tax

The City utilizes its gas tax revenue apportionments to fully fund its Street Maintenance, CIP No. 101. It should be noted that SB1 was recently signed into law, which has a significant future impact to allocations of streets and road funds for cities and counties by increasing the allocations of the existing Highway Users Tax Account and by added funding from the new 2017 Act. The 2017 Act establishes a new Road Maintenance and Rehabilitation Account that allocates funds from the following taxes: the 12 cent gasoline excise tax, 20 cent diesel fuel excise tax, and transportation improvement fees (vehicle registration taxes). FY 2017/2018 is a partial year of funding from these new sources, with a total projection of \$862,000 in revenue for the City that year. The first full year of funding will be in FY 2018/2019. In that year, the annual allocation to the City will increase substantially. The estimated annual total of \$1,225,000 in total gas tax revenues is projected to come in FY 2018/2019. These increases have a positive impact to the City's annual street maintenance program (as detailed on page IV-10 in the CIP section of this binder) and 100% of the new funding is dedicated to the City's street maintenance program.

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 11

Quimby Act Fees

Quimby Act Fees of \$15,448,368 from the Five Lagunas Project have been phased in over three years starting in FY 2017/2018. However, the proposed 6-Year CIP does not include a complete appropriation of these projected revenues. Over the next six years, the proposed CIP appropriates only \$2,990,000 of Quimby Act Fee's revenue, leaving a balance of \$12,458,368. Generally, these funds need to be expended within five years of receipt. In order to effectively and timely prioritize and allocate the balance of Quimby Act Fees, the City Council approved major plans for the next year to conduct a Recreation Needs Assessment and Master Plan for the Community Center and Sports Complex and develop a five-year expenditure plan for parks and recreational facilities. When these studies are complete, projected for spring 2018, staff will request authorization from the City Council for a subsequent appropriation of these funds at that time.

2017-2019 Biennial Budget – CIP

Staff is recommending that the City Council appropriate funding for the following projects in the upcoming Biennial Budget.

Table 8 - 2017-19 Proposed Projects

<u>Project No.</u>	<u>Project Name</u>	<u>2017-18</u>	<u>2018-19</u>
101	Annual Street Maintenance	\$ 862,000	
168	Traffic Signal Improvements/Coordination		50,000
184	La Paz Road Widening	100,000	
403	Storm Drain/Slope Repairs		50,000
410	NPDES/Water Quality Program	250,000	250,000
412	Water Quality (2) Improvements		325,000
238	Community Center & Sports Complex Renovations		240,000
241	General Park Renovations	250,000	
513	Community Center Renovation	170,000	100,000
514	Sports Complex Renovations	50,000	30,000
510	Public Art Program - Civic Center	200,000	
609	Multi-use Trail - Community Center to Indian Hill	50,000	750,000
	Total Capital Project Budget	\$ 1,932,000	\$ 1,795,000

Expenditures for the next two years now stand at \$3,227,000. Of this amount, only

2017-19 Biennial Operating & CIP Budget

May 9, 2017

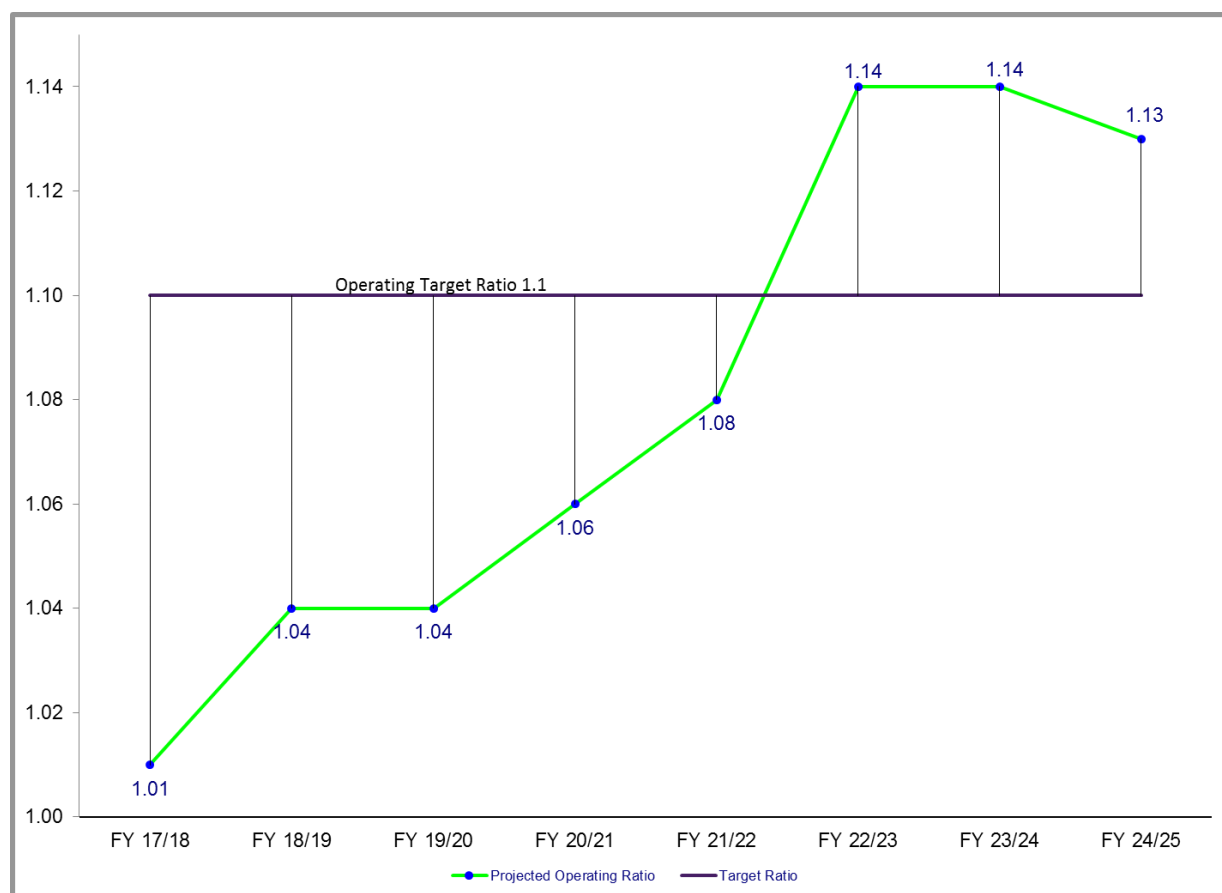
Page 12

\$575,000 is from the General Fund; \$862,000 from Gas Tax; \$1,640,000 in Quimby Act Fees; \$300,000 from Measure M; \$100,000 from CARITS; \$50,000 from capital reserves; and \$200,000 from Public Art funds.

8-YEAR RESOURCE ALLOCATION PLAN

The 8-Year Resource Allocation Plan may be found in the Operating Budget Summary - 8-Year Plan sub-section in the City Manager's Proposed Budget binder. Given the fiscal discipline that has been imposed since the Great Recession, coupled with current efforts to reduce on-going operating expenditures, the City's long-term financial outlook is positive. The following Table 9 plots the operating ratio over the eight-year period in relation to the target operating policy ratio of 1.1.

Table 9 – Operating Ratio



This graph demonstrates that the City is projected to have an operating surplus in every

2017-19 Biennial Operating & CIP Budget

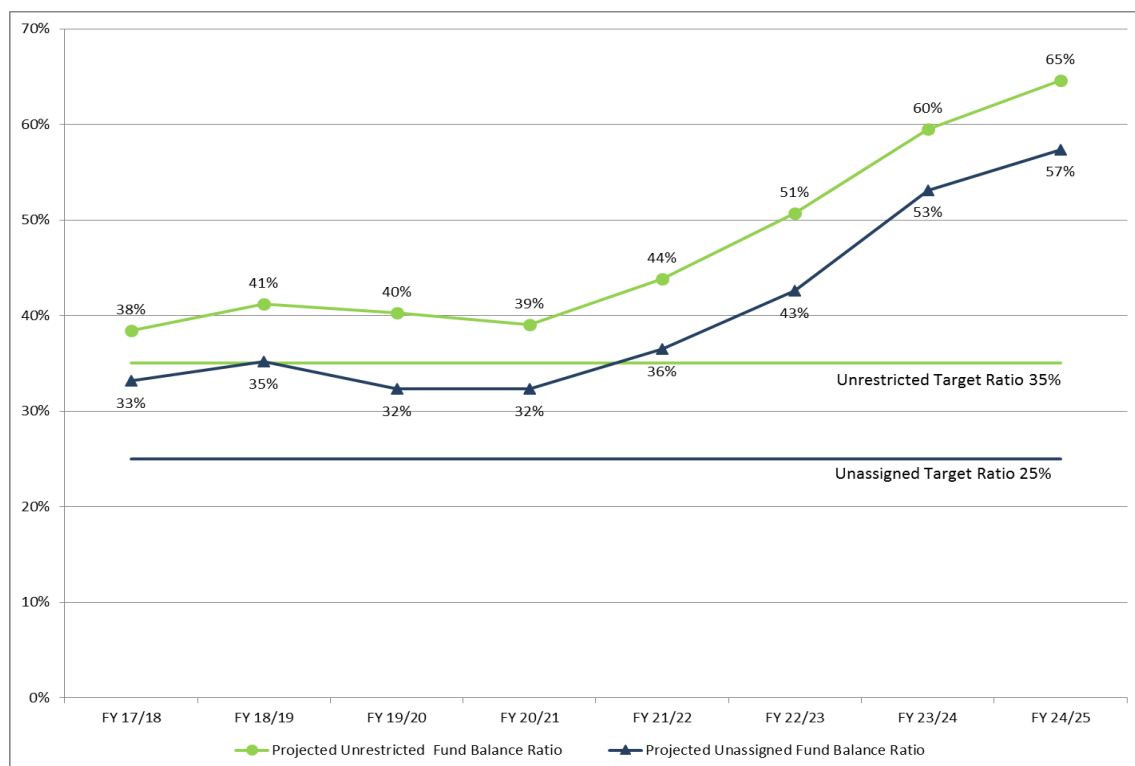
May 9, 2017

Page 13

year of the plan. However, while striving to attain the target ratio of 1.1, the operating ratio is projected to be below this target ratio for the next five fiscal years. It should be noted that while the operating ratio is below the target ratio in years FY 2017/2018 through FY 2021/2022, it steadily increases from a 1.01 in FY 2017/2018 to 1.14 in FY 2022/2023, when the Five Lagunas Project is fully complete and the City's payment towards debt service decreases significantly. In dollar terms, the annual operating surplus grows steadily from about \$112,000 in FY 2017/2018 to over \$3.2 million in FY 2022/2023. As 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.

The City's fund balance position is the backbone of its financial strength. The following Table 10 plots the City's Unrestricted General Fund Balance and Unassigned General Fund Balance over the next eight years in comparison with its target ratio.

Table 10 - Fund Balance Ratios



The Unrestricted General Fund policy ratio remains greater than its 35% policy minimum throughout the 8-year plan. The Unassigned General Fund Balance is substantially

2017-19 Biennial Operating & CIP Budget

May 9, 2017

Page 14

above the 25% policy minimum throughout the 8-year plan. This is achieved even after paying off the City's CalPERS unfunded liability over the next six years (see line 10 of the 8-year plan). At the end of the 8-year plan, reserve balances stand at 65% for the Unrestricted General Fund Balance and 57% for the Unassigned General Fund Balance. In practical terms, should these projections hold true, in addition to having \$12.5 million in Quimby Act Fee revenues available for parks and recreation facilities, there should be about \$7.2 of General Fund monies available for one-time projects during the last three years of the 8-Year Plan.

ATTACHMENTS:

- Attachment 1 - CIP 2016-17 YE Estimate
- Attachment 2 - Pension Contributions
- Attachment 3 - Proposed 2017-2019 Biennial Budget

EXHIBIT A
CAPITAL IMPROVEMENT PROGRAM - FISCAL YEAR 2016-17

Amended Budget FY 2016-17			Year-End Estimate FY 2016-17		
Expenditure			Funding Source		
CAPITAL IMPROVEMENT PROJECT					
STREETS, SIGNALS & LIGHTING					
CIP 101 Annual Street Maintenance	550,933	550,933 Gas Tax	195,723	195,723 Gas Tax	
CIP 145 Paseo de Valencia Widening	400,000	300,000 Meas M Comp 100,000 CARITS	100,000	- Meas M Comp 100,000 CARITS	
CIP 168 Traffic Signal Improvement Coordination	462,000	- GF 40,000 CARITS 422,000 Other- City Participants	40,000	- GF 40,000 CARITS - Other- City Participants	
CIP 171 La Paz Road Sidewalk Widening	489,066	71,916 GF 417,150 Active Trans Program	50,000	50,000 GF - Active Trans Program	
CIP 175 Arterial Highway Pavement Maintenance - Various Locations	1,241,776	741,776 Gas Tax 500,000 Federal RSTP Map-21	1,541,776	1,041,776 Gas Tax 500,000 Federal RSTP Map-21	
TOTAL STREETS, SIGNALS & LIGHTING	3,143,775	3,143,775	1,927,499	1,927,499	
PARK CAPITAL IMPROVEMENTS					
CIP 238 CommunityCtr/SportsComplexField Renovations	200,000	- Quimby Act Fees 200,000 GF	200,000	Quimby Act Fees 200,000 GF	
CIP 241 General Park Renovations	310,642	- Quimby Act Fees 310,642 Capital Reserve Fund	400,000	Quimby Act Fees 400,000 Capital Reserve Fund	
TOTAL PARK CAPITAL IMPROVEMENTS	510,642	510,642	600,000	600,000	
STREETSCAPES					
CIP 329 Wayfinding Signs	25,000	25,000 GF	27,000	27,000 GF	
TOTAL STREETSCAPES	25,000	25,000	27,000	27,000	
FLOOD CONTROL					
CIP 403 Storm Drain/Slope Repairs	50,000	50,000 Capital Reserve Fund	50,000	50,000 Capital Reserve Fund	
CIP 410 NPDES / Water Quality	472,375	297,375 GF 175,000 Measure M Comp	425,000	250,000 GF 175,000 Measure M Comp	
CIP 412 Water Quality (2) Improvements	75,000	5,000 GF 70,000 Measure M Comp	5,000	5,000 GF - Measure M Comp	
TOTAL FLOOD CONTROL	597,375	597,375	480,000	480,000	
PUBLIC FACILITIES					
CIP 511 Animal Shelter	440,000	440,000 GF	440,000	440,000 GF	
TOTAL PUBLIC FACILITIES	440,000	440,000	440,000	440,000	
GRAND TOTAL			3,474,499		
Summary of Funding Sources			Summary of Funding Sources		
1,039,291 General Fund			972,000 General Fund		
1,292,709 Gas Tax			1,237,499 Gas Tax		
545,000 Meas M Comp			175,000 Meas M Comp		
360,642 Capital Reserve Fund			450,000 Capital Reserve Fund		
140,000 CARITS			140,000 CARITS		
417,150 Active Trans Program			- Active Trans Program		
422,000 Other City Participants			- Other City Participants		
500,000 Federal RSTP Map-21			500,000 Federal RSTP Map-21		
4,716,792 Total			3,474,499 Total		

**CalPERS
Contribution Projections**

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
	<u>(Year-end Est.)</u>	<u>Budget</u>	<u>Budget</u>	<u>(Forecast)</u>	<u>(Forecast)</u>	<u>(Forecast)</u>	<u>(Forecast)</u>	<u>(Forecast)</u>	<u>(Forecast)</u>	
1 Payroll	2,782,616	\$ 2,844,916	\$ 2,816,936	\$ 2,901,444	\$ 2,988,487	\$ 3,078,142	\$ 3,170,486	\$ 3,265,601	\$ 3,363,569	1
2 Discount Rate	7.50%	7.375%	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	2
3 Normal Cost Rate	8.262%	8.303%	8.800%	9.300%	10.300%	10.300%	10.300%	10.300%	10.300%	3
4 Normal Cost	\$ 229,900	\$ 236,213	\$ 247,890	\$ 269,834	\$ 307,814	\$ 317,049	\$ 326,560	\$ 336,357	\$ 346,448	4
5 City Paid Employee Rate	4.00%	3.25%	2.50%	1.75%	1.00%	0.25%	0.00%	0.00%	0.00%	5
6 City Paid Employee Cost	\$ 111,305	\$ 92,460	\$ 70,423	\$ 50,775	\$ 29,885	\$ 7,695	\$ -	\$ -	\$ -	6
7 Minimum UAL Payment	\$ 90,796	\$ 124,000	\$ 179,000	\$ 239,000	\$ 292,000	\$ 349,000	\$ 396,000	\$ -	\$ -	7
8 City Net Pension Cost	\$ 432,000	\$ 452,673	\$ 497,314	\$ 559,610	\$ 629,699	\$ 673,744	\$ 722,560	\$ 336,357	\$ 346,448	8
9 Additional UAL Paydown	\$ -	\$ -	\$ 451,110	\$ 429,166	\$ 391,186	\$ 381,951	\$ 372,440	\$ -	\$ -	9
10 Total Pension Obligation	\$ 432,000	\$ 452,673	\$ 948,423	\$ 988,775	\$ 1,020,885	\$ 1,055,695	\$ 1,095,000	\$ 336,357	\$ 346,448	10
11 General Fund Budget	19,269,396	20,420,402	20,420,017	20,865,164	22,029,701	22,561,803	23,211,224	23,797,336	24,480,599	11
Pension Cost as %										
12 of GF Budget	2.24%	2.22%	4.64%	4.74%	4.63%	4.68%	4.72%	1.41%	1.42%	12
13 General Fund Revenues	20,795,928	21,596,718	22,206,139	22,849,250	24,432,292	25,409,005	25,985,619	26,536,144	27,099,217	13
Pension Cost as %										
14 of GF Revenues	2.08%	2.10%	4.27%	4.33%	4.18%	4.15%	4.21%	1.27%	1.28%	14

The Attachment referenced in
the Agenda Report:

Draft 2017-2019 Biennial Budget

is available for review in the
City Clerk's Department.