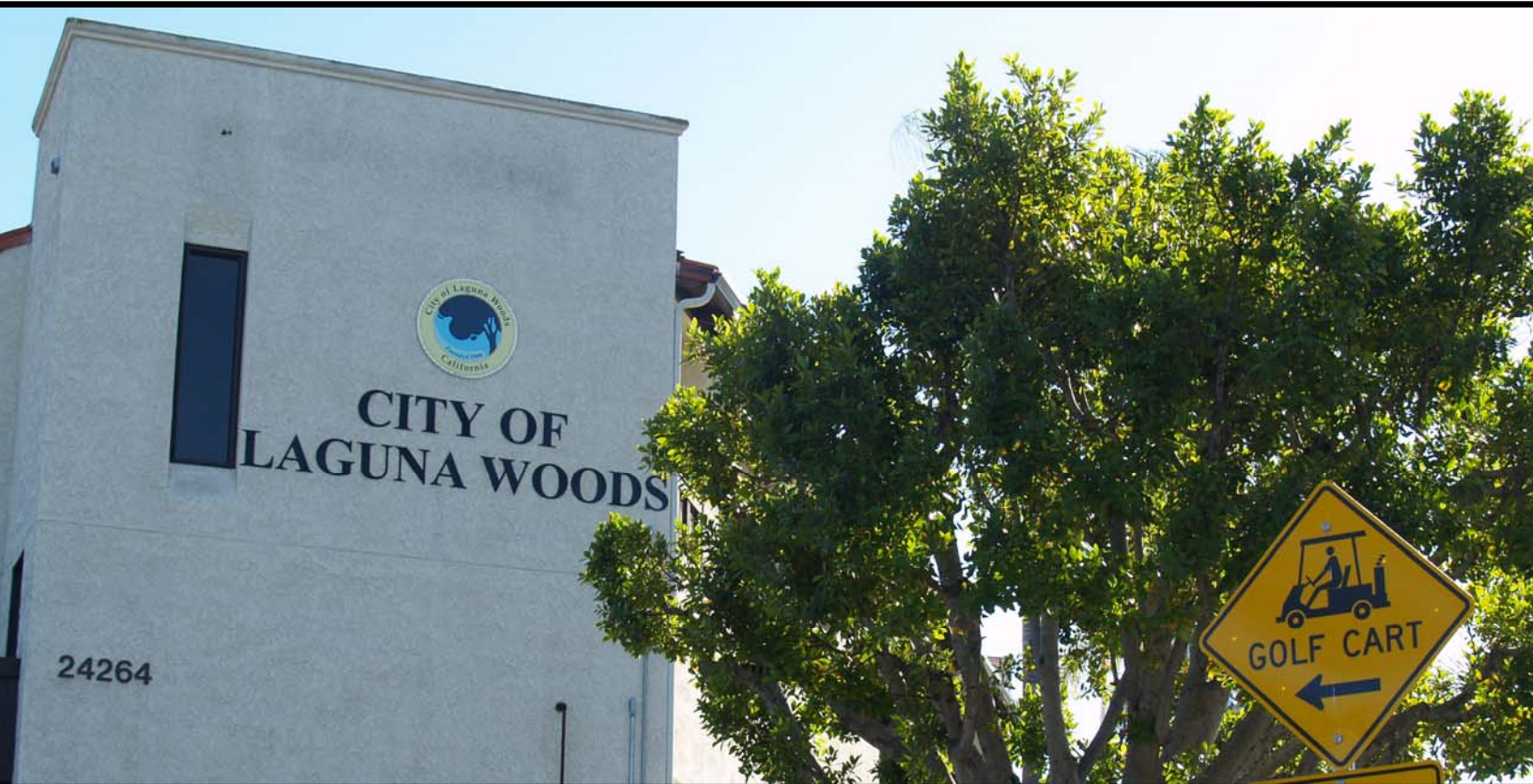


City of Laguna Woods

Fiscal Year 2014-2015 Budget



Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, CA 92637
www.lagunawoodscity.org

June 25, 2014

This page is intentionally blank.

TABLE OF CONTENTS

Cover

Table of Contents.....	i
Transmittal Letter.....	iii
Chapter 1.0. City Background.....	1
Chapter 2.0. City Organization.....	9
Chapter 3.0. City Work Plan.....	17
Chapter 4.0. City Capital Projects.....	29
Chapter 5.0. City Budget Practices.....	41
Chapter 6.0. City Budget Detail.....	45

Appendices

- A – Administrative Policy 2.9 (City Budget Preparation and Reporting)
- B – Resolution No. 14-14 (Budget Adoption)
- C – Resolution No. 14-15 (Capital Improvement Program Adoption)
- D – Resolution No. 14-16 (Annual Appropriations Limit Adoption)
- E – Glossary of Terms and Acronyms

This page is intentionally blank.

TRANSMITTAL LETTER

June 25, 2014

Honorable Mayor and Members of the City Council:

It is my pleasure to present for your review and consideration the draft Fiscal Year 2014-2015 Budget for the City of Laguna Woods. This budget outlines a financial plan and scope of work for the City to undertake during the fiscal year beginning on July 1, 2014 and ending on June 30, 2015.

The programs, projects, and services provided for in this budget are intended to continue to fulfill the City's legal responsibilities as set forth in State law and advance efforts with respect to the City Council's six priority focus areas (*see below*). The priority focus areas articulate the goals and intended outcomes of this budget, while also reinforcing the City's commitment to the delivery of exemplary municipal services rich in public value.

City Council's Priority Focus Areas

A City that is...

- Healthy and safe
- High in quality of life
- Environmentally conscious
- Economically prosperous
- Fiscally responsible
- Professionally and efficiently served

In addition to the City Council's priority focus areas and other directives and policies, this budget was prepared with an overall conservative approach to the estimation of both revenues and expenditures. While the City's financial health remains strong and there are indications of an economic resurgence from the challenging conditions of the recent past, escalating contract law enforcement costs; continued uncertainty at the state and federal levels of government; and, general prudence necessitate a renewed emphasis on the efficient, effective, and economical conduct of City business.

Now more than a decade and a half after incorporation, the time is right to reinvest in the City's long-term organizational and operational health. To that end, this budget builds on recent long-range planning efforts with the goal of

establishing a coherent and measurable path forward. In Fiscal Year 2014-15, the development of plans to address climate adaptation, conservation, and accessibility will help to focus and improve City services, while also providing greater clarity with respect to future significant work plan items and resource allocation. These efforts are expected to reach an apex in Fiscal Year 2015-16 when the City completes a comprehensive update of its General Plan for the first time in its history. Once updated, the General Plan will chart a course for the City with respect to circulation, conservation, housing, land use, noise, open space, and safety for the two decades that follow.

In addition to planning for the future, this budget also continues many of the City's most popular and impactful services, including the Community Services Grant Program, which has provided more than \$1.5 million in funding for local social service and other non-profit organizations since its inception; the Senior Mobility Program, which subsidizes the cost of taxi transportation for residents who are 60 years of age and older; and, numerous City Hall offerings, the likes of which include free notaries for residents and movie matinees.

Activities to promote public safety continue to be a core component of this budget. The City's unequivocal commitment to ensuring that Laguna Woods residents are able to enjoy a secure and tranquil lifestyle can be seen not only in the City's extremely low crime rate, but also in this budget's continued implementation of the Local Hazard Mitigation Plan; evacuation planning for fire hazard severity zones; strengthening of regulations concerning the illegal feeding of wildlife; and, scheduling of quarterly document shredding events to help residents protect themselves from identity theft and fraud.

Another clear emphasis of this budget is environmental sustainability. In early 2014, the City Council elevated the prominence and consideration afforded to environmental issues as they relate to City business by reconstituting the Land Use & Design Review Committee as the new Planning & Environmental Services Committee. In Fiscal Year 2014-15, the City will engage in numerous environmentally-themed initiatives, including sponsoring recycling and in-home bulky item pick-up events; seeking regulatory relief in order to improve stormwater and water quality programs; continuing to provide Community Development Block Grant (CDBG) residential energy efficiency retrofits; and, completing both a Climate Adaptation Plan and comprehensive update of the General Plan Conservation Element. One of the most impactful efforts will be to select a franchisee(s) to provide integrated waste management and recycling services within the City upon the expiration of the existing franchise agreement in July 2015. Rather than simply extend the existing agreement as was done in 2010, the City Council and City personnel believe in the benefits

of an open and competitive proposal process and feel strongly that residents, businesses, and homeowner's associations should play an active role.

Since being appointed as City Manager late last summer, a common theme of my conversations with residents, local businesses, and community groups has been "**we're listening**." That is, that City Hall is changing the way it does business and as a partner in supporting the fabric of this great community, the City is now more committed than ever to being responsive to local needs. In that spirit, this budget includes efforts to streamline and expedite building permit, plan check, and inspection processes; improve the business climate in order to provide residents with access to high quality goods and services; keep El Toro Road and Moulton Parkway open for drivers; modernize internal systems to accept payments by credit and debit cards; and, address many of the other comments and concerns heard with fair regularity. While not all change can happen immediately, this budget represents a significant step in positive directions and will be supported by continued community outreach and engagement, including a redesign of the City's website, a community survey to help formulate long-term goals, and roundtable-type meetings.

Finally, in closing, I would like to highlight a few of the changes to the City's budget process that were undertaken this year in the interests of increased transparency, public participation, and responsible financial stewardship.

- ***Expanded Opportunities for Public Input.*** Between April and June, a combined total of 10 open and publically noticed meetings with opportunities for public input were held with the City Council and the City's three standing advisory committees. The result is a budget that is more responsive to the needs of Laguna Woods residents.
- ***Expanded Format.*** Best practices compiled by the California Society of Municipal Finance Officers (CSMFO) and the Government Finance Officers Association (GFOA) were used to significantly increase the information contained in this budget and its overall functionality.

As the City looks to its future, I envision additional budget-related changes, including longer-term revenue and expenditure forecasting and an eventual transition to two-year, performance-based budgeting.

Respectfully submitted,



Christopher Macon, City Manager

This page is intentionally blank.

1.0. CITY BACKGROUND

This chapter is intended to provide a brief overview of the City of Laguna Woods in order to establish a context for understanding the decision-making that contributed to this budget.

A BRIEF HISTORY

Laguna Woods, California occupies approximately three square miles of land that was once a part of South Orange County's expansive Moulton Ranch. Prior to the 1960s, dry farming and cattle grazing dominated the area, with a few scattered ranch dwellings and barns.

In 1962, Ross Cortese, a young developer whose previous projects included Rossmoor and Leisure World Seal Beach, purchased a portion of the Moulton Ranch. His goal was to create a second Leisure World community or, as he said, "to supply the basic needs of life for people aged 52 and older; create a serene atmosphere of beauty; and provide security, recreation, and religious facilities – then leave the living to the individual." His dream materialized and in 1964 Leisure World Laguna Hills received its first residents.

The prospect of incorporation first arose in 1971 and was a lingering issue until 1996, when the potential for a reduction in County services and the possibility of a commercial airport at the nearby site of the former Marine Corps Air Station, El Toro, became very real concerns. Proponents of cityhood were successful in gaining the necessary approvals and signatures to place the issue of incorporation on the ballot for a special election on March 2, 1999.

On March 24, 1999, Laguna Woods officially became a city when the five-newly elected members of the City Council were sworn in by Superior Court Judge Francisco F. Firmat. The City began providing services that same day.

Today, Laguna Woods is bordered by unincorporated areas, as well as the cities of Aliso Viejo, Irvine, Laguna Beach, and Laguna Hills. It includes the private gated community of Laguna Woods Village (formerly Leisure World Laguna Hills), several senior-oriented residential communities, a number of commercial centers, three public parks, and additional open space areas.

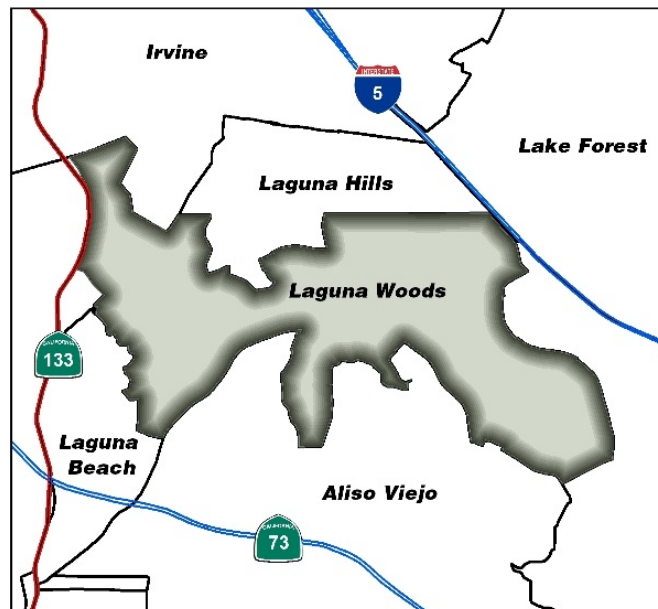
The City of Laguna Woods celebrated its 15th anniversary in 2014.

PHYSICAL LOCATION

Laguna Woods occupies approximately three square miles of land in Orange County, California and is bordered by the cities of Aliso Viejo, Irvine, Laguna Beach, and Laguna Hills, as well as unincorporated and undeveloped open space owned by the County of Orange and the City of Laguna Beach.

Transportation routes near Laguna Woods include the Interstate 5 Freeway (I-5), and State Routes 73 (SR-73), and 133 (SR-133). Portions of SR-73 and SR-133 are operated as toll roads by the Transportation Corridor Agency.

[Regional Location]



LOCAL GOVERNMENT

The City of Laguna Woods is a “general law city” with a “Council-Manager” form of local government, meaning that it operates within the parameters of California municipal law with an elected City Council that is responsible for legislative and policy functions. The City Council appoints and supervises a professional City Manager charged with the “day-to-day” responsibilities of managing the City and implementing City Council laws and policy. The City Council also appoints a City Attorney to serve as the City’s legal counsel. The five members of the City Council are residents elected at large by registered voters to four-year terms. Elections are held in even numbered years with two and then three City Councilmembers elected at subsequent elections.

[Key Officials]

Mayor.....Bert Hack
Mayor Pro Tem.....Cynthia Conners
Councilmember.....Noel Hatch
Councilmember.....Shari L. Horne (appointed 07-02-2014)
Councilmember.....Bob Ring

City Manager.....Christopher Macon
City Attorney.....David B. Cosgrove

In addition to the City Manager, the City of Laguna Woods has nine full-time and additional part-time staff who are responsible for delivering a full range of municipal services. The City operates as a "contract city" meaning that its small in-house staff leverages the resources of a variety of contract and joint powers organizations to provide efficient and cost effective services.

[Key Service Partners]

Animal Services.....City of Laguna Beach
Engineering Services.....CivilSource, Inc.
Fire Services.....Orange County Fire Authority
Police Services.....Orange County Sheriff's Department
Legal Services.....Rutan & Tucker, LLP

A number of independent special districts, school districts, and public utilities also provide vital services to Laguna Woods residents and businesses.

[Key Districts and Utilities]

Electricity.....Southern California Edison
Gas.....Southern California Gas Company
Water & Sewer.....El Toro Water District
Public Transportation.....Orange County Transportation Authority

School Districts.....Capistrano Unified School District
Laguna Beach Unified School District
Saddleback Community College District

CITY PROPERTIES

Most of the land within Laguna Woods is privately owned, including all local roadways with the exception of El Toro Road, Moulton Parkway, Ridge Route Drive, and Santa Maria Avenue. The City is responsible for operating and maintaining portions of those four roadways, as well as three public parks (City Center Park, Ridge Route Linear Park/"A Place for Paws" Dog Park, and Woods End Wilderness Preserve); a multimodal trail network for pedestrians, golf carts, and bicyclists; and, parkways, medians, and other areas of public right-of-way. Laguna Woods City Hall is located at 24264 El Toro Road.

LOCAL DEMOGRAPHICS

The State of California's Department of Finance (DOF) estimates that Laguna Woods' population was 16,581 as of January 1, 2014¹. That figure represents an increase of 0.4% as compared to DOF's previous estimate of 16,519 as of January 1, 2013². DOF estimates incorporate United States Census counts, the most recent of which found that Laguna Woods' population was 16,192³. The population is known to experience seasonal variation, while remaining mostly constant in terms of the total number of residents present at a given time.

[Age]

Age	Population (2000 Census)	Population (2010 Census)
Median age	78 years	77.4 years
Birth to 34 years	1.6%	1.4%
35 to 54 years	3.6%	4.2%
55 to 74 years	32.4%	39%
75 to 84 years	41.1%	55.5%
85 years and over	21.2%	23.9%

¹ State of California, Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2013 and 2014*. Sacramento, California, May 2014.

² State of California, Department of Finance, *E-4 Population Estimates for Cities, Counties, and the State, 2011-2014, with 2010 Census Benchmark*. Sacramento, California, May 2014.

³ U.S. Census Bureau, 2010 Census.

[Gender]

Gender	Population (2000 Census)	Population (2010 Census)
Male	34.1%	35.5%
Female	65.9%	64.5%

[Race and Ethnicity]

Racial/Ethnic Group	Population (2000 Census)	Population (2010 Census)
White	96.1%	87.3%
Asian	2.5%	10%
<i>Asian Indian</i>	<i>0.1%</i>	<i>0.4%</i>
<i>Chinese</i>	<i>0.7%</i>	<i>3.1%</i>
<i>Filipino</i>	<i>0.6%</i>	<i>1.7%</i>
<i>Japanese</i>	<i>0.5%</i>	<i>1.1%</i>
<i>Korean</i>	<i>0.4%</i>	<i>3.1%</i>
<i>Vietnamese</i>	<i>0.1%</i>	<i>0.2%</i>
<i>Other Asian</i>	<i>0.1%</i>	<i>0.3%</i>
Black or African American	0.2%	0.7%
Hispanic or Latino	2.1%	4%
All Other Races	0.4%	0.8%

[Language Spoken at Home⁴]

Subject	Speak English "very well"	Speak English less than "very well"
Population 5 years and over	91.6%	8.4%
Speak a language other than English	55.9%	44.1%
Speak Spanish or Spanish Creole	67.3%	32.7%
Speak other Indo-European languages	64.9%	35.1%
Speak Asian & Pacific Island languages	46.7%	53.3%
Speak other languages	26.7%	73.3%

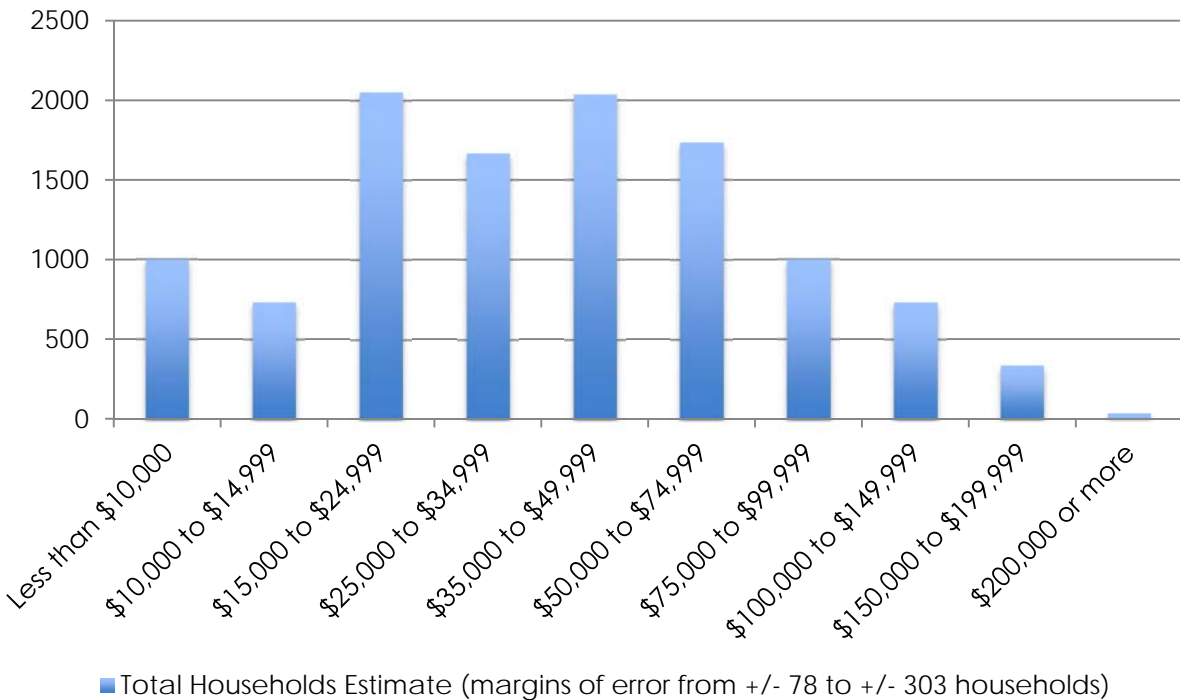
⁴ U.S. Census Bureau, 2008-2012 American Community Survey. Note: The American Community Survey produces population, demographic and housing unit estimates only. Estimates for the "Language Spoken at Home" data for Laguna Woods are subject to margins of error from +/- 1.5% to +/- 38.6%.

[Household Size]

Subject	Measure (2000 Census)	Measure (2010 Census)
Average household size	1.40	1.42

[Household Income⁵]

Subject	Measure	Margin of Error
Median household income	\$36,818	+/- \$2,001
Mean household income	\$53,033	+/- \$3,839



As a point of comparison, the State of California's median household income as reported in the 2008-2012 American Community Survey is \$61,400. Laguna Woods' median household income is \$24,582 less per year, or approximately 60% of the State's median household income.

⁵ U.S. Census Bureau, 2008-2012 American Community Survey. Note: The American Community Survey produces population, demographic and housing unit estimates only. Estimates for the "Income and Benefits" data for Laguna Woods are reported in 2012 inflation-adjusted dollars.

LOCAL ECONOMY

Residential Communities

The vast majority of land within Laguna Woods is occupied by residential uses, which include five private residential communities offering an assortment of condominium, cooperative, rental, and assisted living housing totaling 13,386 units. Laguna Woods Village is the largest community with 12,736 units (or, approximately 95% of units within the City), including 311 units located in high-rise towers. Other communities include Las Palmas (184 units), The Regency (192 units), San Sebastian (134 units), and Whispering Fountains (140 units).

Places of Worship

Laguna Woods is home to five dedicated places of worship serving Catholic, Jewish, Lutheran, Methodist, and Presbyterian faiths. Other faith-based groups and religious communities meet in locations throughout Laguna Woods.

Shopping Centers, Hotels, and Commercial Properties

At just over three square miles, most of the land within Laguna Woods is zoned for residential, open space, and other non-commercial purposes. While less than one-fifth of a square mile is zoned as commercial, residents and visitors enjoy a wide assortment of retail, office, and medical services.

Laguna Woods is served by the following five shopping centers:

- Town Centre (north of El Toro Road, west of Moulton Parkway)
- Home Depot Center (south of El Toro Road, west of Moulton Parkway)
- PS Business Park (south of Ridge Route Drive, east of Moulton Parkway)
- Valencia Center (south of El Toro Road, west of Paseo de Valencia)
- Willow Tree Center (south of El Toro Road, east of Moulton Parkway)

Laguna Woods is home to the 138-room Ayres Hotel in Town Centre.

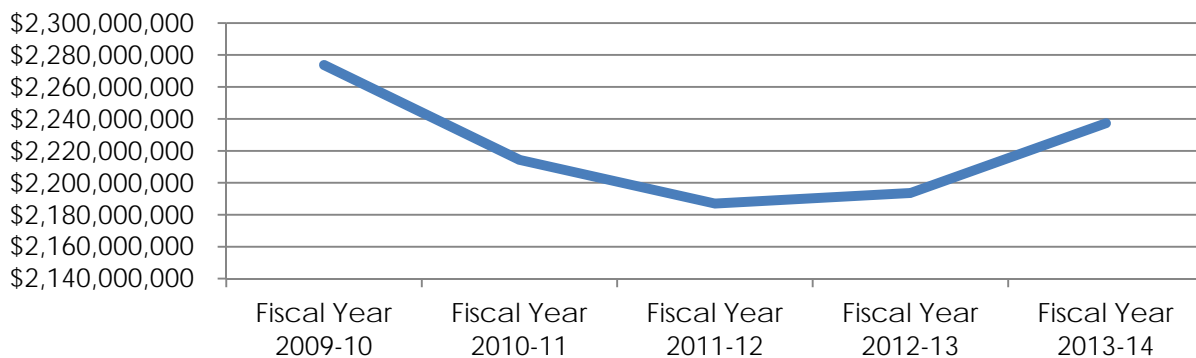
Additional commercial properties are located:

- In the vicinity of Moulton Parkway, east of Town Centre
- In the vicinity of Moulton Parkway at El Toro Road
- In the vicinity of Via Campo Verde, west of Moulton Parkway
- In the vicinity of Calle Aragon, east of Moulton Parkway
- In the vicinity of Paseo de Valencia, south of Valencia Center
- Northwest of Laguna Hills Drive and Paseo de Valencia
- Northwest of El Toro Road and Paseo de Valencia

Property Tax Generators

According to records obtained from the Orange County Auditor-Controller's Office, the City's total assessed property valuation for Fiscal Year 2013-14 was \$2,237,287,579, of which \$2,207,900,802 was considered "secured" (levied on real property such as homes and buildings) and \$29,386,777 was considered "unsecured" (levied on other properties such as recreational vehicles, boats, certain real estate improvements, and business property).

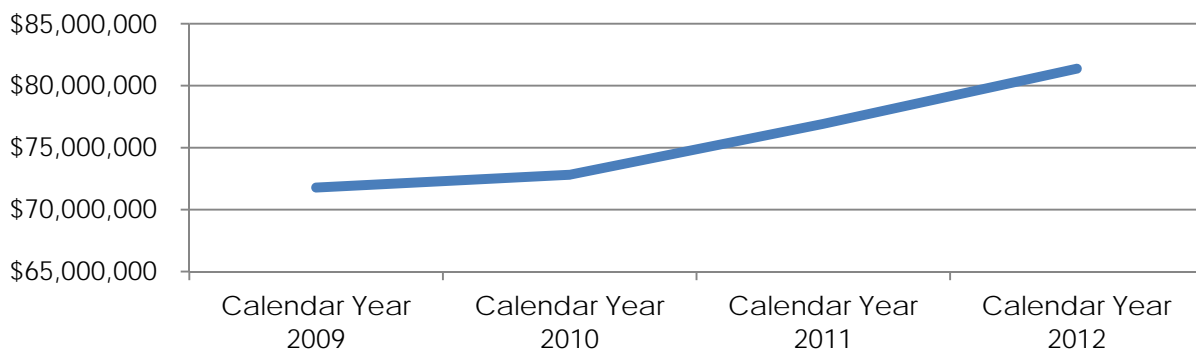
[Total Assessed Property Valuations – Multi-Year]



Sales Tax Generators

According to records obtained from the State Board of Equalization, the top 10 sales tax generators within the City during the 2012 calendar year were (in alphabetical order): Arco/AMPM, Home Depot, Leisure World Service Station (Mobil gas station), Mother's Market & Kitchen, OfficeMax, Olive Garden, Rite Aid, Saddleback Golf Cars, Stater Bros Market, and Vons.

[Total Taxable Transactions – Multi-Year^{6,7}]



⁶ Center for Demographic Research, Orange County Progress Report 2013, Volume 43. Information obtained by the Center for Demographic Research from the California State Board of Equalization.

⁷ California State Board of Equalization, Taxable Sales in California during 2012, 52nd Annual Report.

2.0. CITY ORGANIZATION

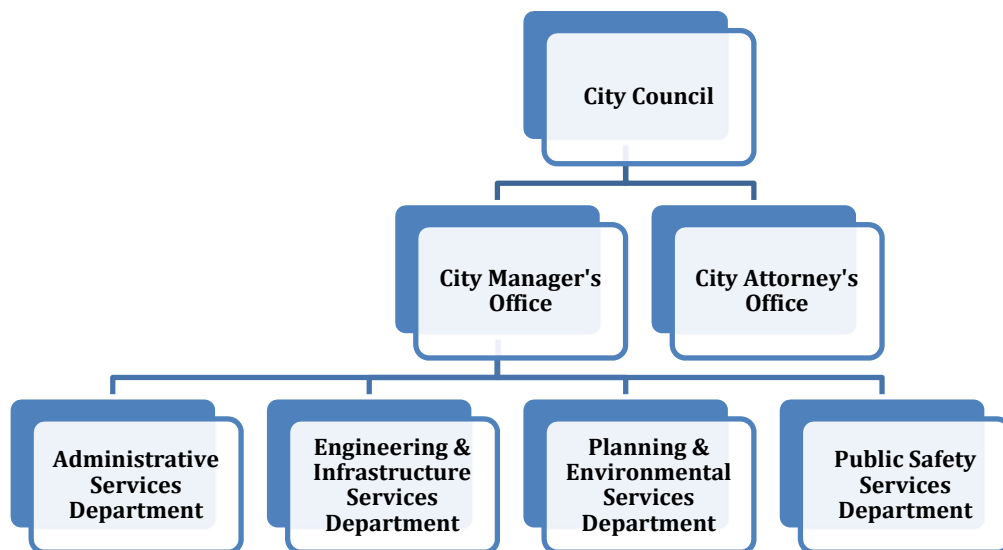
This chapter is intended to provide a brief overview of the City of Laguna Woods' internal structure in order to establish a context for understanding how this budget will be implemented.

ORGANIZATIONAL STRUCTURE

The City of Laguna Woods is organized into the following seven departments:

- City Council
- City Manager's Office
- City Attorney's Office
- Administrative Services Department
- Engineering & Infrastructure Services Department
- Planning & Environmental Services Department
- Public Safety Services Department

[Organizational Chart – Departments]



As a contract city, many departmental functions are coordinated by City personnel and performed under contract with independent and joint powers organizations. This chapter discusses the organization of the City Council, the City Attorney's Office, and in-house City personnel.

PERSONNEL ALLOCATION

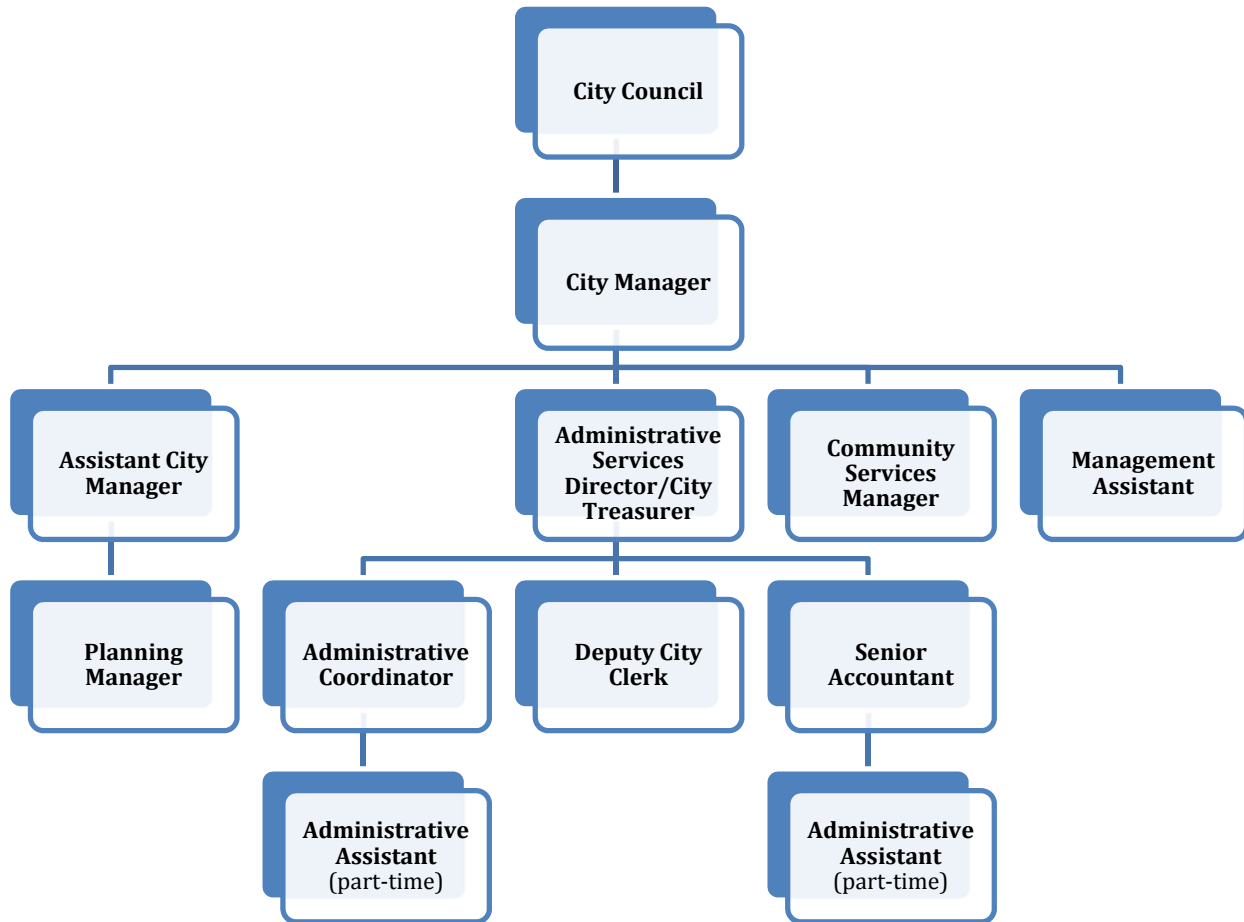
This budget includes a total authorized personnel allocation of nine full-time and two part-time positions, as well as five City Councilmembers. Compared to the previous fiscal year, this represents a reduction of one authorized full-time and two part-time positions (or, approximately two full-time equivalents).

[Personnel Allocation – Citywide]

Position	Number Authorized (Fiscal Year 2013-14)	Number Authorized (Fiscal Year 2014-15)
<i>Elected Officials</i>		
City Councilmember	5	5
Total	5	5
<i>Full-time Employees</i>		
City Manager	1	1
Assistant City Manager	1	1
Administrative Services Director/City Treasurer	-	1
Administrative Coordinator	1	1
Building Official	1	-
Community Services Manager	1	1
Deputy City Clerk	1	1
Finance Manager	1	-
Management Assistant	1	1
Planning Manager	1	1
Public Safety Director	1	-
Senior Accountant	-	1
Total	10	9
<i>Part-Time Employees</i>		
Accountant	1	-
Administrative Assistant	3	2
Total – positions	4	2
Total – full-time equivalent	2 FTE	1 FTE
Net Difference – positions		-3
Net Difference – full-time equivalent		-2 FTE

Changes in personnel allocations for Fiscal Year 2014-15 are due to a citywide reorganization focused on efficiency, sustainability, and service delivery.

[Organizational Chart – Personnel Hierarchy]



CITY COUNCIL

Bert Hack, Mayor

Cynthia Conners, Mayor Pro Tem

Noel Hatch, Councilmember

Shari L. Horne, Councilmember (appointed 07-02-2014)

Bob Ring, Councilmember

The City Council is the governing body for the City of Laguna Woods. Its five members are directly accountable to the Laguna Woods electorate and are responsible for providing overall legislative and policy direction for the City as an organization. As a body, the City Council is also responsible for appointing the City Manager and City Attorney, as well as adopting the City's budget.

The Mayor and Mayor Pro Tem are appointed annually by the members of the City Council to preside over City Council meetings; execute certain legal instruments and authorizations; and, attend to various ceremonial matters.

[Personnel Allocation – City Council]

Position	Number Authorized (Fiscal Year 2014-15)
<i>Elected Officials</i>	
City Councilmember	5
Total	5

CITY MANAGER'S OFFICE

Christopher Macon, City Manager

The City Manager is appointed by the City Council and is responsible for the "day-to-day" management of the City of Laguna Woods as an organization. The City Manager is also responsible for implementing City Council laws and policy, as well as serving as the City Council's chief advisor. All City personnel work under the ultimate direction of the City Manager.

In addition to providing organizational oversight and development, the City Manager's Office works closely with the City Attorney's Office; coordinates with the Orange County Sheriff's Department and other public safety service partners; manages public safety and community services programs (including the Community Services Grant Program and Senior Mobility Program); and, facilitates intergovernmental and community relations.

[Personnel Allocation – City Manager's Office]

Position	Number Authorized (Fiscal Year 2014-15)
<i>Full-time Employees</i>	
City Manager	1
Community Services Manager	1
Management Assistant	1
Total	3

[Organizational Chart – City Manager’s Office]



Personnel allocated to the City Manager’s Office are included in the General Government expenditures portion of this budget.

CITY ATTORNEY’S OFFICE

*David B. Cosgrove, City Attorney
(under contract with Rutan & Tucker, LLP)*

The City Attorney is appointed by the City Council and serves as chief legal counsel for the City of Laguna Woods as an organization. The City Attorney reports to the City Council and works closely with the City Manager.

In addition to furnishing legal advice to the City Council and City personnel on matters related to the conduct of City business, the City Attorney’s Office is responsible for preparing, reviewing, and approving the form of ordinances, resolutions, agreements, and other legal instruments.

The City Attorney’s Office is a contract function. Associated expenditures are included in the Legal Services line item of the General Government section of this budget; however, legal services rendered for special projects, and other related expenditures, may be charged to those projects.

ADMINISTRATIVE SERVICES DEPARTMENT

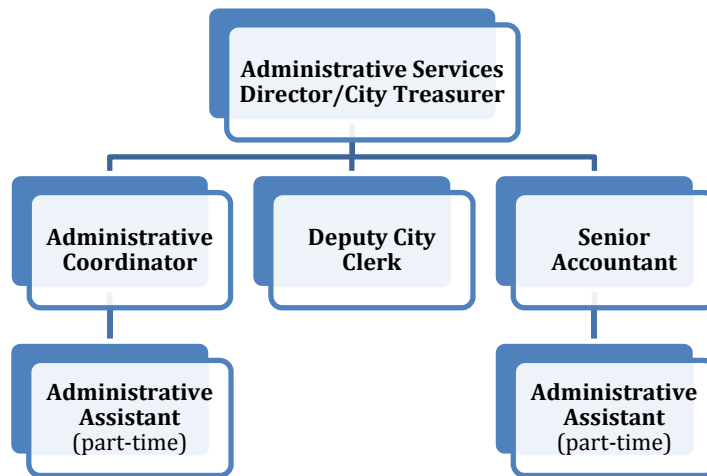
Vacant, Administrative Services Director/City Treasurer

The Administrative Services Department contains a variety of internal business units, including finance, accounting, payroll, human resources, information technology, risk management, and the City Clerk’s Office.

[Personnel Allocation – Administrative Services Department]

Position	Number Authorized (Fiscal Year 2014-15)
<i>Full-time Employees</i>	
Administrative Services Director/City Treasurer	1
Administrative Coordinator	1
Deputy City Clerk	1
Senior Accountant	1
Total	4
<i>Part-time Employees</i>	
Administrative Assistant	2
Total	2

[Organizational Chart – Administrative Services Department]



ENGINEERING & INFRASTRUCTURE SERVICES DEPARTMENT

*Douglas C. Reilly, Assistant City Manager
(operations and maintenance)*

The Engineering & Infrastructure Services Department includes the following service areas: capital improvement projects, engineering, and maintenance (including maintenance of roadways, parks, landscaped areas, catch basins, Laguna Woods City Hall, and public rights-of-way).

[Personnel Allocation – Engineering & Infrastructure Services Department]

Position	Number Authorized (Fiscal Year 2014-15)
<i>Full-time Employees</i>	
Assistant City Manager	0.5
Total	0.5

PLANNING & ENVIRONMENTAL SERVICES DEPARTMENT

Douglas C. Reilly, Assistant City Manager

The Planning & Environmental Services Department includes the following service areas: building, planning, code enforcement, waste and recycling, environmental sustainability, and water quality.

[Personnel Allocation – Planning & Environmental Services Department]

Position	Number Authorized (Fiscal Year 2014-15)
<i>Full-time Employees</i>	
Assistant City Manager	0.5
Planning Manager	1
Total	1.5

[Organizational Chart – Planning & Environmental Services Department]



PUBLIC SAFETY SERVICES DEPARTMENT

The Public Safety Services Department includes law enforcement and animal control and shelter services, which are provided under contract by the

Orange County Sheriff's Department and Laguna Beach Animal Services, respectively. Fire services provided by the Orange County Fire Authority are funded separately through a structural fire fund administered by the County of Orange on the City's behalf. This department's budget also includes other public safety-related contract services (e.g., Trauma Intervention Program).

Personnel accounted for in the City Manager's Office section of this budget are responsible for coordinating with public safety service partners, as well as managing emergency planning, National Flood Insurance Program (NFIP), climate adaptation, and other "in-house" public safety programs.

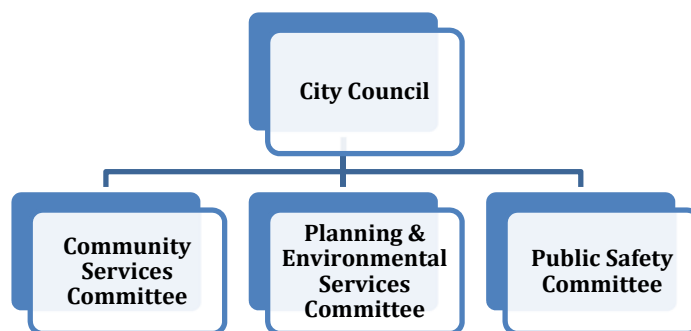
OTHER ORGANIZATIONAL INFORMATION

Standing Advisory Committees

Biennially, the City Council appoints standing committees to function in an advisory role to the City Council and City personnel. Each committee consists of up to 11 volunteer members, including a chairperson appointed by the City Council and two members nominated by each City Councilmember.

In February 2014, in order to elevate the prominence and consideration of environmental issues such as waste, recycling, energy, and water, the scope of the then-titled Land Use & Design Review Committee was expanded and the committee name was changed to Planning & Environmental Services.

[Organizational Chart – Standing Advisory Committees, 2013-2014]



Other Volunteer Programs

Since its incorporation, the City of Laguna Woods has relied on the invaluable assistance of volunteers to provide reception services at Laguna Woods City Hall. Over the years, volunteer opportunities have been expanded to support additional clerical, administrative, and public safety-related functions.

3.0.

CITY WORK PLAN

This chapter is intended to describe the programs, projects, and services included in this budget and their alignment with the City Council's priority focus areas.

CONTINUED PROGRAMS, PROJECTS, AND SERVICES

In general, this budget assumes the continuation of programs, projects, and services that were either ongoing or underway as of the close of Fiscal Year 2013-14, including all core municipal functions such as public safety; building permitting, plan check, and inspection; road, public right-of-way, park, and infrastructure maintenance; water quality and environmental improvement and protection activities; and, related administrative support.

This budget also assumes the continuation of the Community Services Grant Program with total available funding of \$150,000 for non-profit organizations; the Senior Mobility Subsidized Taxi Program with no changes in costs per trip; and, numerous other resident and business services, including Sunday movie matinees; notaries; safe waste disposal opportunities (e.g., electronic waste, household hazardous waste, and medicine); and, recycling, in-home bulky item pick-up, and shredding events, the latter of which have been increased in frequency in Fiscal Year 2014-15 due to strong public interest.

SIGNIFICANT CHANGES IN SERVICE LEVELS

On May 28, 2014, the Laguna Woods City Council took no action to modify or extend the agreement with Redflex Traffic Systems, Inc. for automated red light photo enforcement system services. As such, this budget assumes that the agreement and the issuance of red light photo enforcement citations will end in Fiscal Year 2013-14 and that only activities related to the cessation of the program will occur in Fiscal Year 2014-15. City of Laguna Woods personnel will coordinate with the Orange County Sheriff's Department to continue to ensure appropriate levels of traffic enforcement.

As opposed to previous years which included major roadway improvements such as the Moulton Smart Street Project, this budget does not include any new in-lane roadway construction projects. While maintenance (e.g., crack sealing, pothole repair, and work by utility service providers) and emergency

work (e.g., disaster reconstruction) will occur on an “as needed” basis, the City of Laguna Woods remains committed to ensuring that public roadways (El Toro Road, Moulton Parkway, and portions of Santa Maria Avenue and Ridge Route Drive) remain available for travel with minimal impediments and inconvenience for Laguna Woods residents and businesses. Please note that the City of Laguna Woods is only able to make this commitment for public roadways that it controls, which is exclusive of roadways within Laguna Woods Village and in adjacent cities (e.g., Paseo de Valencia).

Additional changes in service levels are described in the Significant Work Plan Items table beginning on page 19 of this budget and in the Capital Projects chapter beginning on page 29 of this budget.

SIGNIFICANT WORK PLAN ITEMS

For ease of reference and to assist with implementation, programs, projects, and services that represent substantial new and/or limited-term undertakings by the City of Laguna Woods are presented in the table beginning on page 19 of this budget. Correlations between those significant work plan items and the priority focus areas for Fiscal Year 2014-15 are also identified.

The following terms are used in the Significant Work Plan Items table:

- **Description** – A brief summary of the significant work plan item
- **Lead Department** – The City of Laguna Woods personnel who are primarily responsible for implementing the significant work plan item
- **Priority Alignment** – The Laguna Woods City Council’s priority focus areas that are addressed by the significant work plan item




While many priority focus areas may be directly and indirectly addressed by a single work plan item, only the primary focus areas are shown in the table.

Please note that the Laguna Woods City Council retains the ability to modify this budget and its work plan throughout the fiscal year. Significant work plan items that are not completed within the current fiscal year may be carried over to a future fiscal year or reconsidered at a later date.



The work plan included in this budget replaces and supersedes all previous fiscal year work plans approved for the City of Laguna Woods.

[Significant Work Plan Items]



Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
1	Banking Services Request for Proposals – Conduct a competitive process to select banking services provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.	Administrative Services	
2	Building and Planning Services Fee Study – Finalize a study of the City's building and planning services fees in order to ensure their appropriateness, applicability, and adequacy.	Administrative Services	
3	Central Services Cost Allocation Study – Conduct a study of the City's overhead costs in order to complete the <i>Building and Planning Services Fee Study</i> , as well as to assist with grant applications and administration.	Administrative Services	




Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
4	City Council Election – Facilitate the biennial City Council election that will be consolidated with the General Election on November 4, 2014.	Administrative Services	Legal Mandate
5	Expanded Payment Options – Conduct a three-month pilot program of accepting credit cards and debit cards for select transactions at Laguna Woods City Hall in order to better facilitate the conduct of City business for residents, businesses, and contractors. City personnel will report to the City Council on the status of the program after two months.	Administrative Services	
6	Purchasing Standards – Review and update the City's purchasing processes and regulations in order to ensure the efficient, effective, and economical conduct of City business.	Administrative Services	




Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
7	City Website Improvements – Update the City’s website to provide greater electronic resources to residents, businesses, and contractors, as well as to address issues of transparency, usability, and accessibility. Service provider(s) for this project will be selected following a competitive request for proposals process.	City Manager’s Office	
8	Senior Mobility Program Enhancements – Explore partnerships and program modifications to focus on the areas of greatest need for the City’s subsidized taxi program in order to promote the program’s long-term solvency and impact. This project is necessary due to the limited term of certain funding from the Orange County Transportation Authority.	City Manager’s Office	





Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
9	Single National Pollutant Discharge Elimination System (NPDES) Permit – Pursue obtaining coverage under a single NPDES Permit for the municipal separate storm sewer system in order to reduce duplicative administrative and financial burdens, as well as to better focus water quality-related improvement and protection efforts.	City Manager's Office	 
10	Animal Regulations – Finalize a review and update of animal regulations in order to strengthen prohibitions and procedures related to nuisance, potentially dangerous, and vicious animals, as well as feeding of wildlife. This project will also include other necessary updates identified from the review process, including updates to promote clarity and administration.	City Manager's Office/ Public Safety Services	








Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
11	Climate Adaptation Plan – Finalize and adopt a Climate Adaptation Plan in order to establish a strategy for adapting to climate changes, including changes with the potential to impact public health, public safety, wildfire risk, water supply, ecosystem function, and economic continuity.	City Manager's Office/ Public Safety Services	
12	Local Hazard Mitigation Project C – Adopt an ordinance requiring emergency backup generators for new and redeveloped fuel stations and cellular telephone towers in order to mitigate energy shortage impacts.	City Manager's Office/ Public Safety Services	
13	Local Hazard Mitigation Project F – Adopt an ordinance prohibiting invasive plant species from existing within the City in order to mitigate flood and storm impacts.	City Manager's Office/ Public Safety Services	






Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
14	Local Hazard Mitigation Project J – Participate in and implement the findings of a National Flood Insurance Program (NFIP) Community Assistance Visit in order to mitigate flood and storm impacts. City personnel will return to the City Council with findings whose implementation would require supplemental budget appropriations.	City Manager's Office/ Public Safety Services	 
15	Wildland-Urban Interface Evacuation Plan – Finalize and approve a Wildland-Urban Interface Evacuation Plan in order to help guide the local response to wildfires and other extraordinary emergency situations requiring evacuation of the residential areas of the city nearest to the Laguna Coast Wilderness Park and other undeveloped wilderness areas.	City Manager's Office/ Public Safety Services	 




Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
16	Americans with Disabilities Act (ADA) Transition Plan for Public Sidewalks and Curb Ramps – Conduct an analysis of sidewalks and curb ramps within the public right-of-way in order to identify and assist with the removal of barriers to accessibility. This project does not apply to residential buildings.	Engineering & Infrastructure Services	 
17	Building Services Request for Proposals – Conduct a competitive process to select building services provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.	Engineering & Infrastructure Services	 
18	Capital Improvement Projects – For more information on capital projects, please refer to page 29. No new in-lane roadway construction projects are included in this budget.	Engineering & Infrastructure Services	  



Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
19	Engineering Services Request for Proposals – Conduct a competitive process to select engineering service provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.	Engineering & Infrastructure Services	 
20	Janitorial Services Request for Proposals – Conduct a competitive process to select janitorial service provider(s) for the City in order to ensure the efficient, effective, and economical conduct of City business.	Engineering & Infrastructure Services	 
21	General Plan Community Survey – Conduct a survey of Laguna Woods residents and businesses in order to solicit input on issues related to the forthcoming Comprehensive General Plan Update, which will tentatively occur in Fiscal Year 2015-16.	Planning & Environmental Services	

Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
22	General Plan Conservation Element Update – Update the General Plan Conservation Element in order to enhance long-term commitments to environmental sustainability; expand consideration of water and energy issues in the General Plan; incorporate the forthcoming Climate Adaptation Plan; and, prepare technical reports that would also be used to inform the Comprehensive General Plan Update. The Conservation Element has not been updated in more than 10 years.	Planning & Environmental Services	 
23	Sign Regulations – Review and update sign regulations in order to ensure their necessity and support the promotion of Laguna Woods businesses for the benefit of residents and the local economy.	Planning & Environmental Services	

Priority Alignment (A City that is...) Legend:	 <i>Healthy and safe</i>	 <i>High in quality of life</i>	 <i>Environmentally conscious</i>	 <i>Economically prosperous</i>	 <i>Fiscally responsible</i>	 <i>Professionally and efficiently served</i>
---	--	---	--	---	--	---

ID	Description	Lead Department	Priority Alignment (A City that is...)
24	Solid Waste Franchise Request for Proposals – Conduct a competitive process to select solid waste franchisee(s) in order to provide Laguna Woods residents and businesses with affordable rates and access to a variety of environmentally friendly recycling and disposal opportunities. This process will include substantial public outreach.	Planning & Environmental Services	
25	Sphere of Influence – Continue to work with the Local Agency Formation Commission (LAFCO) in order to resolve questions of jurisdiction concerning the City's remaining sphere of influence, which includes several small parcels owned by various governments that are pre-zoned for passive open space use.	Planning & Environmental Services	

4.0. CITY CAPITAL PROJECTS

This chapter is intended to describe major capital improvement projects that are included in this budget, as well as projects that are currently unfunded, but may be considered in the future.

CAPITAL IMPROVEMENT PROGRAM

In order to assist with the long-term development of funding for major capital improvement projects on public property, the Laguna Woods City Council adopts a seven-year Capital Improvement Program (CIP) as part of its annual budget process. The CIP and the seven-year period to which it applies is also a requirement for funding under Measure M2, which Orange County voters approved in 2006 to fund transportation projects and activities. While the first year of the seven-year CIP is included in this budget, it is important to note that the Laguna Woods City Council retains the ability to modify the CIP at its discretion and that no funding commitment is created by the inclusion of unfunded projects or projects tentatively scheduled for future fiscal years.

The City of Laguna Woods considers a "major capital improvement project" to be any project that meets the definition of a "public project" in Section 22002 of the State of California's Public Contracts Code, which includes any "construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work" of facilities owned, leased, or operated by the City of Laguna Woods, as well as any non-minor "painting or repainting." The definition of a "public project" does not include maintenance activities.

The City of Laguna Woods classifies its major capital improvement projects as either relating primarily to buildings, "green" spaces (e.g., landscaping and parks), or transportation (e.g., roadways and traffic control devices). These classifications are intended to organize similar projects for ease of reference.

Major capital improvement projects are further categorized as either funded, partially funded, or unfunded. Partial funding of projects is not unusual, as full funding is often developed over the course of several fiscal years, as grant and other federal, state, and county funds are obtained in order to reduce impacts to the City of Laguna Woods' General Fund. In other cases, funding from the General Fund may be set aside for projects over multiple fiscal years in the interest of fiscal prudence and for other budgetary purposes.

SIGNIFICANT CHANGES IN CAPITAL PROJECTS

As opposed to previous years which included major roadway improvements such as the Moulton Smart Street Project, neither this budget nor this CIP include any new in-lane roadway construction projects. While maintenance (e.g., crack sealing, pothole repair, and work by utility service providers) and emergency work (e.g., disaster reconstruction) will occur on an “as needed” basis, the City of Laguna Woods remains committed to ensuring that public roadways (El Toro Road, Moulton Parkway, and portions of Santa Maria Avenue and Ridge Route Drive) remain available for travel with minimal impediments and inconvenience for Laguna Woods residents and businesses. Note that the City of Laguna Woods is only able to make this commitment for public roadways that it controls, which is exclusive of roadways within Laguna Woods Village and in adjacent cities (e.g., Paseo de Valencia).

Three unfunded pavement rehabilitation projects that were included in the Fiscal Year 2013-14 CIP have been removed from the Fiscal Year 2014-15 CIP in order to allow City personnel to conduct additional analysis of pavement conditions, including the anticipated need and extent of future rehabilitation. The City Engineer has confirmed that there are currently no unresolved major capital improvement needs with respect to pavement rehabilitation.

Two traffic signal synchronization projects funded, in part, by a Measure M2 grant, have been added to the Fiscal Year 2014-15 CIP. While those projects will involve the installation of new above-ground equipment that may require very short-term lane closures, there will be no in-lane roadway construction.

An unfunded project to plan for a future passive park and trailhead at the western terminus of Santa Maria Avenue has been removed from the Fiscal Year 2014-15 CIP due to concerns regarding need, community interest, and funding – both construction and ongoing operations and maintenance.

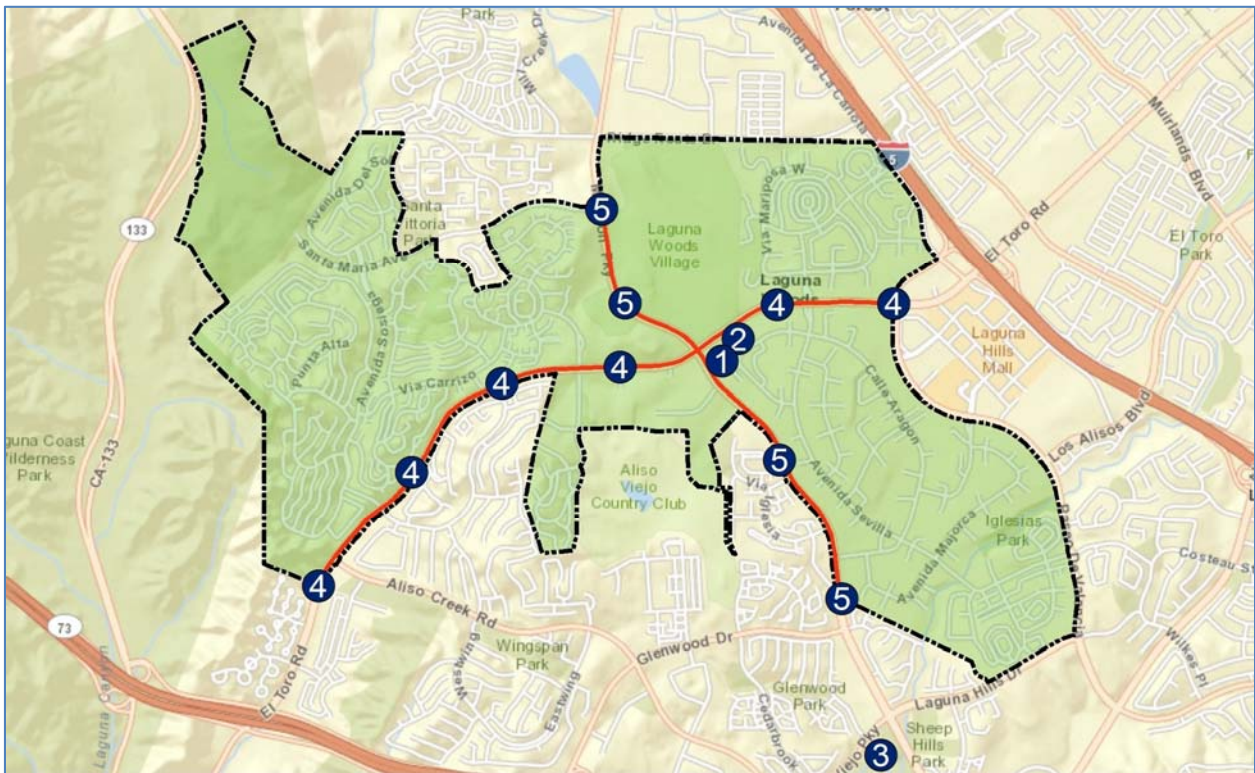
To realize cost, bidding, and other efficiencies, several formerly independent projects related to structural, environmental, and functional improvements at Laguna Woods City Hall have been consolidated into a single project titled “City Hall Low Impact Development Retrofit Project and Improvements.”

Two medians that were previously included in the Santa Maria Avenue Water Efficient Median Improvement Project have been removed as the medians in question do not contain the turf grass or overhead irrigation systems intended to be addressed by the City’s water efficient median improvement projects.

[Capital Projects Summary – Category and Funding]

Classification	Number of Projects (Funded/Partially Funded)	Number of Projects (Unfunded)
Buildings	2	0
Green Spaces	1	3
Transportation	2	0
Total	5	3

[Funded Capital Improvement Project Locations]



Funded Project Title	ID
City Hall Bollard Replacement Project	1
City Hall Low Impact Development Retrofit Project and Improvements	2
Dairy Fork Constructed Wetland Project	3
El Toro Road Traffic Signal Synchronization Project*	4
Moulton Parkway Traffic Signal Synchronization Project*	5

* No in-lane roadway construction; roadway use for installation of above-ground equipment only

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **City Hall Bollard Replacement Project**

Classification: Buildings Funding Status: Funded

Priority Alignment:



Healthy and safe

Project Description

This project involves the removal of four decorative bollards and installation of six reinforced bollards in front of Laguna Woods City Hall.

Purpose

This project is necessary in order to enhance the safety of pedestrians, drivers, visitors, volunteers, and City personnel at Laguna Woods City Hall, as well to protect the building from potential damage. Over the past twelve months, there have been multiple accidents in which motor vehicles and a golf cart have accelerated through existing decorative bollards, causing the bollards to collapse without stopping either the vehicles or golf cart.

Construction and Implementation Costs

The one-time General Fund cost for designing and constructing this project is estimated at \$29,040 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding).

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **City Hall Low Impact Development Retrofit Project and Improvements**

Classification: Buildings Funding Status: Funded

Priority Alignment:



Healthy and safe



Environmentally conscious

Project Description

This project involves modifications to Laguna Woods City Hall, including an interior reconfiguration; installation of an emergency backup generator and trash enclosure; and, addition of a cistern and drought-tolerant green roof.

Purpose

This project will enhance the functionality and safety of Laguna Woods City Hall, which was originally designed and constructed as a bank more than 25 years ago. The City of Laguna Woods has made only minimal improvements since moving into the building, mainly focused on accessibility for individuals with disabilities. This project includes a broad array of structural improvements, as well as a comprehensive reallocation of space within the existing building footprint, which will result in the conversion of a second floor attic space into newly usable space and expanded OC Public Libraries services.

This project will also replace Laguna Woods City Hall's undersized emergency backup generator with an adequately sized generator capable of sustaining power during longer term energy shortages and disaster-related interruptions.

The same structure that will house the new generator will also include a trash enclosure, which the building currently lacks, as well as a new electric main.

The cistern and drought-tolerant green roof components of this project are intended to improve water quality through natural treatment; augment local water supplies through the capture and reuse of stormwater runoff for on-site irrigation; reduce energy consumption through improved rooftop insulation; counteract climate change through urban heat island mitigation; and, foster an understanding of low impact development practices in retrofit projects through a variety of public education and outreach initiatives.

Construction and Implementation Costs

The one-time General Fund cost for designing and constructing this project is estimated at \$1,621,879 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding), all of which was budgeted in previous budgets. That amount includes a \$363,426 grant from the State of California's Proposition 84 Stormwater Grant Program that the City was awarded for through March 2016.

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **Dairy Fork Constructed Wetland Project**
Classification: Green Spaces Funding Status: Funded
Priority Alignment:



Environmentally conscious

Project Description

This project is a multi-city undertaking with the City of Aliso Viejo acting as the lead agency and the cities of Laguna Woods, Laguna Hills, and Lake Forest acting in supporting roles. The project includes construction of a wetland near the intersection of Aliso Viejo Parkway and Moulton Parkway in Aliso Viejo.

Purpose

This project will play an important role in supporting compliance with State-mandated pollutant load reduction requirements for Aliso Creek (bacteria, metals, nutrients, and oils) and will also re-vegetate native species; remove invasive species; and, restore trails and wildlife habitat.

Construction and Implementation Costs

In March 2014, this project was awarded \$568,100 in funding from the Orange County Transportation Authority's Measure M2 Environmental Cleanup, Tier 2 grant program. The balance of the estimated \$874,000 project construction and implementation cost will be shared by the participating cities. The City of Laguna Woods' one-time, General Fund cost-share amount is \$59,657, which will be followed by an estimated \$1,960 cost-share for maintenance that will be adjusted annually, over a 20-year period, based on relevant conditions.

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **El Toro Road Traffic Signal Synchronization Project**

Classification: Transportation Funding Status: Funded

Priority Alignment:



Healthy and safe



High in quality of life



Environmentally conscious

Project Description

This project is a multi-city undertaking with the City of Laguna Woods acting as the lead agency and the cities of Aliso Viejo and Laguna Hills, as well as the California Department of Transportation (Caltrans), acting in supporting roles. The project includes synchronization work and the installation of traffic detection, monitoring, and backup power equipment at certain intersections on El Toro Road from Bells Viero Lane to Bridger Road.

Purpose

The project will help improve the flow of traffic by modifying timing plans and installing various equipment to reduce congestion. Minimization of the time motor vehicles spend idling at red lights will also improve air quality and new uninterrupted power supplies will help sustain the operation of traffic signals during longer term energy shortages and disaster-related interruptions.

Construction and Implementation Costs

In April 2014, this project was awarded \$518,000 in funding from the Orange County Transportation Authority's Measure M2 program. The City of Laguna Woods will match the award with in-kind services and \$66,680 in CARITS funds. The term of the award is Fiscal Year 2014-15 through Fiscal Year 2016-17.

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET



Project Title: **Moulton Parkway Traffic Signal Synchronization Project**

Classification: Transportation Funding Status: Funded

Priority Alignment:



Healthy and safe



High in quality of life



Environmentally conscious

Project Description

This project is a multi-city undertaking with the City of Laguna Woods acting as the lead agency and the cities of Laguna Hills and Laguna Niguel, as well as the California Department of Transportation (Caltrans), acting in supporting roles. The project includes synchronization work and the installation of traffic detection, monitoring, and backup power equipment at certain intersections on Moulton Parkway from Lake Forest Drive to Camino del Avion.

Purpose

The project will help improve the flow of traffic by modifying timing plans and installing various equipment to reduce congestion. Minimization of the time motor vehicles spend idling at red lights will also improve air quality and new uninterrupted power supplies will help sustain the operation of traffic signals during longer term energy shortages and disaster-related interruptions.

Construction and Implementation Costs

In April 2014, this project was awarded \$726,250 in funding from the Orange County Transportation Authority's Measure M2 program. The City of Laguna Woods will match the award with in-kind services and \$46,980 in CARITS funds. The term of the award is Fiscal Year 2014-15 through Fiscal Year 2016-17.

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title: **El Toro Road Water Efficient Median Project**

Classification: Green Spaces Funding Status: Unfunded

Project Description

This project involves retrofitting two primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and "purple pipe" for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
El Toro Road, West Median #1	Moulton Parkway to Town Centre
El Toro Road, West Median #2	Town Centre to Calle Sonora

Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing demand for imported water.

Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$295,550 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median Location	Estimated Cost
El Toro Road, West Median #1	\$179,400
El Toro Road, West Median #2	\$116,150
Total	\$295,550

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title: **Moulton Parkway Water Efficient Median Project**

Classification: Green Spaces Funding Status: Unfunded

Project Description

This project involves retrofitting three primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and "purple pipe" for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
Moulton Parkway, South Median #1	Via Campo Verde to Temple Judea
Moulton Parkway, South Median #2	Temple Judea to Calle Cortez
Moulton Parkway, South Median #2	Calle Cortez to Via Iglesia

Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing demand for imported water.

Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$830,599 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median Location	Estimated Cost
Moulton Parkway, South Median #1	\$153,709
Moulton Parkway, South Median #2	\$385,020
Moulton Parkway, South Median #3	\$291,870
Total	\$830,599

CAPITAL IMPROVEMENT PROGRAM PROJECT WORKSHEET

Project Title: **Santa Maria Avenue Water Efficient Median Project**

Classification: Green Spaces Funding Status: Unfunded

Project Description

This project involves retrofitting two primarily turf grass medians with drought-tolerant landscaping, water efficient irrigation systems, and "purple pipe" for future recycled water use. A hardscape maintenance band would also be installed around the perimeter of each median. This project could be phased by median location or completed concurrently, as funding permits.

Median ID	Median Location
Santa Maria Avenue, Median #1	Moulton Parkway to Florence Sylvester Memorial Senior Center
Santa Maria Avenue, Median #2	Florence Sylvester Memorial Senior Center to San Remo Drive

Purpose

This project is intended to reduce irrigation-related water consumption and runoff through the replacement of turf grass with drought-tolerant plantings and overhead spray irrigation with a more water efficient alternative. Moving irrigation systems and plantings further from the curb face of the medians will also help prevent inadvertent runoff and related pavement damage. When available, the use of recycled water for irrigation will help conserve potable water, thereby reducing the local demand for imported water.

Construction and Implementation Costs

The one-time cost for designing and constructing this project is estimated at \$418,485 (as of June 2014; subject to the completion of design documents, construction specifications, and public bidding). No funding source has been identified; however, City personnel continue to seek grant opportunities.

Median Location	Estimated Cost
Santa Maria Avenue, Median #1	\$46,920
Santa Maria Avenue, Median #2	\$371,565
Total	\$418,485

5.0. CITY BUDGET PRACTICES

This chapter is intended to review the budgeting and accounting practices employed in the development of this budget.

BUDGET POLICIES

City of Laguna Woods Administrative Policy 2.9 (see Appendix A) establishes numerous conservative and prudent standards related to the development and implementation of the City of Laguna Woods' budget, including regular public reporting to emphasize financial transparency and accountability.

Administrative Policy 2.9 calls for the inclusion of three reserves in each fiscal year's budget – [1] an economic uncertainties reserve of at least 5% of the General Fund operating budget (\$219,737 in the Fiscal Year 2014-15 budget) to proactively set aside monies to compensate for unexpected fluctuations in revenues and/or expenditures; [2] a compensated employees absences reserve of an amount calculated annually (\$150,000 in the Fiscal Year 2014-15 budget) to proactively set aside monies for accrued leave liabilities; and, [3] a self-insurance reserve fund of \$500,000 to proactively set aside monies for unforeseen and/or unusual insurance-related expenditures.

In accordance with Administrative Policy 2.9, the Laguna Woods City Council adopts this budget at the fund and department levels with the City Manager having the authority to make adjustments within and between departments in the same fund, provided that there are no increases in fund budgets.

BASIS OF BUDGETING AND ACCOUNTING

This budget and the underlying accounting are prepared in accordance with Generally Accepted Accounting Principles (GAAP) on a "modified accrual" basis. In its *Finance Glossary of Accounting and Budgeting Terms*, the State of California's Department of Finance defines modified accrual as:

"The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to

pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations.”

ANNUAL APPROPRIATIONS LIMIT

Article XIII B of the California State Constitution, more commonly referred to as the Gann initiative or Gann limit, was adopted by voters in 1980 to limit the amount of tax proceeds that state and local governments can receive and appropriate on an annual basis. Gann limits vary amongst agencies and are either based on the amount of tax revenue that was authorized to be spent in Fiscal Year 1978-79 or, in the case of the City of Laguna Woods and other cities that incorporated after Fiscal Year 1978-79, on an amount established by voters. Gann limits are modified on an annual basis for changes in inflation and population according to calculation methods established by Proposition 111 (“The Traffic Congestion Relief and Spending Limitation Act of 1990”).

The City of Laguna Woods’ Gann limit is adopted by the Laguna Woods City Council by resolution each year as a part of the annual budget process (see Resolution No. 14-16 included with this budget as Appendix D). The Gann limit for Fiscal Year 2014-15 is \$8,549,309 and was calculated using the adjustment factors, figures, and methodology shown below.

[Gann Limit Calculation – Fiscal Year 2014-15]

Fiscal Year 2013-14 Gann Limit	\$8,490,060
Population Change (County of Orange) ⁸ +0.93%	x 1.0093
Cost of Living (Personal Income) ⁸ -0.23%	x 0.9977
Fiscal Year 2014-15 Gann Limit	\$8,549,309

The City of Laguna Woods’ appropriations that are subject to Gann limitation in Fiscal Year 2014-15 are well below the adopted limit at only \$3,283,607.

FUND TYPES

The City of Laguna Woods maintains the following governmental fund types:

- General Fund – The City of Laguna Woods’ primary operating fund. This fund is used to account for the proceeds of specific revenue sources that are not legally restricted to expenditures for specified purposes.

⁸ State of California, Department of Finance, *Price and Population Information*. May 2014.

- Special Funds – Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (e.g., grant activities).
- Capital Projects Fund – A fund used to account for transfers from the General Fund that are reserved for capital improvement purposes. This fund is combined with the General Fund for the purpose of reporting in the Comprehensive Annual Financial Report (CAFR).

BUDGET DEVELOPMENT PROCESS

The City of Laguna Woods' budget development process is continuous and iterative in nature with City personnel working throughout the fiscal year, and particularly between the months of January and June, to prepare revenue and expenditure estimates and draft budget documents that are responsive to the Laguna Woods City Council's direction. Beginning in Fiscal Year 2013-14, opportunities for public input were expanded to include 10 open and publically noticed meetings between the months of April and June, including two meetings with each of the three standing advisory committees and four meetings with the City Council. The budget is adopted, annually, by June 30.

Month	Meeting and Fiscal Year 2014-15 Budget Development Date
April	Community Services Committee Meeting April 23, 2014 City Council Meeting April 30, 2014
May	Planning & Environmental Services Committee Meeting May 8, 2014 Public Safety Committee Meeting May 13, 2014 Community Services Committee Meeting May 28, 2014 City Council Meeting May 28, 2014
June	Public Safety Committee Meeting June 10, 2014 Planning & Environmental Services Committee Meeting June 12, 2014 City Council Meeting June 18, 2014 City Council Meeting June 25, 2014

This page is intentionally blank.

6.0. CITY BUDGET DETAIL

This chapter is intended to present General Fund and Special Funds revenue and expenditure detail for the programs, projects, and services included in this budget.

GENERAL FUND REVENUE SUMMARY

General fund revenue for Fiscal Year 2014-15 is projected to be \$4,632,776, or approximately 0.8% less than the Fiscal Year 2013-14 adopted budget, and 4.7%, or \$228,236, less than year-end projections for Fiscal Year 2013-14. The differences in revenue can be attributed to a variety of contributing factors including a reduction in transient occupancy tax (TOT) revenue, cessation of the red light photo enforcement program, and substantial completion of the final phase of the County of Orange's Moulton Smart Street Project.

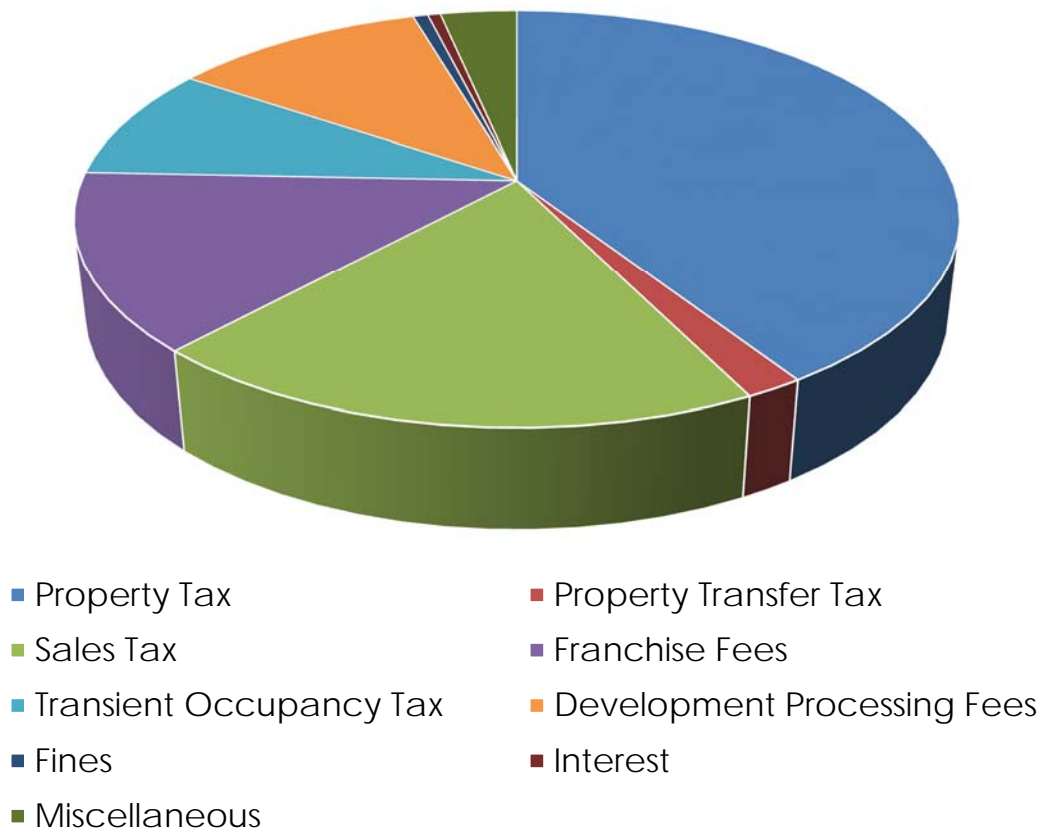
As in previous fiscal years, the three largest sources of General Fund revenue for Fiscal Year 2014-15 are anticipated to be property tax [including secured, unsecured, and property tax in lieu of vehicle license fees (VLF)], sales tax [including both the 0.75% local sales tax and the 0.25% property tax in lieu of sales tax (Proposition 57's "triple flip")], and franchise fees (including cable, bus benches, electricity, gas, and solid waste). Property tax, sales tax, and franchise fees account for nearly 74% of estimated General Fund revenue.

Significant Trends and Observations

- Total assessed property valuations, which impact both property tax and property transfer tax revenues, appear to be steadily increasing from a recent low in Fiscal Year 2011-12. Property transfer tax revenue, which is collected by the County of Orange when documents are recorded for real estate transactions, is an indicator of the strength of the real estate market and may reach a record high in Fiscal Year 2014-15.
- Sales tax revenue has been slowly increasing since Fiscal Year 2009-10 and is anticipated to show a minor gain in Fiscal Year 2014-15. Despite those increases, the mix of significant sales tax generators remains low, thereby resulting in fairly substantial risk in the event of future business closures, downsizing, or other changes in operation. In Fiscal Year 2014-15, two longstanding commercial vacancies will be filled by restaurants – Firehouse Subs in the Valencia Center, replacing Tummy Stuffer, and Thaitanium in Town Centre, replacing Sushi Wok/Sushi Wok Express.

- Increases in residential construction and remodeling have resulted in corresponding increases in development processing fee revenue. That revenue is used to offset the City of Laguna Woods' cost of providing building and planning services in accordance with State law.
- Interest rates are projected to increase throughout Fiscal Year 2014-15 as the Federal Reserve is expected to raise short-term interest rates.

[General Fund Revenue Estimates by Source – Fiscal Year 2014-15]



[General Fund Revenue Estimates by Source – Percent]

General Fund Revenue Source	Percent of Year-End Budget Projection (Fiscal Year 2013-14)	Percent of Adopted Budget Estimate (Fiscal Year 2014-15)
Property Tax	39.1%	40.8%
Property Transfer Tax	1.7%	1.8%
Sales Tax	17.8%	19.2%
Franchise Fees	13.4%	13.8%

Transient Occupancy Tax	9.0%	8.8%
Development Processing Fees	10.1%	11.0%
Fines	4.7%	0.7%
Interest	0.4%	0.6%
Miscellaneous	3.8%	3.3%

Please note that to better reflect the function and collection of General Fund revenues, and to conform to the method of financial reporting used by other California cities, this budget accounts for property tax in lieu of vehicle license fees as a part of general property tax revenue; property tax in lieu of sales tax as a part of sales tax revenue; and, property transfer tax separately.

GENERAL FUND EXPENDITURE SUMMARY

General fund operating expenditures for Fiscal Year 2014-15 are budgeted at \$4,594,475 (including a 5% economic uncertainties reserve of \$219,737), or approximately 2.5% more than the Fiscal Year 2013-14 budget. An additional \$248,060 in non-operating expenditures is included to provide funding for limited-term projects, including General Plan update activities, improvements to the City website, development of an Americans with Disabilities Act (ADA) Transition Plan for Public Sidewalks and Curb Ramps, and project support.

The three largest types of General Fund operating budget expenditures for Fiscal Year 2014-15 are anticipated to be public safety services [including law enforcement (Orange County Sheriff's Department) and animal control and shelter services]; planning and environmental services (including building, planning, code enforcement, water quality, waste, and recycling services); and, general government (including insurance, legal services, and a variety of other central or non-departmental services and City personnel, as well as City personnel to support community and public safety services).

Contract Law Enforcement Services

Routine law enforcement services provided under contract with the Orange County Sheriff's Department represent the single largest expenditure in the General Fund operating budget, at 30.5%, or \$1,401,981, assuming an offset of \$100,000 in Supplemental Law Enforcement Services Account funding from the State of California (accounted for in the Special Funds portion of this budget). The Fiscal Year 2014-15 law enforcement services contract amount includes an increase of 8.13%, or \$112,977, from Fiscal Year 2013-14 due to salaries, benefits, overhead and other costs set by the County of Orange. The City of Laguna Woods does not have a role in County-led labor negotiations.

Over the next four fiscal years, the County of Orange is projecting continued increases in routine contract law enforcement services costs, as shown below. Those projections are recalculated annually and are subject to change.

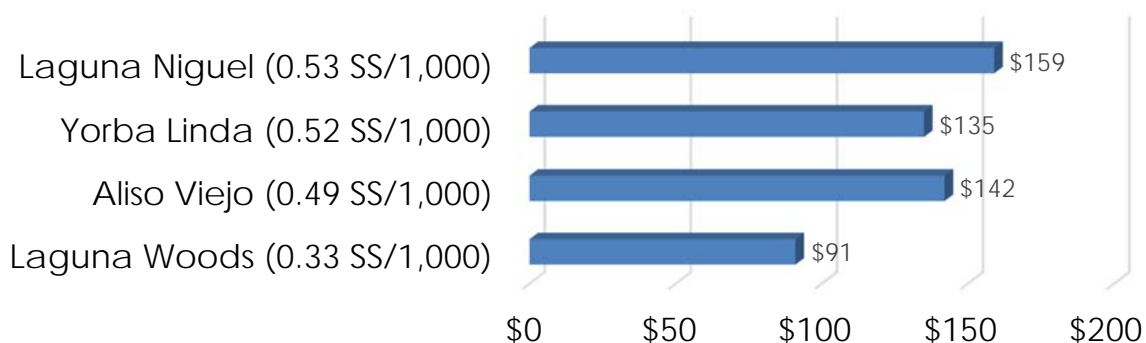
[Projected Change in Routine Contract Law Enforcement Services Costs⁹]

Fiscal Year	Projected Percent Change	Projected New General Fund Fiscal Impact*
2015-16	5.6%	(\$78,511)
2016-17	2.07%	(\$30,647)
2017-18	2.11%	(\$31,886)
2018-19	1.95%	(\$30,089)
Total		(\$171,133)

* Assumes continued receipt of \$100,000 per fiscal year in Supplemental Law Enforcement Services Account funding from the State of California

Despite rising law enforcement services costs, per capita costs for the City of Laguna Woods remains the lowest of any city served by the Orange County Sheriff's Department at \$84 per resident in Fiscal Year 2013-14¹⁰ and \$91 per resident in Fiscal Year 2014-15¹¹. A comparison to three other cities with the closest number of sworn staff per 1,000 population (SS/1,000) is shown below.

*[Per Capita Contract Law Enforcement Services Costs Comparison
– Fiscal Year 2014-15¹⁰]*

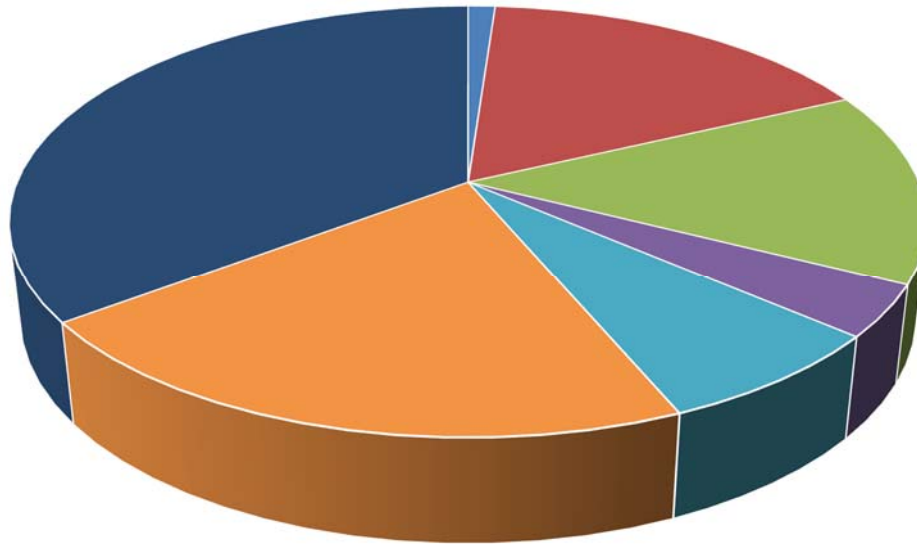


⁹ County of Orange. Law Enforcement Contracts Cost Projections (2013 SFP). January 15, 2014.

¹⁰ County of Orange, Orange County Sheriff's Department. Contract Cities Cost Statistics FY 2013-14 (Based on Final Contracts). June 2, 2014.

¹¹ County of Orange, Orange County Sheriff's Department. Contract Cities Cost Statistics FY 2014-15 (Based on Proposed Contracts as of May 19, 2014). June 2, 2014.

[General Fund Operating Expenditures by Program – Fiscal Year 2014-15]*



- City Council
- General Government
- Administrative Services
- Community Services
- Engineering & Infrastructure Services
- Planning & Environmental Services
- Public Safety Services

[General Fund Operating Expenditures by Program – Percent]

General Fund Operating Expenditure Program	Percent of Operating Budget*
City Council	1.1%
General Government	16.8%
Administrative Services	14.5%
Community Services	3.9%
Engineering & Infrastructure Services	7.3%
Planning & Environmental Services	21.1%
Public Safety Services	35.3%

* The 5% Economic Uncertainties Reserve and transfers to Special Funds for Capital Projects and the Senior Mobility Program are not included.

"AT-A-GLANCE" GENERAL FUND SUMMARY

The Laguna Woods City Council has a longstanding policy that requires that General Fund operating expenditures not exceed General Fund revenues for the same fiscal year. In addition, General Fund operating expenditures are budgeted at an amount that is at least 5% less than projected General Fund revenue to proactively compensate for unexpected fluctuations in revenues and/or expenditures (referred to as the Economic Uncertainties Reserve).

[General Fund Revenue over Operating Expenditures Estimate]

Total General Fund Revenue Projection:	\$4,632,776
Operating Expenditures:	\$4,374,738
Economic Uncertainties Reserve:	<u>\$ 219,737</u>
	\$4,594,475
Total General Fund Revenue over Operating Expenditures	
Assuming Economic Uncertainties Reserve Spent:	\$ 38,301
Assuming Economic Uncertainties Reserve Unspent:	\$ 258,038

[Total General Fund Non-Operating Expenditures and Transfers]

Non-Operating Expenditures:	\$ 248,060
Transfer to Capital Projects:	\$ 88,697
Transfer to Senior Mobility:	<u>\$ 20,000</u>
	\$ 356,757

[Total General Fund Expenditures]

Total General Fund Operating Expenditures:	\$4,374,738
Total Economic Uncertainties Reserve:	\$ 219,737
Total General Fund Non-Operating Expenditures:	\$ 248,060
Total General Fund Inter-Fund Transfers:	<u>\$ 108,697</u>
	\$4,951,232

At the end of Fiscal Year 2014-15, the unallocated (or, unassigned) General Fund balance is estimated to be \$7,313,411, or approximately 162% of Fiscal Year 2014-15 operating expenditures, assuming a conservative scenario in which the Economic Uncertainties Reserve is spent. Additional reserve funds are maintained for self-insurance and compensated employee absences.

SPECIAL FUNDS REVENUE SUMMARY

Special Fund revenue for Fiscal Year 2014-15 is budgeted at \$3,212,934. It is not unusual for Special Funds revenue to be less than expenditures as a result of expenditures for projects that utilize revenues received in prior fiscal years.

The three largest sources of Special Funds revenue for Fiscal Year 2014-15 are anticipated to be Measure M2 (including fair share allocations and funding for traffic signal synchronization projects), Fuel Tax (including highway users tax and gasoline excise tax), and Traffic Mitigation Fees – Moulton Parkway Project. Measure M2 fair share (\$206,000) and Fuel Tax, (\$475,000) both of which are recurring revenues, account for approximately 24% of estimated Special Funds revenue.

Significant Trends and Observations

- Fuel Tax revenue is projected to decline 9.2%, or \$58,570, in Fiscal Year 2014-15, as compared to Fiscal Year 2013-14 projections, due to lower statewide estimates for gasoline fuel prices and sales volume^{12,13}. The increasing use of fuel efficient and alternative-type vehicles, including electric vehicles, is a contributing factor to lower sales volume.
- Measure M2 fair share revenue is projected to increase 8%, or \$15,500, in Fiscal Year 2014-15, as compared to Fiscal Year 2013-14 projections, due to stronger estimates for countywide taxable transactions¹⁴.
- The Senior Mobility Program continues to rely on supplemental funding from the General Fund operating budget in order to meet the need for subsidized transportation. The Fiscal Year 2014-15 budget includes a transfer of \$20,000 from the General Fund operating budget, as well as \$128,998 in revenue estimated to be received from the Orange County Transportation Authority (OCTA). OCTA's funding includes a temporary allocation of \$45,202 in Transportation Development Act (TDA) funding. As TDA funding is only committed through Fiscal Year 2015-16, this fiscal year's work plan includes the beginning of a process to plan for the long-term fiscal solvency and impact of the Senior Mobility Program.
- Fiscal Year 2014-15 is the final fiscal year of the current three-fiscal-year Community Development Block Grant (CDBG) Program funding cycle for the Residential Energy Efficiency Improvement Program. Reductions

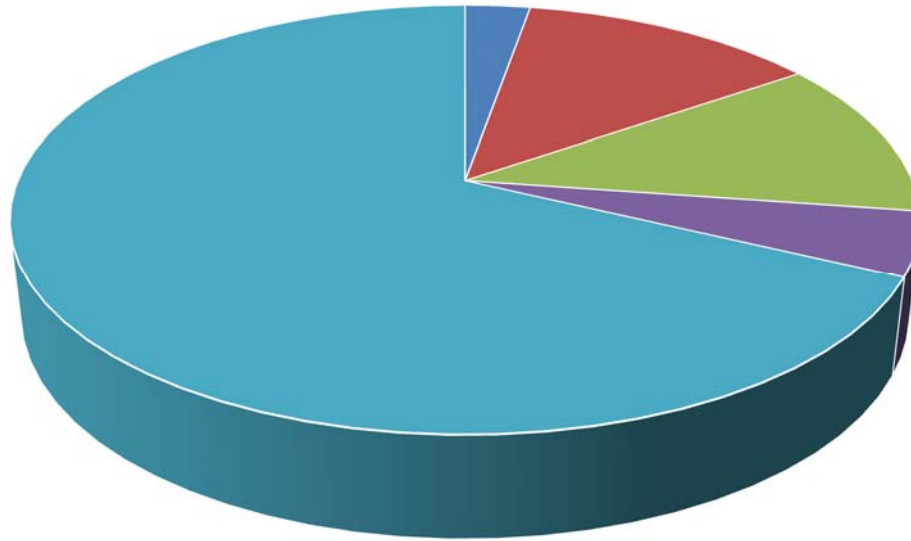
¹² California State Board of Equalization, Fuel Tax Swap memorandum, February 12, 2014.

¹³ CaliforniaCityFinance.com, Shared Revenue Estimates: State Revenue Allocations to Cities and Counties, Highway User Tax – Estimates for 2013-14, 2014-15, May 28, 2014.

¹⁴ Orange County Transportation Authority, Measure M2 Local Fair Share Program Revenue Estimates, FY 2013-14 through FY 2020-21, April 2014.

in CDBG funding at the federal level may have a detrimental effect on the continuation of this longstanding program in future fiscal years.

[Special Funds Revenue Estimates by Category – Fiscal Year 2014-15]



- Capital Projects Funds
- Community Services Funds
- Environmental Funds
- Public Safety Funds
- Transportation Funds

[Special Funds Revenue Estimates by Category – Percent Change]

Special Fund Revenue Category	Percent of Year-End Budget Projection (Fiscal Year 2013-14)	Percent of Adopted Budget Estimate (Fiscal Year 2014-15)
Capital Projects*	0.6%	2.8%
Community Services**	12.8%	12.6%
Environmental	2.4%	11.9%
Public Safety	6.3%	4.8%
Transportation	77.9%	67.9%

* All Capital Projects revenue is transferred from the General Fund balance.

** Community Services revenue includes transfers from the General Fund balance to support the Senior Mobility Program.

SPECIAL FUNDS EXPENDITURES SUMMARY

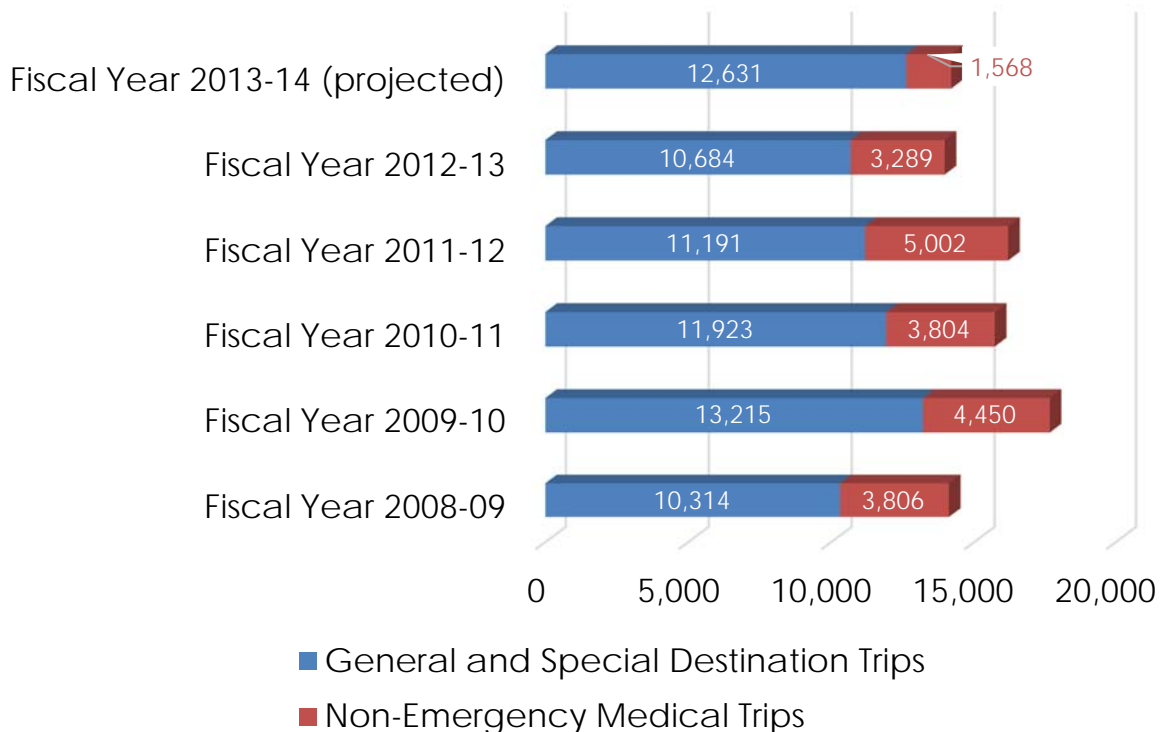
Special Fund expenditures for Fiscal Year 2014-15 are budgeted at \$4,211,816.

The three largest types of Special Fund budget expenditures for Fiscal Year 2014-15 are anticipated to be transportation (including public right-of-way maintenance, traffic signal synchronization projects, public roadway lighting, and traffic engineering), capital projects (including a cost-share contribution to the multi-city Dairy Fork Constructed Wetland Project and projects related to Laguna Woods City Hall), and community services [including the Senior Mobility Program (taxi vouchers and non-emergency medical transportation), residential energy efficiency retrofit program, and Channel 31 equipment].

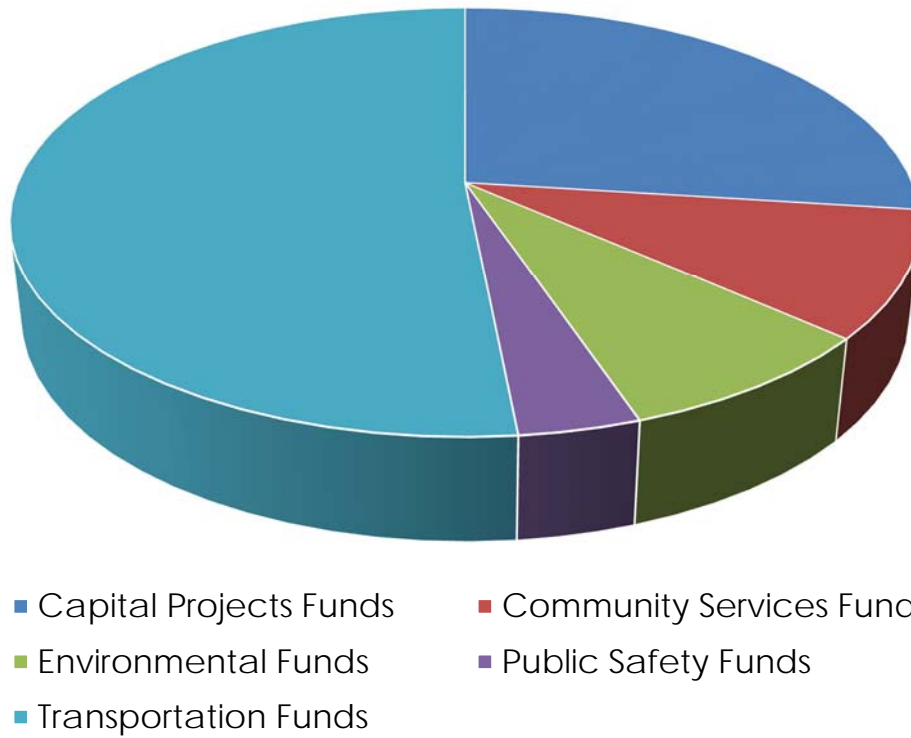
Senior Mobility Program

The Fiscal Year 2014-15 budget includes \$254,600 in expenditures related to the Senior Mobility Program, which is approximately 5.2% less than the Fiscal Year 2013-14 budget due to fewer anticipated non-emergency medical trips and the transfer of certain program-related costs to the General Fund.

[Senior Mobility Program Trips per Year]



[Special Funds Expenditures by Fund Category – Fiscal Year 2014-15]



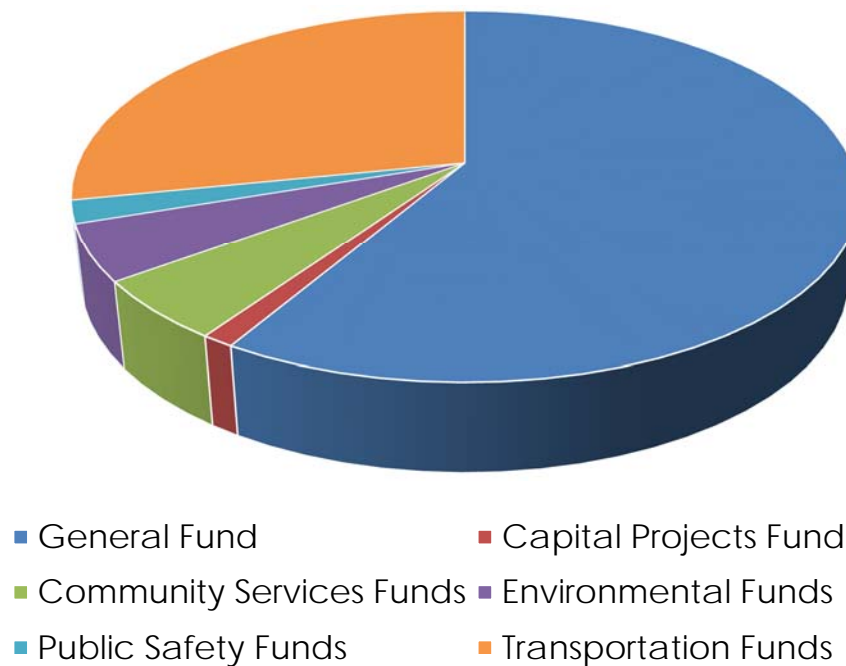
[Special Funds Expenditures by Fund Category – Percent]

Special Fund Expenditure Category	Percent of Special Funds Budget
Capital Projects	27.0%
Community Services	9.6%
Environmental	8.2%
Public Safety	3.7%
Transportation	51.5%

ALL FUNDS REVENUE SUMMARY

“All funds” (General Fund and Special Funds) revenue for Fiscal Year 2014-15 (excluding inter-fund transfers) is estimated at \$7,737,013, as shown below.

[Total Revenue Estimates by Fund – Fiscal Year 2014-15]



[Total Revenue Estimates by Fund – Percent]

Fund	Percent of Total Estimated Revenue
General	58.5%
Capital Projects*	1.1%
Community Services**	5.3%
Environmental	4.9%
Public Safety	2.0%
Transportation	28.2%

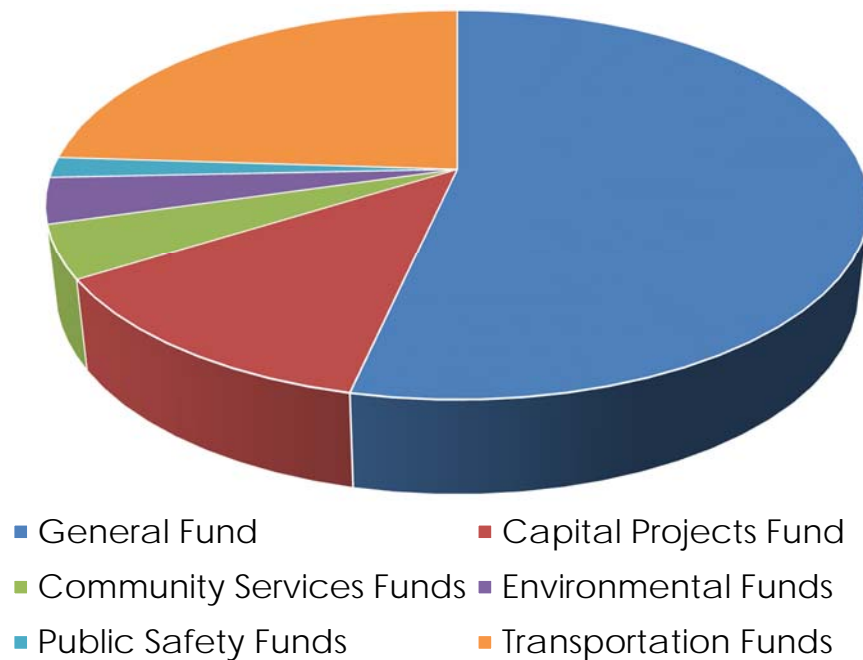
* All Capital Projects revenue is transferred from the General Fund balance.

** Community Services revenue includes transfers from the General Fund balance to support the Senior Mobility Program.

ALL FUNDS EXPENDITURES SUMMARY

“All funds” (General Fund and Special Funds) expenditures for Fiscal Year 2014-15 (excluding inter-fund transfers) are projected at \$9,054,351, as shown below. Expenditures exceed revenues due to revenues accounted for in prior fiscal years and one-time non-operating expenditures.

[Total Expenditures Estimates by Fund – Fiscal Year 2014-15]



[Total Expenditures Estimates by Fund – Percent]

Fund	Percent of Total Estimated Expenditures
General – Operating	48.4%
General – Non-Operating	2.7%
General – Economic Uncertainties Reserve	2.4%
Capital Projects	12.6%
Community Services	4.4%
Environmental	3.8%
Public Safety	1.7%
Transportation	24.0%

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Revenue Summary - All Funds</p>
--

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>General Fund</u>							
Property Tax	1,811,471	1,941,182	1,857,000	1,902,100	1,891,600	1.9%	-0.6%
Property Transfer Tax	45,437	75,240	65,000	83,100	83,900	29.1%	1.0%
Sales Tax	855,534	850,242	866,000	864,500	891,000	2.9%	3.1%
Franchise Fees	596,462	676,705	638,800	650,348	638,600	0.0%	-1.8%
Transient Occupancy Tax	396,798	404,110	407,400	439,000	406,200	-0.3%	-7.5%
Development Processing Fees	422,954	486,098	460,300	489,488	511,600	11.1%	4.5%
Fines	210,092	259,561	193,500	227,100	30,000	-84.5%	-86.8%
Interest	26,811	20,438	19,600	19,500	25,400	29.6%	30.3%
Miscellaneous	189,037	194,605	161,700	185,876	154,476	-4.5%	-16.9%
Total General Fund	4,554,596	4,908,181	4,669,300	4,861,012	4,632,776	-0.8%	-4.7%
<u>Self-Insurance Reserve</u>							
Self-Insurance*	129,822	115,548	211,400	104,805	-	-100.0%	-100.0%
Total General Fund and Self-Insurance Reserve	4,684,418	5,023,729	4,880,700	4,965,817	4,632,776	-5.1%	-6.7%

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Revenue Summary - All Funds</p>
--

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>Transportation Funds</u>							
Fuel Tax	503,198	446,607	523,200	533,570	475,000	-9.2%	-11.0%
Measure M1	90,000	356,719	16,500	639,694	-	-100.0%	-100.0%
Measure M2	147,373	186,149	190,500	193,233	1,301,860	583.4%	573.7%
State-Local Partnership Program (SLPP) Grant	-	-	293,000	293,000	-	-100.0%	-100.0%
Proposition 1B	304	175,663	-	-	-	-	-
Traffic Mitigation Fees - Moulton Parkway Project	143,683	272,345	175,000	1,245,000	405,000	131.4%	-67.5%
Federal Transportation Enhancement (TE)	-	477,689	-	-	-	-	-
Coastal Area Road Improvement and Traffic Signals (CARITS)	362,093	577	-	196	-	-	-100.0%
Transportation Development Act (TDA)	-	351,465	-	-	-	-	-
Total Transportation Funds	1,246,651	2,267,214	1,198,200	2,904,693	2,181,860	82.1%	-24.9%

<p align="center">CITY OF LAGUNA WOODS Fiscal Year 2014-15 Revenue Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>Public Safety Funds</u>							
Service Authority for Abandoned Vehicles	6,416	1,844	14	21	-	-100.0%	-
Supplemental Law Enforcement Services	100,032	100,000	100,000	100,000	100,000	0.0%	0.0%
Disaster Recovery Initiative (DRI) Grant	41,406	16,033	206,327	128,314	54,342	-73.7%	-57.6%
Points of Dispensing Activities	-	-	10,000	9,356	-	-	-100.0%
Total Public Safety Funds	147,854	117,877	316,341	237,691	154,342	-51.2%	-35.1%
<u>Environmental Funds</u>							
Mobile Source Reduction	20,735	19,917	19,700	19,700	20,000	1.5%	1.5%
Proposition 84 Grant	-	-	363,426	57,888	305,538	-15.9%	-
Beverage Container Recycling	5,071	5,056	5,000	5,048	5,000	0.0%	-1.0%
Used Oil/Oil Payment Program	5,000	5,000	5,000	5,000	5,000	0.0%	0.0%
Energy Efficiency Conservation	-	58,984	-	-	-	-	-

<p align="center">CITY OF LAGUNA WOODS Fiscal Year 2014-15 Revenue Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
CalRecycle Grant	-	-	46,000	-	46,000	0.0%	-
Total Environmental Funds	30,806	88,957	439,126	87,636	381,538	-13.1%	335.4%
<u>Community Services Funds</u>							
PEG/Cable Television	11,325	12,243	10,200	28,035	12,500	22.5%	-55.4%
Senior Mobility	273,589	245,919	259,800	260,676	258,997	-0.3%	-0.6%
Community Development Block Grant (CDBG)	136,260	420,744	135,000	188,615	135,000	0.0%	-28.4%
Total Community Services Funds	421,174	678,906	405,000	477,326	406,497	0.4%	-14.8%
<u>Capital Projects Fund</u>							
Capital Projects	1,460,082	-	22,080	22,080	88,697	-	-
Total Capital Projects Fund	1,460,082	-	22,080	22,080	88,697	-	-
Total Special Funds	3,306,567	3,152,954	2,380,747	3,729,426	3,212,934	35.0%	-13.8%

<p align="center">CITY OF LAGUNA WOODS Fiscal Year 2014-15 Revenue Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
TOTAL ALL FUNDS REVENUE	7,990,985	8,176,683	7,261,447	8,695,243	7,845,710	8.0%	-9.8%
Less: INTER-FUND TRANSFERS**	1,631,260	115,548	258,480	151,885	108,697	-57.9%	-28.4%
TOTAL NET REVENUE	6,359,725	8,061,135	7,002,967	8,543,358	7,737,013	10.5%	-9.4%

* While the City will continue to maintain a Self-Insurance Reserve in the amount of \$500,000, self-insurance premiums and deposits will be paid from the General Fund operating budget beginning in Fiscal Year 2014-15. Funds to establish the Self-Insurance Reserve are assigned from the General Fund balance.

** Fiscal Year 2014-15 "Inter-Fund Transfers" includes a \$20,000 transfer from the General Fund to the Community Services Fund for the Senior Mobility Program and an \$88,697 transfer from the General Fund to the Capital Projects Fund for the City Hall Bollard Replacement Project (\$29,040) and the Dairy Fork Constructed Wetland Project (\$59,657).

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>General Fund</u>							
City Council	32,182	34,210	52,035	52,000	-	-	-
Administrative Services	919,353	1,127,972	1,374,422	1,330,000	-	-	-
Community Development	406,184	353,184	366,409	332,000	-	-	-
Community Services	151,113	173,255	180,035	165,000	-	-	-
Public Safety	1,354,951	1,618,678	1,701,673	1,650,000	-	-	-
Public Works	318,831	227,584	244,617	180,000	-	-	-
Non-Departmental	78,864	125,554	135,580	101,000	-	-	-
City Council	-	-	-	-	49,750	-	-
General Government	-	-	-	-	826,854	-	-
Administrative Services	-	-	-	-	680,930	-	-
Community Services	-	-	-	-	169,850	-	-
Engineering and Infrastructure Services	-	-	-	-	348,857	-	-

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
Planning and Environmental Services	-	-	-	-	1,002,792	-	-
Public Safety Services	-	-	-	-	1,543,765	-	-
Subtotal	3,261,478	3,660,437	4,054,771	3,810,000	4,622,798	14.0%	21.3%
Economic Uncertainties Reserve	-	-	210,254	-	219,737	4.5%	-
Transfer to Self-Insurance Reserve*	129,822	115,548	211,387	104,805	-	-100.0%	-100.0%
Transfer to Senior Mobility Fund	5,000	-	25,000	25,000	20,000	-20.0%	-20.0%
Transfer to Capital Projects	1,463,828	4,657,372	22,080	22,080	88,697	-	-
Total General Fund	4,860,128	8,433,357	4,523,492	3,961,885	4,951,232	9.5%	25.0%
<u>Self-Insurance Reserve</u>							
Self-Insurance*	129,822	115,548	211,387	104,805	-	-100.0%	-100.0%
Total General Fund and Self-Insurance Reserve	4,989,950	8,548,905	4,734,879	4,066,690	4,951,232	4.6%	21.8%

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>Transportation Funds</u>							
Fuel Tax	358,584	414,457	562,168	544,693	334,200	-40.6%	-38.6%
Measure M1	487,539	13,426	16,500	211,353	-	-100.0%	-100.0%
Measure M2	123,550	12,569	190,516	339,693	1,301,860	583.3%	283.2%
State-Local Partnership Program (SLPP) Grant	-	-	117,731	293,000	-	-100.0%	-100.0%
Traffic Mitigation Fees - Moulton Parkway Project	97,336	370,840	175,000	1,231,721	405,000	-	-
Federal Transportation Enhancement (TE)	-	500,000	-	-	-	-	-
Coastal Area Road Improvement and Traffic Signals (CARITS)	91,564	99,241	-	-	130,000	-	-
Transportation Development Act (TDA)	-	500,394	-	-	-	-	-
Total Transportation Funds	1,158,573	1,910,927	1,061,915	2,620,460	2,171,060	104.4%	-17.1%

CITY OF LAGUNA WOODS Fiscal Year 2014-15 Expenditures Summary - All Funds
--

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
<u>Public Safety Funds</u>							
Service Authority for Abandoned Vehicles	-	-	33,022	-	-	-100.0%	-
Supplemental Law Enforcement Services	131,756	100,000	100,000	100,000	100,000	0.0%	0.0%
Disaster Recovery Initiative (DRI) Grant	41,405	19,853	206,327	128,314	54,342	-73.7%	-57.6%
Points of Dispensing Activities	-	-	10,000	9,356	-	-100.0%	-100.0%
Total Public Safety Funds	173,161	119,853	349,349	237,670	154,342	-55.8%	-35.1%
<u>Environmental Funds</u>							
Mobile Source Reduction	47,426	-	-	-	-	-	-
Proposition 84 Grant	-	-	363,426	73,621	289,805	-	-
Beverage Container Recycling	5,922	24,638	5,000	5,000	5,000	0.0%	0.0%
Used Oil/Oil Payment Program	2,716	4,540	5,000	5,000	5,000	0.0%	0.0%
Energy Efficiency Conservation	51,242	-	-	-	-	-	-
CalRecycle Grants	-	-	46,000	3,968	46,000	0.0%	1059.3%

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
OC Recycling Grants	-	20,000	20,717	20,717	-	-100.0%	-100.0%
Total Environmental Funds	107,306	49,178	440,143	108,306	345,805	-21.4%	219.3%
<u>Community Services Funds</u>							
PEG/Cable Television	6,766	10,773	8,500	-	12,500	47.1%	-
Senior Mobility	448,356	267,477	268,534	274,327	254,600	-5.2%	-7.2%
Community Development Block Grant (CDBG)	181,694	376,795	135,000	222,532	135,000	0.0%	-39.3%
Total Community Services Funds	636,816	655,045	412,034	496,859	402,100	-2.4%	-19.1%
<u>Capital Projects Fund</u>							
Capital Projects	58,993	149,503	22,080	78,949	1,138,509	5056.3%	1342.1%
Total Capital Projects Fund	58,993	149,503	22,080	78,949	1,138,509	5056.3%	1342.1%
Total Special Funds	2,134,849	2,884,506	2,285,521	3,542,244	4,211,816	84.3%	18.9%

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Summary - All Funds</p>

	2011-12	2012-13	2013-14		2014-15		
	Actual For Year	Actual For Year	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
TOTAL ALL FUNDS EXPENDITURES	7,124,799	11,433,411	7,020,400	7,608,934	9,163,048	30.5%	20.4%
Less: INTER-FUND TRANSFERS**	1,716,987	4,772,920	258,467	151,885	108,697	-57.9%	-28.4%
TOTAL NET EXPENDITURES	5,407,812	6,660,491	6,761,933	7,457,049	9,054,351	33.9%	21.4%

* While the City will continue to maintain a Self-Insurance Reserve in the amount of \$500,000, self-insurance premiums and deposits will be paid from the General Fund operating budget beginning in Fiscal Year 2014-15. Funds to establish the Self-Insurance Reserve are assigned from the General Fund balance.

** Fiscal Year 2014-15 "Inter-Fund Transfers" includes a \$20,000 transfer from the General Fund to the Community Services Fund for the Senior Mobility Program and an \$88,697 transfer from the General Fund to the Capital Projects Fund for the City Hall Bollard Replacement Project (\$29,040) and the Dairy Fork Constructed Wetland Project (\$59,657).

Note: Projected expenditures that appear to exceed amended budgets were budgeted in prior fiscal years.

CITY OF LAGUNA WOODS Fiscal Year 2014-15 Expenditures Detail - General Fund
--

<u>Line Item</u>	<u>Amount</u>
City Council	
<u>General Expenses</u>	
Mileage and Parking	1,750
Travel, Conferences, and Meetings	5,000
<u>City Council Contingency</u>	
City Council Contingency	25,000
<u>Compensation</u>	
Monthly Compensation	18,000
Payroll Taxes	-
TOTAL	49,750
General Government	
<u>General Expenses</u>	
Community Outreach	10,000
Insurance	33,010
Legal Services	175,500
Meeting Accessibility Services	4,350
Memberships and Dues	17,230
Mileage and Parking	4,100
Office Supplies & Activities	9,750
Postage	4,750
Printing	13,320
Public Notices	3,500
Travel, Conferences, and Meetings	6,347
Other Projects and Services	15,200
Non-Operating	90,000
<u>Election Expenses</u>	
City Council Election	25,000
<u>Compensation & Benefits</u>	
Salaries, Full-time	304,620
Fringe Benefits	36,000
Supplemental Allowances	3,660
Payroll Taxes	23,304
Retirement	38,663
Benefit Administration	1,500
Long-term Disability	3,750
Retiree Medical	3,300
TOTAL	826,854
Administrative Services	
<u>General Expenses</u>	
Audit Services	17,431
Information Technology Services	19,376
Telephones, City Hall	10,088
Finance and Payroll Services	85,940
Merchant Payment Services	5,000
Records Management Services	1,410
Website Services	3,540
Non-Operating	46,500

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Detail - General Fund</p>

<u>Line Item</u>	<u>Amount</u>
<u>Compensation & Benefits</u>	
Salaries, Full-time	338,604
Salaries, Part-time	33,592
Fringe Benefits	48,000
Payroll Taxes	28,473
Retirement	42,976
TOTAL	680,930

Community Services

<u>General Expenses</u>	
Channel 31 Programming	3,500
Community Recreation Events	2,500
Street Banners	7,000
<u>Community Services Grant Program</u>	
Community Grants	150,000
<u>Senior Mobility Program</u>	
Postage (Senior Mobility)	2,100
Printing (Senior Mobility)	4,750
TOTAL	169,850

Engineering & Infrastructure Services
--

<u>General Expenses</u>	
Engineering Services	-
Non-Operating	30,000
Janitorial Services, City Hall	6,740
Landscaping Services	56,648
Landscaping Services, M2 Maint of Effort	80,895
Maintenance, Catch Basins	8,000
Maintenance, City Hall	21,982
<u>Utilities</u>	
Utilities, City Hall, Electric	19,100
Utilities, City Hall, Gas	650
Utilities, City Hall, Water	1,802
Utilities, Street Lights, Residential	34,460
<u>Compensation & Benefits</u>	
Salaries, Full-time	68,620
Fringe Benefits	6,000
Payroll Taxes	5,250
Retirement	8,710
TOTAL	348,857

Planning & Environmental Services
--

<u>General Expenses</u>	
Building Services	442,100
Building Services, Printing	3,600
Building Services, Publications	500
Code Enforcement Services	31,428
Community Waste Events and Collections	96,000
Planning Services	7,500
Non-Operating	81,560
Waste Management Services	45,000

<p align="center">CITY OF LAGUNA WOODS</p> <p align="center">Fiscal Year 2014-15 Expenditures Detail - General Fund</p>

<u>Line Item</u>	<u>Amount</u>
Water Quality Services	93,500
<u>Compensation & Benefits</u>	
Salaries, Full-time	152,568
Fringe Benefits	18,000
Payroll Taxes	11,672
Retirement	19,364
TOTAL	1,002,792

Public Safety Services

<u>General Services</u>	
Animal Services	97,381
Law Enforcement Services	1,424,073
Other Public Safety Services	22,311
TOTAL	1,543,765

Economic Uncertainties Reserve

<u>Economic Uncertainties Reserve</u>	
Economic Uncertainties Reserve	219,737
TOTAL	219,737

Inter-Fund Transfers

<u>Inter-Fund Transfers</u>	
Transfer to Capital Projects	88,697
Transfer to Senior Mobility	20,000
TOTAL	108,697

Operating Expenditures Subtotal	4,374,738
Economic Uncertainties Reserve Subtotal	219,737
TOTAL	4,594,475

Non-Operating Expenditures Subtotal	248,060
Transfer to Capital Projects Subtotal	88,697
Transfer to Senior Mobility Subtotal	20,000
TOTAL	356,757

TOTAL GENERAL FUND EXPENDITURES	4,951,232
--	------------------

CITY OF LAGUNA WOODS
Fiscal Year 2014-15 Special Funds Expenditures - Detail

2013-14		2014-15		
Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection

TRANSPORTATION FUNDS

Fuel Tax

El Toro/Aliso Creek Imp	-	5,896	-	-	-
Street Lighting - Public ROW	32,227	28,846	14,700	-54.4%	-49.0%
Contract - Traffic Engineering	179,844	179,016	-	-100.0%	-100.0%
Contract - Landscaping	134,626	134,626	134,600	0.0%	0.0%
Contract - Street Maintenance	155,837	142,350	142,000	-8.9%	-0.2%
Contract - Traffic Signal Maint.	20,034	11,059	-	-100.0%	-100.0%
Contract - Street Sweeping	39,600	42,900	42,900	8.3%	0.0%
TOTAL	562,168	544,693	334,200	-40.6%	-38.6%

Measure M1

Moulton Pkwy Widening	16,500	211,353	-	-100.0%	-100.0%
TOTAL	16,500	211,353	-	-100.0%	-100.0%

Measure M2

El Toro Rehab/Sonora-Equestrian	117,731	293,000	-	-100.0%	-100.0%
El Toro Road Traffic Signal Synchronization Project	-	-	486,120	-	-
Moulton Parkway Traffic Signal Synchronization Project	-	-	609,740	-	-
Contract - Street Lighting	-	-	14,700	-	-
Contract - Traffic Engineering	-	-	142,500	-	-
Contract - Street Maintenance	25,000	-	-	-100.0%	-
Contract - Traffic Signal Maint.	47,785	46,693	48,800	2.1%	4.5%
TOTAL	190,516	339,693	1,301,860	583.3%	283.2%

State-Local Partnership Program (SLPP) Grant

El Toro Rehab/Sonora-Equestrian	117,731	293,000	-	-100.0%	-100.0%
TOTAL	117,731	293,000	-	-100.0%	-100.0%

Traffic Mitigation Fees - Moulton Parkway Project

Staff Time and Administration	-	11,072	-	-	-100.0%
Moulton Pkwy Widening	175,000	690,743	-	-100.0%	-100.0%
Moulton Pkwy - Right-of-Way Acquisition	-	529,906	-	-	-100.0%
Moulton Pkwy - Landscape	-	-	405,000	-	-
TOTAL	175,000	1,231,721	405,000	131.4%	-67.1%

Coastal Area Road Improvement and Traffic Signals (CARITS)

El Toro Road Traffic Signal Synchronization Project	-	-	66,680	-	-
Moulton Parkway Traffic Signal Synchronization Project	-	-	46,980	-	-

CITY OF LAGUNA WOODS
Fiscal Year 2014-15 Special Funds Expenditures - Detail

	2013-14		2014-15		
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
Traffic Control and Devices	-	-	16,340	-	-
TOTAL	-	-	130,000	-	-

PUBLIC SAFETY FUNDS

Service Authority for Abandoned Vehicles					
Contract - Other	33,022	-	-	-100.0%	-
TOTAL	33,022	-	-	-100.0%	-

Supplemental Law Enforcement Services					
Law Enforcement Services	100,000	100,000	100,000	0.0%	0.0%
TOTAL	100,000	100,000	100,000	0.0%	0.0%

Disaster Recovery Initiative (DRI) Grant					
Grant Activities	206,327	128,314	54,342	-73.7%	-57.6%
TOTAL	206,327	128,314	54,342	-73.7%	-57.6%

Points of Dispensing Activities					
Grant Activities	10,000	9,356	-	-100.0%	-100.0%
TOTAL	10,000	9,356	-	-100.0%	-100.0%

ENVIRONMENTAL FUNDS

Proposition 84 Grant					
City Hall LID Retrofit Project	363,426	73,621	289,805	-20.3%	293.6%
TOTAL	363,426	73,621	289,805	-20.3%	293.6%

Beverage Container Recycling					
Contract - Solid Waste	5,000	5,000	5,000	0.0%	0.0%
TOTAL	5,000	5,000	5,000	0.0%	0.0%

Used Oil/Oil Payment Program					
Contract - Solid Waste	5,000	5,000	5,000	0.0%	0.0%
TOTAL	5,000	5,000	5,000	0.0%	0.0%

CalRecycle Grants					
Administrative Costs	2,500	-	2,500	0.0%	-
Collection/Contract - Solid	26,000	3,968	26,000	0.0%	555.2%
Education	17,500	-	17,500	0.0%	-
TOTAL	46,000	3,968	46,000	0.0%	1059.3%

OC Recycling Grants					
Grant Activities	20,717	20,717	-	-100.0%	-100.0%
TOTAL	20,717	20,717	-	-100.0%	-100.0%

COMMUNITY SERVICES FUNDS

CITY OF LAGUNA WOODS
Fiscal Year 2014-15 Special Funds Expenditures - Detail

	2013-14		2014-15		
	Amended Budget	Current Projection for Year	Budget Estimate for Year	% Change From 2013-14 Budget	% Change From 2013-14 Projection
PEG/Cable Television					
Equipment & Maintenance	8,500	-	12,500	47.1%	-
TOTAL	8,500	-	12,500	47.1%	-
Senior Mobility					
Printing*	4,508	4,508	-	-100.0%	-100.0%
Salaries - Part Time*	18,637	14,140	-	-100.0%	-100.0%
Payroll Taxes*	1,612	1,082	-	-100.0%	-100.0%
Contract - Transportation	178,464	193,181	193,200	8.3%	0.0%
Contract - Taxi Voucher NEMT	65,313	61,416	61,400	-6.0%	0.0%
TOTAL	268,534	274,327	254,600	-5.2%	-7.2%
Community Development Block Grant (CDBG)					
CDBG Residential Energy Imp	135,000	134,866	135,000	0.0%	0.1%
PF&I City Hall Phase V	-	87,666	-	-	-
TOTAL	135,000	222,532	135,000	0.0%	-39.3%
CAPITAL PROJECTS FUND					
Capital Projects					
CDBG PF&I City Hall	-	2,000	-	-	-100.0%
City Hall LID Retrofit Project and Improvements**	-	-	1,049,812	-	-
City Hall Utilities**	-	19,061	-	-	-
City Hall LID Retrofit Project**	-	57,888	-	-	-
City Hall Interior Reconfiguration **	22,080	-	-	-	-
City Hall Carpeting**	-	-	-	-	-
City Hall Bollard Replacement Project	-	-	29,040	-	-
Dairy Fork Constructed Wetland Project	-	-	59,657	-	-
TOTAL	22,080	78,949	1,138,509	5056.3%	1342.1%
TOTAL SPECIAL FUNDS	2,285,521	3,542,244	4,211,816	84.3%	18.9%

* These expenses will be paid from the General Fund operating budget beginning in Fiscal Year 2014-15.

** Collectively, the "City Hall Low Impact Development Retrofit Project and Improvements"

CITY OF LAGUNA WOODS Fiscal Year 2014-15 Budget Summary by Fund
--

Name	7/1/2014 Estimated Opening Fund Balance	Estimated Revenues	Proposed Expenditures	Changes to Reserves	Net Change in Fund Balance	6/30/2015 Projected Ending Fund Balance
<u>General Fund</u>						
General Fund - Unallocated	\$ 7,731,990	\$ 4,632,776	\$ 4,951,232	\$ (100,123)	\$ (418,579)	\$ 7,313,411
Compensated Absences Reserve	146,020			3,980	3,980	150,000
Self-Insurance Reserve	403,857		-	96,143	96,143	500,000
TOTAL	8,281,867	4,632,776	4,951,232	-	(318,456)	7,963,411
<u>Transportation Funds</u>						
Gas Tax	390,801	475,000	334,200		140,800	531,601
Rubberized Asphalt Concrete Grant	83		-		-	83
Measure M 1	-		-		-	-
Measure M 2	89,040	1,301,860	1,301,860		-	89,040
State and Local Partnership Prog	-		-		-	-
Traffic Congestion Relief	(33,642)		-		-	(33,642)
Proposition 1B	151,342		-		-	151,342
Traffic Mitigation Fees	(16,947)	405,000	405,000		-	(16,947)
Fed Transp Enhancmnt Activities	210		-		-	210
CARITS	150,880		130,000		(130,000)	20,880
TOTAL	731,766	2,181,860	2,171,060		10,800	742,566
<u>Public Safety Funds</u>						
Srv Authority for Abandoned Vehicles	34,887		-		-	34,887
Supplemental Law Enforcement	(15)	100,000	100,000		-	(15)
Seatbelt Safety Enforcement	3,763	-	-		-	3,763
Disaster Recovery Initiative	(3,819)	54,342	54,342		-	(3,819)
Point of Dispensing Activities	0	-	-		-	0
Emergency Management Performance	(0)		-		-	(0)
TOTAL	34,816	154,342	154,342		-	34,816
<u>Environmental Funds</u>						
Mobile Source Reduction	66,490	20,000	-		20,000	86,490
Proposition 84 Grant	(15,733)	305,538	289,805		15,733	-

<p align="center">CITY OF LAGUNA WOODS Fiscal Year 2014-15 Budget Summary by Fund</p>
--

Name	7/1/2014 Estimated Opening Fund Balance	Estimated Revenues	Proposed Expenditures	Changes to Reserves	Net Change in Fund Balance	6/30/2015 Projected Ending Fund Balance
Beverage Container Recycling	20,679	5,000	5,000		-	20,679
Used Oil/Oil Payment Program	11,299	5,000	5,000		-	11,299
Urban Water Runoff	30		-		-	30
Energy Efficiency Conservation	5,227		-		-	5,227
CalRecycle Grant	9,338	46,000	46,000		-	9,338
OC Recycling Grants	-					
TOTAL	97,331	381,538	345,805		35,733	133,064
<u>Community Services Funds</u>						
PEG/Cable Television	33,055	12,500	12,500		-	33,055
Senior Mobility Program	(27,881)	258,997	254,600		4,397	(23,484)
CDBG Program	(78,722)	135,000	135,000		-	(78,722)
California Volunteers CERT	(2,852)		-		-	(2,852)
TOTAL	(76,400)	406,497	402,100		4,397	(72,003)
<u>Capital Projects Fund</u>						
Capital Projects	1,071,892	88,697	1,138,509		(1,049,812)	22,080
TOTAL	1,071,892	88,697	1,138,509		(1,049,812)	22,080
CUMULATIVE TOTAL	\$ 10,141,273	\$ 7,845,710	\$ 9,163,048		\$ (1,317,338)	\$ 8,823,935

CITY OF LAGUNA WOODS
Fiscal Year 2014-15 Capital Improvement Program - Funding Status

EXPENDITURES

Project Title	Estimated Project Cost	Funded Prior Fiscal Years	Funded FY 11-12	Funded FY 12-13	Funded FY 13-14	Proposed FY 14-15	Total Funded	Estimated Remaining	Remaining Amount Unfunded
City Hall Low Impact Development Project and Improvements	\$ 1,621,879	-	-	\$ 1,236,373	\$ 385,506	-	\$ 1,621,879	\$ 1,339,617	-
City Hall Bollard Replacement Project	\$ 29,040	-	-	-	-	\$ 29,040	\$ 29,040	\$ 29,040	-
Dairy Fork Constructed Wetland Project	\$ 59,657	-	-	-	-	\$ 59,657	\$ 59,657	\$ 59,657	-
El Toro Road Traffic Signal Synchronization Project	\$ 584,680	-	-	-	-	\$ 584,680	\$ 584,680	\$ 584,680	-
Moulton Parkway Traffic Signal Synchronization Project	\$ 773,230	-	-	-	-	\$ 773,230	\$ 773,230	\$ 773,230	-
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	-	-	-	-	-	-	-	\$ 295,550
Moulton Parkway Water Efficient Median Improvement Project	\$ 830,599	-	-	-	-	-	-	-	\$ 830,599
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	-	-	-	-	-	-	-	\$ 418,485
TOTAL	\$ 4,613,120	\$ -	\$ -	\$ 1,236,373	\$ 385,506	\$ 1,446,607	\$ 3,068,486	\$ 2,786,224	\$ 1,544,634

FUNDING SOURCE

Project Title	Estimated Project Cost	General Fund	Proposition 84 Stormwater	Measure M2	CARITS
City Hall Low Impact Development Project and Improvements	\$ 1,621,879	\$ 1,258,453	\$ 363,426	-	-
City Hall Bollard Replacement Project	\$ 29,040	\$ 29,040	-	-	-
Dairy Fork Constructed Wetland Project	\$ 59,657	\$ 59,657	-	-	-
El Toro Road Traffic Signal Synchronization Project	\$ 584,680	-	-	\$ 518,000	\$ 66,680
Moulton Parkway Traffic Signal Synchronization Project	\$ 773,230	-	-	\$ 726,250	\$ 46,980
TOTAL	\$ 3,068,486	\$ 1,347,150	\$ 363,426	\$ 1,244,250	\$ 113,660

CITY OF LAGUNA WOODS
Capital Improvement Program - Potential Seven-Year Phasing
Fiscal Years 2014-15 - 2020-21

Project Title	Project Cost	Prior Fiscal Years	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
City Hall Low Impact Development Project and Improvements	\$ 1,621,879	\$ 282,262	\$ 669,808	\$ 669,809	-	-	-	-	-
City Hall Bollard Replacement Project	\$ 29,040	\$ 29,040	-	-	-	-	-	-	-
Dairy Fork Constructed Wetland Project	\$ 59,657	\$ 59,657	-	-	-	-	-	-	-
El Toro Road Traffic Signal Synchronization Project	\$ 584,680	-	\$ 438,510	\$ 146,170	-	-	-	-	-
Moulton Parkway Traffic Signal Synchronization Project	\$ 773,230	-	\$ 579,923.00	\$ 193,307	-	-	-	-	-
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	-	-	-	\$ 295,550	-	-	-	-
Moulton Parkway Water Efficient Median Improvement	\$ 830,599	-	-	-	-	\$ 445,579	\$ 385,020	-	-
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	-	-	-	-	-	-	\$ 46,920	\$ 371,565
TOTAL	\$ 4,613,120	\$ 370,959	\$ 1,688,241	\$ 1,009,286	\$ 295,550	\$ 445,579	\$ 385,020	\$ 46,920	\$ 371,565

Note: This table complies with Orange County Transportation Authority requirements.

APPENDIX A

Administrative Policy 2.9 (City Budget Preparation and Reporting)

CITY OF LAGUNA WOODS

ADMINISTRATIVE POLICY 2.9 CITY BUDGET PREPARATION AND REPORTING

2.9.01 PURPOSE

To provide guidelines for staff in preparation of budget requests, to assist Council in making informed decisions about the provision of services and capital assets, and to involve and promote effective communication with the community during the process.

2.9.02 FISCAL YEAR

The City's fiscal year is the period July through June.

2.9.03 BUDGET ADOPTION

The City Council shall adopt an annual budget for the ensuing fiscal year, by resolution, no later than June 30 of each year. The annual budget shall include appropriations by Department and Fund and a list of authorized full time employees.

2.9.04 CAPITAL IMPROVEMENT PROGRAM

As a part of the annual budget process, the City Council shall adopt a Seven-Year Capital Improvement Program that identifies funding required for long range infrastructure and facility improvement projects. The first year of this program shall be included as a part of the adopted annual budget.

2.9.05 BUDGET PROCESS

The following process and objectives will be met in a series of public meeting prior to the City Council's adoption of an annual budget:

- A. Review prior year work plan and program statistics.
- B. Review budget revenue and expenditure projections and base budget; and identify budget priorities.

- C. Receive community input regarding the budget process, base budget and proposed new programs.
- D. Receive, discuss, and provide direction on City Manager's proposed all funds budget.
- E. Adopt a resolution appropriating and approving the budget for the ensuing fiscal year.

2.9.06 BUDGET POLICIES

- A. Current year General Fund expenditures should not exceed current year revenues.
- B. The General Fund budget should include a 5 - 10% reserve for economic uncertainties.
- C. The unbudgeted fund balance in the General Fund should be reserved for special one-time projects or capital improvements.
- D. Annually, the City should allocate an amount of money for the competitive Community Services grant program for not-for-profit organizations that provide services to residents.
- E. The City should maintain a Self-Insurance Fund with a balance of at least \$500,000.
- F. Capital Improvement Projects are budgeted on a multi-year basis. Once allocated, funds remain with a project until the project is complete or the monies are re-prioritized by the City Council.
- G. Grant Funds are often distributed on a reimbursement basis. The General Fund unencumbered Fund Balance may be used for temporary "loans" until reimbursements are received. These "loans" are not reflected in the budget.
- H. Transportation and Grant fund budgets should assure that monies are spent and/or obligated within required timeframes.
- I. The City should reserve an amount annually for uncompensated absences.

2.9.07 BUDGET CARRYOVERS

In general, all prior year appropriations shall lapse at the end of each fiscal year with the exception of:

- A. Budget balances for projects completed or underway at the end of the fiscal year as recommended by the City manager and approved by the City Council.
- B. Unexpended appropriations for capital improvement projects.

2.9.08 BUDGET ADJUSTMENTS

- A. The City Manager is charged with accomplishing the City's work plan within the constraints of the adopted budget.
- B. All budget appropriations must be approved by City Council before expenditures are incurred.
- C. The City Council may, by majority vote of the City Council members, amend or supplement the budget at any time after its adoption.
- D. Prior to July 1, 2014, the Finance Manager may authorize budget transfers not exceeding \$5,000 between line items within supplies and services accounts at the department level. Transfers between departments or requests exceeding \$5,000 must be approved by the City Manager before expenditures are incurred. Effective July 1, 2014, the City Manager may authorize adjustments within and between departments in the same fund, provided that there are no increases in fund budgets.
- E. The addition of full time or part-time staff shall require prior approval of the City Council. The City Manager is authorized to utilize consultants, or contract staff to fill authorized full time or part-time staff positions.
- F. All budget adjustments shall be documented on appropriate budget adjustment form prior to expenditure of any funds.

2.9.09 MIDYEAR BUDGET REVIEW

The City Council will formally review the City's financial condition no later than March of each year and amend the budget, as necessary.

2.9.10 FINANCIAL REPORTING

2.9.10.1 Annual Reporting

The City will prepare annual financial statements as follows:

- A. The City will contract for an annual audit by a qualified independent certified public accountant. The City will strive for an auditor's unqualified opinion.
- B. The City will issue audited financial statements within eight months of the close of the prior fiscal year.

2.9.10.2 Interim Reporting

The City will prepare and issue:

- A. Monthly finance reports within 30 days of the close of the month; such report shall identify line item budgets, monthly receipts/expenditures and actual receipts/expenditures to date.
- B. Quarterly revenue and expenditure reports within 60 days of the close of the quarter; such reports shall identify budget and receipts/expenditures by category, including accruals booked during the reporting period and notes explaining any anomalies.

Adopted by City Council: November 9, 2010

Revised: June 25, 2014

APPENDIX B

Resolution No. 14-14 (Budget Adoption)

RESOLUTION NO. 14-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEAR 2014-15 BUDGET COMMENCING JULY 1, 2014 AND ENDING JUNE 30, 2015

WHEREAS, two publically noticed meetings with opportunities for public comment were held with the City Council on April 30, 2014 and May 28, 2014 to discuss and provide input on the Fiscal Year 2014-2015 Budget; and

WHEREAS, a total of six publically noticed meetings with opportunities for public comment were held with the City of Laguna Woods' standing advisory committees to discuss and provide input on the Fiscal Year 2014-2015 Budget; and

WHEREAS, the City Manager presented the draft Fiscal Year 2014-2015 Budget to the City Council on June 18, 2014; and

WHEREAS, certain modifications have been made to the draft Fiscal Year 2014-2015 Budget since the presentation and meeting on June 18, 2014.

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

SECTION 1. The Fiscal Year 2014-2015 Budget is hereby adopted for the City of Laguna Woods to cover the period of July 1, 2014 through June 30, 2015.

SECTION 2. The budget appropriations authorized, on a fund level, are:

FISCAL YEAR 2014-15

GENERAL FUND	\$ 4,951,232
CAPITAL PROJECTS FUND	\$ 1,138,509
COMMUNITY SERVICES FUNDS	
CDBG Program	\$ 135,000
PEG/Cable Television	\$ 12,500
Senior Mobility	\$ 254,600
ENVIRONMENTAL FUNDS	
Proposition 84 Grant	\$ 289,805
Beverage Container Recycling	\$ 5,000
Used Oil/Oil Payment Program	\$ 5,000

CalRecycle Grant.....	\$ 46,000
PUBLIC SAFETY FUNDS	
Supplemental Law Enforcement Services.....	\$ 100,000
Disaster Recovery Initiative.....	\$ 54,342
TRANSPORTATION FUNDS	
Fuel Tax.....	\$ 334,200
Measure M2.....	\$ 1,301,860
Traffic Mitigation Fees.....	\$ 405,000
CARITS.....	\$ 130,000

SECTION 3. The budget appropriations authorized, on a department level within the General Fund, are:

FISCAL YEAR 2014-15

CITY COUNCIL.....	\$ 49,750
GENERAL GOVERNMENT.....	\$ 826,854
ADMINISTRATIVE SERVICES.....	\$ 680,930
COMMUNITY SERVICES.....	\$ 169,850
ENGINEERING & INFRASTRUCTURE SERVICES.....	\$ 348,857
PLANNING & ENVIRONMENTAL SERVICES.....	\$ 1,002,792
PUBLIC SAFETY SERVICES.....	\$ 1,543,765
ECONOMIC UNCERTAINTIES RESERVE.....	\$ 219,737
TRANSFERS TO OTHER FUNDS.....	\$ 108,697

SECTION 4. The General Fund allocated reserve accounts authorized are:

FISCAL YEAR 2014-15

COMPENSATED ABSENCES RESERVE.....	\$ 150,000
SELF-INSURANCE RESERVE.....	\$ 500,000

SECTION 5. The authorized City of Laguna Woods personnel positions are:

FISCAL YEAR 2014-15 – Full-time

CITY MANAGER
 ASSISTANT CITY MANAGER
 ADMINISTRATIVE SERVICES DIRECTOR/CITY TREASURER
 ADMINISTRATIVE COORDINATOR
 COMMUNITY SERVICES MANAGER
 DEPUTY CITY CLERK
 MANAGEMENT ASSISTANT

PLANNING MANAGER
SENIOR ACCOUNTANT
FISCAL YEAR 2014-15 – Part-time
ADMINISTRATIVE ASSISTANT
ADMINISTRATIVE ASSISTANT

SECTION 6. From the effective date of said budget, the total amount as stated therein for each departmental activity account in the operating budget shall be, and is, appropriated subject to expenditure pursuant to all applicable ordinances of the City of Laguna Woods and statutes of the State of California. The operating budget may be reallocated by the City Manager providing there is no change in the total appropriations within any fund as authorized by the City Council.

SECTION 7. The City Manager is authorized to transfer appropriations and make adjustments within and between departments in the same fund, provided that there are no increases in overall fund appropriations. Appropriations from unallocated fund balances and changes to allocated reserve accounts must be approved by the City Council.

SECTION 8. The City Manager may decrease revenue estimates to reflect economic change during the fiscal year and may reduce expenditure appropriations as a method of fiscal control.

SECTION 10. At the close of the fiscal year, unexpended appropriations in the operating budget will be encumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for capital projects approved by the City Council will be carried forward to the next succeeding budget upon approval of the City Manager.

SECTION 11. In accordance with Section 6(a)(i) of the City Manager's Employment Agreement, the City Council approves and authorizes \$1,321 for inclusion in the Fiscal Year 2014-15 budget for the City Manager's membership in the International City/County Management Association.

SECTION 12. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this 25th day of June 2014


BERT HACK, Mayor

ATTEST:


MARC DONOHUE, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, MARC DONOHUE, Deputy City Clerk of the City of Laguna Woods, do
HEREBY CERTIFY that the foregoing **Resolution No. 14-14** was duly adopted by
the City Council of the City of Laguna Woods at an adjourned regular meeting
thereof, held on the 25th day of June 2014, by the following vote:

AYES: COUNCILMEMBERS: Dvorak, Hatch, Ring, Connors, Hack
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:


MARC DONOHUE, Deputy City Clerk

APPENDIX C

Resolution No. 14-15 (Capital Improvement Program Adoption)

RESOLUTION NO. 14-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A SEVEN-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2014-15 THROUGH 2020-21 IN CONFORMANCE WITH MEASURE M2 REQUIREMENTS

WHEREAS, the City of Laguna Woods seeks to maintain its eligibility to receive an apportionment of Measure M2 sales tax revenues that can be used to fund transportation-related projects and programs; and

WHEREAS, a prerequisite of such eligibility for the City of Laguna Woods is the annual filing of a Measure M2 eligibility package for review and approval by the Orange County Transportation Authority; and

WHEREAS, one component of the Measure M2 eligibility package is the preparation and adoption of a Seven-Year Capital Improvement Program (CIP) which includes, at a minimum, all projects and programs which are needed to meet and maintain adopted levels of service performance standards, in addition to all projects and programs proposed to receive Measure M2 funding; and

WHEREAS, the Fiscal Year 2014-15 expenditures identified in the CIP are consistent with the City of Laguna Woods' adopted Fiscal Year 2014-15 Budget; and

WHEREAS, the CIP, for the purpose of Measure M2 eligibility, is recognized as a program and project finance and planning tool to assist local governments in the long-term development and funding of transportation-related programs and projects, and not a budget commitment; and

WHEREAS, the CIP is updated annually to include adjustments to funding and project schedules.

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

SECTION 1. The City of Laguna Woods Seven-Year Capital Improvement Program, attached hereto as Attachment A and incorporated herein by reference, is adopted in conformance with Measure M2 requirements.

SECTION 2. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this 25th day of June 2014.


BERT HACK, Mayor


ATTEST:


MARC DONOHUE, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, MARC DONOHUE, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 14-15** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the 25th day of June 2014, by the following vote:

AYES: COUNCILMEMBERS: Dvorak, Hatch, Ring, Connors, Hack
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:


MARC DONOHUE, Deputy City Clerk

CITY OF LAGUNA WOODS
Capital Improvement Program - Potential Seven-Year Phasing
Fiscal Years 2014-15 - 2020-21

Project Title	Project Cost	Prior Fiscal Years	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
City Hall Low Impact Development Project and Improvements	\$ 1,621,879	\$ 282,262	\$ 669,808	\$ 669,809	-	-	-	-	-
City Hall Bollard Replacement Project	\$ 29,040	\$ 29,040	-	-	-	-	-	-	-
Dairy Fork Constructed Wetland Project	\$ 59,657	\$ 59,657	-	-	-	-	-	-	-
El Toro Road Traffic Signal Synchronization Project	\$ 584,680	-	\$ 438,510	\$ 146,170	-	-	-	-	-
Moulton Parkway Traffic Signal Synchronization Project	\$ 773,230	-	\$ 579,923.00	\$ 193,307	-	-	-	-	-
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	-	-	-	\$ 295,550	-	-	-	-
Moulton Parkway Water Efficient Median Improvement Project	\$ 830,599	-	-	-	-	\$ 445,579	\$ 385,020	-	-
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	-	-	-	-	-	-	\$ 46,920	\$ 371,565
TOTAL	\$ 4,613,120	\$ 370,959	\$ 1,688,241	\$ 1,009,286	\$ 295,550	\$ 445,579	\$ 385,020	\$ 46,920	\$ 371,565

Note: This table complies with Orange County Transportation Authority requirements.

APPENDIX D

Resolution No. 14-16 (Annual Appropriations Limit Adoption)

RESOLUTION NO. 14-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AN ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014-15 COMMENCING JULY 1, 2014 AND ENDING JUNE 30, 2015

WHEREAS, Article XIII B of the California State Constitution restricts the appropriations growth rate for cities and other local jurisdictions; and

WHEREAS, annual appropriations limits established pursuant to Article XIII B are required to be modified on an annual basis for changes in inflation and population according to calculation methods established by Proposition 13; and

WHEREAS, voters established the base annual appropriations limit for the City of Laguna Woods at \$4,165,544 in 2002; and

WHEREAS, the City of Laguna Woods has complied with the provisions of Article XIII B in determining an appropriations limit for Fiscal Year 2014-15; and

WHEREAS, the City of Laguna Woods has complied with Government Code Section 7910 by making documentation regarding its determination available for public review for 15 days prior to this City Council meeting.

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

SECTION 1. That the annual appropriations limit for Fiscal Year 2014-15 shall be \$8,549,309, as calculated in Attachment A.

SECTION 2. That the adjustment factors for the Fiscal Year 2014-15 annual appropriations limit calculation shall be the annual percentage change in Orange County population and the annual percentage change in California per capita personal income.

SECTION 3. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this 25th day of June 2014.


BERT HACK, Mayor

ATTEST:


MARC DONOHUE, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, MARC DONOHUE, Deputy City Clerk of the City of Laguna Woods, do
HEREBY CERTIFY that the foregoing **Resolution No. 14-16** was duly adopted by
the City Council of the City of Laguna Woods at an adjourned regular meeting
thereof, held on the 25th day of June 2014, by the following vote:

AYES: COUNCILMEMBERS: Dvorak, Hatch, Ring, Conners, Hack
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:


MARC DONOHUE, Deputy City Clerk

**CITY OF LAGUNA WOODS
ANNUAL APPROPRIATIONS LIMIT
Fiscal Year 2014-15 Calculation**

Calculation of Appropriations Limit:

Appropriations Limit for Fiscal Year 2013-14	\$8,490,060
Adjustment Factors	
Population Change (County of Orange)	1.0093
Cost of Living (Personal Income)	<u>0.9977</u>
Combined Adjustment Factor	<u>1.007</u>
Appropriations Limit for Fiscal Year 2014-15	<u>\$8,549,309</u>
<hr/>	
Appropriations Subject to Limitation for Fiscal Year 2014-15	\$3,283,607

APPENDIX E

Glossary of Terms and Acronyms

Appendix E

Appendix E is intended to define significant terms and acronyms used in this budget. Individuals with questions regarding these or other terms or acronyms are encouraged to contact the City of Laguna Woods' Administrative Services Department.

GLOSSARY OF TERMS AND ACRONYMS

AMERICANS WITH DISABILITIES ACT (ADA): The Americans with Disabilities Act is a Federal law that prohibits discrimination and ensures equal opportunity for individuals with disabilities in employment; State and local government services; public accommodations; commercial facilities; and, transportation.

APPROPRIATION: A legal authorization granted by the City Council to make expenditures or incur obligations for specified purposes.

ASSESSED VALUATION: The monetary value assigned to personal property by the Orange County Assessor's Office for use in levying property taxes.

BUDGET: A financial plan that identifies revenues; specific types and levels of services to be provided; and, associated expenditures.

CAPITAL IMPROVEMENT PROGRAM (CIP): A planning tool to assist the City with the long-term development of funding for major capital improvement projects on public property. The Capital Improvement Program is adopted for a seven-year period in accordance with Measure M2 requirements.

CAPITAL PROJECTS FUND: A fund used to account for transfers from the General Fund that are reserved for capital improvement purposes. The Capital Projects Fund is combined with the General Fund for the purpose of reporting in the Comprehensive Annual Financial Report (CAFR).

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): A set of annual financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The Comprehensive Annual Financial Report includes introductory, financial, and statistical information about the governmental entity.

DEPARTMENT: An organizational unit of the City that has direct management responsibility for a group of related programs and services.

EXPENDITURE: A decrease in net financial resources representing the actual payment for goods and services or the accrual thereof.

FEES: Charges levied by the City for providing programs or services.

FISCAL YEAR (FY): The annual period designated by the City for the beginning and ending of financial transactions. The City's fiscal year begins on July 1 of each year and ends on June 30 of each subsequent year.

FUEL TAX: A per gallon excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 – 8404 and 8601 – 9355; and, Streets and Highways Code sections 2100 et seq.

FULL-TIME EQUIVALENTS (FTE): The amount of time for which a position has been budgeted, stated in terms of the fraction of time that a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year while a 0.25 FTE employee is paid for 520 hours per year (2,080 hours x 0.25 = 520).

FUND: A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose or funding source.

FUND BALANCE: The difference between assets and liabilities for a particular fund. Fund balance represents the amount available for future expenditures.

GENERAL FUND: The City's primary operating fund. The General Fund is used to account for the proceeds of specific revenue sources that are not legally restricted to expenditures for specified purposes.

GENERAL PLAN: A comprehensive, long-term planning document that the City is required to develop and maintain for the physical development of land within its boundaries and any relational land outside of its boundaries. The City's current General Plan is available at www.lagunawoodscity.org.

GRANT: Contributions, gifts of cash, or other assets from a government entity or other organization to be expended for a specific purpose.

INFRASTRUCTURE: The underlying physical foundation or basic framework of the City, including buildings, parks, roadways, parkways, medians, sidewalks, traffic signals, and other related facilities and fixtures.

INTER-FUND TRANSFERS: The flow of assets from one fund to another without an equivalent flow of assets in return or a requirement for repayment. Inter-fund transfers are often used to finance the operations of funds.

MEASURE M2: A ballot measure that Orange County voters approved in 2006 to increase the countywide sales tax rate through 2041 by one-half cent for the purpose of funding transportation projects and activities.

MODIFIED ACCRUAL BASIS: The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations. (State of California, Department of Finance, *Finance Glossary of Accounting and Budgeting Terms*)

OPERATING BUDGET: A budget established for the “day-to-day” delivery of City programs and services. The Operating Budget is exclusive of limited-term expenditures, including capital improvement projects.

PRIORITY FOCUS AREAS: Priorities established by the City Council to articulate the goals and intended outcomes of the City’s budget. The Priority Focus Areas for Fiscal Year 2014-15 are: *A City that is... healthy and safe; high in quality of life; environmentally conscious; economically prosperous; fiscally responsible; and, professionally and efficiently served.*

PROPERTY TAX: An ad valorem tax imposed on personal property pursuant to California Constitution Article XIII and XIII A; Revenue and Tax Code sections 95 and 97. Property tax is collected by the County of Orange and distributed to the City throughout the fiscal year.

PROPERTY TAX IN LIEU OF SALES TAX: Under the California Economic Recovery Bond Act of 2004, economic recovery bonds to close the State’s operating deficit are repaid from a 0.25% increase in the State sales tax rate and the City’s portion of sales tax imposed by the Bradley-Burns Uniform Sales Tax Law is temporarily reduced by 0.25%. Cities are reimbursed for the reduced sales

tax revenue with property tax transfers in lieu. This “Triple Flip” will expire when the State’s economic recovery bonds are retired in 2016. At that point, sales tax will revert to being received by the City as it was prior to 2004.

PROPERTY TAX IN LIEU OF VEHICLE LICENSE FEES (VLF): Revenues resultant of a tax swap approved by the California State Legislature in 2004 that eliminated State General Fund payments to cities as compensation for revenue lost from vehicle license fee rate cuts and added property tax transfers in lieu.

PROPERTY TRANSFER TAX: A tax imposed on documents recorded in the transfer of ownership in real estate pursuant to Revenue and Tax Code sections 11901 – 11935. Property transfer tax is collected by the County of Orange at a rate of \$1.10 per \$1,000 of the assessed valuation of the real estate being transferred. The City and the County of Orange receive equal allocations of the property transfer taxes collected.

RESERVE: A separate account maintained to proactively set aside money for unforeseen and/or unusual expenditures.

REVENUE: Income received by the City.

SALES TAX: A tax imposed on the total retail price of any tangible personal property and the use or storage of such property when sales tax is not paid pursuant to California Constitution Article XIII sections 25.5(a)(2) and 29; Revenue and Tax Code sections 7200 et seq. The City currently receives 0.75% of the 8.5% sales tax charged within Laguna Woods, in accordance with the tax swap approved by the California State Legislature in 2004. The City also receives a share of the 0.5% sales tax levied by Measure M2 throughout Orange County, which is reported as Measure M2 revenue in this budget and the City’s annual financial statements.

SPECIAL FUNDS: Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes or reserved for capital improvement or contingency purposes.

TRANSIENT OCCUPANCY TAX (TOT): A general tax imposed on occupants for the privilege of occupying hotel rooms pursuant to Revenue and Tax Code sections 7280 and 7281. The City’s Transient Occupancy Tax rate is 10% of the rent charged by hotel operators.

YEAR-END: The end of the City’s fiscal year (June 30).