

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting
Wednesday, September 21, 2022
2:00 p.m.

Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637

Carol Moore
Mayor

Cynthia Conners
Mayor Pro Tem

Noel Hatch
Councilmember



Shari L. Horne
Councilmember

Ed H. Tao
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

This meeting may be recorded, televised, and made publicly available.

Public Comments: Persons wishing to address the City Council are requested to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. Persons wishing to address the City Council on an item appearing on this agenda will be called upon at the appropriate time during the item's consideration. Persons wishing to address the City Council on an item *not* appearing on the agenda will be called upon during the "Public Comments" item. Persons who do not wish to submit a Speaker Card, or who wish to remain anonymous, may indicate their desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

Americans with Disabilities Act (ADA): It is the intention of the City to comply with the ADA. If you need assistance to participate in this meeting, please contact either the City Clerk's Office at (949) 639-0500/TTY (949) 639-0535 or the California Relay Service at (800) 735-2929/TTY (800) 735-2922. The City requests at least two business days' notice in order to effectively facilitate the provision of reasonable accommodations.

REGULAR MEETING SCHEDULE

The Laguna Woods City Council meets regularly on the third Wednesday of each month at 2 p.m.

AGENDA POSTING AND AVAILABILITY

Regular and Adjourned Regular Meetings: Pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act, the City of Laguna Woods posts agendas at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, at least 72 hours in advance of regular and adjourned regular meetings. Agendas and agenda materials are available at Laguna Woods City Hall during normal business hours and on the City’s website. Printed copies of agendas and agenda materials are provided at no charge in advance of meetings. After meetings have occurred, a per page fee is charged for printed copies.

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FOR ADDITIONAL INFORMATION

For additional information, please contact the City Clerk’s Office at (949) 639-0500/TTY (949) 639-0535, cityhall@cityoflagunawoods.org, or 24264 El Toro Road, Laguna Woods, California 92637.

AFFIDAVIT OF POSTING

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

I, Christopher Macon, City Manager, City of Laguna Woods, hereby certify under penalty of perjury that this agenda was posted at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, California 92637; on the City’s website (www.cityoflagunawoods.org); and, at other locations designated by Resolution No. 17-30, pursuant to California Government Code Section 54954.2 of the Ralph M. Brown Act.

/s/ Christopher Macon
CHRISTOPHER MACON, City Manager

9/16/22
Date

NOVEL CORONAVIRUS (COVID-19) NOTICE

Please exercise caution when attending City Council meetings. If you attend this meeting, please abide by all applicable state and local public health orders.

OPTIONS FOR PUBLIC COMMENTS

1. Attend the meeting in-person.

2. Submit public comments in writing. Written public comments may be submitted via email (cityhall@cityoflagunawoods.org) or by mail (Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637), provided that they are received by the City prior to 2:00 p.m. on the day of the meeting. Written public comments may be read or summarized to the City Council at the meeting, and parties submitting comments should be aware that their email addresses and any information submitted may be disclosed or become a matter of public record. No party should expect privacy of such information.

3. Make public comments by telephone. Dial (669) 444-9171. When prompted enter the following meeting ID: 885 8206 6316 followed by pound (#) and the following meeting passcode: 200142 followed by pound (#). When an item you wish to comment on is discussed, press *9 on your telephone to raise your hand. When it is your turn, you will be unmuted and able to speak. Please note that your telephone number will be visible to the City. No party should expect privacy of such information.

4. Make public comments by computer.

- Visit www.zoom.us
- Click on “Join a Meeting” toward the top right of the webpage
- Enter the following meeting ID: 885 8206 6316
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 200142
- Enter a name and email address as required by Zoom

When an item you wish to comment on is discussed, click on “Raise Hand.” When it is your turn, you will be unmuted and able to speak. Please note that information you enter into Zoom will be visible to the City. No party should expect privacy of such information.

I. CALL TO ORDER

Introductory Note: Members of the public wishing to address the City Council on items appearing on this agenda are advised to indicate their interest in doing so at the time an item is considered by notifying City staff if present in-person, pressing *9 on their telephone if participating by telephone, or clicking on “Raise Hand” if participating by computer via Zoom. Members of the public wishing to address the City Council on items *not* appearing on this agenda may do so during Item V.

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS

- 4.1 Presentation Regarding Property Tax – Shari Freidenrich, CPA,
Orange County Treasurer
(agendized by Mayor Moore)

Recommendation: Receive and file.

- 4.2 Presentation Regarding Complex Coordinated Terrorist Attack
(CCTA) Exercise – Orange County Sheriff’s Department
(agendized by Mayor Moore)

Recommendation: Receive and file.

- 4.3 Presentations Regarding Driving Out Darkness: Orange County
Summit on Antisemitism and Hate & Orange County Human
Relations Commission’s Orange County 2021 Hate Crime Report
(agendized by Mayor Moore)

Recommendation: Receive and file.

- 4.4 Hunger Action Month – September 2022

Recommendation: Approve the proclamation.

- 4.5 International Day of Peace – September 21, 2022
(agendized by Councilmember Horne)

Recommendation: Approve the proclamation.

4.6 Fire Prevention Week – October 9-15, 2022

Recommendation: Approve the proclamation.

4.7 City Hall/Public Library Project Update

Recommendation: Receive and file.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

About Public Comments on Non-Agenda Items: This is the time and place for members of the public to address the City Council on items *not* appearing on this agenda. To indicate interest, please notify City staff if present in-person, press *9 on your telephone if participating by telephone, or click on “Raise Hand” if participating by computer via Zoom. Pursuant to state law, the City Council is unable to take action on such items, but may engage in brief discussion, provide direction to City staff, or schedule items for consideration at future meetings.

VI. CONSENT CALENDAR

About the Consent Calendar: All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, City staff, or member of the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

6.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the regular meeting on June 15, 2022 and the regular meeting on July 20, 2022.

6.2 City Treasurer’s Report

Recommendation: Receive and file the City Treasurer’s Report for the month of August 2022.

6.3 Warrant Register

Recommendation: Approve the warrant register dated September 21, 2022 in the amount of \$638,338.30.

6.4 Teleconferencing for Meetings

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

6.5 Fiscal Years 2021-23 Budget Adjustments

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADJUSTING THE ASSIGNED RESERVE BALANCES FOR THE PAID LEAVE CONTINGENCY RESERVE AND THE GENERAL FUND CONTINGENCY RESERVE FOR FISCAL YEAR 2022-23

6.6 Investment of Financial Assets Policy

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING AN ANNUAL STATEMENT OF THE INVESTMENT POLICY, ADOPTING AN INVESTMENT POLICY, AND RENEWING THE CITY COUNCIL'S DELEGATION OF INVESTMENT AUTHORITY TO THE CITY TREASURER PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53607

6.7 Credit Card, Debit Card, and Prepaid Card Payment Processing

Recommendation:

1. Eliminate the \$700 per transaction limit for payments that can

be accepted by credit card, debit card, and prepaid card.

AND

2. Authorize the City Manager to impose transaction limits for payments that can be accepted by credit card, debit card, and prepaid card based on economic conditions, the needs of the City, or in the interest of the efficient, effective, or economical conduct of City business.

6.8 Arborist and Tree Risk Assessment Services

Recommendation: Approve an extension of the agreement with Monarch Environmental Services for arborist and tree risk assessment services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.9 Conflict of Interest Code

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DETERMINING THAT NO CHANGES IN THE CONFLICT OF INTEREST CODE ADOPTED BY RESOLUTION NO. 18-27 ARE NECESSARY FOLLOWING THE REVIEW REQUIRED BY CALIFORNIA GOVERNMENT CODE SECTION 87306.5

6.10 Ad Hoc Anti-Hate Advisory Council Committee
(agendized by Mayor Pro Tem Connors and Councilmember Horne)

Recommendation: Extend the end of the term of the Ad Hoc Anti-Hate Advisory Council Committee from September 30, 2022 to December 29, 2022.

VII. PUBLIC HEARINGS

7.1 Sign Regulations

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTIONS 13.20.030, 13.20.130, AND 13.20.160 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO SIGN REGULATIONS, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

VIII. CITY COUNCIL BUSINESS

8.1 New Orange County Fire Authority Fire Station

Recommendation: Approve, in non-binding concept, the long-term lease of approximately 0.32 acres of the City Centre Park property (24121 Moulton Parkway, Laguna Woods, CA 92637; Assessor's Parcel Number: 616-021-18) for use as a new Orange County Fire Authority fire station and authorize the City Manager and City Attorney to take actions and incur costs necessary to:

- (a) Comply with applicable state laws regarding the lease of park property for non-park purposes, and other state laws as may be determined to apply;
- (b) Unencumber the property of deed restrictions that would otherwise preclude the construction and operation of a fire station;
- (c) Negotiate – for future consideration by the City Council – agreements with the Orange County Fire Authority for the construction and operation of a fire station including, but not limited to, a long-term land-lease agreement;
- (d) Partner with the Orange County Fire Authority to contact surrounding property owners to discuss a potential new fire station and solicit input on factors to be considered during any future design, construction, and operation;
- (e) Coordinate with the Orange County Fire Authority on matters affecting the design of a fire station including, but not limited to, modifications and easements related to traffic control devices, medians, sidewalks, and other City property, and public access to the remaining portion of City Centre Park; and
- (f) Negotiate and enter into cost recovery agreements with the Orange County Fire Authority to reimburse the City for those costs associated with this project which are mutually agreed upon as the Orange County Fire Authority’s responsibility.

IX. CITY COUNCIL REPORTS AND COMMENTS

About City Council Reports and Comments: This is the time and place for members of the City Council to provide reports on meetings attended including, but not limited to, meetings of regional boards and entities to which they have been appointed to represent the City and meetings attended at the expense of the City pursuant to California Government Code Section 53232.3. Members of the City Council may also make other comments and announcements.

- 9.1 Coastal Greenbelt Authority
Mayor Pro Tem Connors; Alternate: Councilmember Tao

- 9.2 Orange County Fire Authority
Councilmember Hatch

- 9.3 Orange County Library Advisory Board
Mayor Moore; Alternate: Councilmember Tao

- 9.4 Orange County Mosquito and Vector Control District
Councilmember Horne
- 9.5 San Joaquin Hills Transportation Corridor Agency
Mayor Pro Tem Conners; Alternate: Mayor Moore
- 9.6 South Orange County Watershed Management Area
Mayor Moore; Alternate: Councilmember Hatch
- 9.7 Other Comments and Reports

X. CLOSED SESSION

XI. CLOSED SESSION REPORT

XII. ADJOURNMENT

Next Regular Meeting: Wednesday, October 19, 2022 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

4.1

**PRESENTATION REGARDING PROPERTY TAX –
SHARI FREIDENRICH, CPA, ORANGE COUNTY
TREASURER
(AGENDIZED BY MAYOR MOORE)**

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**Presentation Regarding Property Tax
Shari Freidenrich CPA, Orange County Treasurer –Tax Collector**

Property tax revenue is the City of Laguna Woods' largest single source of revenue and accounts for approximately half of all General Fund Revenue. It has experienced steady growth each year since Fiscal Year 2013-2014.

Furthermore, COVID -19 had no significant impact on property tax revenue and as a result helped soften the negative effects of declining tax income

As Property Tax Revenue is important to the City, it is meaningful that residents as well as Council Members understand the correlation between the tax, it's impact on the City Budget as well as the general "financial health" of Property Tax Collections.

Shari Freidenrich – County Treasurer and also responsible for collecting the taxes. Additionally, she is responsible for overseeing the County of Orange's \$10 billion investment pool and serves as a Trustee for the \$20 billion Orange County Employee Retirement system.

Treasurer Freidenrich holds a Bachelor's Degree from Washington State University in Business Administration with an emphasis in Accounting and graduated summa cum laude. She is a Certified Public Accountant (CPA) as well as a Certified California Municipal treasurer (CCMT), a Certified Public Finance Administrator (CPFA), a Certified Public Finance Investment Manager (CPFIM), and an Advanced Certified Public Finance Investment Manager (ACPFIM), Shari is a Past President for the Association of Public Treasurers of the United States and Canada, a Past President of the California Municipal Treasurer's Association and is currently on the Board of Directors for the California Municipal Treasurer's Association and is currently on the Board of Directors for the California Association of County Treasurers and Tax Collectors. She was elected to the Board of Governors for the Washington State University Foundation in 2014 and is currently serving on the Audit Committee, of which she is past chair.

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4.2

**PRESENTATION REGARDING COMPLEX
COORDINATED TERRORIST ATTACK (CCTA)
EXERCISE – ORANGE COUNTY SHERIFF'S
DEPARTMENT
(AGENDIZED BY MAYOR MOORE)
*(NO REPORT)***

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4.3

**PRESENTATIONS REGARDING DRIVING OUT
DARKNESS: ORANGE COUNTY SUMMIT ON
ANTISEMITISM AND HATE & ORANGE
COUNTY HUMAN RELATIONS COMMISSION'S
ORANGE COUNTY 2021 HATE CRIME REPORT
(AGENDIZED BY MAYOR MOORE)**

(NO REPORT)

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4.4
HUNGER ACTION MONTH –
SEPTEMBER 2022

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**Proclamation
City of Laguna Woods
Hunger Action Month
September 2022**

WHEREAS, food insecurity is a lack of access, at times, to enough food for an active, healthy life and limited or uncertain availability of nutritionally adequate foods; and

WHEREAS, food insecurity may result in trade-offs between important basic needs, such as housing or medical bills, and purchasing nutritionally adequate foods; and

WHEREAS, hunger, food and nutritional insecurity, and poverty are issues of vital concern in Orange County where 296,470 people face food insecurity, according to Feeding America’s Map the Meal Gap Study for 2020; and

WHEREAS, individuals throughout Orange County rely on food and meal services provided by organizations including Abound Food Care, Age Well Senior Services, the Community Action Partnership of Orange County’s OC Food Bank, Second Harvest Food Bank, South County Outreach, and others; and

WHEREAS, the City operates an edible food recovery program that assists commercial food generators with recovering edible food that would otherwise be disposed.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim September 2022 as “Hunger Action Month” in the City of Laguna Woods and encourages its residents to consider donating, volunteering, or otherwise supporting the efforts of food banks, food recovery organizations, and meals on wheels programs.

Dated this 21st day of September, 2022

Carol Moore
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.5

**INTERNATIONAL DAY OF PEACE –
SEPTEMBER 21, 2022**

(AGENDIZED BY COUNCILMEMBER HORNE)

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Proclamation

City of Laguna Woods

International Day of Peace

September 21, 2022

WHEREAS, the issue of peace embraces the deepest hopes of all peoples and remains humanity's guiding inspiration; and

WHEREAS, in 1981 the United Nations proclaimed the International Day of Peace be "*devoted to commemorating and strengthening the ideals of peace both within and among all nations and peoples*"; and

WHEREAS, the United Nations expanded the observance of the International Day of Peace in 2001 to include the call for a day of global ceasefire and non-violence, and invited all nations and people to honor a cessation of hostilities for the duration of the Day; and

WHEREAS, there is growing support within our City for the observance of the International Day of Peace, which affirms a vision of our world at peace, and fosters cooperation between individuals, organizations and nations; and

WHEREAS, global crises impel all citizens to work toward converting humanity's noblest aspirations for world peace into the practical reality of a culture of peace for future generations.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim September 21, 2022 as "International Day of Peace" in the City of Laguna Woods and urge all government departments and agencies, organizations, schools, places of worship and individuals in our City to commemorate, in an appropriate manner, the International Day of Peace. This may include community service projects, cultural exhibits and performances, a moment of silence, ringing of bells, sharing the universal message 'May Peace Prevail On Earth' at noon, vigils, religious services in our places of worship, and other education and public awareness activities in order to help establish a global day of peace in our homes, our communities and between nations.

Dated this 21st day of September, 2022

Carol Moore
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.6
FIRE PREVENTION WEEK –
OCTOBER 9-15, 2022

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**Proclamation
City of Laguna Woods
Fire Prevention Week
October 9-15, 2022**

WHEREAS, fire is a serious public safety concern both locally and nationally with an average of 358,500 homes experiencing a structure fire each year; and

WHEREAS, while people are most at risk for fire-related injuries and death in the home, working smoke alarms can reduce the risk of death by more than half; and

WHEREAS, Laguna Woods residents should install working smoke alarms on every level of the home, in the hallway outside the sleeping areas, and in each bedroom; check their smoke alarms monthly; replace batteries regularly; replace smoke alarms every 10 years; and, create and practice their home escape plans; and

WHEREAS, the 2022 Fire Prevention Week theme, “*Fire won’t wait. Plan your escape,*” serves as a reminder for residents to learn the simple but important actions that can be taken to keep themselves and those around them safe from home fires.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim October 9-15, 2022 as “Fire Prevention Week” in the City of Laguna Woods and urges its residents to plan ahead and be fire safe.

Dated this 21st day of September, 2022

Carol Moore
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.7
CITY HALL/PUBLIC LIBRARY UPDATE
(NO REPORT)

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6.0
CONSENT CALENDAR SUMMARY

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: September 21, 2022 Regular Meeting

SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the September 21, 2022 Consent Calendar by single motion and City Council action.

Background

All items listed on the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that specific items be removed from the Consent Calendar for separate discussion and consideration of action.

Summary

The September 21, 2022 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the regular meeting on June 15, 2022 (Attachment A) and the regular meeting on July 20, 2022 (Attachment B).
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of August 2022.
- 6.3 Approval of the warrant register dated September 21, 2022 in the amount of \$638,338.30. A list of warrants is included in the agenda packet; detailed

information about individual warrants is available at or from City Hall.

- 6.4 Adoption of a resolution allowing for the continued use of teleconferencing for meetings during the COVID-19 State of Emergency, pursuant to California Assembly Bill 361 (2021-2022). The proposed resolution includes the findings required by California Government Code Section 54953(e)(3) for meetings to continue to be held via teleconferencing.
- 6.5 Adoption of a resolution adjusting the assigned reserve balances for the Paid Leave Contingency Reserve and the General Fund Contingency Reserve for Fiscal Year 2022-23. The proposed resolution would adjust two assigned reserve balances for Fiscal Year 2022-23, in accordance with Administrative Policy 2.9 (Budgeting, Reserves, and Reporting). While two assigned reserve balances would change, the total of all three assigned reserve balances would remain \$3,206,250. The City also has additional unassigned General Fund monies that can be used for reserve-type purposes.
- 6.6 Adoption of a resolution reviewing and adopting an annual statement of the investment policy, adopting an investment policy, and renewing the City Council's delegation of investment authority to the City Treasurer pursuant to California Government Code Section 53607. An agenda report is included with additional information.
- 6.7 [1] Elimination of the \$700 per transaction limit for payments that can be accepted by credit card, debit card, and prepaid card.

AND

[2] Authorization for the City Manager to impose transaction limits for payments that can be accepted by credit card, debit card, and prepaid card based on economic conditions, the needs of the City, or in the interest of the efficient, effective, or economical conduct of City business.

The City began accepting credit card, debit card, and prepaid card payments in February 2020. At the time, there was uncertainty regarding the number and amount of transactions that customers would choose to make using those payment methods and, in turn, uncertainty regarding the City's processing costs. A \$700 per transaction limit was established to manage costs.

After more than two and a half years of accepting credit card, debit card, and prepaid card payments, staff recommends that the City Council eliminate the \$700 per transaction limit to improve customer service and internal controls related to cash handling. Most transactions are now paid using credit cards, debit cards, and prepaid cards, and the City's budget can accommodate the additional processing fees without the need for supplemental appropriations (additional processing fees are estimated at \$2,500 per year; total estimated processing fees would increase from \$9,500 to \$12,000 per year, a portion of which is recovered through user fees). In addition to improving customer service by better meeting customer expectations for payment methods, eliminating the \$700 per transaction limit would also reduce the amount of cash handled by staff. Should circumstances change in the future, staff also recommends that the City Manager be authorized to impose transaction limits for payments that can be accepted by credit card, debit card, and prepaid card based on economic conditions, the needs of the City, or in the interest of the efficient, effective, or economical conduct of City business.

- 6.8 Approval of an extension of the agreement with Monarch Environmental Services for arborist and tree risk assessment services and authorization for the City Manager to execute the extension, subject to approval as to form by the City Attorney. The proposed extension is for a three-month period from October 1, 2022 through December 31, 2022 with no increase in rates or other changes to terms and conditions. Staff is currently evaluating proposals received in response to a recent Request for Proposals ("RFP") for arborist and tree risk assessment services, and anticipates making a recommendation to the City Council in the coming months.
- 6.9 Adoption of a resolution determining that no changes in the conflict of interest code adopted by Resolution No. 18-27 are necessary following the review required by California Government Code Section 87306.5. The City is required to review conflict of interest codes at least every even-numbered year and identify whether any changes in conflict of interest codes are necessitated by changed circumstances by October 1 of the same year. Staff has reviewed the existing conflict of interest code (Attachment B) and determined that there are no changed conditions that necessitate changes. Staff recommends that the City Council review the existing conflict of interest code and, if no changed conditions are identified that necessitate changes, adopt the proposed resolution (Attachment A).

- 6.10 (agendized by Mayor Pro Tem Conners and Councilmember Horne)
Extension of the end of the term of the Ad Hoc Anti-Hate Advisory Council Committee from September 30, 2022 to December 29, 2022. The City Council appointed Mayor Pro Tem Conners and Councilmember Horne to the Ad Hoc Anti-Hate Advisory Council Committee on June 15, 2022.

6.1
CITY COUNCIL MINUTES

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
June 15, 2022
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

Mayor Moore called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:03 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Hatch, Horne, Tao, Conners, Moore
ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Manager Macon, City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

A member of the public led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Elder Abuse Awareness Month – June 2022

City Clerk Trippy read the proclamation.

Councilmembers made comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve the proclamation.

4.2 Gun Violence Awareness Month – June 2022

City Clerk Trippy read the proclamation.

Councilmembers made comments.

A member of the public and Mayor Moore made comments regarding the sound quality in the Council Chambers.

Robert Cunningham, resident, made comments.

Mayor Moore briefly responded to the public comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve the proclamation.

4.3 Pride Month – June 2022

City Clerk Trippy read the proclamation.

Charlie Becker, resident, made comments.

Gregg Boyd, Rainbow Club of Laguna Woods Village, made comments.

Councilmembers made comments.

Ramesh Joshi, resident, made comments and responded to a question from Mayor Pro Tem Conners.

Wendy Burry, resident, made comments.

Councilmembers made comments.

Moved by Councilmember Horne, seconded by Councilmember Tao, and carried unanimously on a 5-0 vote, to approve the proclamation.

4.4 City Hall/Public Library Project Update

City Manager Macon provided an update and answered related questions.

Rebeca Gilad, resident, made comments.

Mayor Moore made comments.

Mayor Moore called for a brief recess.

The meeting was called back to order at 3:02 p.m.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Robert Cunningham, resident, expressed concerns regarding election signs.

City Attorney Patterson briefly responded to the public comments.

VI. CONSENT CALENDAR

Councilmember Hatch requested to pull Item 6.4 for separate discussion.

Moved by Councilmember Horne, seconded by Mayor Pro Tem Conners, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.3 and 6.5 – 6.14.

6.1 City Council Minutes

Approved the City Council meeting minutes for the regular meeting on April 20, 2022.

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of May 2022.

6.3 Warrant Register

Approved the warrant register dated June 15, 2022 in the amount of \$474,688.22.

6.5 Administrative Services for Employee Benefit Plans

Approved an agreement with Navia Benefit Solutions, Inc. for administrative services for certain employee benefit plans maintained by the City and authorized the City Manager to execute the agreement subject to approval as to form by the City Attorney.

6.6 Arborist and Tree Risk Assessment Services

Approved an extension of the agreement with Monarch Environmental Services for arborist and tree risk assessment services and authorized the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.7 City Engineering and Traffic Operations Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension of the agreement with CivilSource, Inc. for city engineering and traffic operations services and authorized the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.8 City Hall/Public Library Project Architectural Services

ITEM 6.1 – Attachment A

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension and amendment of the agreement with obrARCHITECTURE, Inc. for City Hall/Public Library Project architectural services and authorized the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney.

6.9 As Needed Financial Consulting Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension and amendment of the agreement with Irwin B. Bornstein for as needed financial consulting services and authorized the City Manager to execute the extension and amendment subject to approval as to form by the City Attorney.

6.10 Information Technology Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension of the agreement with Practical Data Solutions for information technology services and authorized the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.11 As Needed Waste Management Consulting Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an extension and amendment of the agreement with Michael Balliet for as needed waste management consulting services and authorized the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney.

6.12 Senior Mobility Program

Waived the Senior Mobility Program’s annual enrollment fee of \$10 per person for Fiscal Year 2022-23.

6.13 Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project Phase 5

1. Approved final record plans and specifications reflecting completion of the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 5”.

AND

2. Accepted project completion of the contract agreement with Kalban, Inc. for the “Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 5”.

AND

3. Released contract retention in the amount of \$15,165.58 withheld per California Government Code 35 days following recordation of the Notice of Completion with the County of Orange, provided no Stop Notices are on file with the City preventing the release of the contract retention.

AND

4. Exonerate project posted bonds 35 days following recordation of the Notice of Completion with the County of Orange.

6.14 Laguna Woods Civic Support Fund

Appointed German Cuenca with Sodexo Senior Living to the Board of Directors for the Laguna Woods Civic Support Fund as a business member.

ITEMS PULLED FROM THE CONSENT CALENDAR FOR SEPARATE DISCUSSION

6.4 Teleconferencing for Meetings

Councilmember Hatch commented on the item and inquired if it is still necessary.

Councilmembers discussed the item and staff answered related questions.

Kathryn Freshley, resident, commented that elected officials previously had to disclose their address if they were attending a meeting remotely.

City Attorney Patterson briefly responded to the public comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

VII. PUBLIC HEARINGS – None

VIII. CITY COUNCIL BUSINESS

8.1 Fiscal Years 2022-32 Pavement Management Plan

City Manager Macon made a presentation.

Kathryn Freshley, resident, commented that the condition of the City’s streets is very good and the City Council should consider not accepting funds from the State so that they can be allocated to cities with greater needs.

City Manager Macon briefly responded to the public comments.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Hatch, seconded by Mayor Pro Tem Conners, and carried unanimously on a 5-0 vote, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, CONCERNING THE STATUS AND UPDATE OF THE PAVEMENT MANAGEMENT PLAN FOR THE MEASURE M2 (M2) PROGRAM

8.2 Fiscal Years 2021-23 Budget and Work Plan & Fiscal Years 2021-32 Capital Improvement Program

City Manager Macon made a presentation.

A member of the public noted a typographical error in the PowerPoint presentation.

City Manager Macon acknowledged the error (“\$186,5006” should be “\$186,506”).

Councilmembers discussed the item and staff answered related questions.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to:

1. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEW 11-YEAR CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2021-22 THROUGH 2031-32, IN CONFORMANCE WITH MEASURE M2 (OC GO) REQUIREMENTS AND APPLICABLE CITY POLICIES AND DISCRETION

AND

2. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2021-23 BUDGET AND WORK PLAN FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, RELTAED TO ADJUSTMENTS OF ROAD MAINTENANCE & REHABILITATION PROGRAM FUND APPROPRIATIONS FOR THE FISCAL YEAR 2022-23 PAVEMENT MANAGEMENT PLAN PROJECT (NORTHBOUND MOULTON PARKWAY BETWEEN CALLE CORTEZ AND VIA CAMPO VERDE), AND ALLOCATION OF EXISTING FEDERAL GRANTS FUND (AMERICAN RESCUE PLAN ACT (CORONAVIRUS LOCAL FISCAL RECOVERY FUNDS)) APPROPRIATIONS TO SPECIFIC USES

AND

3. Increase the City Manager’s authorization to approve change orders for the contract agreement with iBuild Spectrum, Inc. for the construction of the “City Hall/Public Library Project” by \$157,371 to accommodate door and window replacements and relocations at the existing City Hall building.

AND

4. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023, IN ACCORDANCE WITH ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

8.3 Road Repair and Accountability Act of 2017 Project List

City Manager Macon made a presentation.

Councilmember Horne left the meeting at 4:16 p.m.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Hatch, and carried unanimously on a 4-0 vote, with Councilmember Horne absent, to adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 22-14 AND ADOPTING A LIST OF FISCAL YEAR 2022-23 PROJECTS PROPOSED TO RECEIVE FUNDING FROM THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017'S LOCAL STREETS AND ROADS FUNDING PROGRAM (ROAD MAINTENANCE AND REHABILITATION ACCOUNT), AS REQUIRED BY CALIFORNIA STREETS AND HIGHWAYS CODE SECTION 2034(A)(1), AND MAKING RELATED AUTHORIZATIONS

Councilmember Horne returned to the meeting at 4:20 p.m.

8.4 Employee Positions, Compensation, and Benefits

City Manager Macon made a presentation.

City Attorney Patterson made a presentation regarding the City Manager's compensation.

A member of the public expressed concern that part-time positions would not receive the same benefits as full-time positions.

A member of the public inquired about the scheduling of morning and afternoon shifts.

City Manager Macon briefly responded to the public comments.

Councilmembers discussed the item and staff answered related questions.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to:

1. Repeal the existing job classifications for the following City employee positions:
Administrative Coordinator and Customer Service Representative.

AND

2. Approve a job classification for the following City employee position: Receptionist.

AND

3. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 22-30, AND ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

AND

4. Adopt a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING THE AUTHORIZED CITY EMPLOYEE POSITIONS FOR FISCAL YEAR 2021-22 COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022, AND FISCAL YEAR 2022-23 COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023

8.5 Ad Hoc Anti-Hate Advisory Council Committee
(agendized by Councilmember Horne)

City Manager Macon noted that this is not a staff-initiated item.

Councilmember Horne made a presentation.

City Manager Macon responded to comments from Mayor Moore.

Steven Marsh, resident and Senior Pastor at Geneva Presbyterian Church, spoke in support of the recommendation.

Marcy Sheinwold, resident, spoke in support of the recommendation and offered the assistance of the Foundation of Laguna Woods Village.

Rebeca Gilad, Democratic Club of Laguna Woods, spoke in support of the recommendation.

Rabbi Joe Mendelsohn, Reform Temple of Laguna Woods, spoke in support of the recommendation.

Ramesh Joshi, resident, spoke in support of the recommendation. Mr. Joshi provided the City Council with written comments that are included in the public record.

Robert Cunningham, resident, spoke in support of the recommendation

Pastor Willie Phillips, resident, spoke in support of the recommendation

Councilmembers discussed the item.

Mayor Moore called for a brief recess at 5:19 p.m.

The meeting was called back to order at 5:28 p.m.

Mayor Moore re-opened the public comment period.

Rabbi Joe Mendelsohn, Reform Temple of Laguna Woods, commented on the item.

Councilmember Hatch briefly responded to the public comments.

Rabbi Joe Mendelsohn, Reform Temple of Laguna Woods, commented on the item.

Rebeca Gilad, resident, commented on the item.

Steven Marsh, resident, commented on the item.

Councilmembers discussed the item.

A member of the public commented on the item.

Councilmembers discussed the item and staff answered related questions.

Kathryn Freshley, resident, expressed concern with the City getting involved in Laguna Woods Village issues.

Councilmembers discussed the item.

Marcy Sheinwold, resident, commented on the item.

Mayor Moore briefly responded to the public comments.

Moved by Councilmember Hatch, seconded by Councilmember Tao, and carried unanimously on a 5-0 vote, to create an ad hoc exploratory group to explore the existence, causes, and potential solutions to feelings of hatred that may exist in Laguna Woods Village, consisting of Mayor Pro Tem Connors and Councilmember Horne, beginning immediately through September 30, 2022.

8.6 Compensation Equity
(agendized by Mayor Moore)

By consensus, the City Council continued this item to the July 20, 2022 regular meeting.

8.7 Transparency of City of Laguna Woods
(agendized by Mayor Moore)

By consensus, the City Council continued this item to the July 20, 2022 regular meeting.

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

Mayor Pro Tem Conners stated that there had been no meeting since the last meeting.

9.2 Orange County Fire Authority

No report.

9.3 Orange County Library Advisory Board

Mayor Moore stated that there had been no meeting since the last meeting.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne stated that there had been no meeting since the last meeting.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Pro Tem Conners provided a report.

9.6 South Orange County Watershed Management Area

No report.

9.7 Other Comments and Reports

Councilmember Horne reported on the California Senior Legislature.

X. CLOSED SESSION

Prior to convening in closed session, an opportunity was provided for public comments on items appearing on the closed session agenda. No such public comments were received.

10.1 The City Council met in closed session under the authority of California Government Code Section 54957(b)(1) to consider the following: Public Employee Performance Evaluation – City Manager.

XI. CLOSED SESSION REPORT

The City Council reconvened in open session at 6:24 p.m. City Attorney Patterson stated that there was no reportable action.

XII. ADJOURNMENT

ITEM 6.1 – Attachment A

The meeting was adjourned at 6:24 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, July 20, 2022 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: September 21, 2022

CAROL MOORE, Mayor

**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
July 20, 2022
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

Mayor Moore called the Regular Meeting of the City Council of the City of Laguna Woods to order at 2:00 p.m.

II. ROLL CALL

COUNCILMEMBER: PRESENT: Hatch, Horne, Tao, Conners, Moore
 ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Manager Macon, City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

Division Chief Contreras, Orange County Fire Authority, led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Wildfire Awareness and Prevention Season – Mid-Summer to Early Autumn 2022

City Clerk Trippy read the proclamation.

Councilmember Hatch introduced the item.

Division Chief Contreras made comments and answered related questions.

Councilmembers made comments.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Tao, and carried unanimously on a 5-0 vote, to approve the proclamation.

The City Council recessed to take a photograph presenting the proclamation to Division

Chief Contreras at 2:14 p.m. The meeting was reconvened at 2:17 p.m.

4.2 City Hall/Public Library Project Update

City Manager Macon provided an update and answered related questions.

Councilmembers made comments.

Mayor Moore commented on the sound quality in the Council Chambers.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS – None

VI. CONSENT CALENDAR

City Manager Macon responded to a question from Councilmember Hatch regarding Item 6.2.

Moved by Councilmember Horne, seconded by Mayor Pro Tem Conners, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.8.

6.1 Reserved

6.2 City Treasurer’s Report

Received and filed the City Treasurer’s Report for the month of June 2022.

6.3 Warrant Register

Approved the warrant register dated July 20, 2022 in the amount of \$1,004,017.19.

6.4 Teleconferencing for Meetings

Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

6.5 Retirement Governmental Money Purchase Plan

Adopted a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND RESTATING THE ICMA RETIREMENT CORPORATION (DOING BUSINESS AS

MISSIONSQUARE RETIREMENT) GOVERNMENTAL MONEY PURCHASE PLAN, AND AUTHORIZING THE EXECUTION OF A PLAN ADOPTION AGREEMENT, AS WELL AS OTHER RELATED DOCUMENTS

6.6 Arborist and Tree Risk Assessment Services

Approved an extension of the agreement with Monarch Environmental Services for arborist and tree risk assessment services and authorized the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.7 City Engineering and Traffic Operations Services

Approved Amendment No. 1 to Cooperative Agreement No .C-1-3936 with the Orange County Transportation Authority for the Senior Mobility Program and authorized the City manager to execute the amendment, subject to approval as to form by the City Attorney.

6.8 El Toro Road and Moulton Parkway Water Quality Treatment Project Engineering Services

1. Waived the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding.

AND

2. Approved an agreement with Fuscoe Engineering for El Toro Road and Moulton Parkway Water Quality Treatment Project engineering services and authorized the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

VII. PUBLIC HEARINGS – None

VIII. CITY COUNCIL BUSINESS

8.1 Mobility Technology Plan

City Manager Macon introduced the item.

Tom Bellino, Southern California Association of Governments, and Steve Wilks, IBI Group, Inc., made presentations.

Councilmembers discussed the item and Mr. Bellino, Mr. Wilks, and staff answered related questions.

8.2 California Senate Bill 1127 (Atkins) (2021-2022)

City Manager Macon made a presentation.

Councilmembers discussed the item and staff answered related questions.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to adopt a position in opposition to California Senate Bill 1127 (Atkins) (2021-2022) (Workers' compensation: liability presumptions.) and authorize the Mayor to sign related correspondence.

8.3 Compensation Equity
(agendized by Mayor Moore)

Mayor Moore introduced the item.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Horne, seconded by Councilmember Hatch, and carried on a 4-1 vote, with Mayor Moore voting no, to take no action on the item.

8.4 Transparency of City of Laguna Woods
(agendized by Mayor Moore)

Mayor Moore introduced the item.

Councilmembers discussed the item and staff answered related questions.

8.5 California Assembly Bill 1594 (Ting) (2021-2022)
(agendized by Mayor Moore)

Mayor Moore introduced the item.

Councilmembers discussed the item.

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

Councilmember Tao provided a report and responded to a question from Councilmember Horne.

9.2 Orange County Fire Authority

Councilmember Hatch provided a report.

9.3 Orange County Library Advisory Board

Mayor Moore stated that there had been no meeting since the last meeting.

9.4 Orange County Mosquito and Vector Control District

Councilmember Horne provided a report.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Pro Tem Conners provided a report.

9.6 South Orange County Watershed Management Area

Mayor Moore stated that there had been no meeting since the last meeting.

9.7 Other Comments and Reports

Councilmember Horne reported on the Senior Citizens Advisory Council, California Senior Legislature, and Ad Hoc Anti-Hate Advisory Council Committee. Councilmember Horne answered a related question from Councilmember Hatch.

Councilmember Hatch and Mayor Moore commented on the upcoming Driving Out Darkness: Orange County Summit on Antisemitism and Hate.

Mayor Pro Tem Conners responded to the comments.

Mayor Pro Tem Conners commented on the Ad Hoc Anti-Hate Advisory Council Committee.

Annie McCary, resident, spoke in support of the Ad Hoc Anti-Hate Advisory Council Committee's efforts thus far. Ms. McCary also commented on a Juneteenth celebration.

Mayor Pro Tem Conners requested to move Item 10.1 (to meet in closed session under the authority of California Government Code Section 54957(b)(1) to consider the following: Public Employee Performance Evaluation – City Manager) to the August 17, 2022 regular meeting.

City Attorney Patterson made comments.

City Manager Macon stated that he was amenable to the item being moved.

Moved by Mayor Pro Tem Conners, seconded by Councilmember Tao, and carried on a 4-0 vote, with Councilmember Hatch abstaining, to move Item 10.1 to the August 17, 2022 City Council meeting.

X. CLOSED SESSION – None

XI. CLOSED SESSION REPORT – None

XII. ADJOURNMENT

The meeting was adjourned at 4:13 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, August 17, 2022 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: September 21, 2022

CAROL MOORE, Mayor

6.2
CITY TREASURER'S REPORT

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City of Laguna Woods
City Treasurer's Report
 For the Month Ended August 31, 2022

ITEM 6.2

CASH AND INVESTMENTS

| | Beginning Balances As of 7/31/22 | Earnings & Receipts | Disbursements | Purchases, Transfers & Other Adjustments | Ending Balances As of 8/31/22 | % of Total Cash & Investment Balances | Maximum % Allowed per Investment Policy |
|---|---|------------------------------------|----------------------|---|--|--|--|
| Cash and Cash Equivalents | | | | | | | |
| Analyzed Checking Account (Note 1) | \$ 948,262 | \$ 738,415 | \$ (641,407) | \$ - | \$ 1,045,270 | 7.22% | |
| Cash Balances, Multi-Bank Securities (MBS) Account (Note 2 and 4) | \$ 2,588 | \$ 5,629 | \$ (2,740) | \$ - | \$ 5,476 | 0.04% | |
| Earned Interest in Transit and Accrued Interest, MBS Account (Note 4) | \$ 9,762 | \$ 6,578 | \$ (5,629) | \$ - | \$ 10,711 | 0.07% | |
| Petty Cash | \$ 2,500 | \$ - | \$ (1,149) | \$ - | \$ 1,351 | 0.01% | |
| Total Cash and Cash Equivalents | \$ 963,111 | \$ 750,622 | \$ (650,925) | \$ - | \$ 1,062,808 | 7.34% | 100.00% |
| Pooled Money Investment Accounts | | | | | | | |
| Local Agency Investment Fund (LAIF) (Notes 2 and 3) | \$ 1,931,071 | \$ - | \$ - | \$ - | \$ 1,931,071 | 13.33% | |
| Orange County Investment Pool (OCIP) (Notes 2 and 3) | \$ 9,121,884 | \$ 5,152 | \$ (437) | \$ (158,537) | \$ 8,968,061 | 61.91% | |
| Total Pooled Money Investment Accounts | \$ 11,052,954 | \$ 5,152 | \$ (437) | \$ (158,537) | \$ 10,899,132 | 75.24% | 90.00% |
| Investments - Interest and Income Bearing | | | | | | | |
| Certificates of Deposit (fair value) (Note 2) | \$ 2,523,369 | \$ - | \$ - | \$ 635 | \$ 2,524,004 | 17.42% | |
| Total Investments - Interest and Income Bearing | \$ 2,523,369 | \$ - | \$ - | \$ 635 | \$ 2,524,004 | 17.42% | 30.00% |
| TOTAL | \$ 14,539,435 | \$ 755,774 | \$ (651,362) | \$ (157,902) | \$ 14,485,944 | 100.00% | |

Summary of Total Cash, Cash Equivalents, and Investments:

| | General Fund | Special Revenue Funds | Totals |
|--|---------------------|----------------------------------|----------------------|
| Analyzed Checking Account | \$ (3,568,857) | \$ 4,614,127 | \$ 1,045,270 |
| Cash Balances, MBS Account | \$ 5,476 | \$ - | \$ 5,476 |
| Earned Interest in Transit and Accrued Interest, MBS Account | \$ 10,711 | \$ - | \$ 10,711 |
| Petty Cash | \$ 1,351 | \$ - | \$ 1,351 |
| LAIF | \$ 1,931,071 | \$ - | \$ 1,931,071 |
| OCIP | \$ 8,968,061 | \$ - | \$ 8,968,061 |
| Certificates of Deposit | \$ 2,524,004 | \$ - | \$ 2,524,004 |
| Totals | \$ 9,871,817 | \$ 4,614,127 | \$ 14,485,944 |

(See **NOTES** on Page 4 of 4)



City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 2022

ITEM 6.2

CASH AND INVESTMENTS

| CUSIP | Investment # | Issuer | Term | Purchase Date | Settlement Date | Par Value | Market Value | Book Value | Stated Rate (Note 4) | Coupon Type | 1st Coupon Date | Rating or Rank (*) | Yield to Maturity 365 Days | Maturity Date |
|--|--------------|----------------------------------|-----------|---------------|-----------------|------------------|------------------|------------------|----------------------|-------------|-----------------|--------------------|----------------------------|---------------|
| Money Funds and Certificate of Deposits (CDs, Federal Deposit Insurance Corporation [FDIC] Insured) | | | | | | | | | | | | | | |
| 90348JEA4 | 2018-6 | UBS BANK USA | 48 months | 10/01/18 | 10/05/18 | 245,000 | 245,265 | 245,000 | 3.250 | Monthly | 11/05/18 | Green*** | 3.250 | 10/05/22 |
| 61760ARV3 | 2018-7 | MORGAN STANLEY PRIVATE BK NATL | 60 months | 11/06/18 | 11/15/18 | 245,000 | 245,997 | 245,000 | 3.550 | Semi-Annual | 05/15/19 | Green*** | 3.550 | 11/15/23 |
| 02589AAZ8 | 2018-9 | AMERICAN EXPRESS NATL | 60 months | 12/04/18 | 12/04/18 | 240,000 | 240,982 | 240,000 | 3.550 | Semi-Annual | 06/04/19 | Green*** | 3.550 | 12/04/23 |
| 33715LCZ1 | 2018-10 | FIRST TECHNOLOGY FED CU MTN VIEW | 60 months | 12/07/18 | 12/12/18 | 245,000 | 246,171 | 245,000 | 3.600 | Monthly | 01/12/19 | Green*** | 3.600 | 12/12/23 |
| 949763ZA7 | 2019-1 | WELLS FARGO BK N A | 60 months | 04/09/19 | 04/10/19 | 245,000 | 243,285 | 245,000 | 2.850 | Monthly | 05/10/19 | Green* | 2.850 | 04/10/24 |
| 38150VBG3 | 2022-2 | GOLDMAN SACHS BK USA | 24 months | 05/24/22 | 06/01/22 | 245,000 | 243,197 | 245,000 | 2.900 | Semi-Annual | 12/01/22 | Green* | 2.900 | 06/03/24 |
| 75472RBB6 | 2020-1 | RAYMOND JAMES BK NATL ASSN | 60 months | 02/06/20 | 02/14/20 | 245,000 | 235,430 | 245,000 | 1.750 | Semi-Annual | 08/14/20 | Green*** | 1.750 | 02/14/25 |
| 59013KGJ9 | 2020-2 | MERRICK BANK | 60 months | 03/24/20 | 03/31/20 | 100,000 | 95,988 | 100,000 | 1.800 | Monthly | 05/01/20 | Green*** | 1.800 | 03/31/25 |
| 14042TGG6 | 2022-1 | CAPITAL ONE BK USA NATL ASSN | 36 months | 05/24/22 | 05/25/22 | 245,000 | 242,878 | 245,000 | 3.100 | Semi-Annual | 11/25/22 | Green* | 3.100 | 05/27/25 |
| 32022RRG4 | 2022-4 | 1ST FINL BK USA | 48 months | 06/15/22 | 06/24/22 | 245,000 | 242,501 | 245,000 | 3.150 | Monthly | 07/24/22 | Green* | 3.150 | 06/24/26 |
| 50625LBN2 | 2022-3 | LAFAYETTE FED CR | 60 months | 05/24/22 | 06/15/22 | 245,000 | 242,310 | 245,000 | 3.250 | Monthly | 07/15/22 | Green*** | 3.250 | 06/15/27 |
| | | Accrued Interest - Month End | | | | | 10,711 | | | | | | | |
| Total CDs | | | | | | 2,545,000 | 2,534,715 | 2,545,000 | | | | | | |

(*) At the time of purchase and until September 2017, CDs were rated or ranked using an IDC Financial Publishing, Inc. (IDC) compiled ranking, and includes a one-number summary rank of quality comprised of 35 key financial ratios. Ranks range from 1 (the lowest) to 300 (the highest) and fall into one of the following six groups per Table 1. Post September 2017, CDs are ranked using the Veribanc Rating System, a two-part color code and star classification system which tests the present standing and future outlook by reviewing an institution's capital strength, asset quality, management ability, earnings sufficiency, liquidity, and sensitivity to market risk. Table 2 below summarizes the Veribanc color rankings. Veribanc star ratings of one to three, with three being best, are used to help review a possible future trend of an institutions health based on metrics from ten prior quarters. A rating of one, two, or three, are not necessarily an indicator of risk or an undesirable investment. The City reviews other rating systems and issuer financials before choosing any investment.

Table 1: CD Rankings (used prior to September 2017)

| IDC Rank | Group Meaning |
|----------|--------------------------------|
| 200-300 | Superior |
| 165-199 | Excellent |
| 125-164 | Average |
| 75-124 | Below Average |
| 2-74 | Lowest Ratios |
| 1 | Highest Probability of Failure |

Table 2: Veribanc Color Rankings (used beginning in September 2017)

| Veribanc Rank | Color Meaning |
|---------------|---|
| Green | Highest rating, exceeds qualifications in equity and income tests |
| Yellow | Merits attention, meets minimal qualifications in equity and income tests |
| Red | Merits close attention, does not meet minimal qualifications for equity and has incurred significant losses |

Government Pooled Money Investment Accounts (PMIA) (Notes 2 and 3)

| CUSIP | Investment # | Issuer | Term | Purchase Date | Settlement Date | Par Value | Market Value | Book Value | Stated Rate (Note 4) | Coupon Type | 1st Coupon Date | Rating or Rank (*) | Yield to Maturity 365 Days | Maturity Date |
|-------------------|--------------|--------------------------------------|------|---------------|-----------------|-------------------|-------------------|-------------------|----------------------|-------------|-----------------|--------------------|----------------------------|---------------|
| N/A | N/A | Local Agency Investment Fund (LAIF) | N/A | Various | Various | 1,943,191 | 1,931,071 | 1,943,191 | Note 3 | Quarterly | N/A | N/A | N/A | N/A |
| N/A | N/A | Orange County Investment Pool (OCIP) | N/A | Various | Various | 9,111,552 | 8,968,061 | 9,111,552 | Note 3 | Monthly | N/A | N/A | N/A | N/A |
| Total PMIA | | | | | | 11,054,744 | 10,899,132 | 11,054,744 | | | | | | |

(See NOTES on Page 4 of 4)



City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 2022

ITEM 6.2

CASH AND INVESTMENTS

| | Beginning Balances As of 7/31/22 | Contributions / (Withdrawals) | Administrative Fees & Investment Expense | Unrealized Gain / (Loss) | Ending Balances As of 8/31/22 |
|---|---|--|---|-------------------------------------|--|
| Other Post-Employment Benefits (OPEB) Trust | | | | | |
| CalPERS California Employers' Retiree Benefit Trust (CERBT) (Note 2) <small>(CERBT holds all assets and administers the OPEB Trust)</small> | \$ 134,358 | \$ - | \$ (10) | \$ (5,061) | \$ 129,286 |
| Employer Pension Contributions Trust | | | | | |
| CalPERS California Employers' Pension Prefunding Trust (CEPPT) (Note 2) <small>(CEPPT holds all assets and administers the Employer Pension Contributions Trust)</small> | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Other Funds - Held in Trust | <u>\$ 134,358</u> | <u>\$ -</u> | <u>\$ (10)</u> | <u>\$ (5,061)</u> | <u>\$ 129,286</u> |

(See **NOTES** on Page 4 of 4)



City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 2022

CASH AND INVESTMENTS

Notes:

Note 1 - Analyzed Checking Account / Monthly activity reported does not reflect August 2022 vendor invoicing processed after the date of this report.

Note 2 - During August 2022, transaction activity in pooled money investment accounts, investment accounts and fiduciary trusts included:

LAIF / The City made no deposits to or withdrawals from the LAIF account. The balance includes an adjustment in the amount of (\$12,120.51) to reflect the fair market value of the investment at June 30, 2022.

OCIP / The City made no deposits to or withdrawals from the OCIP account. The balance was adjusted by (\$158,537.26) to reflect the fair market value of the investment at June 30, 2022.

Investments / There were no maturities or purchases of investments. Investments were adjusted in the amount of \$635.15 to report balances at fair market value as of August 31, 2022.

OPEB Trust / The City made no contributions to or withdrawals from the OPEB Trust. The OPEB Trust experienced a net loss of \$5,071.09 in August 2022.

Employer Pension Contributions Trust / In April 2021, the City elected to participate in the CEPPT. The City has not yet made contributions to the CEPPT.

Note 3 - Investment earnings on pooled money investment accounts deposited and reported in August 2022 net of related fees were:


| Pool | Earnings Post | Prior Period Earnings Deposited | Deposit for Period Ended | Current Month / Quarter Gross Yield | Current Month / Quarter Earnings Will Post | Notes |
|------|---------------|---------------------------------|--------------------------|-------------------------------------|--|---|
| LAIF | Quarterly | \$0 | See Notes | See Notes | October 2022 | Total pool interest yield for August 2022 was 1.276% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted. |
| OCIP | Monthly | \$5,152 | May 2022 | See Notes | See Notes | Interest is posted three months in arrears and fees are posted monthly. Accrued interest pending payment at August 31, 2022 was \$19,939.50. August 2022 interest rate and fees were not available at the time of this report. July 2022 interest rate was 0.848% and fees were 0.055%. |

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$5,629.14 and transferred out \$2,740.48 in cash balances to the City's checking account in August 2022. Cash balances to be invested or paid out are classified separately on page 1 of 4. The City's portfolio also has \$10,710.97 in accrued interest, not yet vested.

City Treasurer's Certification

I, Elizabeth Torres, City Treasurer, do hereby certify:

- That all investment actions executed since the last report have been made in full compliance with the City's Investment of Financial Assets Policy; and
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

 Digitally signed by
 Elizabeth Torres
 Date: 2022.09.15
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Elizabeth Torres, City Treasurer

6.3 WARRANT REGISTER

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**CITY OF LAGUNA WOODS
WARRANT REGISTER
SEPTEMBER 21, 2022**

ITEM 6.3

This Report Covers the Period 8/01/2022 through 8/31/2022

| Date | Vendor Name | Description | Amount |
|-------------------------------|-------------------------------|---|------------|
| Debit | | | |
| <i>Automatic Bank Debits:</i> | | | |
| 08/02/2022 | DELTA DENTAL OF CALIFORNIA | Employee Benefit Program / August 2022 | 539.50 |
| 08/02/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/01/2022 | 3,078.41 |
| 08/02/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/01/2022 | 1,649.40 |
| 08/02/2022 | AUTHORIZE.NET | Online Credit Card Processing Fees / July 2022 | 12.00 |
| 08/02/2022 | GLOBAL PAYMENTS / OPEN EDGE | Credit Card Processing Fees / July 2022 | 973.59 |
| 08/03/2022 | NAVIA BENEFIT SOLUTIONS | Employee Benefit Program / August 2022 | 192.72 |
| 08/04/2022 | ICMA / MFRS AND TRADERS TRUST | Employee Benefit Program / Pay Period Ended 07/29/2022 | 2,795.00 |
| 08/04/2022 | ADP TAX | Payroll Taxes / Pay Period Ended 07/29/2022 | 8,578.35 |
| 08/04/2022 | ADP WAGE PAY | Payroll Transfer / Pay Period Ended 07/29/2022 | 17,767.06 |
| 08/05/2022 | ADP PAYROLL SERVICES | Payroll Processing Fees / Pay Periods Ended 07/01/2022 and 07/15/2022 | 489.14 |
| 08/08/2022 | NAVIA BENEFIT SOLUTIONS, INC | 125 Cafeteria Plan Administration / July 2022 | 100.00 |
| 08/11/2022 | NAVIA BENEFIT SOLUTIONS | Employee Benefit Program / August 2022 | 147.77 |
| 08/11/2022 | CALPERS - HEALTH | Employee Benefit Program / August 2022 | 7,387.03 |
| 08/12/2022 | COUNTY OF ORANGE - SHERIFF | Law Enforcement Services / August 2022 | 261,943.67 |
| 08/12/2022 | U.S. BANK | Bank Service Charges / July 2022 | 94.87 |
| 08/16/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/15/2022 | 3,108.40 |
| 08/16/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/15/2022 | 1,706.05 |
| 08/17/2022 | ADP TAX | Payroll Taxes / Pay Period Ended 08/12/2022 | 8,734.88 |
| 08/17/2022 | ADP WAGE PAY | Payroll Transfer / Pay Period Ended 08/12/2022 | 17,866.40 |
| 08/18/2022 | ICMA / MFRS AND TRADERS TRUST | Employee Benefit Program / Pay Period Ended 08/12/2022 | 1,620.00 |
| 08/25/2022 | NAVIA BENEFIT SOLUTIONS | Employee Benefit Program / August 2022 | 43.68 |
| 08/26/2022 | CALPERS - RETIREMENT | Unfunded Accrued Liability / July 2022 | 230.63 |
| 08/26/2022 | CALPERS - RETIREMENT | Unfunded Accrued Liability / July 2022 | 116.82 |
| 08/30/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/29/2022 | 3,105.68 |
| 08/30/2022 | CALPERS - RETIREMENT | Retirement Contributions / Pay Period Ended 07/29/2022 | 1,692.80 |
| 08/31/2022 | ADP TAX | Payroll Taxes / Pay Period Ended 08/26/2022 | 9,372.86 |
| 08/31/2022 | ADP WAGE PAY | Payroll Transfer / Pay Period Ended 08/26/2022 | 19,964.67 |
| Check | | | |
| <i>Number</i> | | | |
| <i>Warrants:</i> | | | |
| 5966 | 08/05/2022 | BOUTWELL FAY LLP | 637.50 |
| 5967 | 08/05/2022 | RUTAN & TUCKER | 15,955.00 |
| 5968 | 08/05/2022 | 360CIVIC | 400.00 |
| 5969 | 08/05/2022 | ABOUND FOOD CARE | 317.00 |
| 5970 | 08/05/2022 | NAVIA BENEFIT SOLUTIONS, INC | 100.00 |
| 5971 | 08/05/2022 | OFFICE TEAM | 1,458.80 |
| 5972 | 08/05/2022 | PETTY CASH | - |
| 5973 | 08/11/2022 | 360CIVIC | 200.00 |
| 5974 | 08/11/2022 | ABOUND FOOD CARE | 317.00 |
| 5975 | 08/11/2022 | ADT COMMERCIAL | 3,425.00 |
| 5976 | 08/11/2022 | AT&T | 46.80 |
| 5977 | 08/11/2022 | AT&T | 2,627.73 |
| 5978 | 08/11/2022 | AT&T | 4.62 |
| 5979 | 08/11/2022 | AT&T | 231.44 |

**CITY OF LAGUNA WOODS
WARRANT REGISTER
SEPTEMBER 21, 2022**

ITEM 6.3

This Report Covers the Period 8/01/2022 through 8/31/2022

| Date | Vendor Name | Description | Amount | |
|-------------|--------------------|--|---|-----------|
| 5980 | 08/11/2022 | BRIGHTVIEW LANDSCAPE SERVICES, INC. | Landscape Maintenance / July 2022 | 18,158.07 |
| 5981 | 08/11/2022 | BROAD SKY NETWORKS | City Hall Internet Service / August 2022 | 171.45 |
| 5982 | 08/11/2022 | CALIFORNIA JPIA | Pollution Liability Insurance Policy / Fiscal Year 2022-23 | 500.00 |
| 5983 | 08/11/2022 | CITY OF LAGUNA BEACH | Animal Control & Shelter Services / July 2022 | 9,426.75 |
| 5984 | 08/11/2022 | KONE INC. | City Hall Elevator Maintenance / August 2022 | 225.00 |
| 5985 | 08/11/2022 | LA OPINION | Public Notices | 436.25 |
| 5986 | 08/11/2022 | OBR ARCHITECTURE, INC. | City Hall/Public Library Project | 2,000.00 |
| 5987 | 08/11/2022 | ORANGE COUNTY REGISTER-NOTICES | Public Notices | 1,349.80 |
| 5988 | 08/11/2022 | ORKIN | Pest Control Services | 2,000.00 |
| 5989 | 08/11/2022 | PARK CONSULTING GROUP, INC | Software Consulting Services / July 2022 | 3,637.50 |
| 5990 | 08/11/2022 | PV MAINTENANCE INC | Street, City Hall, & Park Maintenance / July 2022 | 11,936.50 |
| 5991 | 08/11/2022 | RICOH USA, INC. | Copier Usage / July 2022 | 141.26 |
| 5992 | 08/11/2022 | SOUTHERN CALIFORNIA EDISON | Electric Services / June - July 2022 | 8,403.12 |
| 5993 | 08/11/2022 | SOUTHERN CALIFORNIA GAS COMPANY | Gas Service - City Hall / July 2022 | 14.30 |
| 5994 | 08/11/2022 | STAPLES | Office & Janitorial Supplies | 673.30 |
| 5995 | 08/11/2022 | THE KOREA TIMES LA, INC. | Public Notices | 300.00 |
| 5996 | 08/11/2022 | UNITED STATES POSTAL SERVICE | Postage | 1,724.00 |
| 5997 | 08/11/2022 | VITUITY - URGENT CARE SERVICES, PC | Employee Health Services / July 2022 | 80.00 |
| 5998 | 08/11/2022 | WORLD JOURNAL | Public Notices | 360.00 |
| 5999 | 08/11/2022 | ACC BUSINESS | City Hall Internet Service / June 2022 | 594.67 |
| 6000 | 08/11/2022 | ADT COMMERCIAL | Annual Sprinkler Inspection / Calendar Year 2022 | 358.31 |
| 6001 | 08/11/2022 | BARTEL ASSOCIATES, LLC | OPEB Valuation / Fiscal Year 2021-22 | 2,908.50 |
| 6002 | 08/11/2022 | BRIGHTVIEW LANDSCAPE SERVICES, INC. | Landscape Maintenance / April 2022 | 2,987.80 |
| 6003 | 08/11/2022 | EL TORO WATER DISTRICT | Water Service / June 2022 | 5,436.58 |
| 6004 | 08/11/2022 | LSA ASSOCIATES, INC. | Planning Services / April 2022 | 4,786.25 |
| 6005 | 08/11/2022 | OMNI ENTERPRISE INC | Janitorial Services / June 2022 | 2,560.00 |
| 6006 | 08/11/2022 | RICOH USA, INC. | Building Printer Usage / May - July 2022 | 56.58 |
| 6007 | 08/11/2022 | YUNEX LLC | Traffic Signal Maintenance / June 2022 | 1,659.50 |
| 6008 | 08/18/2022 | BOUTWELL FAY LLP | Legal Services / July 2022 | 127.50 |
| 6009 | 08/18/2022 | CALIFORNIA YELLOW CAB | Taxi Voucher Services / July 2022 | 443.00 |
| 6009 | 08/18/2022 | CALIFORNIA YELLOW CAB | NEMT Taxi Voucher Services / July 2022 | 558.00 |
| 6010 | 08/18/2022 | COUNTY OF ORANGE | 800 MHz Communication Charges / July - September 2022 | 1,069.00 |
| 6011 | 08/18/2022 | COUNTY OF ORANGE | Automated Fingerprint ID System / August 2022 | 613.00 |
| 6012 | 08/18/2022 | IE, INC | Cancelled Permit Refund | 101.34 |
| 6013 | 08/18/2022 | LSA ASSOCIATES, INC. | Planning Services / July 2022 | 17,707.91 |
| 6014 | 08/18/2022 | MARC DONOHUE | Administrative Services / July 2022 | 250.00 |
| 6015 | 08/18/2022 | OFFICE TEAM | Temporary Administrative Services / Week Ended August 5, 2022 | 1,401.18 |
| 6016 | 08/18/2022 | PRACTICAL DATA SOLUTIONS | IT Support Services / July 2022 | 4,995.81 |
| 6017 | 08/18/2022 | SOUTHWEST INSPECTION AND TESTING, INC. | City Hall/Public Library Project | 372.00 |
| 6018 | 08/18/2022 | STEVEN BAUMGARDNER | Cancelled Permit Refund | 190.65 |
| 6019 | 08/18/2022 | CIVIL SOURCE | Traffic Engineering / June 2022 | 12,935.00 |
| 6020 | 08/18/2022 | COUNTY OF ORANGE | Automated Fingerprint ID System / June 2022 | 636.00 |
| 6021 | 08/18/2022 | LSA ASSOCIATES, INC. | Planning Services / May 2022 | 9,130.27 |
| 6022 | 08/18/2022 | MARC DONOHUE | Administrative Services / June 2022 | 400.00 |
| 6023 | 08/18/2022 | PRACTICAL DATA SOLUTIONS | IT Support Services / June 2022 | 3,726.84 |

**CITY OF LAGUNA WOODS
WARRANT REGISTER
SEPTEMBER 21, 2022**

ITEM 6.3

This Report Covers the Period 8/01/2022 through 8/31/2022

| Date | Vendor Name | Description | Amount | |
|------|-------------|-------------------------------------|--|----------------------|
| 6024 | 08/26/2022 | CAPTIONING UNLIMITED | Closed Captioning / July - August 2022 | 900.00 |
| 6025 | 08/26/2022 | CIVIL SOURCE | Traffic Engineering / July 2022 | 4,480.00 |
| 6026 | 08/26/2022 | INTERWEST CONSULTING GROUP | Building Official, Permit Counter & Inspection Services / July 2022 | 53,805.00 |
| 6027 | 08/26/2022 | MANAGED HEALTH NETWORK | Employee Benefit Program / September 2022 | 16.72 |
| 6028 | 08/26/2022 | OFFICE TEAM | Temporary Administrative Services / Weeks Ended July 29 and August 12 & 19, 2022 | 4,084.64 |
| 6029 | 08/26/2022 | OMNI ENTERPRISE INC | Janitorial Services / July 2022 | 2,400.00 |
| 6030 | 08/26/2022 | RICOH USA, INC. | Copier Lease / September 2022 | 214.20 |
| 6031 | 08/26/2022 | SOUTHERN CALIFORNIA SHREDDING, | Shredding Services / July 2022 | 500.00 |
| 6032 | 08/26/2022 | VERIZON WIRELESS | Building iPad Data Plans / July 2022 | 120.03 |
| 6033 | 08/26/2022 | AMAZON CAPITAL SERVICES | Office Supplies | 303.54 |
| 6034 | 08/26/2022 | BRIGHTVIEW LANDSCAPE SERVICES, INC. | Landscape Maintenance / June 2022 | 2,273.35 |
| 6035 | 08/26/2022 | DATA TICKET, INC | Citation Processing / August - September 2021 | 8.22 |
| 6036 | 08/26/2022 | LSA ASSOCIATES, INC. | Planning Services / June 2022 | 18,577.25 |
| 6037 | 08/26/2022 | OFFICE TEAM | Temporary Administrative Services / Week Ended June 17, 2022 | 1,156.33 |
| 6038 | 08/26/2022 | PV MAINTENANCE INC | Street, City Hall, & Park Maintenance / June 2022 | 12,263.76 |
| 6039 | 08/26/2022 | WILLDAN ENGINEERING | Building Official Services | 660.00 |
| | | | Total Bank Debits and Warrants: | \$ 638,338.30 |

TOTAL \$ 638,338.30

NOTES:

Note 1 - City Councilmembers are eligible to receive either a salary or vehicle reimbursement allowance in the amount of \$300 per month (\$3,600 per year). Such compensation is included in the City's regular payroll (see "ADP Payroll Services" under "Automatic Bank Debits"), unless waived by the Councilmember. For the month of August 2022, the following Councilmembers received compensation in the amount of \$300: Conners, Hatch, Horne, and Tao.

Note 2 - Petty cash is reported as cash is paid out, not when the fund is replenished. No petty cash transactions were paid during this time period. The petty cash replenishment on August 5, 2022 was to replenish the overdrawn cash drawers for taxi voucher refunds.

Note 3 - No credit card transactions were paid during this time period.

Administrative Services Director/City Treasurer's Certification

I, Elizabeth Torres, Administrative Services Director / City Treasurer, do hereby certify:

- In accordance with California Government Code Section 37202, I hereby certify to the accuracy of the demands on cash summarized within;
- That the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months; and
- That the City is in compliance with California Government Code Section 27108.

Digitally signed by
Elizabeth Torres
Date: 2022.09.15
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Elizabeth Torres, Administrative Services Director/City Treasurer

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6.4 TELECONFERENCING FOR MEETINGS

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RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ALLOWING FOR THE CONTINUED USE OF TELECONFERENCING FOR MEETINGS DURING THE COVID-19 STATE OF EMERGENCY, PURSUANT TO CALIFORNIA ASSEMBLY BILL 361 (2021-2022)

WHEREAS, on February 26, 2020, the County of Orange Health Officer declared a Local Health Emergency and the Chairwoman of the Board of Supervisors, acting as the Chair of Emergency Management Council, proclaimed a Local Emergency finding that the imminent and proximate threat to public health from the introduction of COVID-19 created conditions of extreme peril to the safety of persons and property within the territorial limits of Orange County; and

WHEREAS, on March 2, 2020, the Orange County Board of Supervisors adopted resolutions No. 20-011 and 20-012 ratifying the Local Health Emergency and Local Emergency, referenced above; and

WHEREAS, on March 4, 2020, the Governor of the State of California proclaimed a State of Emergency in response to COVID-19, pursuant to Section 8625 of the California Emergency Services Act (Article 1 [commencing with Section 8550] of Chapter 7 of Division 1 of Title 2); and

WHEREAS, on March 11, 2020 the World Health Organization publicly characterized COVID-19 as a pandemic; and

WHEREAS, on March 13, 2020, the President of the United States declared a National Emergency due to the spread and the effects of COVID-19; and

WHEREAS, the State of California (California Department of Industrial Relation's Division of Occupational Safety and Health's Revised COVID-19 Prevention Emergency Temporary Standards effective May 6, 2022) and County of Orange Health Officer (Orders and Strong Recommendations revised August 19, 2022) continue to impose or recommend measures to promote social distancing; and

WHEREAS, on March 17, 2020, the Governor of the State of California issued Executive Order N-29-20 that, in an effort to confront and contain COVID-19, suspended certain provisions of the Ralph M. Brown Act providing local

agencies with greater flexibility to hold meetings via teleconferencing; and

WHEREAS, on September 16, 2021, the Governor of the State of California signed Assembly Bill 361 (2020-2022) (“AB 361”) amending the Ralph M. Brown Act providing local agencies with greater flexibility to hold meetings via teleconferencing during a proclaimed state of emergency when: (1) state or local officials have imposed or recommended measures to promote social distancing and/or (2) the legislative body of the local agency has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees (California Government Code Section 54953(e)(1)); and

WHEREAS, AB 361 was chaptered into law as an urgency statute with its effectiveness waived until October 1, 2021, subject to the Governor of the State of California’s Executive Order N-15-21 dated September 20, 2021; and

WHEREAS, in order to continue holding meetings via teleconferencing, AB 361 requires the legislative body of a local agency to periodically make the findings set forth in California Government Code Section 54953(e)(3).

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

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council does hereby find the following:

(A) A state of emergency has been proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 [commencing with Section 8550] of Chapter 7 of Division 1 of Title 2); and

(B) The City Council has reconsidered the circumstances of the state of emergency; and

(C) The state of emergency continues to directly impact the ability of the members of the City Council to meet safely in person; and

(D) State and local officials continue to impose or recommend measures to promote social distancing.

SECTION 3. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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6.5
FISCAL YEARS 2021-23 BUDGET
ADJUSTMENTS

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RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADJUSTING THE ASSIGNED RESERVE BALANCES FOR THE PAID LEAVE CONTINGENCY RESERVE AND THE GENERAL FUND CONTINGENCY RESERVE FOR FISCAL YEAR 2022-23

WHEREAS, the Fiscal Years 2021-23 Budget (“Budget”) was adopted by the City Council on June 23, 2021; and

WHEREAS, the Budget includes contingency funds for paid leave, self-insurance, and General Fund purposes; and

WHEREAS, in accordance with Administrative Policy 2.9, the Budget was adopted with an overall target for committed and assigned reserves in an amount equal to 50% of the adopted General Fund revenue budget for Fiscal Year 2022-23, less any one-time revenues and non-operating revenues, based on information available as the adoption of the Budget; and

WHEREAS, in accordance with Administrative Policy 2.9, the Budget was adopted with an estimate of the assigned reserve balance for the Paid Leave Contingency Reserve for Fiscal Year 2022-23, subject to finalization by City Council action after fiscal-year-end calculations are available; and

WHEREAS, fiscal-year-end calculations for the Paid Leave Contingency Reserve are now available and staff has recommended an increase in its assigned reserve balance for Fiscal Year 2022-23, based on actual accrued paid leave balances for City employees as of June 30, 2022; and

WHEREAS, in accordance with Administrative Policy 2.9, adjustment of the assigned reserve balance for the Paid Leave Contingency Reserve also affects the assigned reserve balance for the General Fund Contingency Reserve; and

WHEREAS, the assigned reserve balance adjustments recommended by staff would increase and finalize the assigned reserve balance for the Paid Leave Contingency Reserve for Fiscal Year 2022-23 by \$21,670 and reduce the assigned reserve balance for the General Fund Contingency Reserve for Fiscal Year 2022-23 by \$21,670, with no change to total committed and assigned reserves for Fiscal Year 2022-23.

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

SECTION 1. Section 3 of Resolution No. 21-20 is hereby amended, as previously amended by Resolution No. 21-24, in its entirety, to read as follows:

The General Fund assigned reserves authorized are:

| | <i>Fiscal Year 2021-22</i> | <i>Fiscal Year 2022-23</i> |
|---------------------------------------|--------------------------------|--------------------------------|
| Paid Leave Contingency Reserve | \$103,362 | \$120,046 |
| Self-Insurance Contingency Reserve | \$50,000 | \$50,000 |
| General Fund Contingency Reserve | \$2,975,538 | \$3,036,204 |
| TOTAL | \$3,128,900 | \$3,206,250 |

Assigned reserves shall be maintained, administered, and expended in accordance with Administrative Policy 2.9.

SECTION 2. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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6.6

INVESTMENT OF FINANCIAL ASSETS POLICY

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 21, 2022 Regular Meeting
SUBJECT: Investment of Financial Assets Policy

Recommendation

Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING AN ANNUAL STATEMENT OF THE INVESTMENT POLICY, ADOPTING AN INVESTMENT POLICY, AND RENEWING THE CITY COUNCIL'S DELEGATION OF INVESTMENT AUTHORITY TO THE CITY TREASURER PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53607

Background

Local government investment policies and activities are subject to standards and limitations set forth in California Government Code, including Section 53601 et seq., which describes permissible investment types and maximum investments.

California Government Code Section 53607 requires that the City Council review the City's investment policy, as it relates to any delegation of investment authority, at least annually. Separately, California Government Code Section 53646 speaks to the advisability of regular investment policy reviews.

The existing investment policy was last reviewed, modified, and adopted by the City Council at the adjourned regular meeting on April 4, 2022.

The City Council last voted to renew its delegation of investment authority to the City Treasurer at the regular meeting on October 20, 2021.

At the regular meeting on December 16, 2020, the City Council appointed Councilmembers Horne and Tao to serve on the standing Investment Policy Review Committee for calendar years 2021 and 2022, as called for in the investment policy. The Investment Policy Review Committee is responsible for conducting at least biannual reviews of the adequacy and effectiveness of the investment policy and preparing related recommendations for City Council consideration.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on the proposed review and adoption of an annual statement of the investment policy, adoption of an investment policy, and renewal of the City Council's delegation of investment authority to the City Treasurer pursuant to California Government Code Section 53607 (Attachment A).

The Investment Policy Review Committee, City Manager, and City Treasurer recommend that the City Council adopt a modified investment policy that reflects certification by the California Municipal Treasurers Association dated June 27, 2022. The proposed investment policy is included as Exhibit A to Attachment A, and includes a final sentence below the certificate that was not previously reviewed by the Investment Policy Review Committee, but which adds clarity regarding the scope of modifications undertaken since receiving certification. A redline version of the proposed investment policy is included as Attachment B.

The Investment Policy Review Committee and City Manager recommend that the City Council renew delegation of investment authority to the City Treasurer. Doing so would be consistent with best practices related to internal control, as well as the investment process outlined in the investment policy.

Fiscal Impact

Sufficient funds to support this project are included in the City's budget.

Attachments: A – Proposed Resolution
 Exhibit A – Proposed Investment Policy
 B – Proposed Investment Policy (redline)

RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REVIEWING AND ADOPTING AN ANNUAL STATEMENT OF THE INVESTMENT POLICY, ADOPTING AN INVESTMENT POLICY, AND RENEWING THE CITY COUNCIL'S DELEGATION OF INVESTMENT AUTHORITY TO THE CITY TREASURER PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53607

WHEREAS, the California legislature has declared that the deposit and investment of public funds by local officials and agencies is an issue of statewide concern (California Government Code sections 53600.6 and 53630.1); and

WHEREAS, the City Council is able to invest surplus monies not required for the immediate necessities of the City in accordance with California Government Code sections 5921 and 53601 et seq.; and

WHEREAS, the City's investment policy is contained in Administrative Policy 2.2 and was last adopted by the City Council on April 4, 2022; and

WHEREAS, the City Council's practice is to review the City's investment policy, annually, and consider any changes thereto at a public meeting; and

WHEREAS, on December 16, 2020, the City Council appointed Mayor Horne and Councilmember Tao to serve on the standing Investment Policy Review Committee from January 1, 2021 through December 31, 2022, as called for in the investment policy; and

WHEREAS, the Investment Policy Review Committee has worked with the City Manager and City Treasurer to review the adequacy and effectiveness of the existing investment policy; and

WHEREAS, the Investment Policy Review Committee (at a special meeting on August 24, 2022), City Manager, and City Treasurer have recommended that the City Council adopt modifications to the existing investment policy, all of which are incorporated into the investment policy attached hereto as Exhibit A; and

WHEREAS, California Government Code Section 53607 provides that the authority of City Council to invest or to reinvest City funds, or to sell or exchange

securities so purchased, may be delegated for a one-year period by the City Council to the City Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the City Council may renew the delegation of authority annually; and

WHEREAS, the City Council last renewed its delegation of investment authority to the City Treasurer on October 20, 2021; and

WHEREAS, the Investment Policy Review Committee (at a special meeting on August 24, 2022) and City Manager have recommended that the City Council renew its delegation of investment authority to the City Treasurer pursuant to California Government Code Section 53607 for a one-year period.

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

SECTION 1. After independent review and consideration, the administrative policy attached hereto as Exhibit A is adopted and is a statement of the City’s investment policy. The City Council receives and files said statement in accordance with the City’s investment policy and applicable California Government Code and Laguna Woods Municipal Code provisions. The administrative policy attached hereto as Exhibit A replaces and supersedes all previous City investment policies.

SECTION 2. After independent review and consideration, the City Council renews its delegation of investment authority to the City Treasurer, as described in Administrative Policy 2.2 attached hereto as Exhibit A, in accordance with applicable California Government Code (including, but not limited to, California Government Code Section 53607) and Laguna Woods Municipal Code provisions.

SECTION 3. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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**CITY OF LAGUNA WOODS
ADMINISTRATIVE POLICY 2.2**

INVESTMENT OF FINANCIAL ASSETS

2.2.01. Statement of Purpose.

This Administrative Policy is intended to assist the City of Laguna Woods with the investment of the City’s financial assets in a manner that ensures adequate safety and liquidity, while maximizing yield (return) and complying with the requirements of California Government Code sections 53600 and 53635 et seq.

2.2.02. Scope.

This Administrative Policy generally applies to all financial assets and investment activities of the City. Such funds are accounted for, or disclosed, in annual audited financial statements and include the General Fund, Special Revenue Funds, and the Capital Projects Fund. Funds belonging to the Laguna Woods Civic Support Fund and funds invested separately with independent fiduciaries, including funds held and managed by the California Public Employees’ Retirement System (CalPERS) for the purpose of funding employee retirement obligations and other post-employment benefits (OPEB) are exempt from this Administrative Policy.

2.2.03. Objectives.

The objectives of the City’s investment activities, in priority order, shall be:

1. Safety – Safety of principal shall be the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio and the mitigation of credit risk and interest rate risk. This Administrative Policy recognizes that market conditions may warrant the sale of individual securities that would incur market losses in order to protect from further capital losses. The intent of this Administrative Policy is to ensure that capital losses are minimized on a portfolio level rather than on each transaction. To attain the safety objective, diversification of investments among a variety of securities with independent returns and institutions is required.
2. Liquidity – The investment portfolio shall remain sufficiently liquid (i.e., capable of being converted to cash quickly) in order to enable the City to meet all reasonably anticipated cash demands and operational requirements and to

maintain compliance with all applicable indenture agreements. Since unusual or unanticipated cash demands and operational requirements may occur from time-to-time, the portfolio shall primarily consist of investments in securities with active secondary and resale markets.

3. Yield (Return) – The investment portfolio shall be designed in a manner that seeks to attain the highest rate of return, consistent with established safety and liquidity objectives. While it is acknowledged and understood that occasional measurement losses may occur, the rate of return on the investment portfolio should be designed to attain a market rate of return throughout budgetary and economic cycles for similar investments.

2.2.04. Delegation of Authority.

City Treasurer

No person other than the City Treasurer or Acting City Treasurer (hereafter referred to jointly as the “City Treasurer”) shall engage in an investment transaction using the City’s financial assets. The City Treasurer shall additionally be responsible for all investment transactions undertaken and shall establish and maintain a system of internal controls to regulate all investing activities.

In accordance with Government Code Section 53607, the City Council delegates investment authority for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council’s discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period.

Pursuant to Laguna Woods Municipal Code Section 2.10.010, the City Treasurer is appointed by, and reports to, the City Manager. The City Manager may serve as, or appoint, an Acting City Treasurer at any time during the absence of a permanent City Treasurer. During his/her/their appointment, the Acting City Treasurer shall have all of the powers and duties of the City Treasurer.

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment’s performance or losses, market price changes, and the performance of or losses incurred by the overall portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations

from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

Investment Policy Review Committee of the City Council

The Investment Policy Review Committee shall be responsible for conducting at least biannual reviews of the adequacy and effectiveness of this Administrative Policy and preparing related recommendations for City Council consideration.

The City Council shall appoint two of its members to serve on the Investment Policy Review Committee for terms two calendar years in length, commencing on January 1 of each odd-numbered year. The City Council reserves the right to remove or replace any member of the Investment Policy Review Committee, with or without cause, following a publicly noticed vote of a majority of the quorum of City Councilmembers present at the time.

The Investment Policy Review Committee shall be considered a standing committee, subject to all applicable provisions of the Ralph M. Brown Act.

2.2.05. Public Trust.

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall act as custodians of the public trust and recognize that the investment portfolio is subject to public review and evaluation. The City's overall approach to investment shall be designed and managed with a degree of professionalism that is worthy of the public trust and will avoid any transactions that might impair public confidence.

2.2.06. Prudence.

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City, are considered to be trustees and, therefore, fiduciaries subject to the prudent investor standard. The prudent investor standard is summarized in Government Code Section 53600.3, as follows:

All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds,

a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

2.2.07. Ethics and Conflicts of Interest.

As set forth in the City’s Conflict of Interest Policy, and as otherwise required by the Political Reform Act and Fair Political Practices Commission, public officials who manage public investments are required to file economic interest disclosures.

In addition to federal, state and local statutes relating to conflicts of interest, the City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall refrain from personal business association or activity that conflicts with proper execution of this Administrative Policy, or which could impair their ability to make impartial investment decisions.

2.2.08. Internal Controls and Routine External Review.

The City Treasurer shall develop, implement, and maintain a system of internal controls designed to ensure the effectiveness and efficiency of investment activities, compliance with applicable laws and regulations, and the reliability of financial reporting. Such internal controls shall seek to prevent the loss of public funds due to fraud, error, misrepresentation, and unanticipated market changes.

As a part of their annual review of internal controls, the City’s independent, external auditors shall review internal controls related to investment activities.

2.2.09. Authorized Financial Dealers, Depositories, and Institutions.

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004, (3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined

by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law and at least five years’ experience providing similar services to California municipalities.

The selection of financial dealers, depositories, and institutions shall follow a periodic competitive procurement process (e.g., requests for proposals or requests for qualifications) and be subject to ultimate approval of the City Council or City Manager in accordance with established purchasing regulations and policies. The nature of the competitive procurement process, frequency thereof, and submittals required, shall be designed and determined by the City Treasurer.

On an annual basis, the City Treasurer shall send a copy of the current version of this Administrative Policy to all financial dealers, depositories, and institutions approved to do business with the City. Receipt of this Administrative Policy shall be considered confirmation that the parties to whom they were distributed understand the City’s authorized investment types and requirements thereof.

2.2.10. Authorized Investments.

In accordance with the requirements set forth in this Administrative Policy and in Government Code sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684, the following types of investment are authorized and shall be invested subject to the limits and requirements set forth herein:

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|---|---|---|---|------------------|
| Federal Deposit Insurance Corporation (FDIC) Insured Accounts | 100% | - | - | N/A |
| Bankers’ Acceptances | 20% (no more than 5% with one bank) | - | - | 180 days |
| Commercial Paper | 15% (no more than 10% of a single issuer) | - | Standard & Poor’s: AAA or Moody’s: Aaa | 270 days |
| Local Government Investment Pools | 90% | - | See Section 2.2.11 | N/A |

ITEM 6.6 – Exhibit A to Attachment A

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|---|--|---|--|------------------|
| Joint Powers Authority Pools | 90% | - | Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o) | N/A |
| Money Market Mutual Funds | 10% | - | Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in money market instruments | N/A |
| Certificates of Deposit (Negotiable and Non-Negotiable) | 30% (no more than 10% with one bank or issuer) | \$250,000 | Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or collateralized in accordance with Section 2.2.15 | 5 years |
| Repurchase Agreements | 10% (no more than 20% of a single issuer) | - | Collateralized in accordance with Section 2.2.15 | 30 days |

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|--|--|---|--|------------------|
| United States Treasury Obligations | 90% of overall portfolio for any one investment type (no more than 20% of a single issuer) | - | Explicit full faith and credit guarantee of the United States Government | 5 years |
| United States Agency Obligations | | - | Implied full faith and credit guarantee of the United States Government | 5 years |
| State of California and Other States-issued Obligations | 20% of overall portfolio for any one investment type (no more than 5% of a single issuer) | - | - | 3 years |
| California Local Government-issued Municipal Obligations | | - | - | 3 years |
| Medium-Term Notes | 20% | - | Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent | 5 years |

2.2.11. Local Government Investment Pools.

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making any such investment and consider the same during the monthly compliance review required by Section 2.2.13. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized. Similar due diligence and investigative procedures shall be performed prior to investing in any other pooled investment funds, such as money market mutual funds.

2.2.12. Prohibited Investments.

Notwithstanding those types of investments that are otherwise prohibited by law or this Administrative Policy, any investment not specifically listed in Section 2.2.10, as well as financial derivatives (e.g., inverse floaters, range notes, interest only strips derived from a pool of mortgages, and securities that could result in a zero-interest accrual if held to maturity) and foreign investments (e.g., indices and currencies) are prohibited.

2.2.13. Monthly Internal Compliance Review of Investment Portfolio.

Investments shall be in compliance with the ratings and other requirements set forth in this Administrative Policy at the time of purchase. It is acknowledged and understood that some investments may not fully comply with the same following purchase. The City Treasurer shall review the overall investment portfolio on a monthly basis and identify any investments that no longer comply. Non-compliant investments shall be reported to the City Council, City Manager, and City Attorney within 10 business days of discovery and corrected as soon as practical.

2.2.14. Safekeeping and Custody.

All investments shall be registered in the name of the City and all interest, principal payments, and withdrawals shall indicate the City as the sole payee.

All investments, with the exception of Federal Deposit Insurance Corporation (FDIC) Insured Accounts, Local Government Investment Pools, and Money Market Funds shall be held by a third-party custodian designated by the City Treasurer and evidenced by custodial agreements or safekeeping receipts. Third-party custodians shall comply with the requirements set forth in Section 2.2.09.

All security transactions, where applicable, shall use a Delivery-versus-Payment (DVP) settlement procedure with the City's payment due at the time of delivery, which ensures that securities are deposited with the third-party custodian prior to the release of funds.

2.2.15. Collateralization.

Collateral for bank deposits and certificates of deposit shall be 110% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities.

Collateral for repurchase agreements shall be 102% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities. The City Treasurer is authorized to grant the right of collateral substitution for repurchase agreements.

All collateral shall be held by an independent third party with whom the City has a current custodial agreement or master repurchase agreement. Evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

2.2.16. Diversification.

The overall investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks associated with concentrating investments in specific investment types, maturity segments, or individual financial institutions. In a diversified portfolio, it is acknowledged and understood that occasional measurement losses may occur. Such losses shall be considered within the overall portfolio's investment return. Diversification also requires investments to be spread among varying security types and institutions.

2.2.17. Reporting.

The City Treasurer shall prepare and submit a monthly investment report to the City Council. The report shall include a summary of all investment transactions for the preceding month, as required by Government Code Section 53607, as well as similar information that would be required by Government Code Section 53646(b) if the City prepared quarterly investment reports, to the extent that such information is available.

The report shall contain, at a minimum, the following information that is subject to this Administrative Policy: the type of investment, issuer, date of maturity, par value and costs of each investment, market value, and a description of any investments, including loans and security lending programs, that are under the management of contracted parties. For funds in local government investment pools, the report shall also include a current market value as of the date of the report and the source of that same valuation. The report shall also comply with Government Accounting Standard Board (GASB) Statement No. 40 and include the following:

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and

- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

2.2.18. Annual City Council Review and Adoption of this Administrative Policy.

This Administrative Policy shall be reviewed, modified as necessary, and adopted, at least annually, to ensure its consistency with the objectives set forth in Section 2.2.03 and applicable law. The Administrative Policy shall be adopted by resolution of the City Council at a duly noticed public meeting. Such annual review shall be in addition to the reviews conducted by the Investment Policy Review Committee as described in Section 2.2.04.

2.2.19. Relationship to Federal and State Laws.

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence. The City Treasurer shall advise the Investment Policy Review Committee of any contradictions of federal or state law for consideration during its reviews conducted as described in Section 2.2.04.

2.2.20. Attachments.

Attachment A, “Glossary of Terms and Acronyms,” is incorporated by reference.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

City Council Adoption: September 21, 2022

Attachment A, “Glossary of Terms and Acronyms”

This Glossary of Terms and Acronyms contains common investment terminology to provide users with a better understanding of basic investment terms. It is intended to be used as a basic reference only, is not intended to be all inclusive, and should not be treated as a substitute for professional counsel or analysis.

ACCRUED INTEREST: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

BANK DEPOSITS: Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

BANKERS’ ACCEPTANCE: A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BONDS: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

BROKER: A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

CASH FLOW: A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

CERTIFICATE OF DEPOSIT: A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. CDs appropriate to public agency investing include:

Negotiable Certificates of Deposit – Generally, short-term debt instruments that pay interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs

mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by the FDIC up to \$250,000, but they are not collateralized beyond that amount.

Non-Negotiable Certificates of Deposit – CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the FDIC up to the amount of \$250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities, including treasuries or agency securities (e.g., issued by the Federal National Mortgage Association).

COLLATERALIZATION OF DEPOSITS: A process by which a bank or other financial institution pledges securities or other deposits for the purpose of securing the repayment of deposited funds.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from two to 270 days.

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder in the bond's face value; a certificate attached to a bond evidencing interest due on a payment date.

CREDIT RATING: The credit worthiness of an investment. Credit ratings are issued by Nationally Recognized Statistical Rating Organizations (NRSROs) registered with the Securities and Exchange Commission. Three highly recognized NRSROs are Standard and Poor's, Moody's, and Fitch. The organizations use a primary letter designation (numbers or symbols may follow the letter designation) to indicate the quality of an investment. As an example, short-term ratings by Standard and Poor's of A-1+ and Moody's of P-1 indicate a prime or high-grade quality investment. Long-term prime or high-grade quality investments would be rated AAA or Aaa by Standard and Poor's and Moody's, respectively. Rates beginning with letters B or C would typically indicate an investment of speculative and higher risk quality.

CREDIT RISK: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of an issuer/borrower's credit will cause the market value of a security to fall, even if default is not expected.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her/their own account.

DELIVERY-VERSUS-PAYMENT (DVP): The payment of cash for securities as they are delivered and accepted for settlement.

DERIVATIVE: Securities that are based on, or derived from, some underlying asset, reference date, or index.

DISCOUNT: The difference between the par value of a security and the cost of the security, when the cost is below par. Investors purchase securities at a discount when return to the investor (yield) is higher than the stated coupon (interest rate) on the investment.

DISCOUNT RATE: The interest rate used in discounted cash flow analysis to determine the present value of future cash flows. The discount rate in discounted cash flow analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows; the greater the uncertainty of future cash flows, the higher the discount rate.

DIVERSIFICATION: The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes

standard accounting practices for governmental units.

INDEX: An indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities.

INTEREST: The amount a borrower pays to a lender for the use of his/her/their money.

INTEREST RATE RISK: The risk that an investment's value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

JOINT POWERS AUTHORITY POOLS: Investment pools involving the joint exercise of common investment powers between two or more public agencies with shares of beneficial interest issued pursuant to Government Code Section 6509.7.

LIQUIDITY: The measure of the ability to convert an instrument to cash on a given date at full face or par value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOLS: Investment pools that include the Local Agency Investment Fund (LAIF) and County Pooled Investment Funds. These funds are not subject to the same SEC rules applicable to money market mutual funds. For this Administrative Policy, Joint Powers Authority Pools are not considered "Local Government Investment Pools."

MARKET VALUE: The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

MATURITY: The date on which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES: Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in Government Code Section 53601) with a maximum remaining maturity of five years or less, issued by (a) corporations organized and operating within the United States or (b) depository institutions licensed by the United States or any state and operating within the United

States. Instruments separately defined in, or authorized by, this Administrative Policy are not considered “Medium-Term Notes.”

MONEY MARKET MUTUAL FUNDS (MMFs): Mutual funds that invest exclusively in short-term money market instruments. MMFs seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short term investments.

MORTGAGE-BACKED SECURITIES (MBS): Securities created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a pro-rata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

MUNICIPAL NOTES, BONDS, AND OTHER OBLIGATIONS: Obligations issued by state and local governments to finance capital and operating expenses.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO): A credit rating agency registered as a “Nationally Recognized Statistical Ratings Organization” with the Securities and Exchange Commission, consistent with the Credit Rating Agency Reform Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable legislation and rulemaking, as may change from time-to-time.

NEW ISSUE: Securities sold during the initial distribution of an issue in a primary offering by the underwriter or underwriting syndicate.

NOTE: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see “Medium-Term Notes”).

PAR VALUE: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PREMIUM: The difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

PRICE: The amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRUDENT INVESTOR STANDARD: A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

REPURCHASE AGREEMENTS: An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

RISK: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

SAFEKEEPING SERVICE: Offers storage and protection of assets provided by an institution serving as an agent.

SAFETY: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

SECURITIES AND EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

TRUSTEE OR TRUST COMPANY: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer that purchases a new issue of municipal securities for resale.

UNITED STATES AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, including federal agency mortgage-backed securities. Types of instruments may include mortgage-backed securities from the Federal National Mortgage Association (FNMA) including Fannie Mae and Freddie Mac securities.

UNITED STATES TREASURY OBLIGATIONS: Debt obligations of the United States government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

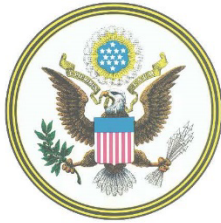
YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

YIELD CURVE: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

The City’s Investment of Financial Assets policy, as adopted by the City Council on April 4, 2022, was certified by the California Municipal Treasurers Association (CMTA) on June 27, 2022.

California Municipal Treasurers Association



Investment Policy Certification


Issued on 06/27/2022



City of Laguna Woods

The California Municipal Treasurers Association certifies that the investment policy of the City of Laguna Woods complies with the current State statutes governing the investment practices of local government entities located within the State of California.





President

06/27/2022

Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B.

**CITY OF LAGUNA WOODS
ADMINISTRATIVE POLICY 2.2**

INVESTMENT OF FINANCIAL ASSETS

2.2.01. Statement of Purpose.

This Administrative Policy is intended to assist the City of Laguna Woods with the investment of the City’s financial assets in a manner that ensures adequate safety and liquidity, while maximizing yield (return) and complying with the requirements of California Government Code sections 53600 and 53635 et seq.

2.2.02. Scope.

This Administrative Policy generally applies to all financial assets and investment activities of the City. Such funds are accounted for, or disclosed, in annual audited financial statements and include the General Fund, Special Revenue Funds, and the Capital Projects Fund. Funds belonging to the Laguna Woods Civic Support Fund and funds invested separately with independent fiduciaries, including funds held and managed by the California Public Employees’ Retirement System (CalPERS) for the purpose of funding employee retirement obligations and other post-employment benefits (OPEB) are exempt from this Administrative Policy.

2.2.03. Objectives.

The objectives of the City’s investment activities, in priority order, shall be:

1. Safety – Safety of principal shall be the foremost objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall investment portfolio and the mitigation of credit risk and interest rate risk. This Administrative Policy recognizes that market conditions may warrant the sale of individual securities that would incur market losses in order to protect from further capital losses. The intent of this Administrative Policy is to ensure that capital losses are minimized on a portfolio level rather than on each transaction. To attain the safety objective, diversification of investments among a variety of securities with independent returns and institutions is required.
2. Liquidity – The investment portfolio shall remain sufficiently liquid (i.e., capable of being converted to cash quickly) in order to enable the City to meet all reasonably anticipated cash demands and operational requirements and to

maintain compliance with all applicable indenture agreements. Since unusual or unanticipated cash demands and operational requirements may occur from time-to-time, the portfolio shall primarily consist of investments in securities with active secondary and resale markets.

3. Yield (Return) – The investment portfolio shall be designed in a manner that seeks to attain the highest rate of return, consistent with established safety and liquidity objectives. While it is acknowledged and understood that occasional measurement losses may occur, the rate of return on the investment portfolio should be designed to attain a market rate of return throughout budgetary and economic cycles for similar investments.

2.2.04. Delegation of Authority.

City Treasurer

No person other than the City Treasurer or Acting City Treasurer (hereafter referred to jointly as the “City Treasurer”) shall engage in an investment transaction using the City’s financial assets. The City Treasurer shall additionally be responsible for all investment transactions undertaken and shall establish and maintain a system of internal controls to regulate all investing activities.

In accordance with Government Code Section 53607, the City Council delegates investment authority for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council’s discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period.

Pursuant to Laguna Woods Municipal Code Section 2.10.010, the City Treasurer is appointed by, and reports to, the City Manager. The City Manager may serve as, or appoint, an Acting City Treasurer at any time during the absence of a permanent City Treasurer. During his/her/their appointment, the Acting City Treasurer shall have all of the powers and duties of the City Treasurer.

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment’s performance or losses, market price changes, and the performance of or losses incurred by the overall portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations

from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

Investment Policy Review Committee of the City Council

The Investment Policy Review Committee shall be responsible for conducting at least biannual reviews of the adequacy and effectiveness of this Administrative Policy and preparing related recommendations for City Council consideration.

The City Council shall appoint two of its members to serve on the Investment Policy Review Committee for terms two calendar years in length, commencing on January 1 of each odd-numbered year. The City Council reserves the right to remove or replace any member of the Investment Policy Review Committee, with or without cause, following a publicly noticed vote of a majority of the quorum of City Councilmembers present at the time.

The Investment Policy Review Committee shall be considered a standing committee, subject to all applicable provisions of the Ralph M. Brown Act.

2.2.05. Public Trust.

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall act as custodians of the public trust and recognize that the investment portfolio is subject to public review and evaluation. The City's overall approach to investment shall be designed and managed with a degree of professionalism that is worthy of the public trust and will avoid any transactions that might impair public confidence.

2.2.06. Prudence.

The City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City, are considered to be trustees and, therefore, fiduciaries subject to the prudent investor standard. The prudent investor standard is summarized in Government Code Section 53600.3, as follows:

All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds,

a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

2.2.07. Ethics and Conflicts of Interest.

As set forth in the City’s Conflict of Interest Policy, and as otherwise required by the Political Reform Act and Fair Political Practices Commission, public officials who manage public investments are required to file economic interest disclosures.

In addition to federal, state and local statutes relating to conflicts of interest, the City Council, City Manager, City Treasurer, and all individuals authorized to participate in investment decisions on behalf of the City shall refrain from personal business association or activity that conflicts with proper execution of this Administrative Policy, or which could impair their ability to make impartial investment decisions.

2.2.08. Internal Controls and Routine External Review.

The City Treasurer shall develop, implement, and maintain a system of internal controls designed to ensure the effectiveness and efficiency of investment activities, compliance with applicable laws and regulations, and the reliability of financial reporting. Such internal controls shall seek to prevent the loss of public funds due to fraud, error, misrepresentation, and unanticipated market changes.

As a part of their annual review of internal controls, the City’s independent, external auditors shall review internal controls related to investment activities.

2.2.09. Authorized Financial Dealers, Depositories, and Institutions.

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004, (3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined

by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law and at least five years' experience providing similar services to California municipalities.

The selection of financial dealers, depositories, and institutions shall follow a periodic competitive procurement process (e.g., requests for proposals or requests for qualifications) and be subject to ultimate approval of the City Council or City Manager in accordance with established purchasing regulations and policies. The nature of the competitive procurement process, frequency thereof, and submittals required, shall be designed and determined by the City Treasurer.

On an annual basis, the City Treasurer shall send a copy of the current version of this Administrative Policy to all financial dealers, depositories, and institutions approved to do business with the City. Receipt of this Administrative Policy shall be considered confirmation that the parties to whom they were distributed understand the City's authorized investment types and requirements thereof.

2.2.10. Authorized Investments.

In accordance with the requirements set forth in this Administrative Policy and in Government Code sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684, the following types of investment are authorized and shall be invested subject to the limits and requirements set forth herein:

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|---|---|--|--|-------------------------|
| Federal Deposit Insurance Corporation (FDIC) Insured Accounts | 100% | - | - | N/A |
| Bankers' Acceptances | 20% (no more than 5% with one bank) | - | - | 180 days |
| Commercial Paper | 15% (no more than 10% of a single issuer) | - | Standard & Poor's: AAA or Moody's: Aaa | 270 days |
| Local Government Investment Pools | 90% | - | See Section 2.2.11 | N/A |

ITEM 6.6 – Attachment B

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|---|--|---|--|------------------|
| Joint Powers Authority Pools | 90% | - | Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o) | N/A |
| Money Market Mutual Funds | 10% | - | Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in money market instruments | N/A |
| Certificates of Deposit (Negotiable and Non-Negotiable) | 30% (no more than 10% with one bank or issuer) | \$250,000 | Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or collateralized in accordance with Section 2.2.15 | 5 years |
| Repurchase Agreements | 10% (no more than 20% of a single issuer) | - | Collateralized in accordance with Section 2.2.15 | 30 days |

| Type of Investment | Maximum Amount of Portfolio Investment | Maximum Amount of Individual Investment | Minimum Credit Quality and Requirements | Maximum Maturity |
|--|--|---|--|------------------|
| United States Treasury Obligations | 90% of overall portfolio for any one investment type (no more than 20% of a single issuer) | - | Explicit full faith and credit guarantee of the United States Government | 5 years |
| United States Agency Obligations | | - | Implied full faith and credit guarantee of the United States Government | 5 years |
| State of California and Other States-issued Obligations | 20% of overall portfolio for any one investment type (no more than 5% of a single issuer) | - | - | 3 years |
| California Local Government-issued Municipal Obligations | | - | - | 3 years |
| Medium-Term Notes | 20% | - | Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent | 5 years |

2.2.11. Local Government Investment Pools.

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making any such investment and consider the same during the monthly compliance review required by Section 2.2.13. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized. Similar due diligence and investigative procedures shall be performed prior to investing in any other pooled investment funds, such as money market mutual funds.

2.2.12. Prohibited Investments.

Notwithstanding those types of investments that are otherwise prohibited by law or this Administrative Policy, any investment not specifically listed in Section 2.2.10, as well as financial derivatives (e.g., inverse floaters, range notes, interest only strips derived from a pool of mortgages, and securities that could result in a zero-interest accrual if held to maturity) and foreign investments (e.g., indices and currencies) are prohibited.

2.2.13. Monthly Internal Compliance Review of Investment Portfolio.

Investments shall be in compliance with the ratings and other requirements set forth in this Administrative Policy at the time of purchase. It is acknowledged and understood that some investments may not fully comply with the same following purchase. The City Treasurer shall review the overall investment portfolio on a monthly basis and identify any investments that no longer comply. Non-compliant investments shall be reported to the City Council, City Manager, and City Attorney within 10 business days of discovery and corrected as soon as practical.

2.2.14. Safekeeping and Custody.

All investments shall be registered in the name of the City and all interest, principal payments, and withdrawals shall indicate the City as the sole payee.

All investments, with the exception of Federal Deposit Insurance Corporation (FDIC) Insured Accounts, Local Government Investment Pools, and Money Market Funds shall be held by a third-party custodian designated by the City Treasurer and evidenced by custodial agreements or safekeeping receipts. Third-party custodians shall comply with the requirements set forth in Section 2.2.09.

All security transactions, where applicable, shall use a Delivery-versus-Payment (DVP) settlement procedure with the City's payment due at the time of delivery, which ensures that securities are deposited with the third-party custodian prior to the release of funds.

2.2.15. Collateralization.

Collateral for bank deposits and certificates of deposit shall be 110% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities.

Collateral for repurchase agreements shall be 102% of the market value of principal and accrued interest. Collateral can be either United States Treasury securities or United States Agency securities. The City Treasurer is authorized to grant the right of collateral substitution for repurchase agreements.

All collateral shall be held by an independent third party with whom the City has a current custodial agreement or master repurchase agreement. Evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

2.2.16. Diversification.

The overall investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks associated with concentrating investments in specific investment types, maturity segments, or individual financial institutions. In a diversified portfolio, it is acknowledged and understood that occasional measurement losses may occur. Such losses shall be considered within the overall portfolio's investment return. Diversification also requires investments to be spread among varying security types and institutions.

2.2.17. Reporting.

The City Treasurer shall prepare and submit a monthly investment report to the City Council. The report shall include a summary of all investment transactions for the preceding month, as required by Government Code Section 53607, as well as similar information that would be required by Government Code Section 53646(b) if the City prepared quarterly investment reports, to the extent that such information is available.

The report shall contain, at a minimum, the following information that is subject to this Administrative Policy: the type of investment, issuer, date of maturity, par value and costs of each investment, market value, and a description of any investments, including loans and security lending programs, that are under the management of contracted parties. For funds in local government investment pools, the report shall also include a current market value as of the date of the report and the source of that same valuation. The report shall also comply with Government Accounting Standard Board (GASB) Statement No. 40 and include the following:

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and

- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

2.2.18. Annual City Council Review and Adoption of this Administrative Policy.

This Administrative Policy shall be reviewed, modified as necessary, and adopted, at least annually, to ensure its consistency with the objectives set forth in Section 2.2.03 and applicable law. The Administrative Policy shall be adopted by resolution of the City Council at a duly noticed public meeting. Such annual review shall be in addition to the reviews conducted by the Investment Policy Review Committee as described in Section 2.2.04.

2.2.19. Relationship to Federal and State Laws.

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence. The City Treasurer shall advise the Investment Policy Review Committee of any contradictions of federal or state law for consideration during its reviews conducted as described in Section 2.2.04.

2.2.20. Attachments.

Attachment A, “Glossary of Terms and Acronyms,” is incorporated by reference.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

City Council Adoption: ~~April 4~~September 21, 2022

Attachment A, “Glossary of Terms and Acronyms”

This Glossary of Terms and Acronyms contains common investment terminology to provide users with a better understanding of basic investment terms. It is intended to be used as a basic reference only, is not intended to be all inclusive, and should not be treated as a substitute for professional counsel or analysis.

ACCRUED INTEREST: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

BANK DEPOSITS: Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

BANKERS’ ACCEPTANCE: A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill.

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BONDS: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

BROKER: A person or firm that acts as an intermediary by purchasing and selling securities for others rather than for its own account.

CASH FLOW: A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).

CERTIFICATE OF DEPOSIT: A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. CDs appropriate to public agency investing include:

Negotiable Certificates of Deposit – Generally, short-term debt instruments that pay interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs

mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). Negotiable CDs are insured by the FDIC up to \$250,000, but they are not collateralized beyond that amount.

Non-Negotiable Certificates of Deposit – CDs that carry a penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the FDIC up to the amount of \$250,000, including principal and interest. Amounts deposited above this amount may be secured with other forms of collateral through an agreement between the investor and the issuer. Collateral may include other securities, including treasuries or agency securities (e.g., issued by the Federal National Mortgage Association).

COLLATERALIZATION OF DEPOSITS: A process by which a bank or other financial institution pledges securities or other deposits for the purpose of securing the repayment of deposited funds.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporations or municipalities, with maturities ranging from two to 270 days.

COUNTY POOLED INVESTMENT FUNDS: The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

COUPON: The annual rate of interest that a bond's issuer promises to pay the bondholder in the bond's face value; a certificate attached to a bond evidencing interest due on a payment date.

CREDIT RATING: The credit worthiness of an investment. Credit ratings are issued by Nationally Recognized Statistical Rating Organizations (NRSROs) registered with the Securities and Exchange Commission. Three highly recognized NRSROs are Standard and Poor's, Moody's, and Fitch. The organizations use a primary letter designation (numbers or symbols may follow the letter designation) to indicate the quality of an investment. As an example, short-term ratings by Standard and Poor's of A-1+ and Moody's of P-1 indicate a prime or high-grade quality investment. Long-term prime or high-grade quality investments would be rated AAA or Aaa by Standard and Poor's and Moody's, respectively. Rates beginning with letters B or C would typically indicate an investment of speculative and higher risk quality.

CREDIT RISK: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of an issuer/borrower's credit will cause the market value of a security to fall, even if default is not expected.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: Someone who acts as a principal in all transactions, including underwriting, buying, and selling securities, including from his/her/their own account.

DELIVERY-VERSUS-PAYMENT (DVP): The payment of cash for securities as they are delivered and accepted for settlement.

DERIVATIVE: Securities that are based on, or derived from, some underlying asset, reference date, or index.

DISCOUNT: The difference between the par value of a security and the cost of the security, when the cost is below par. Investors purchase securities at a discount when return to the investor (yield) is higher than the stated coupon (interest rate) on the investment.

DISCOUNT RATE: The interest rate used in discounted cash flow analysis to determine the present value of future cash flows. The discount rate in discounted cash flow analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows; the greater the uncertainty of future cash flows, the higher the discount rate.

DIVERSIFICATION: The allocation of different types of assets in a portfolio to mitigate risks and improve overall portfolio performance.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FIDUCIARY: An individual who holds something in trust for another and bears liability for its safekeeping.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes

standard accounting practices for governmental units.

INDEX: An indicator that is published on a periodic basis that shows the estimated price and/or yield levels for various groups of securities.

INTEREST: The amount a borrower pays to a lender for the use of his/her/their money.

INTEREST RATE RISK: The risk that an investment's value will change due to a change in the absolute level of interest rates, spread between two rates, shape of the yield curve, or any other interest rate relationship.

JOINT POWERS AUTHORITY POOLS: Investment pools involving the joint exercise of common investment powers between two or more public agencies with shares of beneficial interest issued pursuant to Government Code Section 6509.7.

LIQUIDITY: The measure of the ability to convert an instrument to cash on a given date at full face or par value.

LOCAL AGENCY INVESTMENT FUND (LAIF): A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOLS: Investment pools that include the Local Agency Investment Fund (LAIF) and County Pooled Investment Funds. These funds are not subject to the same SEC rules applicable to money market mutual funds. For this Administrative Policy, Joint Powers Authority Pools are not considered "Local Government Investment Pools."

MARKET VALUE: The price at which a security is trading and presumably could be purchased or sold at a particular point in time.

MATURITY: The date on which the principal or stated value of an investment becomes due and payable.

MEDIUM-TERM NOTES: Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in Government Code Section 53601) with a maximum remaining maturity of five years or less, issued by (a) corporations organized and operating within the United States or (b) depository institutions licensed by the United States or any state and operating within the United

States. Instruments separately defined in, or authorized by, this Administrative Policy are not considered “Medium-Term Notes.”

MONEY MARKET MUTUAL FUNDS (MMFs): Mutual funds that invest exclusively in short-term money market instruments. MMFs seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short term investments.

MORTGAGE-BACKED SECURITIES (MBS): Securities created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a pro-rata share of the interest and principal cash flows (net of fees) that are “passed through” from the pool of mortgages. MBS are complex securities whose cash flow is determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

MUNICIPAL NOTES, BONDS, AND OTHER OBLIGATIONS: Obligations issued by state and local governments to finance capital and operating expenses.

MUTUAL FUNDS: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION (NRSRO): A credit rating agency registered as a “Nationally Recognized Statistical Ratings Organization” with the Securities and Exchange Commission, consistent with the Credit Rating Agency Reform Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and other applicable legislation and rulemaking, as may change from time-to-time.

NEW ISSUE: Securities sold during the initial distribution of an issue in a primary offering by the underwriter or underwriting syndicate.

NOTE: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see “Medium-Term Notes”).

PAR VALUE: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the “face amount” of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PREMIUM: The difference between the par value of a security and the cost of the security, when the cost is above par. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

PRICE: The amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRUDENT INVESTOR STANDARD: A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in such a situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

REPURCHASE AGREEMENTS: An agreement of one party (for example, a financial institution) to sell securities to a second party (such as a local agency) and simultaneous agreement by the first party to repurchase the securities at a specified price from the second party on demand or at a specified date.

RISK: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

SAFEKEEPING SERVICE: Offers storage and protection of assets provided by an institution serving as an agent.

SAFETY: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

SECURITIES AND EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

TRUSTEE OR TRUST COMPANY: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer that purchases a new issue of municipal securities for resale.

UNITED STATES AGENCY OBLIGATIONS: Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises, including federal agency mortgage-backed securities. Types of instruments may include mortgage-backed securities from the Federal National Mortgage Association (FNMA) including Fannie Mae and Freddie Mac securities.

UNITED STATES TREASURY OBLIGATIONS: Debt obligations of the United States government sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and 10 years. Bonds are long-term obligations that generally mature in 10 years or more.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the securities current price.

YIELD CURVE: A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Attachment B, “California Municipal Treasurers Association Investment Policy Certification”

The City’s Investment of Financial Assets policy, as adopted by the City Council on ~~October 16, 2019~~ April 4, 2022, was certified by the California Municipal Treasurers Association (CMTA) on ~~December 16, 2019~~ June 27, 2022.



~~Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to addressing recommendations made by CMTA evaluators (which included clarifying authorized investment, collateralization, and reporting requirements), clarifying requirements for several previously authorized investments, removing limitations on investment types based solely on cash flow needs, newly authorizing investments in Medium Term Notes, removing Passbook Savings Demand Deposits as authorized investments, more explicitly prescribing reporting requirements, updating the glossary of terms and acronyms, and making various clarifying and non-substantive changes.~~

**California Municipal
Treasurers Association**



Investment Policy Certification

Issued on 06/27/2022



City of Laguna Woods

The California Municipal Treasurers Association certifies that the investment policy of the City of Laguna Woods complies with the current State statutes governing the investment practices of local government entities located within the State of California.





President

06/27/2022

Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B.

6.7
CREDIT CARD, DEBIT CARD, AND PREPAID
CARD PAYMENT PROCESSING
(NO REPORT)

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6.8
ARBORIST AND TREE RISK ASSESSMENT
SERVICES

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
MONARCH ENVIRONMENTAL SERVICES
FOR ARBORIST AND TREE RISK ASSESSMENT SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on December 16, 2020, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Monarch Environmental Services ("CONSULTANT"), is made and entered into this _____ by and among the CITY and CONSULTANT.

WHEREAS, the initial term of the AGREEMENT was for the period between December 16, 2020 and 11:59 p.m. on June 30, 2022; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT; and

WHEREAS, the AGREEMENT was previously extended through 11:59 p.m. on September 30, 2022.

NOW THEREFORE, the parties amend the AGREEMENT as follows:

1. CITY and CONSULTANT hereby agree to an EXTENSION of the AGREEMENT for a period beginning on October 1, 2022 and ending at 11:59 p.m. on December 31, 2022 with no changes to the terms and conditions of the AGREEMENT except as specified herein.

IN WITNESS WHEREOF, the parties hereto have caused this EXTENSION to be executed the day and year first above written.

CITY OF LAGUNA WOODS:

By _____
Christopher Macon, City Manager

CONSULTANT:

By _____
Matt Davenport, President

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

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6.9
CONFLICT OF INTEREST CODE

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RESOLUTION NO. 22-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, DETERMINING THAT NO CHANGES IN THE CONFLICT OF INTEREST CODE ADOPTED BY RESOLUTION NO. 18-27 ARE NECESSARY FOLLOWING THE REVIEW REQUIRED BY CALIFORNIA GOVERNMENT CODE SECTION 87306.5

WHEREAS, the Political Reform Act of 1974 and California Government Code Section 81000 et seq. (“Act”), require local governmental agencies to adopt a conflict of interest code pursuant to the Act; and

WHEREAS, California Government Code Section 87306.5 requires local governmental agencies to review conflict of interest codes at least every even-numbered year and identify whether any changes in conflict of interest codes are necessitated by changed circumstances by October 1 of the same year; and

WHEREAS, the City’s existing conflict of interest code was adopted on September 16, 2020 by Resolution No. 20-43.

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

SECTION 1. After reviewing the existing conflict of interest code adopted by Resolution No. 18-27, the City Council hereby determines that there are no changed conditions that necessitate changes in the existing conflict of interest code.

SECTION 2. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 22-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2022, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

RESOLUTION NO. 18-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RESCINDING RESOLUTION NO. 16-32 AND RE-ADOPTING THE CONFLICT OF INTEREST CODE ADOPTED BY RESOLUTION NO. 16-32, IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 81000 ET SEQ.

WHEREAS, the Political Reform Act of 1974 and California Government Code Section 81000 *et seq.* (“Act”), require local governmental agencies to adopt a conflict of interest code pursuant to the Act; and

WHEREAS, California Government Code Section 87306.5 requires local governmental agencies to review conflict of interest codes at least every even-numbered year and identify whether any changes in conflict of interest codes are necessitated by changed circumstances by October 1 of the same year; and

WHEREAS, the City Council adopted Resolution No. 16-32 on November 16, 2016, adopting an amended conflict of interest code.

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

SECTION 1. After reviewing the existing conflict of interest code adopted by Resolution No. 16-32, the City Council hereby determines that there are no changed conditions that necessitate changes in the existing conflict of interest code.

SECTION 2. Resolution No. 16-32 is hereby repealed.

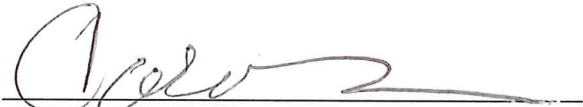
SECTION 3. The terms of 2 California Code of Regulations, Section 18730, a copy of which is attached hereto as Exhibit A, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby adopted and incorporated by reference as the conflict of interest code for the City. Exhibit A, together with exhibits B, C, D, and E to this resolution, in which members and employees are designated and disclosure categories are set forth and explained, shall constitute the conflict of interest code of the City.

SECTION 4. Employees designated in Exhibit C hereto shall file Statements of Economic Interests (“Form 700”) with the City Clerk pursuant to this resolution. The Mayor, Members of the City Council, City Manager, City


Attorney, City Treasurer, and officials who manage public investments shall file a Form 700 statement pursuant to state law (California Government Code Section 87200 *et seq.*) with the City Clerk who shall forward a copy of the statement to the Fair Political Practices Commission. The City Clerk shall retain a copy of all statements of economic interests and make them available for public inspection and reproduction (California Government Code Section 81008).

SECTION 5. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this 20th day of June 2018.


CAROL MOORE, Mayor

ATTEST:


YOLIE TRIPPY, Deputy City Clerk

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

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 18-27** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the 20th day of June 2018, by the following vote:

AYES: COUNCILMEMBERS: Conners, Hatch, Horne, Moore, Rainey
NOES: COUNCILMEMBERS: -
ABSENT: COUNCILMEMBERS: -



YOLIE TRIPPY, Deputy City Clerk

EXHIBIT A

**CONFLICT OF INTEREST CODE
CITY OF LAGUNA WOODS**

**TITLE 2. ADMINISTRATION
DIVISION 6. FAIR POLITICAL PRACTICES COMMISSION
CHAPTER 7. CONFLICTS OF INTEREST**

ARTICLE 2. DISCLOSURE

2 CCR 18730 (1998)

18730. Provisions of Conflict of Interest Codes

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

- (A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;
- (B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and
- (C) The filing officer is the same for both agencies.¹

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the financial interests set forth in a designated employee's disclosure categories are the kinds of financial interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.²

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property³ is required to be reported⁴ the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported⁵ the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported⁶ the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$440.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$440 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This

section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$440 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services or 18705.2(c) totaling in value one thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

AUTHORITY:

NOTE: Authority cited: Section 83112, Government Code. Reference: Section 87302, Government Code.

HISTORY:

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).

10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

FOOTNOTES:

¹ Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

² See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

³ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

⁴ Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

⁵ A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

⁶ Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

EXHIBIT B

Consultants

Commission Regulation 18701 (a)(2) defines "consultant" as an individual who, pursuant to a contract with a state or local government agency:

- (A) Makes a governmental decision whether to:
- (i) Approve a rate, rule, or regulation
 - (ii) Adopt or enforce a law;
 - (iii) Issue, deny, suspend, or revoke any permit license, application, certificate, approval, order, or similar authorization or entitlement;
 - (iv) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract which requires agency approval;
 - (v) Grant agency approval to a contract which requires agency approval and in which the agency is a party or to the specifications for such a contract;
 - (vi) Grant agency approval to a plan, design, report, study, or similar item;
 - (vii) Adopt, or grant agency approval of policies, standards, or guidelines for the agency, or for any subdivision thereof; or
- (B) Serves in a staff capacity with the agency, and in that capacity participates in making a governmental decision (Regulation 18702.2) or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code.

Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The City Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements described in the section. Such written determination shall include a description of the consultant's duties and, based upon the description, a statement of the extent of disclosure requirements. The City Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

EXHIBIT C

Designated Employees and Disclosure Categories

The following positions are held by individuals involved in making, or who participate in the making, of decisions which may foreseeably have a material effect on financial interests:

Designated Position Disclosure Categories

Administrative Services Director/City Treasurer 1

Building Official (Consultant) 1

Chief of Police Services (Consultant)..... 1

City Clerk..... 1

Consultant* 1

Assistant City Attorney (Consultant)..... 1

Exempt Officials** 1

Fire Chief (Consultant) 1

Senior Accountant..... 1

* See Attachment B for explanation of Consultant filing

** The Mayor, City Council, Members of the Planning Commission, City Manager, City Attorney, City Treasurer, and officials who manage public investments are all required to file disclosure statements pursuant to state law and thus are not included herein.

EXHIBIT D**Categories of Reportable Economic Interests****Designated Persons in Category " 1 " Must Report:**

All investments, interests in real property, income, and any business entity in which the person is a director, officer, partner, trustee, employee, or holds any position of management. These financial interests are reportable only if located within and subject to the jurisdiction of the City, or if the business entity is doing business or planning to do business in an area subject to the jurisdiction of the City, or has done business within an area subject to the jurisdiction of the City at any time during the two (2) years prior to the filing of the statement.

Designated Persons in Category " 2 " Must Report:

- (a) All investments in real property located within or subject to the jurisdiction of the City.
- (b) Investments in any business entity which within the last two (2) years has contracted or in the future foreseeably may contract with the City.
- (c) Income from any source which within the last two (2) years has contracted or in the future foreseeably may contract with the City.
- (d) His or her status as a director, officer, partner, trustee, employee, or holder of a position of management in any business entity which within the last two (2) years has contracted or in the future foreseeably may contract with the City.

Designated Persons in Category " 3 " Must Report:

- (a) Investments and business positions in, and income from business entities located in, doing business in, or planning to do business in the redevelopment project area and all interests in real property located within two (2) miles of the redevelopment project area.

EXHIBIT E

Definitions under the Political Reform Act

Government Code Section 82030

82030. Income.

a) "Income" means, except as provided in subdivision (b), a payment received, including but not limited to any salary, wage, advance, dividend, interest, rent, proceeds from any sale, gift, including any gift of food or beverage, loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and including any community property interest in the income of a spouse. Income also includes an outstanding loan. Income of an individual also includes a pro rata share of any income of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a 10-percent interest or greater. "Income," other than a gift, does not include income received from any source outside the jurisdiction and not doing business within the jurisdiction, not planning to do business within the jurisdiction, or not having done business within the jurisdiction during the two years prior to the time any statement or other action is required under this title.

(b) "Income" also does not include:

- (1) Campaign contributions required to be reported under Chapter 4 (commencing with Section 84100).
- (2) Salary and reimbursement for expenses or per diem received from a state, local, or federal government agency and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- (3) Any devise or inheritance.
- (4) Interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or any insurance policy, payments received under any insurance policy, or any bond or other debt instrument issued by any government or government agency.
- (5) Dividends, interest, or any other return on a security which is registered with the Securities and Exchange Commission of the United States government or a commodity future registered with the Commodity Futures Trading Commission of the United States government, except proceeds from the sale of these securities and commodities futures.
- (6) Redemption of a mutual fund.

- (7) Alimony or child support payments.
- (8) Any loan or loans from a commercial lending institution which are made in the lender's regular course of business on terms available to members of the public without regard to official status if:
 - (A) The loan is secured by the principal residence of filer; or
 - (B) The balance owed does not exceed ten thousand dollars (\$10,000).
- (9) Any loan from or payments received on a loan made to an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person, provided that a loan or loan payment received from any such person shall be considered income if he or she is acting as an agent or intermediary for any person not covered by this paragraph.
- (10) Any indebtedness created as part of a retail installment or credit card transaction if made in the lender's regular course of business on terms available to members of the public without regard to official status, so long as the balance owed to the creditor does not exceed ten thousand dollars (\$10,000).
- (11) Payments received under a defined benefit pension plan qualified under Internal Revenue Code Section 401(a).
- (12) Proceeds from the sale of securities registered with the Securities and Exchange Commission of the United States government or from the sale of commodities futures registered with the Commodity Futures Trading Commission of the United States government if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the identity of the purchaser.

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6.10

**AD HOC ANTI-HATE ADVISORY COUNCIL
COMMITTEE**

**(AGENDIZED BY MAYOR PRO TEM CONNERS
AND COUNCILMEMBER HORNE)**

(NO REPORT)

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7.1 SIGN REGULATIONS

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 21, 2022 Regular Meeting
SUBJECT: Sign Regulations

Recommendation

1. Receive staff report.

AND
2. Open public hearing.

AND
3. Receive public testimony.

AND
4. Close public hearing.

AND
5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTIONS 13.20.030, 13.20.130, AND 13.20.160 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO SIGN REGULATIONS, AND DETERMINING AND

CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

This item was not initiated by staff – either at this meeting or when it was first considered by the City Council on May 18, 2022 and May 26, 2022. The May 18, 2022 and May 26, 2022 meetings were the result of a request received from a private property owner for the City Council to consider permitting gas stations to use light-emitting diode (“LED”) technology in permanent monument signs. The Laguna Woods Municipal Code Section 13.20.130(7) explicitly prohibits “Light-emitting diode (LED) or neon signs displayed on the exterior of any property.”

This item was briefly discussed at the City Council meeting on May 18, 2022 with more robust discussion occurring on May 26, 2022.

At the May 18, 2022 and May 26, 2022 meetings, the City Council was advised that staff agendaized the item to seek direction and that staff’s only recommendation was that if there was interest in considering permitting the use of LED technology in permanent signs, that any prospective ordinance not limit the use of LED technology to a particular type of business (e.g., gas stations) due to First Amendment limitations on the regulation of sign content. Rather, if so desired, staff recommended drafting an ordinance that would permit the use of LED technology in any permanent sign for any purpose when approved by the City Council as part of a sign program. Sign programs are discretionary applications for which the City Council has broad discretion to approve or deny on a case-by-case basis.

On May 26, 2022, following public comments and discussion, the City Council voted unanimously to direct the City Manager to draft an ordinance for future consideration by the City Council that would amend the Laguna Woods Municipal Code to permit the use of LED technology in any permanent sign for any purpose when approved by the City Council as part of a sign program.

Discussion

Today’s meeting is an opportunity for City Council action, as well as public input, on proposed amendments of the sign regulations set forth in sections 13.20.030, 13.20.130, and 13.20.160 of the Laguna Woods Municipal Code (Attachment A). If the City Council wishes to permit the use of LED technology in permanent

signs, staff recommends conducting a public hearing, accepting public testimony, and approving the introduction and first reading of the proposed ordinance.

The proposed amendments would:

- Modify the definition of “electronic message board sign” to eliminate an exclusion of “time and temperature displays,” which amounts to a regulation of sign content likely inconsistent with First Amendment limitations. Two of the sign types currently prohibited by the Laguna Woods Municipal Code may implicate the use of LED technology, which is why both “electronic message board signs” and “light-emitting diode (LED) signs displayed on the exterior of any property” are addressed in the proposed amendments.
- Allow electronic message board signs, or LED signs displayed on the exterior of any property, only when approved by the City Council as part of a sign program.
- Require the City Council to make the following finding as a prerequisite for approving any sign program that includes electronic message board signs, or the display of LED signs on the exterior of any property:

“The proposed signs are displayed, programmed, or otherwise operated in a manner that effectively minimizes glare at all times when illuminated.” [For reference, the Merriam-Webster Dictionary defines “glare” as, in part, “a harsh uncomfortably bright light¹.”]

The proposed finding is intended to be responsive to previous City Council discussion regarding glare and would explicitly allow staff to require sign program applicants to address glare minimization in their applications.

In addition to the proposed required finding, Laguna Woods Municipal Code Section 13.20.060(b) regulates illumination as follows:

“Means of illumination. All illumination from or upon any sign shall be shaded, shielded, directed, and/or reduced to prevent glare and reflection onto surrounding properties. Illumination shall not be

¹ “Glare.” Merriam-Webster.com Dictionary, Merriam-Webster, <https://www.merriam-webster.com/dictionary/glare>. Accessed 14 Sep. 2022.

unduly bright, meaning that it shall not be in excess of that which is reasonably necessary to make the sign readable to an average person. Externally-illuminated signs shall be lighted by screened or hidden light sources. With the exception of the use of neon illumination in window signs as permitted in this chapter, the use of neon or non-standard lighting colors is prohibited.”

If the recommended action is taken at today’s meeting, staff anticipates scheduling the second reading and consideration of adoption of the proposed ordinance for the City Council’s next regular meeting on October 19, 2022.

Environmental Review

It can be seen with certainty that this project has no possibility of having a significant effect on the environment. In the absence of any pending application for any signs that might implicate the proposed ordinance, any specific environmental effects would be speculative. Therefore, the adoption of the proposed ordinance is not a project subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Signs prospectively approved under the proposed ordinance may be categorically exempt from the CEQA pursuant to Section 15311 of Title 14 of the California Code of Regulations, if they consist of approvals related to the construction or placement of on-premise signs, which are minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities.

Fiscal Impact

Sufficient funds to support this project are included in the City’s budget.

Attachment: A – Proposed Ordinance
Exhibit A – Proposed Ordinance Text

ORDINANCE NO. 22-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTIONS 13.20.030, 13.20.130, AND 13.20.160 OF THE LAGUNA WOODS MUNICIPAL CODE RELATED TO SIGN REGULATIONS, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City Council wishes to amend the Laguna Woods Municipal Code to permit the use of light-emitting diode technology in any permanent sign for any purpose when approved by the City Council as part of a sign program; and

WHEREAS, to implement the City Council’s wishes, staff has recommended amendments of the Laguna Woods Municipal Code as set forth in the attached Exhibit A to this Ordinance (the “Code Amendments”); and

WHEREAS, the Community Development Director or his/her/their designee prepared an exhibit, including proposed language and terminology for the proposed Code Amendments and any additional information and documents deemed necessary for the City Council to take action, and such exhibit was available for public inspection at City Hall and, upon request, was supplied to all persons desiring a copy, at least 10 days prior to the scheduled City Council public hearing date; and

WHEREAS, on September 21, 2022, the City Council held a duly noticed public hearing on the proposed Code Amendments at which it considered all of the information, evidence, and testimony presented, both written and oral.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council hereby finds and determines that (i) each of the recitals to this Ordinance are true and correct, and are adopted herein as findings; (ii) the Code Amendments comply with all applicable requirements of State law; (iii) the Code Amendments will not adversely affect the health, safety, or welfare of the residents within the community; (iv) the Code Amendments are in the public interest of the City of Laguna Woods; and, (v) the Code Amendments are consistent with the Laguna Woods General Plan and its various elements.

SECTION 3. After reviewing the entire project record, the City Council hereby determines and certifies that it can be seen with certainty that this Ordinance has no possibility of having a significant effect on the environment. In the absence of any pending application for any signs that might implicate the Ordinance, any specific environmental effects would be speculative. Therefore, the adoption of the Ordinance is not a project subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15061(b)(3) of Title 14 of the California Code of Regulations. Signs prospectively approved under the Ordinance may be categorically exempt from the CEQA pursuant to Section 15311 of Title 14 of the California Code of Regulations, if they consist of approvals related to the construction or placement of on-premise signs, which are minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities.

SECTION 4. Sections 13.20.030, 13.20.130, and 13.20.160 of the Laguna Woods Municipal Code are hereby amended to read as set forth in Exhibit A, attached to this Ordinance and incorporated herein by this reference.

SECTION 5. This Ordinance shall take effect and be in full force and operation thirty (30) days after adoption.

SECTION 6. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 7. The Mayor shall sign this Ordinance.

SECTION 8. The City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 9. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2022.

CAROL MOORE, Mayor

ATTEST:

YOLIE TRIPPY, CMC, City Clerk

APPROVED AS TO FORM:

ALISHA PATTERSON, City Attorney

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

I, YOLIE TRIPPY, City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 22-XX** was duly introduced and placed upon its first reading at a regular meeting of the City Council on the XX day of XX 2022, and that thereafter, said Ordinance was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2022 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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**EXHIBIT A
CODE AMENDMENTS**

*The definition of “Electronic message board sign” in Section 13.20.030(a) (“Definitions”) of Chapter 13.20 (“Sign Regulations”) of Title 13 (“Zoning”) of the Laguna Woods Municipal Code is amended to read as follows (deletions shown with **strike through**):*

Electronic message board sign shall mean a sign with a fixed or changing display composed of a series of lights. ~~(Does not include time and temperature displays.)~~

*Section 13.20.130 (“Prohibited signs”) of Chapter 13.20 (“Sign Regulations”) of Title 13 (“Zoning”) of the Laguna Woods Municipal Code is amended to read as follows (additions shown with **underlining** and deletions shown with **strike through**):*

Sec. 13.20.130. - Prohibited signs.

The following types of signs are prohibited unless specifically permitted in this chapter:

- (1) Temporary signs not specifically allowed in this chapter.
- (2) Signs held, worn, waved, or rotated by any individual, or attached or affixed to any animal, and used to attract attention for the purpose of promoting products and/or services or to direct individuals to a particular location.
- (3) Signs that emit any noise.
- (4) Balloons, blimps, hot air balloons, or similar devices.
- (5) Electronic message board signs, or light-emitting diode (LED) signs displayed on the exterior of any property, except when approved as part of a sign program.
- (6) Signs that use florescent colors or paints.

- (7) ~~Light-emitting diode (LED) or n~~ Neon signs displayed on the exterior of any property.
- (8) Flashing, blinking, rotating, revolving, wind motion, inflatable, laser beam, searchlight, or spotlight signs.
- (9) Billboards.
- (10) Portable signs.
- (11) Roof signs.
- (12) Signs that display, imply, identify, or advertise activities which are illegal under federal, state, or local laws.
- (13) Signs that display, imply, identify, or advertise graphic sexual activities or images or contain profane copy or nude images.
- (14) Signs that simulate or imitate in size, color, content, coloring or design any traffic signal, sign or device, or which makes use of the words "Stop," "Look," "Warning," "Caution," "Danger" or any other words, phrases, symbols or characters in a manner to interfere with, mislead, or confuse traffic.
- (15) Signs that are located on, attached to, extending into or over, or impeding any fire hydrants, legal fire lanes, or City property, including but not limited to traffic signals, streetlights, and utility poles.
- (16) Signs that are unsafe or constitute a direct and immediate hazard to public health, safety or welfare by reason of design, construction, location, condition, orientation, or any other factor.
- (17) Abandoned signs.
- (18) Advertising device/display.

Section 13.20.160(c) (“Sign programs”) of Chapter 13.20 (“Sign Regulations”) of Title 13 (“Zoning”) of the Laguna Woods Municipal Code is amended to read

as follows (additions shown with underlining and deletions shown with ~~strike-through~~):

(c) *Sign program required.* Sign programs shall be required for:

(1) Each new or remodeled commercial center, office complex, business park, or similar multi-tenant site, regardless of parcelization; ~~and~~

(2) Each building that proposes any combination of three or more permanent signs or any permanent signage that would not comply with this chapter; ~~;~~ and

(3) Any use of one or more electronic message board signs, or the display of one or more light-emitting diode (LED) signs on the exterior of any property.

Section 13.20.160(e) (“Sign programs”) of Chapter 13.20 (“Sign Regulations”) of Title 13 (“Zoning”) of the Laguna Woods Municipal Code is amended to read as follows (additions shown with underlining and deletions shown with ~~strike-through~~):

(e) *Findings.* The City Council shall approve a sign program if it can make all of the following findings:

(1) The proposed signs are well-designed, consistent with any design criteria otherwise applicable to the sign property, compatible with community character and harmonious with surrounding properties, buildings, and streetscapes;

(2) The proposed signs are clear and legible in the circumstances in which they are seen, including for purposes of promoting awareness of local businesses and activities;

(3) The proposed signs are appropriate to the type of business or activity to which they pertain; ~~and~~

(4) The proposed signs are displayed in a manner that does not harm public health, safety and welfare; ~~;~~ and

(5) For sign programs including any use of one or more electronic message board signs, or the display of one or more light-emitting diode (LED) signs on the exterior of any property. The proposed signs are displayed, programmed, or otherwise operated in a manner that effectively minimizes glare at all times when illuminated.

8.1
NEW ORANGE COUNTY FIRE AUTHORITY FIRE
STATION

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: September 21, 2022 Regular Meeting

SUBJECT: New Orange County Fire Authority Fire Station

Recommendation

Approve, in non-binding concept, the long-term lease of approximately 0.32 acres of the City Centre Park property (24121 Moulton Parkway, Laguna Woods, CA 92637; Assessor's Parcel Number: 616-021-18) for use as a new Orange County Fire Authority fire station and authorize the City Manager and City Attorney to take actions and incur costs necessary to:

- (a) Comply with applicable state laws regarding the lease of park property for non-park purposes, and other state laws as may be determined to apply;
- (b) Unencumber the property of deed restrictions that would otherwise preclude the construction and operation of a fire station;
- (c) Negotiate – for future consideration by the City Council – agreements with the Orange County Fire Authority for the construction and operation of a fire station including, but not limited to, a long-term land-lease agreement;
- (d) Partner with the Orange County Fire Authority to contact surrounding property owners to discuss a potential new fire station and solicit input on factors to be considered during any future design, construction, and operation;
- (e) Coordinate with the Orange County Fire Authority on matters affecting the design of a fire station including, but not limited to, modifications and easements related to traffic control devices, medians, sidewalks, and other City property, and public access to the remaining portion of City Centre Park; and
- (f) Negotiate and enter into cost recovery agreements with the Orange County Fire Authority to reimburse the City for those costs associated with this project which are mutually agreed upon as the Orange County Fire Authority's responsibility.

Background

The Orange County Fire Authority has requested that the City consider allowing a portion of the City Centre Park Property (24121 Moulton Parkway, Laguna Woods, CA 92637; Assessor's Parcel Number: 616-021-18) to be used as a new fire station. The potential benefits of such a new fire station include improved response times in Laguna Woods, as shown on the Orange County Fire Authority-produced exhibits included as Attachment A. Orange County Fire Authority staff will be present at this meeting to further describe potential benefits.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on the conceptual use of approximately 0.32 acres of the City Centre Park property for a new Orange County Fire Authority fire station. Staff recommends that the City Council take actions that would allow staff to prepare a long-term land-lease agreement for future consideration by the City Council. **The City Council is not being asked to enter into a land-lease agreement at this meeting and would retain the ability to approve or deny such an agreement in the future.**

In accordance with California Government Code Section 54956.8, matters related to the price and terms of payment of any prospective land-lease agreement may be discussed in future closed session meetings of the City Council.

City and Orange County Fire Authority staff have preliminarily discussed the area that would be required to accommodate a new fire station at the City Centre Park property, resulting in the conceptual limits shown in Attachment B. As presently conceptualized, the wider, flatter portion of the City Centre Park property closest to the Ayres Hotel would remain available for park use, while the narrower, more sloped portion closest to Moulton Parkway would be repurposed as a new fire station. Staff's preference would be for the remaining park portion of the property to continue to be accessible from Moulton Parkway; however, design factors may preclude such access. This is one of several matters affecting the design of the fire station that staff would coordinate with the Orange County Fire Authority on.

A key consideration for the City would be the manner in which Moulton Parkway would need to be reconstructed to accommodate left turns out of a new fire station. Conceptually, median modifications would be required to allow fire engines and other emergency response vehicles to make left turns, in addition to equipment and

programming that would trigger red lights on northbound Moulton Parkway at El Toro Road and southbound Moulton Parkway at Laguna Woods Village Gate 16. The City's traffic engineers would be involved in this matter. Orange County Fire Authority staff have stated that similar arrangements exist at other fire stations, as it is not always possible to construct fire stations at signalized intersections.

City Centre Park is currently subject to a deed restriction that was placed upon it by California State Parks as a condition of the City using Proposition 40 (2002) grant funds to make improvements to the park. The deed restriction precludes the construction and operation of a fire station until June 30, 2031. Staff has discussed the deed restriction with California State Parks staff and believes an opportunity exists to unencumber the property of the deed restriction, subject to agreement by California State Parks and the California State Legislature.

Though the City Council could theoretically choose to sell property to the Orange County Fire Authority, staff does not recommend doing so as it would introduce additional complexity (and time) to this project, without yielding any clear benefit for the City. Orange County Fire Authority staff have stated that they are amenable to the concept of a long-term land-lease agreement and collaboration with the City as outlined in this agenda report.

Recommended action (d) involves the City and the Orange County Fire Authority partnering to contact surrounding property owners to discuss a potential new fire station and solicit input on factors to be considered during any future design, construction, and operation. Surrounding property owners are as follows:

Table 1: Surrounding Properties

| Assessor's Parcel Number | Property Owner |
|---------------------------------|---|
| 616-012-02 | El Toro Water District |
| 616-012-17 | Golden Rain Foundation of Laguna Hills TR |
| 616-012-23 | Ayres-Laguna Woods LP |
| 616-021-36 | Golden Rain Foundation of Laguna Hills |

If the City Council takes the recommended actions at this meeting, staff estimates that it could take upwards of 12 months to address legal requirements and deed restrictions, such that a portion of the City Centre Park property could be leased to the Orange County Fire Authority, subject to future approval by the City Council and the Orange County Fire Authority's Board of Directors. With that timeline in mind, and based on preliminary discussions with Orange County Fire Authority

staff, the earliest that construction might potentially begin on a new fire station is Fiscal Year 2024-25. These time estimates are subject to change.

Environmental Review

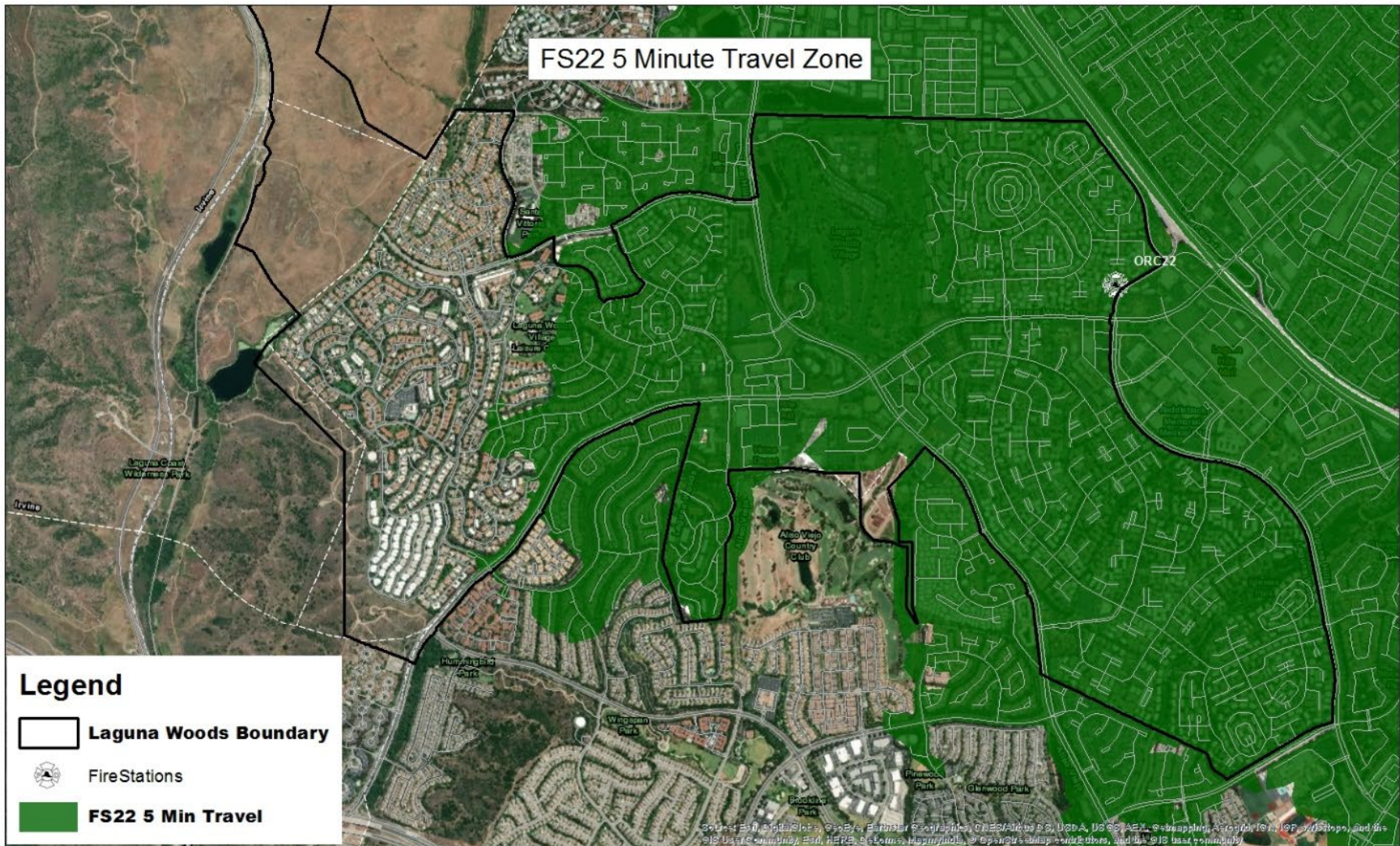
At this point, discussion of a new fire station is conceptual and lacks the specificity required to review the project pursuant to the California Environmental Quality Act (“CEQA”). Environmental review would occur at a later date.

Fiscal Impact

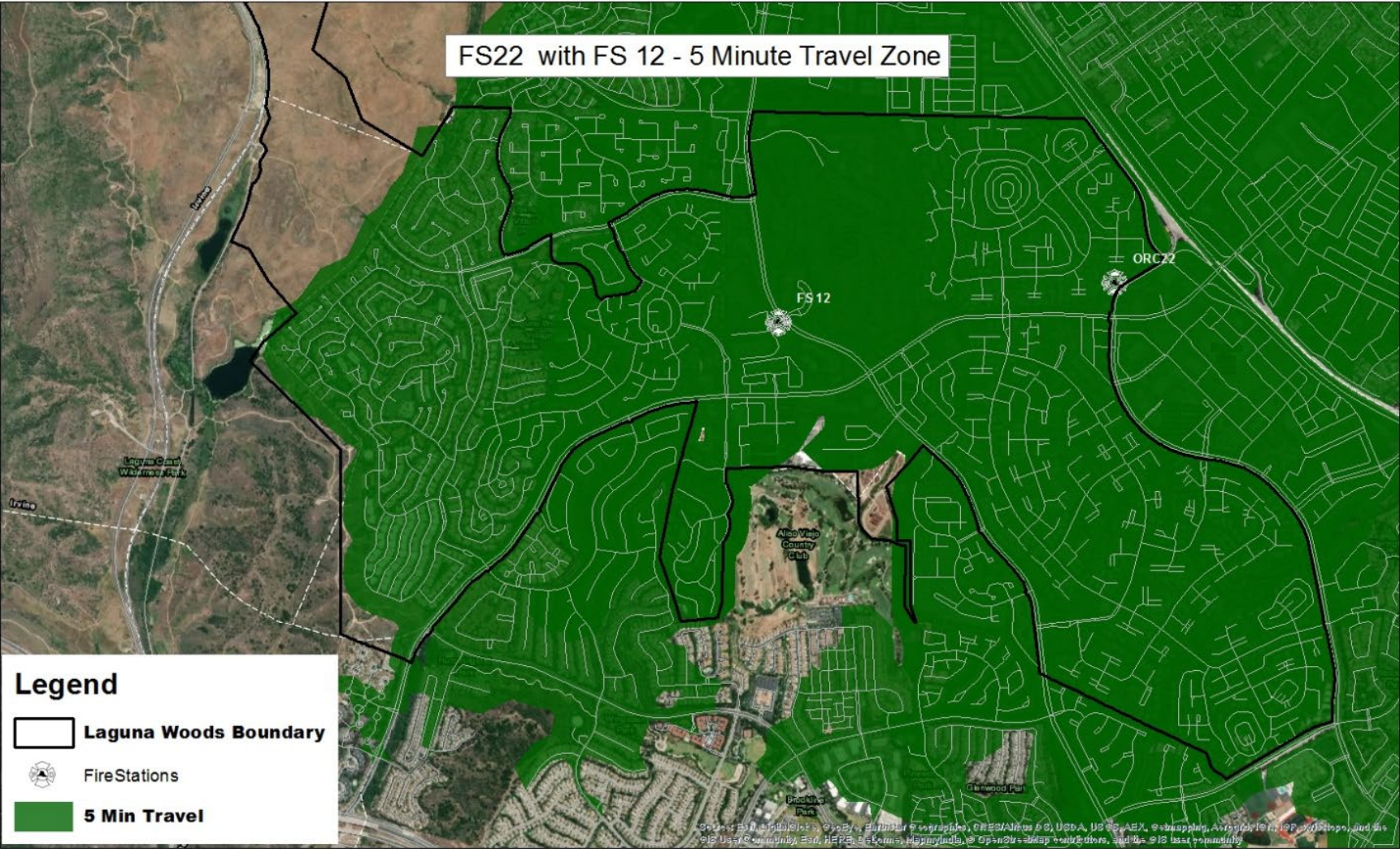
Recommended action (f) would authorize staff to negotiate and enter into cost recovery agreements with the Orange County Fire Authority to reimburse the City for those costs associated with this project which are mutually agreed upon as the Orange County Fire Authority’s responsibility.

Attachments: A – Orange County Fire Authority Conceptual Response Time Exhibits
B – Potential Land Lease Area

Orange County Fire Authority Conceptual Response Time Exhibits



“FS22” and “ORC22” = Existing Orange County Fire Authority Station 22



“FS22” and “ORC22” = Existing Orange County Fire Authority Station 22
“FS 12” = Potential New Orange County Fire Authority Station 12



NE'LY LINE
PAR 2
LL94-028

E'LY COR
PAR 2
LL94-028

SE'LY LINE
PAR 2
LL94-028

PARCEL 3
PMB 103/38-41
LL94-028

PARCEL 2
LLA NO. LL94-028
INST. NO. 19960448212 O.R.

PARCEL 2
PMB 103/38-41

PARCEL 5
PMB 103/38-41

P.O.B.
N'LY COR
PARCEL 2
LL94-028

NW'LY LINE
PAR 2
LL94-028

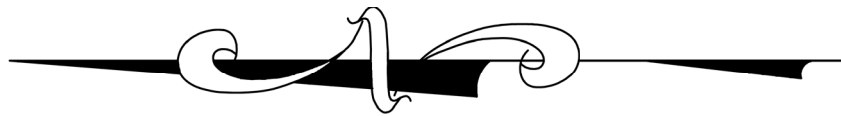
Potential Land
Lease Area

City Centre Park

S'LY LINE
PAR 2
LL94-028

PARCEL 3
PMB 103/38-41

PARCEL 6
PMB 103/38-41



Trimble

Google Earth



100 ft