

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting
Wednesday, May 17, 2023
2:00 p.m.

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

Cynthia Conners
Mayor

Noel Hatch
Mayor Pro Tem

Shari L. Horne
Councilmember



Annie McCary
Councilmember

Carol Moore
Councilmember

Welcome to a meeting of the Laguna Woods City Council!

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

Public Comments: The City offers four options for public comments:

1. Make public comments in-person
2. Submit public comments in writing
3. Make public comments by telephone
4. Make public comments by computer (Zoom)

For more information, please refer to page three of this agenda.

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, Yolie Trippy, City Clerk, 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/ Yolie Trippy
YOLIE TRIPPY, CMC, City Clerk

5/12/23
Date

OPTIONS FOR PUBLIC COMMENTS

1. Make public comments in-person. Members of the public wishing to make in-person public comments are asked, but not required, to complete and submit a speaker card to City staff. Speaker cards are available near the entrance to the meeting location. If you do not wish to submit a speaker card, or wish to remain anonymous, you may indicate your desire to speak from the floor. Speakers are requested, but not required, to identify themselves.

2. Submit public comments in writing. Written public comments may be submitted via email (cityhall@cityoflagunawoods.org) or delivered to 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 written public comments are advised 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: 890 6783 2687 followed by pound (#) and the following meeting passcode: 862802 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 (Zoom).

- Visit www.zoom.us
- Click on “Join” toward the top right of the webpage
- Enter the following meeting ID: 890 6783 2687
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 862802
- 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

1.1 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.

1.2 Emergency Circumstances and Just Cause Teleconferencing

Recommendation: Receive and act upon disclosures and requests from members of the City Council related to teleconferencing pursuant to California Assembly Bill 2449 (2021-2022).

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Moment of Silence – First Anniversary of the May 15, 2022 Shooting at Geneva Presbyterian Church

Recommendation: Observe a moment of silence.

4.2 Asian American and Pacific Islander Heritage Month – May 2023

Recommendation: Approve and present the proclamation.

4.3 Older Americans Month – May 2023

Recommendation: Approve and present the proclamation.

4.4 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 special meeting on April 10, 2023 and the special meeting on May 8, 2023.

6.2 City Treasurer’s Report

Recommendation: Receive and file the City Treasurer’s Report for the month of April 2023.

6.3 Warrant Register

Recommendation: Approve the warrant register dated May 17, 2023 in the amount of \$611,084.45.

6.4 Internal Revenue Code Section 401 and Section 457 Plans

Recommendation:

1. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING A NEW ADMINISTRATIVE SERVICES AGREEMENT WITH THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (DOING BUSINESS AS MISSIONSQUARE RETIREMENT) FOR

THE CITY'S INTERNAL REVENUE CODE SECTION 401 AND INTERNAL REVENUE CODE SECTION 457 PLANS, AND AUTHORIZING THE EXECUTION OF THE ADMINISTRATIVE SERVICES AGREEMENT, AS WELL AS OTHER RELATED DOCUMENTS AND ACTIONS

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND RESTATING THE CITY'S PLAN DOCUMENT FOR THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (DOING BUSINESS AS MISSIONSQUARE RETIREMENT) INTERNAL REVENUE CODE SECTION 457 GOVERNMENTAL DEFERRED COMPENSATION PLAN AND TRUST, AND AUTHORIZING THE EXECUTION OF THE PLAN DOCUMENT, AS WELL AS OTHER RELATED DOCUMENTS AND ACTIONS

6.5 Building Official, Permit Counter, and Inspection Services

Recommendation: Approve an extension of the agreement with Interwest Consulting Group for building official, permit counter, and inspection services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.6 City Attorney Services

Recommendation: Approve a legal representation letter amending and extending the agreement with Rutan & Tucker, LLP for legal services as City Attorney and authorize the Mayor to execute the legal representation letter.

6.7 City Engineering and Traffic Operations Services

Recommendation:

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

AND

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

6.8 City Hall and Public Library Building Janitorial Services

Recommendation: Approve an extension and amendment of the agreement with Omni Enterprise, Inc. for City Hall janitorial services and authorize the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney. The proposed extension and amendment includes, but is not limited to, expansion of the scope of janitorial services to include the Public Library Building.

6.9 Code Enforcement Services

Recommendation: Approve an extension of the agreement with Willdan Engineering for code enforcement services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.10 As Needed Financial Consulting Services

Recommendation:

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

AND

2. Approve an extension of the agreement with Irwin B. Bornstein for as needed financial consulting services and authorize the City Manager to execute the extension, subject to approval as to

form by the City Attorney.

6.11 Information Technology Services

Recommendation:

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

AND

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

6.12 Law Enforcement Services

Recommendation: Approve an agreement with the County of Orange for law enforcement services and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

6.13 As Needed Waste Management Consulting Services

Recommendation:

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

AND

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

6.14 California Joint Powers Insurance Authority Risk Management Educational Forum

Recommendation: Authorize expenditures for hotel stays for members of the City Council to attend the California Joint Powers Insurance Authority Risk Management Educational Forum from August 30-September 1, 2023 in Carlsbad, California at the Omni La Costa Resort.

6.15 Rejection of Claim

Recommendation: Reject the following claim against the City:

Joan Baker vs. City of Laguna Woods,
Claimant: Joan Baker

VII. PUBLIC HEARINGS

- 7.1 Site Development Permit SDP-1521 to allow for the establishment of an administrative/professional office, including construction of an approximately 4,555 square foot building and physical modifications of existing parking, landscaping, and other site features, and Sign Program SP-2022-0002 to allow for various signage at 24221 Paseo de Valencia, Laguna Woods, CA 92637

Recommendation:

1. Receive staff report.

AND

2. Continue the public hearing that was continued from the regular City Council meeting on April 19, 2023.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING SITE DEVELOPMENT PERMIT SDP-1521 TO ALLOW FOR THE ESTABLISHMENT OF AN ADMINISTRATIVE/PROFESSIONAL OFFICE, INCLUDING CONSTRUCTION OF AN APPROXIMATELY 4,555 SQUARE FOOT BUILDING AND PHYSICAL MODIFICATIONS OF EXISTING PARKING, LANDSCAPING, AND OTHER SITE FEATURES, AND SIGN PROGRAM SP-2022-0002 TO ALLOW FOR VARIOUS SIGNAGE AT 24221 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING AND CERTIFYING THAT THE SITE DEVELOPMENT PERMIT AND SIGN PROGRAM ARE CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTIONS 15302 AND 15311 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

VIII. CITY COUNCIL BUSINESS

8.1 City Manager Employment Agreement

Recommendation: Approve a City Manager Employment Agreement with Christopher Macon and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

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
Councilmember McCary, First Alternate: Councilmember Horne, Second
Alternate: Mayor Conners
- 9.2 Orange County Fire Authority
Mayor Pro Tem Hatch
- 9.3 Orange County Library Advisory Board
Councilmember Moore; Alternate: Councilmember McCary
- 9.4 Orange County Mosquito and Vector Control District
Councilmember Horne
- 9.5 San Joaquin Hills Transportation Corridor Agency
Mayor Conners; Alternate: Mayor Pro Tem Hatch
- 9.6 South Orange County Watershed Management Area
Councilmember Moore; Alternate: Councilmember Horne
- 9.7 Liaisons to Community Bridge Builders
Councilmember Horne and Councilmember McCary
- 9.8 Other Comments and Reports

X. CLOSED SESSION

XI. CLOSED SESSION REPORT

XII. ADJOURNMENT

Next Adjourned Regular Meeting: Wednesday, May 31, 2023 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

Next Regular Meeting: Wednesday, June 21, 2023 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

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4.1

**MOMENT OF SILENCE – FIRST ANNIVERSARY
OF THE MAY 15, 2022 SHOOTING AT GENEVA
PRESBYTERIAN CHURCH
(NO REPORT)**

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4.2
ASIAN AMERICAN AND PACIFIC ISLANDER
HERITAGE MONTH –
MAY 2023

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Proclamation
City of Laguna Woods
Asian American and Pacific Islander
Heritage Month
May 2023

WHEREAS, Asian Americans and Pacific Islanders have played a critical role in the social, economic, and political development of the United States; and

WHEREAS, Asian Americans and Pacific Islanders are one of the fastest growing ethnic populations in the state of California; and

WHEREAS, Cantonese, Chinese, Indian, Iranian, Japanese, Korean, Taiwanese, and other Asian Americans and Pacific Islanders represent more than 20 percent of the population of Laguna Woods; and

WHEREAS, Asian American and Pacific Islander clubs and communities throughout Laguna Woods actively promote cultural heritage and understanding; and

WHEREAS, Asian Americans and Pacific Islanders have a proud legacy of service and dedication to our community, state, and country.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim May 2023 as “Asian American and Pacific Islander Heritage Month” in the City of Laguna Woods and encourages reflection on the accomplishments that Asian Americans and Pacific Islanders have made throughout history.

Dated this 17th day of May, 2023

Cynthia S. Conners
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.3
OLDER AMERICANS MONTH –
MAY 2023

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**Proclamation
City of Laguna Woods
Older Americans Month
May 2023**

WHEREAS, Laguna Woods is a unique community with an average age of 75; and

WHEREAS, throughout their lives, the residents of Laguna Woods have made countless contributions and sacrifices to ensure a better life for future generations; and

WHEREAS, the City of Laguna Woods recognizes that older adults are trailblazers — advocating for themselves, their peers, and their communities — and paving the way for future generations; and

WHEREAS, the City of Laguna Woods is committed to raising awareness about issues facing older adults and helping older adults to thrive in communities of their choice for as long as possible; and

WHEREAS, our community can provide opportunities to enrich the lives of individuals of all ages by promoting and engaging in activity, wellness, and social involvement; emphasizing home- and community-based services that support independent living; and, ensuring that others can benefit from the contributions and experience of older adults.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim May 2023 as “Older Americans Month” in the City of Laguna Woods and encourages the recognition of older adults and the people who serve them as being powerful and vital to the fabric of our country.

Dated this 17th day of May, 2023

Cynthia S. Connors
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.4
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: May 17, 2023 Regular Meeting

SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the May 17, 2023 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 May 17, 2023 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the special meeting on April 10, 2023 (Attachment A) and the special meeting on May 8, 2023 (Attachment B).
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of April 2023.
- 6.3 Approval of the warrant register dated May 17, 2023 in the amount of \$611,084.45. A list of warrants is included in the agenda packet; detailed

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

- 6.4 [1 – Attachment A] Adoption of a resolution approving a new administrative services agreement with the International City Management Association Retirement Corporation (doing business as MissionSquare Retirement) for the City’s Internal Revenue Code Section 401 and Internal Revenue Code Section 457 plans, and authorization for the execution of the administrative services agreement, as well as other related documents and actions. The proposed agreement pertains to the administration of the City’s existing governmental money purchase and deferred compensation programs for employees. The agreement has not been updated since January 2008.

AND

- [2 – Attachment B] Adoption of a resolution amending and restating the City’s plan document for the International City Management Association Retirement Corporation (doing business as MissionSquare Retirement) Internal Revenue Code Section 457 governmental deferred compensation plan and trust, and authorization for the execution of the plan document, as well as other related documents and actions. The proposed plan document pertains to the City’s existing governmental deferred compensation program for employees. The plan document has not been formally amended and restated since September 2007.
- 6.5 Approval of an extension of the agreement with Interwest Consulting Group for building official, permit counter, and inspection 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 two-year period through June 30, 2025, as allowed by the existing agreement.
- 6.6 Approval of a legal representation letter amending and extending the agreement with Rutan & Tucker, LLP for legal services as City Attorney and authorization for the Mayor to execute the legal representation letter. The proposed legal representation letter would provide for Alisha Patterson’s continued service as City Attorney through June 30, 2025. Hourly rates for attorneys would remain unchanged through at least June 30, 2024, with an agreement to meet and confer regarding potential adjustments to rates to be in effect from July 1, 2024 through June 30, 2025.

- 6.7 [1] Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding. The City's procurement regulations generally require competitive bidding when the estimated cost of services is \$25,000 or more over the term of the agreement, but allow for the waiver of those provisions at the discretion of the City Council. CivilSource has provided city engineering and traffic operations services to the City since May 7, 2012 and is currently providing those services under an agreement that ends on June 30, 2023. CivilSource has offered to continue existing pricing with no increase in rates through December 31, 2023. Due to CivilSource's qualifications and performance to-date; the proposed stability in pricing; and, the City's future capital improvement plans, staff recommends waiving competitive bidding requirements for the proposed extension.

AND

- [2] Approval of an extension of the agreement with CivilSource, Inc. for city engineering and traffic operations 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 six-month period through December 31, 2023 with no increase in rates or other changes to terms and conditions.
- 6.8 Approval of an extension and amendment of the agreement with Omni Enterprise, Inc. for City Hall janitorial services and authorization for the City Manager to execute the extension and amendment, subject to approval as to form by the City Attorney. The proposed extension is for a one-year period through June 30, 2024. The proposed extension and amendment includes, but is not limited to, expansion of the scope of janitorial services to include the Public Library Building. Proposed janitorial service levels have been coordinated with the County of Orange and standardized for both City Hall and the Public Library Building. As required by the lease agreement with the County that was approved by the City Council on April 10, 2023, the County will reimburse the City for janitorial services provided for the public library ("Public Library Area 1" in the proposed extension and amendment) and in connection with the County's use of the outdoor activity room (when applicable, "Public Library Area 2" in the proposed extension and amendment). The County's reimbursement will also include related janitorial supplies ("Supplies Purchased with Prior Written Authorization

from CITY” in the proposed extension and amendment).

- 6.9 Approval of an extension of the agreement with Willdan Engineering for code enforcement 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 one-month period through July 31, 2023, as allowed by the existing agreement.
- 6.10 [1] Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding. The City’s procurement regulations generally require competitive bidding when the estimated cost of services is \$25,000 or more over the term of the agreement, but allow for the waiver of those provisions at the discretion of the City Council. Mr. Bornstein is a highly qualified finance professional and Certified Public Accountant. He earned a Master of Business Administration degree from Stanford University and has worked in management roles for the cities of Anaheim, Whittier, and Mission Viejo, where he retired in 2011 as Assistant City Manager/Administrative Services Director. Mr. Bornstein has provided as needed financial consulting services to the City for several years, and also provides or has provided similar services to the cities of Laguna Hills, Laguna Niguel, Placentia, San Marino, Stanton, Westminster, and others. Due to the continuing need for the services provided by Mr. Bornstein and Mr. Bornstein’s qualifications and performance to-date, staff recommends waiving competitive bidding requirements for the proposed extension.

AND

- [2] Approval of an extension of the agreement with Irwin B. Bornstein for as needed financial consulting 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 one-year period through June 30, 2024 with no increase in rates or other changes to terms and conditions.
- 6.11 [1] Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding. The City’s procurement regulations generally require competitive bidding when the estimated cost of services is \$25,000 or more over the term of the agreement, but allow for the waiver of those provisions at the discretion of the City Council. Practical Data Solutions is the City’s current information technology services

consultant and has provided those services continuously since mid-2014 with additional service for numerous years preceding mid-2012. With the continuing need for the services provided by Practical Data Solutions and in the interest of maintaining continuity and systems knowledge, staff recommends waiving competitive bidding requirements for the proposed extension.

AND

[2] Approval of an extension of the agreement with Practical Data Solutions for information technology 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 one-year period through June 30, 2024 with no increase in rates or other changes to terms and conditions.

- 6.12 Approval of an agreement with the County of Orange for law enforcement services and authorization for the Mayor to execute the agreement, subject to approval as to form by the City Attorney. The proposed agreement includes a comparable level of service to the current fiscal year, at an annual cost of \$3,049,067 (a \$102,135, or approximately 3.24%, decrease from the current fiscal year's cost). Notably, the proposed agreement includes no increase in salaries or wages due to all bargaining units currently being in negotiations with the County of Orange. Once negotiations are complete, the agreement will be adjusted to fund the new labor agreements. Projections continue to show that law enforcement costs are increasing at an unsustainable rate.
- 6.13 [1] Waiver of the provisions set forth in Laguna Woods Municipal Code Section 3.06.080(c) related to competitive bidding. The City's procurement regulations generally require competitive bidding when the estimated cost of services is \$25,000 or more over the term of the agreement, but allow for the waiver of those provisions at the discretion of the City Council. Michael Balliet is a highly qualified waste management professional who has provided as needed waste management consulting services to the City for many years. Mr. Balliet provides or has provided similar services to the cities of Irvine, Costa Mesa, Newport Beach, Placentia, and Yorba Linda. Due to the continuing need for the services provided by Mr. Balliet and Mr. Balliet's performance to-date, staff recommends waiving competitive bidding requirements for the proposed extension.

AND

- [2] Approval of an extension of the agreement with Michael Balliet for as needed waste management consulting 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 one-year period through June 30, 2024 with no increase in rates or other changes to terms and conditions.
- 6.14 Authorization of expenditures for hotel stays for members of the City Council to attend the California Joint Powers Insurance Authority Risk Management Educational Forum from August 30-September 1, 2023 in Carlsbad, California at the Omni La Costa Resort. The deadline to book hotel rooms at a group rate for the 2023 California Joint Powers Insurance Authority Risk Management Educational Forum is June 20, 2023 (the day before the planned adoption of the Fiscal Years 2023-25 Budget). Staff recommends booking hotel rooms now, in advance of the adoption of the Fiscal Years 2023-25 Budget, in order to take advantage of the group rate.
- 6.15 Rejection of the following claim against the City: Joan Baker vs. City of Laguna Woods, Claimant: Joan Baker. Carl Warren & Company, the City's third-party claims administrator, recommends that the City reject this claim, which did not occur on City property. Additional information is available at or from City Hall.

6.1
CITY COUNCIL MINUTES

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
SPECIAL MEETING
April 10, 2023
2:00 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

1.1 Call to Order

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

1.2 Emergency Circumstances and Just Cause Teleconferencing – N/A

II. ROLL CALL

COUNCILMEMBER: PRESENT: Horne, McCary, Moore, Hatch, Connors
 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

Councilmember Horne led the pledge of allegiance.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 Holocaust Remembrance Day – April 17, 2023

Councilmembers made comments.

A moment of silence was observed.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS – None

VI. CONSENT CALENDAR

City Manager Macon asked that Item 6.3 be removed from the consent calendar due to an unexpected delay.

Moved by Councilmember Horne, seconded by Councilmember Moore, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.2.

6.1 Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds

Received and filed the Independent Accountant’s Report dated March 23, 2023 regarding the Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds for the fiscal year ended June 30, 2022.

6.2 National Opioids Settlements

Authorized the City Manager to execute the settlement agreements with Teva, Allergan, CVS, Walgreens, and Walmart as part of the National Opioids Settlement, and elected for the City to receive direct payment of settlement funds. For the purpose of this action, “settlement agreements” includes participation forms for the settlements (including releases of claims) and California state-subdivision agreements regarding distribution and use of settlement funds, as well as any other documents or certifications that may be necessary to finalize or implement the settlement agreement.

VII. CITY COUNCIL BUSINESS

7.1 Public Library Lease Agreement

City Manager Macon made a presentation.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Horne, seconded by Councilmember Moore, and carried unanimously on a 5-0 vote, to approve a lease agreement with the County of Orange for use of portions of the City-owned building located at 24266 El Toro Road, Laguna Woods, CA 92637 as a public library, as well as non-exclusive, in common use of various other City-owned areas located at 24264 and 24266 El Toro Road, Laguna Woods, CA 92637, and authorize the Mayor to execute the lease agreement, subject to approval as to form by the City Attorney.

7.2 Laguna Woods Civic Support Fund

City Manager Macon made a presentation.

ITEM 6.1 – Attachment A

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember McCary, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to

1. Remove all existing directors, without cause, from the Laguna Woods Civic Support Fund Board of Directors.

AND

2. Appoint all five members of the City Council to the Laguna Woods Civic Support Fund Board of Directors.

AND

3. Extend the City's formal involvement with the Laguna Woods Civic Support Fund indefinitely.

VIII. ADJOURNMENT

The meeting was adjourned at 2:42 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, April 19, 2023 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: May 17, 2023

CYNTHIA S. CONNERS, Mayor

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
SPECIAL MEETING
May 8, 2023
2:30 P.M.
Laguna Woods City Hall
24264 El Toro Road
Laguna Woods, California 92637**

I. CALL TO ORDER

1.1 Call to Order

Mayor Connors called the Special Meeting of the City Council of the City of Laguna Woods to order at 2:34 p.m.

1.2 Emergency Circumstances and Just Cause Teleconferencing – N/A

II. ROLL CALL

COUNCILMEMBER: PRESENT: Horne, McCary, Moore, Hatch, Connors
 ABSENT: -

All councilmembers participated in-person at the meeting location.

STAFF PRESENT: City Attorney Patterson, City Clerk Trippy

All staff participated in-person at the meeting location.

III. PLEDGE OF ALLEGIANCE

City Attorney Patterson led the pledge of allegiance.

IV. PUBLIC COMMENTS ON NON-AGENDA ITEMS – None

V. 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.

5.1 The City Council met in closed session under the authority of California Government Code Section 54957 to consider the appointment and employment of the City Manager.

5.2 The City Council met in closed session under the authority of California Government Code Section 54957.6 to review its position and instruct the City's designated

representatives (Cynthia S. Conners, Mayor, and Noel Hatch, Mayor Pro Tem) regarding the salaries, salary schedules, and compensation paid in the form of fringe benefits of the City Manager, an unrepresented employee.

VI. CLOSED SESSION REPORT

The City Council reconvened in open session at 3:24 p.m. City Attorney Patterson stated that there was no reportable action under California Government Code sections 54957 and 54957.6.

VII. ADJOURNMENT

The meeting was adjourned at 3:24 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, May 17, 2023 at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: May 17, 2023

CYNTHIA S. CONNERS, Mayor

6.2
CITY TREASURER'S REPORT

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City of Laguna Woods
City Treasurer's Report
 For the Month Ended April 30, 2023

ITEM 6.2

CASH AND INVESTMENTS

	Beginning Balances As of 3/31/23	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 4/30/23	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
Cash and Cash Equivalents							
Analyzed Checking Account (Note 1)	\$ 747,345	\$ 725,568	\$ (611,113)	\$ 10,000	\$ 871,800	6.52%	
Cash Balances, Multi-Bank Securities (MBS) Account (Note 2 and 4)	\$ 4,727	\$ 13,082	\$ (5,941)	\$ -	\$ 11,868	0.09%	
Earned Interest in Transit and Accrued Interest, MBS Account (Note 4)	\$ 20,789	\$ 13,034	\$ (13,082)	\$ -	\$ 20,741	0.16%	
Petty Cash	\$ 1,419	\$ 81	\$ (53)	\$ -	\$ 1,447	0.01%	
Laguna Woods Civic Support Fund Checking Account	\$ 51,002	\$ 0.20	\$ (709)	\$ -	\$ 50,294	0.38%	
Total Cash and Cash Equivalents	\$ 825,282	\$ 751,765	\$ (630,897)	\$ 10,000	\$ 956,150	7.15%	100.00%
Pooled Money Investment Accounts							
Local Agency Investment Fund (LAIF - fair value) (Notes 2 and 3)	\$ 1,759,364	\$ 24,907	\$ -	\$ (500,000)	\$ 1,284,271	9.60%	
Orange County Investment Pool (OCIP - fair value) (Notes 2 and 3)	\$ 6,828,390	\$ 7,995	\$ (178)	\$ -	\$ 6,836,207	51.13%	
Total Pooled Money Investment Accounts	\$ 8,587,755	\$ 32,902	\$ (178)	\$ (500,000)	\$ 8,120,478	60.73%	90.00%
Investments - Interest and Income Bearing							
Certificates of Deposit - non-negotiable (fair value) (Note 2)	\$ 4,043,785		\$ -	\$ 250,990	\$ 4,294,776	32.12%	
Total Investments - Interest and Income Bearing	\$ 4,043,785	\$ -	\$ -	\$ 250,990	\$ 4,294,776	32.12%	90.00%
TOTAL	\$ 13,456,822	\$ 784,667	\$ (631,076)	\$ (239,010)	\$ 13,371,404	100.00%	

Summary of Total Cash, Cash Equivalents, and Investments:

	General Fund	Special Revenue Funds	Totals
Analyzed Checking Account	\$ (2,770,869)	\$ 3,642,669	\$ 871,800
Cash Balances, MBS Account	\$ 11,868	\$ -	\$ 11,868
Earned Interest in Transit and Accrued Interest, MBS Account	\$ 20,741	\$ -	\$ 20,741
Petty Cash	\$ 1,447	\$ -	\$ 1,447
LAIF	\$ 1,284,271	\$ -	\$ 1,284,271
OCIP	\$ 6,836,207	\$ -	\$ 6,836,207
Certificates of Deposit	\$ 4,294,776	\$ -	\$ 4,294,776
Laguna Woods Civic Support Fund Checking Account	\$ -	\$ 50,294	\$ 50,294
Totals	\$ 9,678,441	\$ 3,692,963	\$ 13,371,404

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



City of Laguna Woods
City Treasurer's Report
For the Month Ended April 30, 2023

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)														
61760ARV3	2018-7	MORGAN STANLEY PRIVATE BK NATL	60 months	11/06/18	11/15/18	245,000	243,243	245,000	3.550	Semi-Annual	05/15/19	Green***	3.550	11/15/23
02589AA28	2018-9	AMERICAN EXPRESS NATL	60 months	12/04/18	12/04/18	240,000	238,104	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	243,067	245,000	3.600	Monthly	01/12/19	Green***	3.600	12/12/23
052392CK1	2022-6	AUSTIN TELCO FED CR	12 months	12/09/22	12/16/22	245,000	245,323	245,000	5.100	Monthly	01/01/23	Green***	5.100	12/18/23
00833AAB6	2022-7	AFFINITY PLUS CR UN	12 months	12/15/22	12/27/22	245,000	245,336	245,000	5.100	Monthly	01/27/23	Green***	5.100	12/27/23
91334AAM5	2023-3	UNITED HERITAGE CR	12 months	03/07/23	03/21/23	200,000	200,824	200,000	5.200	Monthly	03/31/23	Green***	5.200	03/21/24
949763ZA7	2019-1	WELLS FARGO BK N A	60 months	04/09/19	04/10/19	245,000	240,404	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	239,850	245,000	2.900	Semi-Annual	12/01/22	Green*	2.900	06/03/24
98138MBA7	2022-8	WORKERS FED CR UN	24 months	12/09/22	12/16/22	245,000	244,990	245,000	4.950	Monthly	01/16/23	Yellow**	4.950	12/16/24
75472RBB6	2020-1	RAYMOND JAMES BK NATL ASSN	60 months	02/06/20	02/14/20	245,000	231,552	245,000	1.750	Semi-Annual	08/14/20	Green***	1.750	02/14/25
59013KGG9	2020-2	MERRICK BANK	60 months	03/24/20	03/31/20	100,000	94,156	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	235,923	245,000	3.100	Semi-Annual	11/25/22	Green*	3.100	05/27/25
59524LAA4	2023-1	MID CAROLINA CR UN	36 months	03/07/23	03/13/23	200,000	200,180	200,000	4.850	Monthly	04/13/23	Green***	4.850	03/13/26
23204HNV6	2023-4	CUSTOMERS BK	36 months	03/30/23	03/31/23	245,000	245,294	245,000	5.000	Semi-Annual	09/30/23	Green**	5.000	03/31/26
32022RRG4	2022-4	1ST FINL BK USA	48 months	06/15/22	06/24/22	245,000	232,250	245,000	3.150	Monthly	07/24/22	Green*	3.150	06/24/26
2546733P9	2023-5	DISCOVER BK	48 months	03/30/23	04/05/23	245,000	244,500	245,000	4.800	Semi-Annual	10/05/23	Green***	4.800	04/05/27
50625LBN2	2022-3	LAFAYETTE FED CR	60 months	05/24/22	06/15/22	245,000	230,354	245,000	3.250	Monthly	07/15/22	Green***	3.250	06/15/27
14042RUX7	2022-5	CAPITAL ONE NATL ASSN	60 months	10/06/22	10/13/22	245,000	241,587	245,000	4.500	Semi-Annual	04/13/23	Green*	4.500	10/13/27
90355GCE4	2023-2	UBS BANK USA	60 months	03/07/23	03/08/23	200,000	197,838	200,000	4.600	Monthly	04/08/23	Green*	4.600	03/08/28
		Accrued Interest - Month End					20,741							
Total CDs						4,370,000	4,315,517	4,370,000						

(*) 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)

N/A	N/A	Local Agency Investment Fund (LAIF)	N/A	Various	Various	1,296,392	1,284,271	1,296,392	Note 3	Quarterly	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	6,979,698	6,836,207	6,979,698	Note 3	Monthly	N/A	N/A	N/A	N/A
Total PMIA						8,276,090	8,120,478	8,276,090						

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



City of Laguna Woods

City Treasurer's Report

For the Month Ended April 30, 2023

ITEM 6.2

CASH AND INVESTMENTS

	Beginning Balances As of 3/31/23	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 4/30/23
Other Post-Employment Benefits (OPEB) Trust					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (Note 2) (CERBT holds all assets and administers the OPEB Trust)	\$ 129,567	\$ -	\$ (9)	\$ 1,162	\$ 130,720
Employer Pension Contributions Trust					
CalPERS California Employers' Pension Prefunding Trust (CEPPT) (Note 2) (CEPPT holds all assets and administers the Employer Pension Contributions Trust)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funds - Held in Trust	<u>\$ 129,567</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ 1,162</u>	<u>\$ 130,720</u>

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



**City of Laguna Woods
City Treasurer's Report
For the Month Ended April 30, 2023**

CASH AND INVESTMENTS

Notes:

Note 1 - Analyzed Checking Account / Monthly activity reported does not reflect April 2023 vendor invoicing processed after the date of this report.

Note 2 - During April 2023, transaction activity in pooled money investment accounts, investment accounts and fiduciary trusts included:

LAIF / The City made no deposits to the LAIF account and withdrew \$500,000, which was deposited in the City's checking account for investment purposes. 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 includes an adjustment in the amount of (\$143,491.10) to reflect the fair market value of the investment at June 30, 2022.

Investments / There were no maturities of investments. The City invested \$245,000 cash balance in a Discover Bank Certificate Deposit for a 48 month term at a 4.800% yield rate. Investments were adjusted in the amount of \$5,990.45 to report balances at fair market value as of April 30, 2023.

OPEB Trust / The City made no contributions to or withdrawals from the OPEB Trust. The OPEB Trust experienced a net gain of \$1,153.25 in April 2023.

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 April 2023 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	\$24,906.84	January 1, 2023 thru March 31, 2023	See Notes	July 2023	Total pool interest yield for April 2023 was 2.870% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted.
OCIP	Monthly	\$7,995.07	January 2023	See Notes	See Notes	Interest is posted three months in arrears and fees are posted monthly. Accrued interest pending payment at April 30, 2023 was \$56,392.34. April 30, 2023 interest rate was 3.539% and fees were 0.030%, for a net yield of 3.509%.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$13,081.80 and transferred out \$5,941.05 in cash balances to the City's checking account in April 2023. Cash balances to be invested or paid out are classified separately on page 1 of 4. The City's portfolio also has \$20,741.24 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: 2023.05.11
18:37:29 -07'00'

Elizabeth Torres, City Treasurer

6.3
WARRANT REGISTER

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CITY OF LAGUNA WOODS

WARRANT REGISTER

May 17, 2023

ITEM 6.3

This Report Covers the Period 04/01/2023 through 04/30/2023

Date	Vendor Name	Description	Amount	
Debit	Automatic Bank Debits:			
04/03/2023	DELTA DENTAL OF CALIFORNIA	Employee Benefit Program / April 2023	472.44	
04/03/2023	GLOBAL PAYMENTS / OPEN EDGE	Credit Card Processing Fees / March 2023	2,283.61	
04/04/2023	AUTHORIZE.NET	Online Credit Card Processing Fees / March 2023	12.00	
04/07/2023	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Periods Ended 03/10/2023 & 03/24/2023	405.92	
04/10/2023	NAVIA BENEFIT SOLUTIONS, INC	125 Cafeteria Plan Administration / March 2023	100.00	
04/11/2023	CALPERS - HEALTH	Employee Benefit Program / April 2023	7,847.63	
04/11/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 03/10/2023	3,157.93	
04/11/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 03/10/2023	1,724.99	
04/13/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / April 2023	872.32	
04/14/2023	ADP TAX	Payroll Taxes / Pay Period Ended 04/07/2023	20,675.35	
04/14/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 04/07/2023	9,559.60	
04/14/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 04/07/2023	1,520.00	
04/14/2023	COUNTY OF ORANGE - SHERIFF	Law Enforcement Services / April 2023	261,943.67	
04/14/2023	U.S. BANK	Bank Service Charges / March 2023	78.21	
04/20/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / April 2023	292.21	
04/25/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 03/24/2023	3,157.93	
04/25/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 03/24/2023	1,769.25	
04/26/2023	ADP TAX	Payroll Taxes / Pay Period Ended 04/21/2023	9,225.61	
04/26/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 04/21/2023	20,379.32	
04/27/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / April 2023	167.00	
04/28/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 04/21/2023	1,520.00	
Check Number	Warrants:			
6570	04/07/2023	ACC BUSINESS	City Hall Internet Service / February 2023	608.66
6571	04/07/2023	AT&T	Telephone / 452-0600 / March 2023	2,616.48
6572	04/07/2023	AT&T	Telephone / 639-0500 / March 2023	233.15
6573	04/07/2023	AT&T	Telephone / 458-3487 / March 2023	47.30
6574	04/07/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / March 2023	3,420.12
6575	04/07/2023	CITY OF LAGUNA BEACH	Animal Control & Shelter Services / February 2023	9,426.75
6576	04/07/2023	DATA TICKET, INC	Citation Processing / February 2023	5.00
6577	04/07/2023	EPIC IO TECHNOLOGIES, INC.	City Hall Internet Service / March - April 2023	342.90
6578	04/07/2023	FUSCOE ENGINEERING, INC.	Engineering Services / February 2023	1,845.00
6579	04/07/2023	MARINA LANDSCAPE, INC.	Ridge Route Drive Landscape Project	8,459.75
6580	04/07/2023	OMNI ENTERPRISE INC	Janitorial Services / February 2023	2,160.00
6581	04/07/2023	PETTY CASH	Replenish Petty Cash / March 2023	-
6582	04/07/2023	RUTAN & TUCKER, LLP	Legal Services / February 2023	3,345.00
6583	04/07/2023	STAPLES	Office & Janitorial Supplies	579.90
6584	04/14/2023	ABOUND FOOD CARE	Edible Food Recovery Program Services / March 2023	380.92
6585	04/14/2023	AT&T	White Pages / April 2023	4.28
6586	04/14/2023	AT&T	Telephone / 581-9821 / March 2023	64.70
6587	04/14/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / March 2023	5,534.98
6588	04/14/2023	BROWN ARMSTRONG ACCOUNTANCY CORPORATION	Single Audit Services / Fiscal Year 2021-22	1,800.00

CITY OF LAGUNA WOODS
WARRANT REGISTER
May 17, 2023

ITEM 6.3

This Report Covers the Period 04/01/2023 through 04/30/2023

Date	Vendor Name	Description	Amount	
6589	04/14/2023	CAPTIONING UNLIMITED	Closed Captioning / March 2023	400.00
6590	04/14/2023	COUNTY OF ORANGE	Automated Fingerprint ID System / April 2023	613.00
6591	04/14/2023	EL TORO WATER DISTRICT	Water Service / February 2023	3,295.46
6592	04/14/2023	IRWIN B BORNSTEIN, CPA	Financial Consulting Services / March 2023	1,450.00
6593	04/14/2023	KONE INC.	City Hall Elevator Maintenance / April 2023	225.00
6594	04/14/2023	OMNI ENTERPRISE INC	Janitorial Services / January 2023	2,320.00
6595	04/14/2023	ORANGE COUNTY REGISTER-NOTICES	Public Notices / March 2023	1,117.20
6596	04/14/2023	ORANGE COUNTY SHERIFF'S ADVISORY COUNCIL	Medal of Valor Ticket	150.00
6597	04/14/2023	ORANGE COUNTY SHERIFF'S ADVISORY COUNCIL	Medal of Valor Tickets	450.00
6598	04/14/2023	SHARESQUARED, INC.	Building Document Tracking Project	5,735.00
6599	04/14/2023	SOUTHERN CALIFORNIA EDISON	Electric Services / Feb - March 2023	5,939.76
6600	04/14/2023	SOUTHERN CALIFORNIA GAS COMPANY	Gas Service - City Hall / March 2023	646.15
6601	04/14/2023	SWEEPING CORPORATION OF AMERICA	Street Sweeping Services / February - March 2023	6,699.00
6602	04/14/2023	VERIZON WIRELESS	Building iPads Data Plans / March 2023	120.03
6603	04/14/2023	WILLDAN ENGINEERING	Code Enforcement Services / February 2023	2,010.00
6604	04/14/2023	WM CURBSIDE, LLC	HHW, Medicine & Sharps Program / March 2023	3,892.10
6605	04/20/2023	ARC DOCUMENT SOLUTIONS, LLC.	Printing Services	572.04
6606	04/20/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / March 2023	2,602.55
6607	04/20/2023	CALIFORNIA YELLOW CAB	Taxi Voucher Services / March 2023	456.00
6607	04/20/2023	CALIFORNIA YELLOW CAB	NEMT Taxi Voucher Services / March 2023	526.00
6608	04/20/2023	COUNTY OF ORANGE	800 MHz Communication Charges / April - June 2023	1,364.00
6609	04/20/2023	INTERWEST CONSULTING GROUP	Building Official, Permit Counter & Inspection Services / March 2023	71,045.00
6610	04/20/2023	PARK CONSULTING GROUP, INC	Software Consulting Services / March 2023	5,325.00
6611	04/20/2023	PV MAINTENANCE INC	Street, City Hall & Park Maintenance / March 2023	12,395.33
6612	04/20/2023	RICOH USA, INC.	Copier Usage / January - March 2023	912.69
6613	04/20/2023	RICOH USA, INC.	Copier Lease / May 2023	246.57
6614	04/20/2023	RJM DESIGN GROUP	Landscape Architectural Services	1,802.50
6615	04/20/2023	SOUTHERN CALIFORNIA SHREDDING,	Shredding Services / March 2023	450.00
6616	04/20/2023	TYLER TECHNOLOGIES, INC.	Incode Financial Software Annual Maintenance / April 2023 - March 2024	11,773.28
6616	04/20/2023	TYLER TECHNOLOGIES, INC.	EnerGov Permitting Software License Fees	500.00
6617	04/20/2023	VITUITY - URGENT CARE SERVICES, PC	Employee Health Services / February 2023	50.00
6618	04/28/2023	360CIVIC	Website Hosting / March 2023	200.00
6619	04/28/2023	AMAZON CAPITAL SERVICES	Janitorial Supplies	27.87
6620	04/28/2023	CALIFORNIA BLDG STANDARDS COMM	Building Permit Fee Assessment / January - March 2023	744.30
6621	04/28/2023	CAPTIONING UNLIMITED	Closed Captioning / April 2023	500.00
6622	04/28/2023	CIVICPLUS, LLC	Annual Subscription / Fiscal Year 2023-24	350.00
6623	04/28/2023	DEPARTMENT OF CONSERVATION	Strong Motion Instrumentation & Seismic Hazard Mapping Fee / January - March 2023	1,287.90
6624	04/28/2023	FUSCOE ENGINEERING, INC.	Engineering Services / March 2023	4,347.50
6625	04/28/2023	INTERWEST CONSULTING GROUP	Building Official, Permit Counter & Inspection Services / December 2022	51,010.00
6626	04/28/2023	MANAGED HEALTH NETWORK	Employee Benefit Program / May 2023	16.72
6627	04/28/2023	MISSION SQUARE RETIREMENT	Quarterly Plan Fee / April - June 2023	125.00
6628	04/28/2023	RUTAN & TUCKER, LLP	Legal Services / March 2023	6,305.52
6629	04/28/2023	SHELBY ELECTRIC INC.	City Hall Maintenance	8,402.00
6630	04/28/2023	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / March 2023	2,718.26

**CITY OF LAGUNA WOODS
WARRANT REGISTER
May 17, 2023**

This Report Covers the Period 04/01/2023 through 04/30/2023

Date	Vendor Name	Description	Amount	
6631	04/28/2023	TONY'S LOCKSMITH & SAFE SERV.	City Hall Maintenance	173.49
6632	04/28/2023	VISION SERVICE PLAN OF AMERICA	Employee Benefit Program / May 2023	129.57
6633	04/28/2023	YUNEX LLC	Traffic Signal Maintenance / March 2023	1,570.00
			Total Bank Debits and Warrants:	\$ 611,031.67
 Petty Cash Expenditures Paid Out (See Note 2)				
		Amazon	Office Supplies	\$9.69
		Signs.com	Office Supplies	\$43.09
			Total Petty Cash:	\$52.78
			TOTAL	\$ 611,084.45

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 April 2023, the following Councilmembers received compensation in the amount of \$300: Conners, Hatch, Horne, and McCary.


Note 2 - Petty cash is reported as cash is paid out, not when the fund is replenished.

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: 2023.05.11
18:43:06 -07'00'

Elizabeth Torres, Administrative Services Director/City Treasurer

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6.4
INTERNAL REVENUE CODE SECTION 401 AND
SECTION 457 PLANS

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RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING A NEW ADMINISTRATIVE SERVICES AGREEMENT WITH THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (DOING BUSINESS AS MISSIONSQUARE RETIREMENT) FOR THE CITY’S INTERNAL REVENUE CODE SECTION 401 AND INTERNAL REVENUE CODE SECTION 457 PLANS, AND AUTHORIZING THE EXECUTION OF THE ADMINISTRATIVE SERVICES AGREEMENT, AS WELL AS OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City offers an Internal Revenue Code (“IRC”) Section 457 governmental deferred compensation plan and trust (“IRC Section 457 Plan”) administered by the International City Management Association Retirement Corporation doing business as MissionSquare Retirement (“MissionSquare Retirement”) to eligible employees; and

WHEREAS, in 2003, the City established an IRC Section 401 governmental money purchase plan and trust (“IRC Section 401 Plan”) with MissionSquare Retirement to provide benefits for a single class of employee which, while no longer offered to current employees, is maintained due to a former employee’s remaining account balance; and

WHEREAS, the City’s existing administrative services agreement with MissionSquare Retirement was entered into in January 2008; and

WHEREAS, at the City’s request, MissionSquare Retirement has provided the City with a new administrative services agreement for the IRC Section 401 Plan and IRC Section 457 Plan.

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

SECTION 1. The City Council hereby elects to approve a new administrative services agreement with MissionSquare Retirement for the City’s IRC Section 401 Plan and IRC Section 457 Plan, attached hereto as Exhibit A, and authorizes the Mayor or City Manager to execute the administrative services agreement, subject to approval as to form by the City Attorney.

SECTION 2. The City Council hereby authorizes the City Manager and Administrative Services Director/City Treasurer to take any additional actions necessary to follow the processes and procedures established by MissionSquare Retirement to maintain the qualified status of the City’s IRC Section 401 Plan and IRC Section 457 Plan, including executing other related documents and certifications as may be necessary or advantageous.

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 2023.

CYNTHIA S. CONNERS, 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. 23-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 2023, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

ADMINISTRATIVE SERVICES AGREEMENT

for

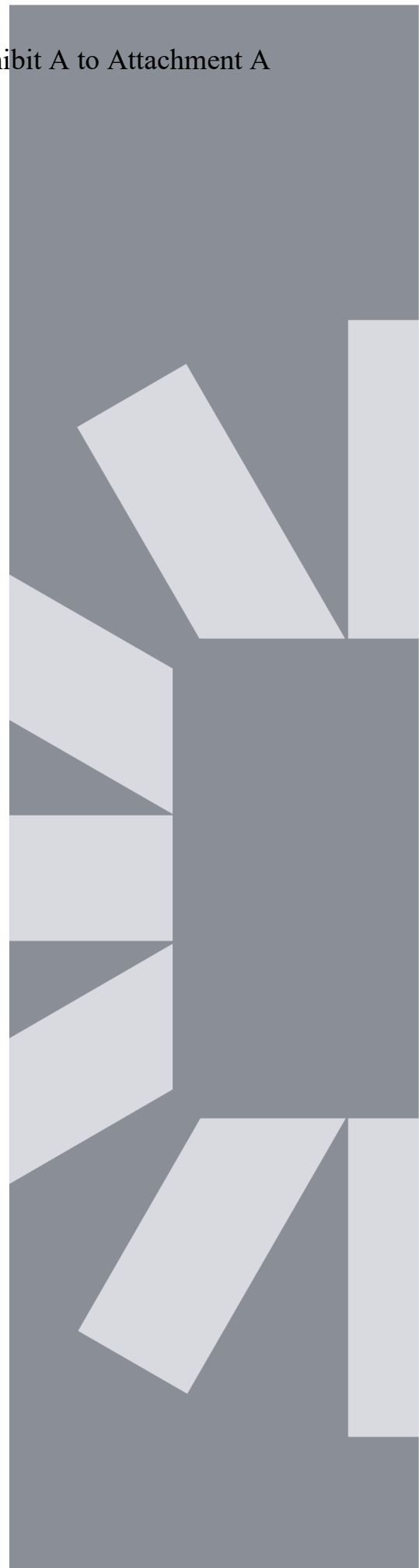
City of Laguna Woods

Type: **457**

Account #: **306257**

Type: **401**

Account #: **108326**



ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”), made as of this day, (please enter date) _____, (herein referred to as the "Inception Date"), between the International City Management Association Retirement Corporation doing business as MissionSquare Retirement (“MissionSquare”), a nonprofit corporation organized and existing under the laws of the State of Delaware, and the **City of Laguna Woods** (“Employer”), an **Entity** organized and existing under the laws of the State of **California** with an office at **24264 El Toro Road**, **Laguna Woods**, **California 92637**.

RECITALS

Employer acts as public plan sponsor of a retirement plan (“Plan”), and in that capacity, has responsibility to obtain administrative services and investment alternatives for the Plan;

VantageTrust is a group trust established and maintained in accordance with New Hampshire Revised Statutes Annotated section 391:1 and Internal Revenue Service Revenue Ruling 81 -100, 1981 -1 C.B. 326, which provides for the commingled investment of retirement funds ;

MissionSquare, or its wholly owned subsidiary, acts as investment adviser to VantageTrust Company, LLC, the Trustee of VantageTrust;

MissionSquare has designed, and VantageTrust Company offers, a series of separate funds (the “Funds”) for the investment of plan assets as referenced in the Funds’ principal disclosure documents , which are the Disclosure Memorandum and the Fact Sheets (together, “MissionSquare Disclosures”); and

MissionSquare provides a range of services to public employers for the operation of employee retirement plans including, but not limited to, communications concerning investment alternatives, account maintenance, account record keeping, investment and tax reporting, transaction processing, and benefit disbursement.

AGREEMENTS

1. Appointment of MissionSquare

Employer hereby appoints MissionSquare as administrator of the Plan to perform all nondiscretionary functions necessary for the administration of the Plan. The functions to be performed by MissionSquare shall be those set forth in Exhibit A to this Agreement.

2. Adoption of VantageTrust

Employer has adopted the Declaration of Trust of VantageTrust Company and agrees to the commingled investment of assets of the Plan within VantageTrust. Employer agrees that the investment, management, and distribution of amounts deposited in VantageTrust shall be subject to the Declaration of Trust, as it may be amended from time to time and shall also be subject to terms and conditions set forth in disclosure documents (such as the MissionSquare Disclosures or Employer Bulletins) as those terms and conditions may be adjusted from time to time.

3. Employer Duty to Furnish Information

Employer agrees to furnish to MissionSquare on a timely basis such information as is necessary for MissionSquare to carry out its responsibilities as Administrator of the Plan, including information needed to allocate individual participant accounts to Funds in VantageTrust, and information as to the employment status of participants, and participant ages, addresses, and other identifying information (including tax identification numbers). Employer also agrees that it will notify MissionSquare in a timely manner regarding changes in staff as it relates to various roles. Such notification is to be completed through the plan sponsor website. MissionSquare shall be entitled to rely upon the accuracy of any information that is furnished to it by a responsible official of the Employer or any information relating to an individual participant or beneficiary that is furnished by such participant or beneficiary, and MissionSquare shall not be responsible for any error arising from its reliance on such information. MissionSquare will provide reports and account information to the Employer through the plan sponsor website.

Employer is required to send in Plan contributions through the plan sponsor website. Alternative electronic methods may be allowed but must be approved by MissionSquare for use. Contributions may not be sent through paper submittal documents.

To the extent Employer selects third-party investment funds that do not have fund profile information provided to MissionSquare through electronic data feeds from external sources (such as Morningstar) or third-party fund providers, the Employer is responsible for providing to MissionSquare timely fund investment updates for disclosure to Plan participants. Such updates may be provided to MissionSquare through the Employer's investment consultant or other designated representative.

4. MissionSquare Representations and Warranties

MissionSquare represents and warrants to Employer that:

- (a) MissionSquare is a non-profit corporation with full power and authority to enter into this Agreement and to perform its obligations under this Agreement. The ability of MissionSquare, or its wholly owned subsidiary, to serve as investment adviser to VantageTrust Company is dependent upon the continued willingness of VantageTrust Company for MissionSquare, or its wholly owned subsidiary, to serve in that capacity.
- (b) MissionSquare is an investment adviser registered as such with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended.
- (c)(i) MissionSquare shall maintain and administer the 457(b) Plan in accordance with the requirements for eligible deferred compensation plans under Section 457 of the Internal Revenue Code and other applicable federal law; provided, however, that MissionSquare shall not be responsible for the eligible status of the 457(b) Plan in the event that the Employer directs MissionSquare to administer the 457(b) Plan or disburse assets in a manner inconsistent with the requirements of Section 457 or otherwise causes the 457(b) Plan not to be carried out in accordance with its terms. Further, in the event that the Employer uses its own customized plan document, MissionSquare shall not be responsible for the eligible status of the 457(b) Plan to the extent affected by terms in the Employer's plan document that differ from those in MissionSquare's model plan document. MissionSquare shall not be responsible for monitoring state or local law applicable to retirement plans or for administering the 457(b) Plan in compliance with local or state requirements regarding plan

ITEM 6.4 – Exhibit A to Attachment A

administration unless Employer notifies MissionSquare of any such local or state requirements.

- (c)(ii) MissionSquare shall maintain and administer the 401(a) Plan in accordance with the requirements for plans which satisfy the qualification requirements of Section 401 of the Internal Revenue Code and other applicable federal law; provided, however, MissionSquare shall not be responsible for the qualified status of the 401(a) Plan in the event that the Employer directs MissionSquare to administer the 401(a) Plan or disburse assets in a manner inconsistent with the requirements of Section 401 or otherwise causes the 401(a) Plan not to be carried out in accordance with its terms; provided, further, that if the plan document used by the Employer contains terms that differ from the terms of MissionSquare's model plan document, MissionSquare shall not be responsible for the qualified status of the 401(a) Plan to the extent affected by the differing terms in the Employer's plan document. MissionSquare shall not be responsible for monitoring state or local law applicable to retirement plans or for administering the 401(a) Plan in compliance with local or state requirements regarding plan administration unless Employer notifies MissionSquare of any such local or state requirements.

5. Employer Representations and Warranties

Employer represents and warrants to MissionSquare that:

- (a) Employer is organized in the form and manner recited in the opening paragraph of this Agreement with full power and authority to enter into and perform its obligations under this Agreement and to act for the Plan and participants in the manner contemplated in this Agreement. Execution, delivery, and performance of this Agreement will not conflict with any law, rule, regulation or contract by which the Employer is bound or to which it is a party.
- (b) Employer understands and agrees that MissionSquare's sole function under this Agreement is to act as recordkeeper and to provide administrative, investment or other services at the direction of Plan participants, the Employer, its agents or designees in accordance with the terms of this Agreement. Under the terms of this Agreement, MissionSquare does not render

ITEM 6.4 – Exhibit A to Attachment A

investment advice, is neither the “Plan Administrator” nor “Plan Sponsor” as those terms are defined under applicable federal, state, or local law, and does not provide legal, tax or accounting advice with respect to the creation, adoption or operation of the Plan and its related trust. MissionSquare does not perform any service under this Agreement that might cause MissionSquare to be treated as a “fiduciary” of the Plan under applicable law, except, and only, to the extent that MissionSquare provides investment advisory services to individual participants enrolled in Guided Pathways Advisory Services.

- (c) Employer acknowledges and agrees that MissionSquare does not assume any responsibility with respect to the selection or retention of the Plan’s investment options. Employer shall have exclusive responsibility for the Plan’s investment options, including the selection of the applicable share class. Where applicable, Employer understands that the MissionSquare Retirement Income Advantage Fund is an investment option for the Plan and that the fund invests in a separate account available through a group variable annuity contract. By entering into this Agreement, Employer acknowledges that it has received the Important Considerations document and the MissionSquare Disclosures and that it has read the information therein concerning the MissionSquare Retirement Income Advantage Fund.
- (d) Employer acknowledges that certain such services to be performed by MissionSquare under this Agreement may be performed by an affiliate or agent of MissionSquare pursuant to one or more other contractual arrangements or relationships, and that MissionSquare reserves the right to change vendors with which it has contracted to provide services in connection with this Agreement without prior notice to Employer. At all times MissionSquare shall be responsible for the performance of such affiliates or agents under this Agreement.

6. Participation in Certain Proceedings

The Employer hereby authorizes MissionSquare to act as agent, to appear on its behalf, and to join the Employer as a necessary party in all legal proceedings involving the garnishment of benefits or the transfer of benefits pursuant to the divorce or separation of participants in the Plan. Unless Employer notifies MissionSquare otherwise, Employer consents to the disbursement by

MissionSquare of benefits that have been garnished or transferred to a former spouse, current spouse, or child pursuant to a domestic relations order or child support order.

7. Compensation and Payment

- (a) **Plan Administration Fee.** The amount to be paid for plan administration services under this Agreement shall be **0.55 %** per annum of the amount of Plan assets invested in VantageTrust. Such fee shall be computed based on average daily net Plan assets in VantageTrust.
- (b) **Compensation for Management Services to VantageTrust Company, Compensation for Advisory and other Services to the MissionSquare Funds Class M and Payments from Third Party Investment Options.** Employer acknowledges that, in addition to amounts payable under this Agreement, MissionSquare, or its wholly owned subsidiary, receives fees from VantageTrust Company for investment advisory services and plan and participant services furnished to VantageTrust Company. Employer further acknowledges that MissionSquare, including certain of its wholly owned subsidiaries, receives compensation for advisory and other services furnished to the MissionSquare Funds Class M, which serve as the underlying portfolios of a number of Funds offered through VantageTrust. For a MissionSquare Fund Class R that invests substantially all of its assets in a third-party mutual fund not affiliated with MissionSquare, MissionSquare or its wholly owned subsidiary receives payments from the third-party mutual fund families or their service providers in the form of 12b-1 fees, service fees, compensation for sub-accounting and other services provided based on assets in the underlying third-party mutual fund. These fees are described in the MissionSquare Disclosures and MissionSquare's fee disclosure statement. In addition, to the extent that third-party options are included in the investment line-up for the Plan, MissionSquare receives administrative fees from its third-party settlement and clearing agent for providing administrative and other services based on assets invested in third-party investment options; such administrative fees come from payments made by third-party investment options to the settlement and clearing agent.

- (c) **Employer Fee** . There shall be an annual Employer fee of **\$500.00** . The annual Employer Fee will be billed in equal amounts on a quarterly basis and is payable within 30 days after the quarterly billing cycle. The Employer Fee will be charged as long as there are Plan assets, regardless of the status of the participant(s). The Employer acknowledges that, in the event the Employer fails to pay the Employer fee when due, such fee shall be paid directly from assets held on behalf of the Plans(s) ; i.e., deducting the fees from the Plan accounts. Plans that are initially established mid -year will be billed on a pro -rata basis.
- (d) **Redemption Fees** . Redemption fees imposed by outside investment options in which Plan assets are invested are collected and paid to the investment option by MissionSquare. MissionSquare remits 100% of redemption fees back to the specific investment option to which redemption fees apply. These redemption fees and the individual investment option's policy with respect to redemption fees are specified in the prospectus for the individual mutual fund and referenced in the MissionSquare Disclosures.
- (e) **Payment Procedures** . All payments to MissionSquare pursuant to Section 7(a) shall be paid out of the Plan assets held by VantageTrust or received from third -party investment options or their service providers in connection with Plan assets invested in such third -party investment options , to the extent not paid by the Employer. All payments to MissionSquare pursuant to Section 7(c) shall be paid directly by Employer and shall not be deducted from Plan Assets except as otherwise specified in Section 7(c) . The amount of Plan assets administered by MissionSquare shall be adjusted as required to reflect any such payments as are made from the Plan. In the event that the Employer agrees to pay amounts owed pursuant to this Section 7 directly, any amounts unpaid and outstanding after 30 days of invoice to the Employer shall be withdrawn from Plan assets.

The compensation and payment set forth in this Section 7 are contingent upon the Employer's use of MissionSquare's plan sponsor website system for contribution processing and submitting contribution funds by ACH or wire transfer on a consistent basis over the term of this Agreement.

8. Indemnification

MissionSquare shall not be responsible for any acts or omissions of any person with respect to the Plan or its related trust, other than MissionSquare, its directors, officers, employees, subcontractors, or agents (collectively referred to as “MissionSquare Personnel” for purposes of this Section 8), in connection with the administration or operation of the Plan. Employer shall indemnify MissionSquare against, and hold MissionSquare harmless from, any and all loss, damage, penalty, liability, cost, and expense, including without limitation, reasonable attorney’s fees, that may be incurred by, imposed upon, or asserted against MissionSquare by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the Plan or its related trust, excepting only any and all loss, damage, penalty, liability, cost or expense resulting from MissionSquare Personnel’s negligence, bad faith, or willful misconduct.

9. Term

This Agreement shall be in effect and commence on the date all parties have signed and executed this Agreement, with the Employer signing through DocuSign (“Inception Date”). This Agreement may be terminated without penalty by either party on sixty days advance notice in writing to the other; provided however, that the Employer understands and acknowledges that, in the event the Employer terminates this Agreement (or replaces the MissionSquare PLUS Fund of VantageTrust, as an investment option in its investment line -up), MissionSquare retains full discretion to release Plan assets invested in the MissionSquare PLUS Fund in an orderly manner over a period of up to 12 months from the date MissionSquare receives written notification from the Employer that it has made a final and binding selection of a replacement for MissionSquare as administrator of the Plan (or a replacement investment option for the MissionSquare PLUS Fund).

10. Amendments and Adjustments

- (a) This Agreement may be amended by written instrument signed by the parties.
- (b) MissionSquare may modify this agreement by providing 60 days’ advance written notice to the Employer prior to the effective date of such proposed modification. Such modification shall become effective unless, within the 60 -day notice period, the Employer notifies MissionSquare in writing that it objects to such modification.

ITEM 6.4 – Exhibit A to Attachment A

(c) The parties agree that enhancements may be made to administrative services under this Agreement. The Employer will be notified of enhancements or reduction in fees through electronic messages or special mailings.

11. Notices

Unless otherwise provided in this Agreement, all notices required to be delivered under this Agreement shall be in writing and shall be delivered, mailed, e-mailed or faxed to the location of the relevant party set forth below or to such other address or to the attention of such other persons as such party may hereafter specify by notice to the other party.

MissionSquare : Legal Department, MissionSquare, 777 North Capitol Street, N.E., Suite 600, Washington, D.C., 20002 -4240
Facsimile ; (202) 962-4601

Employer: at the office set forth in the first paragraph hereof, or to any other address, facsimile number or e-mail address designated by the Employer to receive the same by written notice similarly given.

Each such notice, request or other communication shall be effective: (i) if given by facsimile, when transmitted to the applicable facsimile number and there is appropriate confirmation of receipt; (ii) if given by mail or e-mail, upon transmission to the designated address with no indication that such address is invalid or incorrect; or (iii) if given by any other means, when actually delivered at the aforesaid address.

12. Complete Agreement

This Agreement shall constitute the complete and full understanding and sole agreement between MissionSquare and Employer relating to the object of this Agreement and correctly sets forth the complete rights, duties and obligations of each party to the other as of its date. This Agreement supersedes all written and oral agreements, communications or negotiations among the parties. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

13. Titles

The headings of Sections of this Agreement and the headings for each of the attached schedules are for convenience only and do not define or limit the contents thereof.

14. Incorporation of Exhibits

All Exhibits (and any subsequent amendments thereto), attached hereto, and referenced herein, are hereby incorporated within this Agreement as if set forth fully herein.

15. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of **California**, applicable to contracts made in that jurisdiction without reference to its conflicts of laws provisions.

ITEM 6.4 – Exhibit A to Attachment A

In Witness Whereof, the parties hereto certify that they have read and understand this Agreement and all Schedules attached hereto and have caused this Agreement to be executed by their duly authorized officers as of the Inception Date first above written.

CITY OF LAGUNA WOODS

By _____
Christopher Macon
City Manager

**THE INTERNATIONAL CITY MANAGEMENT
ASSOCIATION RETIREMENT CORPORATION
doing business as MISSIONSQUARE
RETIREMENT**

By _____
Erica McFarquhar
Authorized Representative

An execution copy will be provided via DocuSign.

Exhibit A

Administrative Services

The administrative services to be performed by MissionSquare under this Agreement shall be as follows:

- (a) Participant enrollment services are provided online. Employees will enroll online through a secure site or the Employer will enroll employees through the plan sponsor website .
- (b) Establishment of participant accounts for each employee participating in the Plan for whom MissionSquare receives appropriate enrollment instructions. MissionSquare is not responsible for determining if such Plan participants are eligible under the terms of the Plan.
- (c) Allocation in accordance with participant directions received in good order of individual participant accounts to investment options offered under the Plan.
- (d) Maintenance of individual accounts for participants reflecting amounts deferred, income, gain or loss credited, and amounts distributed as benefits.
- (e) Maintenance of records for all participants for whom participant accounts have been established. These files shall include enrollment instructions (provided to MissionSquare through the participant website or the plan sponsor website), beneficiary designation instructions and all other documents concerning each participant's account .
- (f) Provision of periodic reports to the Employer through the plan sponsor website . Participants will have access to account information through Participant Services, Voice Response System, the participant website , and text access, and through quarterly statements that can be delivered electronically through the participant website or by postal service.
- (g) Communication to participants of information regarding their rights and elections under the Plan.
- (h) Making available Participant Services Representatives through a toll -free telephone number from 8:30 a.m. to 9:00 p.m. Eastern Time, Monday through Friday (excluding holidays and days on which the securities markets or MissionSquare are closed for business (including emergency closings)), to assist participants.

ITEM 6.4 – Exhibit A to Attachment A

- (i) Making available access to MissionSquare’s website, to allow participants to access certain account information and initiate certain plan transactions at any time. The participant website is normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance.
- (j) Maintaining the security and confidentiality of client information through a system of controls including but not limited to, as appropriate: restricting plan and participant information only to those who need it to provide services, software and hardware security, access controls, data back-up and storage procedures, non-disclosure agreements, security incident response procedures, and audit reviews.
- (k) Making available access to MissionSquare’s plan sponsor web site to allow plan sponsors to access certain plan information and initiate plan transactions such as enrolling participants and managing contributions at any time. The plan sponsor website is normally available 24 hours a day, seven days a week except during scheduled maintenance periods designed to ensure high-quality performance.
- (l) Distribution of benefits, withholding applicable taxes therefrom, and reporting distributions to applicable tax authorities as agent for the Employer in accordance with terms of the Plan. Participants who have separated from service can request distributions through the participant website or via form.
- (m) Upon approval by the Employer that a domestic relations order is an acceptable qualified domestic relations order under the terms of the Plan, MissionSquare will establish a separate account record for the alternate payee and provide for the investment and distribution of assets held thereunder.
- (n) Loans may be made available on the terms specified in the Loan Guidelines, if loans are adopted by the Employer. Participants can request loans through the participant website.
- (o) Guided Pathways Advisory Services – MissionSquare’s participant advice service, “Fund Advice” may be made available through a third-party vendor on the terms specified on MissionSquare’s website.
- (p) MissionSquare is authorized by the Employer to establish an unallocated plan level expense account to function as the Administrative Allowance, to be invested as Employer directs.
- (q) MissionSquare will determine appropriate delivery method (electronic and/or print) for plan sponsor/participant communications and education based on a number of factors (audience, effectiveness, etc.)

RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND RESTATING THE CITY’S PLAN DOCUMENT FOR THE INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (DOING BUSINESS AS MISSIONSQUARE RETIREMENT) INTERNAL REVENUE CODE SECTION 457 GOVERNMENTAL DEFERRED COMPENSATION PLAN AND TRUST, AND AUTHORIZING THE EXECUTION OF THE PLAN DOCUMENT, AS WELL AS OTHER RELATED DOCUMENTS AND ACTIONS

WHEREAS, the City offers an Internal Revenue Code (“IRC”) Section 457 governmental deferred compensation plan and trust (“IRC Section 457 Plan”) administered by the International City Management Association Retirement Corporation doing business as MissionSquare Retirement (“MissionSquare Retirement”) to eligible employees; and

WHEREAS, the City last took action to formally amend and restate the plan document for its IRC Section 457 Plan in September 2007; and

WHEREAS, at the City’s request, MissionSquare Retirement has provided the City with its current plan document for the IRC Section 457 Plan.

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

SECTION 1. The City Council hereby elects to formally amend and restate the plan document for the IRC Section 457 Plan as per the plan document attached hereto as Exhibit A and authorizes the Mayor or City Manager to execute the adoption agreement, subject to approval as to form by the City Attorney.

SECTION 2. The City Council hereby authorizes the City Manager and Administrative Services Director/City Treasurer to take any additional actions necessary to follow the processes and procedures established by MissionSquare Retirement to maintain the qualified status of the City’s IRC Section 457 Plan, including executing other related documents and certifications as may be necessary or advantageous.

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 2023.

CYNTHIA S. CONNERS, 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. 23-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 2023, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

MissionSquare

RETIREMENT

ICMA Retirement Corporation
doing business as

MissionSquare Retirement Governmental 457 Deferred Compensation Plan



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457 GOVERNMENTAL DEFERRED COMPENSATION PLAN AND TRUST

As Amended and Restated

Article I. Purpose

The Employer identified in Article 2.09 hereby establishes and maintains the Employer's Deferred Compensation Plan and Trust, hereafter referred to as the "Plan." The Employer is a State, political subdivision of a State, or an agency or instrumentality of a State or political subdivision, as described in Section 457(e)(1)(A) of the Internal Revenue Code ("the Code").

The primary purpose of this Plan is to provide retirement income and other deferred benefits to the Employees of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the Code.

The Employer has determined that the establishment of a deferred compensation plan for the Employees of the Employer serves the interests of the Employer by enabling it to provide reasonable retirement security for its employees, by providing increased flexibility in its personnel management system, and by assisting in the attraction and retention of competent personnel.

This Plan shall be an agreement solely between the Employer and participating Employees. The Plan and Trust forming a part hereof are established and shall be maintained for the exclusive benefit of Participants and their Beneficiaries. No part of the corpus or income of the Trust shall revert to the Employer or be used for or diverted to purposes other than the exclusive benefit of Participants and their Beneficiaries.

The Employer adopts the Group Trust created by the Declaration of Trust of VantageTrust Company.

Article II. Definitions

- 2.01 Account.** The bookkeeping account maintained for each Participant reflecting the cumulative amount of the Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the Employer's investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Participant's Beneficiary and any fees or expenses charged against such Participant's Deferred Compensation.
- 2.02 Accounting Date.** For valuing the Trust's assets, as provided in Section 6.06, each business day that the New York Stock Exchange is open for trading.
- 2.03 Administrator.** The person or persons named in writing to carry out certain nondiscretionary administrative functions under the Plan, as hereinafter described. The Employer may remove any person as Administrator upon seventy-five (75) days' advance notice in writing to such person, in which case the Employer shall name another person or persons to act as Administrator. The Administrator may resign upon seventy-five (75) days' advance notice in writing to the Employer, in which case the Employer shall name another person or persons to act as Administrator. Unless otherwise provided in the Plan, the Administrator shall act at the direction of the Employer and shall be fully protected in acting on such direction. The Employer may enter into a separate agreement with the Administrator detailing features of the Plan and any elections as to the administration of the Plan.

- 2.04 Automatic Distribution Date.** April 1 of the calendar year after the year the Participant attains age 70½ or, if later, has a Severance Event.
- 2.05 Beneficiary.** The person or persons named by the Participant in his or her Joinder Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. In the event that the Participant names two or more Beneficiaries, each Beneficiary shall be entitled to equal shares of the benefits payable at the Participant's death, unless otherwise provided in the Participant's Joinder Agreement. If no Beneficiary is named in the Joinder Agreement, if the named Beneficiary predeceases the Participant, or if the named Beneficiary does not survive the Participant for a period of fifteen (15) days, then the estate of the Participant shall be the Beneficiary. If a married Participant resides in a community property state, the Participant shall be responsible for obtaining appropriate consent of his or her spouse in the event the Participant names someone other than his or her spouse as Beneficiary; provided, however that solely for purposes of this sentence, the term "spouse" shall have the meaning determined by the Employer.
- For purposes of Section 7.09(c), relating to unforeseeable emergency withdrawals, the term Primary Beneficiary means an individual who is named as a Beneficiary under the Plan and who would have an unconditional right to all or a portion of the Participant's account balance under the Plan upon the death of the Participant (or Beneficiary who has inherited an account balance).
- 2.06 Deferred Compensation.** The amount of Includible Compensation otherwise payable to the Participant that the Participant and the Employer mutually agree to defer hereunder (including pursuant to automatic enrollment in Section 4.03), any amount credited to a Participant's Account by reason of a transfer under Section 6.09 or 6.10, a rollover under Section 6.11, or any other amount the Employer agrees to credit to a Participant's Account.
- 2.07 Dollar Limitation.** The applicable dollar amount within the meaning of Section 457(b)(2)(A) of the Code, as adjusted for the cost-of-living in accordance with Section 457(e)(15) of the Code.
- 2.08 Employee.** Any individual who provides services for the Employer, whether as an employee of the Employer, as defined by state law, or as an independent contractor, and who has been designated by the Employer as eligible to participate in the Plan.
- 2.09 Employer.** _____ which is a State, political subdivision of a State, or agency or instrumentality of a State, as described in Section 457(e)(1)(A) of the Code.
- 2.10 457 Catch-Up Dollar Limitation.** Twice the Dollar Limitation.
- 2.11 Includible Compensation.** Includible Compensation of a Participant means "compensation," as defined in Section 415(c)(3) of the Code, for services performed for the Employer. Includible Compensation shall be determined without regard to any community property laws. For purposes of a Participant's Joinder Agreement only and not for purposes of the limitations in Article V, Includible Compensation shall include pre-tax contributions (excluding direct employer contributions) to an integral part trust of the employer providing retiree health care benefits.
- 2.12 Joinder Agreement.** An agreement entered into between an Employee and the Employer, including any amendments or modifications thereof, that fixes the amount of Deferred Compensation, specifies a preference among the investment alternatives designated by the Employer, names the Employee's Beneficiary or Beneficiaries, and incorporates the terms, conditions, and provisions of the Plan by reference. A Joinder Agreement includes amounts that an Employer agrees to credit to the Employee's account as "employer contributions."

- 2.13 Normal Limitation.** The maximum amount of Deferred Compensation for any Participant for any taxable year (other than amounts referred to in Sections 6.09, 6.10, and 6.11).
- 2.14 Normal Retirement Age.** Age 70½, unless the Participant has elected an alternate Normal Retirement Age by written instrument delivered to the Administrator prior to a Severance Event. A Participant's Normal Retirement Age determines the period during which a Participant may utilize the additional catch-up dollar limitation of Section 5.02(b) hereunder and determines the right to receive certain tax free distributions described in Section 7.14. Once a Participant has to any extent utilized the catch-up limitation of Section 5.02(b), his Normal Retirement Age may not be changed.

A Participant's alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive immediate, unreduced retirement benefits under the Employer's basic defined benefit retirement plan covering the Participant (or a money purchase pension plan of the Employer in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan of the Employer), and may not be later than the date the Participant will attain age 70½. If the Participant will not become eligible to receive benefits under a basic defined benefit retirement plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than 65 and may not be later than age 70½ (except as provided in the next paragraph). Solely for purposes of the prior two sentences, a plan of the Employer includes a plan maintained by the state (or a political subdivision or agency or instrumentality of the state) in which the Employer is located. In no event may a Participant's normal retirement age be different than the normal retirement age under the Employer's other 457(b) plans, if any.

In the event the Plan has Participants that include qualified police or firefighters (as defined under Section 415(b)(2)(H)(ii)(I) of the Code), a normal retirement age may be designated for such qualified police or firefighters that is not earlier than age 40 or later than age 70½. Alternatively, qualified police or firefighters may be permitted to designate a normal retirement age that is between age 40 and age 70½.

- 2.15 Participant.** Any Employee who has joined the Plan pursuant to the requirements of Article IV. Unless the context requires otherwise, the term Participant includes an Employee or former Employee of the Employer who has not yet received all of the payments of benefits to which he/she is entitled under the Plan.
- 2.16 Percentage Limitation.** 100 percent of the Participant's Includible Compensation available to be contributed as Deferred Compensation for the taxable year.
- 2.17 Plan Year.** The calendar year, unless otherwise elected by the Employer.
- 2.18 Severance Event.** A severance of the Participant's employment with the Employer within the meaning of Section 457(d)(1)(A)(ii) of the Code.

In general, a Participant shall be deemed to have experienced a Severance Event for purposes of this Plan when, in accordance with the established practices of the Employer, the employment relationship is considered to have actually terminated. If the Plan does not allow participation by independent contractors of the Employer, a Participant shall also be deemed to have experienced a Severance Event for purposes of the Plan when, in accordance with the established practices of the Employer, the Participant ceases to be an employee and becomes an independent contractor. If the Plan allows participation by independent contractors of the Employer, then in the case of a Participant who is an independent contractor of the Employer, a Severance Event shall be deemed to have occurred when the Participant's contract under which services are performed has completely expired and terminated, there is no foreseeable possibility that the Employer will renew the contract or enter into a new

contract for the Participant's services, and it is not anticipated that the Participant will become an Employee of the Employer, or such other events as may be permitted under the Code.

- 2.19 Trust.** The Trust created under Article VI of the Plan which shall consist of all compensation deferred under the Plan, plus any income and gains thereon, less any losses, expenses and distributions to Participants and Beneficiaries.

Article III. Administration

- 3.01 Duties of the Employer.** The Employer shall have the authority to make all discretionary decisions affecting the rights or benefits of Participants that may be required in the administration of this Plan. The Employer's decisions shall be afforded the maximum deference permitted by applicable law.
- 3.02 Duties of Administrator.** The Administrator, as agent for the Employer and subject to oversight by the Employer, shall perform nondiscretionary administrative functions in connection with the Plan, including the maintenance of Participants' Accounts, the provision of periodic reports of the status of each Account, and the disbursement of benefits on behalf of the Employer in accordance with the provisions of this Plan.

Article IV. Participation in the Plan

- 4.01 Initial Participation.** An Employee that the Employer elects to be eligible for the Plan may become a Participant by entering into a Joinder Agreement (or by being treated as entering into a Joinder Agreement pursuant to Section 4.03) prior to the beginning of the calendar month in which the Joinder Agreement is to become effective to defer compensation not yet paid or made available, or such other date as may be permitted under the Code. A new employee may defer compensation in the calendar month during which he or she first becomes an employee if a Joinder Agreement is entered into on or before the first day on which the employee performs services for the Employer.
- 4.02 Amendment of Joinder Agreement.** A Participant may amend an executed Joinder Agreement to change the amount of Includible Compensation not yet paid or made available that is to be deferred (including the reduction of such future deferrals to zero). Such amendment shall become effective as of the beginning of the calendar month commencing after the date the amendment is executed, or such other date as may be permitted under the Code. A Participant may at any time amend his or her Joinder Agreement to change the Beneficiary or specify investments, and such amendment shall become effective immediately.
- 4.03 Automatic Enrollment.**
- (a) *If elected by the Employer, the Plan will provide for automatic enrollment.* In this case, an Employee will become a Participant, shall be treated as entering into a Joinder Agreement, and shall have compensation deferred, at the amount equal to the percentage of compensation specified by the Employer, unless the Employee affirmatively elects a different amount (or elects not to enter into a Joinder Agreement) within the initial "opt-out" period specified by the Employer. The "opt-out" period shall be no less than thirty (30) days and no more than ninety (90) days. The Participant will be treated as having entered into a Joinder Agreement at the end of such opt-out period and Default Elective Deferrals shall begin on the first pay period of the following calendar month. Unless otherwise elected by the Employer, these automatic enrollment provisions will also apply when an Employee is rehired. An Employee who becomes a Participant pursuant to this Section 4.03 may amend the Joinder Agreement as provided in Section 4.02.

(b) **Definitions.** *The following definitions shall apply for this Section 4.03:*

- (1) **Eligible Automatic Contribution Arrangement ("EACA").** An automatic contribution arrangement that satisfies the uniformity and notice requirements of this Section 4.03.
- (2) **Automatic Contribution Arrangement.** An arrangement under which, in the absence of an affirmative election by a Covered Employee, a specified percentage of compensation will be withheld from the Covered Employee's pay and contributed to the Plan as Deferred Compensation.
- (3) **Covered Employee.** A Participant identified by the Employer as being covered under the EACA. An independent contractor cannot be a Covered Employee.
- (4) **Default Elective Deferrals.** The Deferred Compensation contributed to the Plan under the EACA on behalf of Covered Employees who do not have an affirmative election in effect regarding Deferred Compensation.
- (5) **Default Rate.** The percentage of a Covered Employee's compensation contributed to the Plan as a Default Elective Deferral, per pay period, for a given Plan Year. The Default Rate is specified by the Employer.

(c) **Rules of Application**

- (1) Default Elective Deferrals will be made on behalf of Covered Employees who do not have an affirmative election in effect regarding Deferred Compensation. The amount of Default Elective Deferrals made for a Covered Employee each pay period is equal to the Default Rate multiplied by the Covered Employee's compensation for that pay period. If the Employer elects, a Covered Employee's Default Elective Deferrals will increase each Plan Year by a designated percentage, per pay period, beginning with the second Plan Year that begins after the Default Rate first applies to the Covered Employee. The increase will be effective beginning with the first pay period that begins in such Plan Year.
- (2) A Covered Employee will have a reasonable opportunity after receipt of the notice described in Section 4.03(e) to make an affirmative election regarding Deferred Compensation (either to have no Deferred Compensation contributed or to have a different amount of Deferred Compensation contributed) before Default Elective Deferrals are made on the Covered Employee's behalf. Default Elective Deferrals being made on behalf of a Covered Employee will cease as soon as administratively feasible after the Covered Employee makes an affirmative election. An affirmative election to have no Deferred Compensation contributed, made no later than ninety (90) days after Default Elective Deferrals are first withheld from a Covered Employee's pay, shall be deemed a request for distribution of the Covered Employee's Default Elective Deferrals under Section 4.03(f) of the Plan, unless the Covered Employee affirmatively elects otherwise.

(d) **Uniformity Requirement**

- (1) Except as provided in (2), below, if the Employer has elected to have Covered Employees' Default Elective Deferrals increase each Plan Year by a designated percentage, the same percentage of compensation will be withheld as a Default Elective Deferral from all Covered Employees subject to the Default Rate.

- (2) Default Elective Deferrals will be reduced or stopped to meet the limitations under Section 457(b) of the Code, and to satisfy any suspension period required after a hardship distribution from another plan maintained by the Employer.

(e) **Notice Requirement**

- (1) At least thirty (30) days, but not more than ninety (90) days, before the beginning of the Plan Year, the Employer will provide each Covered Employee a comprehensive notice of the Covered Employee's rights and obligations under the EACA, written in a manner calculated to be understood by the average Covered Employee. If an employee becomes a Covered Employee after the 90th day before the beginning of the Plan Year and does not receive the notice for that reason, the notice will be provided no more than ninety (90) days before the employee becomes a Covered Employee but no later than the date the employee becomes a Covered Employee.
- (2) The notice must accurately describe:
 - (i) the amount of Default Elective Deferrals that will be made on the Covered Employee's behalf in the absence of an affirmative election;
 - (ii) the Covered Employee's right to elect to have no Deferred Compensation deferred on his or her behalf or to have a different amount of Deferred Compensation deferred;
 - (iii) how Default Elective Deferrals will be invested in the absence of the Covered Employee's investment instructions; and
 - (iv) the Covered Employee's right to make a withdrawal of Default Elective Deferrals and procedures for making such a withdrawal.

(f) **Withdrawal of Default Elective Deferrals**

- (1) No later than ninety (90) days after Default Elective Deferrals are first withheld from a Covered Employee's pay, the Covered Employee may request a distribution of his or her Default Elective Deferrals. No spousal consent is required for withdrawal under this provision.
- (2) The amount distributed from the Plan upon the Covered Employee's request is equal to the amount of Default Elective Deferrals made through the earlier of (a) the pay date for the second payroll period that begins after the Covered Employee's withdrawal request and (b) the first pay date that occurs after thirty (30) days following the Covered Employee's request, plus attributable earnings through the date of distribution. Any fee charged to the Covered Employee for the withdrawal may not be greater than any other fee charged for a cash distribution.
- (3) Unless the Covered Employee affirmatively elects otherwise, any withdrawal request will be treated as an affirmative election to stop having Deferred Compensation deferred on the Covered Employee's behalf as of the date specified in Section 4.03(f)(2) above.
- (4) Default Elective Deferrals distributed pursuant to this Section 4.03(f) are not counted towards the dollar limitation on Deferred Compensation contained in Section 457(b) of the Code. Matching contributions that might otherwise be allocated to a Covered Employee's account on behalf of Default Elective Deferrals will not be allocated to the extent the Covered Employee withdraws such Deferred Compensation pursuant to this Section 4.03(f) and any

matching contributions already made on account of Default Elective Deferrals that are later withdrawn pursuant to this Section 4.03(f) will be forfeited.

4.04 Vesting of Employer Contributions. If a Participant's Joinder Agreement provides for the Employer to credit Deferred Compensation to a Participant's Account in the form of "employer contributions," such credits shall be immediately vested, except as provided in Section 4.03(f)(4).

Article V. Limitations on Deferrals

5.01 Normal Limitation. Except as provided in Section 5.02, the maximum amount of Deferred Compensation for any Participant for any taxable year, shall not exceed the lesser of the Dollar Limitation or the Percentage Limitation.

5.02 Catch-Up Limitations.

- (a) Catch-up Contributions for Participants Age 50 and Over: A Participant who has attained the age of 50 before the close of the taxable year, and with respect to whom no other elective deferrals may be made to the Plan for the Plan Year by reason of the Normal Limitation of Section 5.01, may enter into a Joinder Agreement to make elective deferrals in addition to those permitted by the Normal Limitation in an amount not to exceed the lesser of:
- (1) The applicable dollar amount as defined in Section 414(v)(2)(B) of the Code, as adjusted for the cost-of-living in accordance with Section 414(v)(2)(C) of the Code; or
 - (2) The excess (if any) of:
 - (i) The Participant's Includible Compensation for the year, or
 - (ii) Any other elective deferrals of the Participant for such year which are made without regard to this Section 5.02(a).

An additional contribution made pursuant to this Section 5.02(a) shall not, with respect to the year in which the contribution is made, be subject to any otherwise applicable limitation contained in Section 5.01 above, or be taken into account in applying such limitation to other contributions or benefits under the Plan or any other plan. This Section 5.02(a) shall not apply in any year to which a higher limit under Section 5.02(b) applies.

- (b) Last Three Years Catch-up Contribution: For each of the last three (3) taxable years for a Participant ending the year before the year he or she attains (or will attain) Normal Retirement Age, the maximum amount of Deferred Compensation shall be the lesser of:
- (1) The 457 Catch-Up Dollar Limitation, or
 - (2) The sum of
 - (i) The Normal Limitation for the taxable year, and
 - (ii) The Normal Limitation for each prior taxable year of the Participant commencing after 1978 less the amount of the Participant's Deferred Compensation for such prior taxable years. A prior taxable year shall be taken into account under the preceding sentence only if (x) the Participant was eligible to participate in the Plan for such year, and (y) compensation (if any) deferred under the Plan (or such other plan) was subject to the Normal Limitation.

Should the maximum Deferred Compensation under this Section 5.02(b) be lower in any of the three (3) years than the maximum Deferred Compensation under Section 5.02(a), the Participant may instead defer amounts under 5.02(a) if otherwise permitted and no further deferrals under Section 5.02(b) will be permitted.

5.03 Sick, Vacation and Back Pay. If the Employer so elects, a Participant may defer all or a portion of the value of the Participant's accumulated sick pay, accumulated vacation pay and/or back pay, provided that such deferral does not cause total deferrals on behalf of the Participant to exceed the Dollar Limitation or Percentage Limitation (including any catch-up dollar limitation) for the year of deferral. The election to defer such sick, vacation and/or back pay must be made in a manner and at a time permitted under Section 1.457-4(d) of the Income Tax Regulations.

For Plan Years beginning before January 1, 2009, pursuant to proposed IRS regulations issued under Section 415 of the Code, the Plan may permit deferrals from compensation, including sick, vacation and back pay, so long as the amounts are paid within 2½ months following severance from employment and the other requirements of Sections 457(b) and 415 of the Code are met. For Plan Years beginning on or after January 1, 2009, pursuant to final IRS regulations issued under Section 415 of the Code, the Plan may permit deferrals from compensation, including sick, vacation and back pay, so long as the amounts are paid by the later of: (i) 2½ months following severance from employment, and (ii) the end of the calendar year that includes the date of such severance from employment, and the other requirements of Sections 457(b) and 415 of the Code are met. Additionally, the agreement to defer such amounts must be entered into prior to the first day of the month in which the amounts otherwise would be paid or made available.

5.04 Other Plans. Notwithstanding any provision of the Plan to the contrary, the amount excludible from a Participant's gross income under this Plan or any other eligible deferred compensation plan under Section 457(b) of the Code shall not exceed the limits set forth in Sections 457(b) and 414(v) of the Code.

5.05 Excess Deferrals. Any amount that exceeds the maximum Dollar Limitation or Percentage Limitation (including any applicable catch-up dollar limitation) for a taxable year, shall constitute an excess deferral for that taxable year. Any excess deferral shall be distributed to the Participant in accordance with the requirements for excess deferrals under the Code and Section 1.457-4(e) of the Income Tax Regulations or other applicable Internal Revenue Service guidance.

5.06 Protection of Person Who Serves in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under Section 414(u) of the Code or who is on leave of absence for qualified military service under Section 414(u) of the Code may elect to contribute additional Deferred Compensation upon resumption of employment with the Employer equal to the maximum Deferred Compensation that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Includible Compensation) without the interruption or leave, reduced by Deferred Compensation, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five (5) years following the resumption of employment (or, if sooner, for a period equal to three (3) times the period of the interruption or leave).

5.07 Benefit Accruals with Respect to Qualified Military Service. Notwithstanding any provision of the Plan to the contrary, if the Employer so elects, Participants who die or become Disabled while performing qualified military service (as defined in Code Section 414(u)) with respect to the Employer shall receive Plan contributions as permitted under Code Section 414(u)(9).

5.08 Benefit Accruals with Respect to Differential Wage Payments. Unless otherwise elected by the Employer, Plan contributions shall be made based on differential wage payments (as such term is defined in Section 3401(h)(2) of the Code).

Article VI. Trust and Investment of Accounts

- 6.01 Investment of Deferred Compensation.** A Trust described in Section 457(g) of the Code is hereby created to hold all the assets of the Plan for the exclusive benefit of Participants and Beneficiaries, except that expenses and taxes may be paid from the Trust as provided in Section 6.03. The trustee shall be the Employer or such other person that agrees with the consent of the Employer to act in that capacity hereunder.
- 6.02 Investment Powers.** The trustee shall have the powers listed in this Section with respect to investment of Trust assets, except to the extent that the investment of Trust assets is directed by Participants, pursuant to Section 6.05 or to the extent that such powers are restricted by applicable law.
- (a) To invest and reinvest the Trust without distinction between principal and income in common or preferred stocks, shares of regulated investment companies and other mutual funds, bonds, loans, notes, debentures, certificates of deposit, contracts with insurance companies including but not limited to insurance, individual or group annuity, deposit administration, guaranteed interest contracts, and deposits at reasonable rates of interest at banking institutions including but not limited to savings accounts and certificates of deposit. Assets of the Trust may be invested in securities that involve a higher degree of risk than investments that have demonstrated their investment performance over an extended period of time.
 - (b) To invest and reinvest all or any part of the assets of the Trust in any common, collective or commingled trust fund that is maintained by a bank or other institution and that is available to Employee plans described under Sections 457 or 401 of the Code, or any successor provisions thereto, and during the period of time that an investment through any such medium shall exist, to the extent of participation of the Plans, the declaration of trust of such commonly collective, or commingled, trust fund shall constitute a part of this Plan.
 - (c) To invest and reinvest all or any part of the assets of the Trust in any group annuity, deposit administration or guaranteed interest contract issued by an insurance company or other financial institution on a commingled or collective basis with the assets of any other 457 plan or trust qualified under Section 401(a) of the Code or any other plan described in Section 401(a)(24) of the Code, and such contract may be held or issued in the name of the Administrator, or such custodian as the Administrator may appoint, as agent and nominee for the Employer. During the period that an investment through any such contract shall exist, to the extent of participation of the Plan, the terms and conditions of such contract shall constitute a part of the Plan.
 - (d) To hold cash awaiting investment and to keep such portion of the Trust in cash or cash balances, without liability for interest, in such amounts as may from time to time be deemed to be reasonable and necessary to meet obligations under the Plan or otherwise to be in the best interests of the Plan.
 - (e) To hold, to authorize the holding of, and to register any investment to the Trust in the name of the Plan, the Employer, or any nominee or agent of any of the foregoing, including the Administrator, or in bearer form, to deposit or arrange for the deposit of securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by any other person, and to organize corporations or trusts under the laws of any jurisdiction for the purpose of acquiring or holding title to any property for the Trust, all with or without the addition of words or other action to indicate that property is held in a fiduciary or representative capacity but the books

and records of the Plan shall at all times show that all such investments are part of the Trust.

- (f) Upon such terms as may be deemed advisable by the Employer or the Administrator, as the case may be, for the protection of the interests of the Plan or for the preservation of the value of an investment, to exercise and enforce by suit for legal or equitable remedies or by other action, or to waive any right or claim on behalf of the Plan or any default in any obligation owing to the Plan, to renew, extend the time for payment of, agree to a reduction in the rate of interest on, or agree to any other modification or change in the terms of any obligation owing to the Plan, to settle, compromise, adjust, or submit to arbitration any claim or right in favor of or against the Plans to exercise and enforce any and all rights of foreclosure, bid for property in foreclosure, and take a deed in lieu of foreclosure with or without paying consideration therefor, to commence or defend suits or other legal proceedings whenever any interest of the Plan requires it, and to represent the Plan in all suits or legal proceedings in any court of law or equity or before any body or tribunal.
- (g) To employ suitable consultants, depositories, agents, and legal counsel on behalf of the Plan.
- (h) To open and maintain any bank account or accounts in the name of the Plan, the Employer, or any nominee or agent of the foregoing, including the Administrator, in any bank or banks.
- (i) To do any and all other acts that may be deemed necessary to carry out any of the powers set forth herein.

The trustee may authorize the Administrator to exercise these powers as an agent for the trustee, subject to the oversight of the trustee.

6.03 Taxes and Expenses. All taxes of any and all kinds whatsoever that may be levied or assessed under existing or future laws upon the Plan, or in respect to the Trust, or the income thereof, and all commissions or acquisitions or dispositions of securities and similar expenses of investment and reinvestment of the Trust, shall be paid from the Trust. Such reasonable compensation of the Administrator, as may be agreed upon from time to time by the Employer and the Administrator, and reimbursement for reasonable expenses incurred by the Administrator in performance of its duties hereunder (including but not limited to fees for legal, accounting, investment and custodial services) shall also be paid from the Trust.

6.04 Payment of Benefits. The payment of benefits from the Trust in accordance with the terms of the Plan may be made by the Administrator, or by any custodian or other person so authorized by the Employer to make such disbursement. The Administrator, custodian or other person shall not be liable with respect to any distribution of Trust assets made at the direction of the Employer.

6.05 Investment Funds. In accordance with uniform and nondiscriminatory rules established by the Employer and the Administrator, the Participant may direct his or her Accounts to be invested in one (1) or more investment funds available under the Plan (including a fund or investment that consists of or is available through an open brokerage window); provided, however, that the Participant's investment directions shall not violate any investment restrictions established by the Employer. Neither the Employer, the Administrator, nor any other person shall be liable for any losses incurred by virtue of following such directions or with any reasonable administrative delay in implementing such directions.

6.06 Valuation of Accounts. As of each Accounting Date, the Plan assets held in each investment fund offered shall be valued at fair market value and the investment income and gains or losses for each fund shall be determined. Such investment income and gains or losses shall be allocated proportionately among all Account balances on a fund-by-fund basis. The allocation shall be in the proportion that each such Account balance as of the immediately preceding Accounting Date bears to the total of all such Account balances as of that Accounting Date. For purposes of this Article, all

Account balances include the Account balances of all Participants and Beneficiaries.

6.07 Participant Loan Accounts. Participant loan accounts shall be invested in accordance with Section 8.03 of the Plan. Such Accounts shall not share in any investment income and gains or losses of the investment funds described in Sections 6.05 and 6.06.

6.08 Crediting of Accounts. The Participant's Account shall reflect the amount and value of the investments or other property obtained by the Employer through the investment of the Participant's Deferred Compensation pursuant to Sections 6.05 and 6.06. It is anticipated that the Employer's investments with respect to a Participant will conform to the investment preference specified in the Participant's Joinder Agreement, but nothing herein shall be construed to require the Employer to make any particular investment of a Participant's Deferred Compensation. Each Participant shall receive periodic reports, not less frequently than annually, showing the then current value of his or her Account.

6.09 Post-Severance Transfers Among Eligible Deferred Compensation Plans.

(a) *Incoming Transfers:* A transfer may be accepted from an eligible deferred compensation plan maintained by another employer and credited to a Participant's or Beneficiary's Account under the Plan if:

- (1) In the case of a transfer for a Participant, the Participant has had a Severance Event with that employer and become an Employee of the Employer;
- (2) The other employer's plan provides that such transfer will be made; and
- (3) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer.

The Employer may require such documentation from the predecessor plan as it deems necessary to effectuate the transfer in accordance with Section 457(e)(10) of the Code, to confirm that such plan is an eligible deferred compensation plan within the meaning of Section 457(b) of the Code, and to assure that transfers are provided for under such plan. The Employer may refuse to accept a transfer in the form of assets other than cash, unless the Employer and the Administrator agree to hold such other assets under the Plan.

(b) *Outgoing Transfers:* An amount may be transferred to an eligible deferred compensation plan maintained by another employer, and charged to a Participant's or Beneficiary's Account under this Plan, if:

- (1) In the case of a transfer for a Participant, the Participant has a Severance Event with the Employer and becomes an employee of the other employer;
- (2) The other employer's plan provides that such transfer will be accepted;
- (3) The Participant or Beneficiary and the employers have signed such agreements as are necessary to assure that the Employer's liability to pay benefits to the Participant has been discharged and assumed by the other employer; and
- (4) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer.

The Employer may require such documentation from the other plan as it deems necessary to effectuate

the transfer, to confirm that such plan is an eligible deferred compensation plan within the meaning of Section 457(b) of the Code, and to assure that transfers are provided for under such plan. Such transfers shall be made only under such circumstances as are permitted under Section 457 of the Code and the regulations thereunder.

6.10 Transfers Among Eligible Deferred Compensation Plans of the Employer.

- (a) *Incoming Transfers.* A transfer may be accepted from another eligible deferred compensation plan maintained by the Employer and credited to a Participant's or Beneficiary's Account under the Plan if:
- (1) The Employer's other plan provides that such transfer will be made;
 - (2) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and
 - (3) The Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the Plan unless the Participant or Beneficiary is performing services for the Employer.
- (b) *Outgoing Transfers.* An amount may be transferred to another eligible deferred compensation plan maintained by the Employer and credited to a Participant's or Beneficiary's Account under the Plan if:
- (1) The Employer's other plan provides that such transfer will be accepted;
 - (2) The Participant or Beneficiary whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and
 - (3) The Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the Employer's other eligible deferred compensation plan unless the Participant or Beneficiary is performing services for the Employer.

6.11 Eligible Rollover Distributions.

- (a) *Incoming Rollovers:* An eligible rollover distribution may be accepted from an eligible retirement plan and credited to a Participant's Account under the Plan. The Employer may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of Section 402(c)(8)(B) of the Code. The Plan shall separately account (in one (1) or more separate accounts) for eligible rollover distributions from any eligible retirement plan.
- (b) *Outgoing Rollovers:* Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- (c) *Definitions:*
- (1) **Eligible Rollover Distribution:** An eligible rollover distribution is any distribution of all or

any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's named beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Sections 401(a)(9) and 457(d)(2) of the Code; and any distribution made as a result of an unforeseeable emergency of the employee. Subject to Section 9.04 (related to rollovers of Roth amounts), for purposes of distributions from other eligible retirement plans rolled over into this Plan, the term eligible rollover distribution shall not include the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), such as after-tax contributions.

- (2) **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Sections 403(a) or 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible governmental employer described in Section 457(e)(1)(A) of the Code, that accepts the distributee's eligible rollover distribution. Effective for distributions after December 31, 2007, a Participant may elect to have any portion of an Eligible Rollover Distribution paid directly to a Roth IRA described in Section 408A of the Code. Such a direct payment, as a qualified rollover distribution described in Section 408A(e)(1) of the Code, would be taxable to the Participant to the extent required by Section 408A(d)(3) of the Code.
- (3) **Distributee:** A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse. For distributions after December 31, 2006 (unless the Employer elected a different effective date in a prior plan document, a distributee includes the Employee's or former Employee's nonspouse designated Beneficiary, in which case, the distribution can only be transferred to a traditional or Roth IRA established on behalf of the nonspouse designated Beneficiary, in the Participant's name, for the purpose of receiving the distribution.
- (4) **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

(d) *Rollover by a Non-Spouse Designated Beneficiary*

- (1) Unless otherwise elected by the Employer, for distributions in Plan Years beginning after December 31, 2006 but on or before December 31, 2009, a non-spouse Beneficiary who qualifies as a "designated beneficiary" under Code Section 401(a)(9)(E) may establish an individual retirement plan that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11) into which all or a portion of a death benefit distribution from this Plan can be transferred directly. A trust maintained for the benefit of one (1) or more designated beneficiaries shall be treated in the same manner as a designated beneficiary.
- (2) Notwithstanding subsection (1), for distributions in Plan Years beginning after December 31, 2009, a non-spouse Beneficiary who qualifies as a "designated beneficiary" under Code Section 401(a)(9)(E) may establish an individual retirement plan that will be treated as an

inherited IRA pursuant to the provisions of Code Section 402(c)(11) into which all or a portion of a death benefit distribution from this Plan can be transferred directly. A trust maintained for the benefit of one (1) or more designated beneficiaries shall be treated in the same manner as a designated beneficiary.

- (3) Notwithstanding anything herein to the contrary, a death benefit distribution shall not be eligible for transfer to an inherited IRA to the extent such distribution is a required minimum distribution under Code Section 401(a)(9).
- (4) If the dates noted above are modified by the Employer's prior plan document, the December 31, 2009 dates in subsections (1) and (2), above, will be modified, as applicable, by the Employer's prior plan document.

6.12 Trustee-to-Trustee Transfers to Purchase Permissive Service Credit. All or a portion of a Participant's Account may be transferred directly to the trustee of a defined benefit governmental plan (as defined in Section 414(d) of the Code) if such transfer is (a) for the purchase of permissive service credit (as defined in Section 415(n)(3)(A) of the Code) under such plan, or (b) a repayment to which Section 415 of the Code does not apply by reason of subsection (k)(3) thereof, within the meaning of Section 457(e)(17) of the Code.

6.13 Treatment of Distributions of Amounts Previously Rolled Over From 401(a) and 403(b) Plans and IRAs. For purposes of Section 72(t) of the Code, a distribution from this Plan shall be treated as a distribution from a qualified retirement plan described in Section 4974(c)(1) of the Code to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in Section 4974(c) of the Code).

6.14 Employer Liability. In no event shall the Employer's liability to pay benefits to a Participant under this Plan exceed the value of the amounts credited to the Participant's Account; neither the Employer nor the Administrator shall be liable for losses arising from depreciation or shrinkage in the value of any investments acquired under this Plan.

Article VII. Benefits

7.01 Retirement Benefits and Election on Severance Event.

- (a) *General Rule:* Except as otherwise provided in this Article VII, the distribution of a Participant's Account shall commence as of a Participant's Automatic Distribution Date, and the distribution of such benefits shall be made in accordance with one of the payment options described in Section 7.02. Notwithstanding the foregoing, but subject to the following paragraphs of this Section 7.01, the Participant may elect following a Severance Event to have the distribution of benefits commence on a fixed determinable date other than that described in the preceding sentence, but not later than April 1 of the year following the year of the Participant's retirement or attainment of age 70½, whichever is later. The Participant's right to change his or her election with respect to commencement of the distribution of benefits shall not be restrained by this Section 7.01. Notwithstanding the foregoing, the Administrator, in order to ensure the orderly administration of this provision, may establish a deadline after which such election to defer the commencement of distribution of benefits shall not be allowed for those benefits administered by Administrator.
- (b) *Loans:* Notwithstanding the foregoing provisions of this Section 7.01, no election to defer the commencement of benefits after a Severance Event shall operate to defer the distribution of any amount in the Participant's loan account in the event of a default of the Participant's loan.

7.02 Payment Options. As provided in Sections 7.01 and 7.04, a Participant may elect to have the value of

the Participant's Account distributed in accordance with one of the following payment options, provided that such option is consistent with the limitations set forth in Section 7.03:

- (a) Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his or her Account is exhausted;
- (b) One (1) lump-sum payment;
- (c) Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain chosen by the Participant;
- (d) Annual Payments equal to the minimum distributions required under Section 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G), over the life expectancy of the Participant or over the life expectancies of the Participant and his or her Beneficiary;
- (e) Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer;
- (f) A split distribution under which payments under options (a), (b), (c) or (e) commence or are made at the same time, as elected by the Participant under Section 7.01, provided that all payments commence (or are made) by the latest benefit commencement date permitted under Section 7.01;
- (g) Any other payment option elected by the Participant and agreed to by the Employer and Administrator.

A Participant's selection of a payment option under Subsections (a), (c), or (g) above may include the selection of an automatic annual cost-of living increase. Such increase will be based on the rise in the Consumer Price Index for All Urban Consumers (CPI-U) from the third quarter of the last year in which a cost-of-living increase was provided to the third quarter of the current year. Any increase will be made in **periodic payment checks beginning the following January.**

7.03 Limitation on Options. A Participant may not select a payment option under subsections 7.02(a) or (c) if the amount of any such periodic payment is less than \$100. No payment option may be selected by a Participant under Sections 7.02 or 7.04 unless it satisfies the requirements of Sections 401(a)(9) and 457(d)(2) of the Code, including the requirement that payments commencing before the death of the Participant shall satisfy the incidental death benefit requirements under Section 401(a)(9)(G) of the Code.

7.04 Minimum Required Distributions. Notwithstanding any provision of the Plan to the contrary, the Plan shall comply with the minimum required distribution rules set forth in Sections 457(d)(2) and 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code.

- (a) *Application of Minimum Distribution Requirements:* The minimum distribution requirements of Section 401(a)(9) of the Code shall only apply to the Plan to the extent that such requirements are applicable by law for a year. Pursuant to the Worker, Retiree, and Employer Recovery Act of 2008 ("WRERA"), required minimum distributions were suspended for 2009.
- (b) *Special Rule for Scheduled Installment Payments:* All installment payments scheduled to be distributed to a Participant prior to the effective date of a suspension of the required minimum distribution provisions of Code Section 401(a)(9) shall be distributed as scheduled unless the Participant affirmatively elects to have the payments stopped. Notwithstanding the foregoing, for

purposes of this Section 7.04(b), the effective date of the suspension of the required minimum distribution provisions for 2009 shall be deemed January 6, 2009.

7.05 Time and Manner of Distribution.

- (a) *Automatic Distribution Date.* The Automatic Distribution Date is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70½ or (2) retires due to a Severance Event. If the Participant postpones the required distribution due in the calendar year he or she attains age 70½ or severs employment, to the Automatic Distribution Date, the second required minimum distribution must be taken by the end of that year. The Participant's Account will be distributed, or begin to be distributed to the Participant no later than the Participant's Automatic Distribution Date.
- (b) *Death of Participant Before Distributions Begin.* Except as otherwise permitted by Section 401(a)(9) of the Code, if the Participant dies before distributions begin, the Participant's Account will be distributed, or begin to be distributed, no later than as follows:
- (1) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's Account will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph 7.05(b), other than subsection 7.05(b)(1), will apply as if the surviving spouse were the Participant.

Distributions are considered to begin on the Participant's Automatic Distribution Date for purposes of this Section 7.05 and Section 7.07, unless Section 7.05(b)(4) applies. If Section 7.05(b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 7.05(b)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Automatic Distribution Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 7.05(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) *Death of Participant On or After Distributions Begin.* Except as otherwise permitted by Section 401(a)(9) of the Code, if the Participant dies on or after distributions begin and before depleting his or her Account, distributions must commence to the Designated Beneficiary by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (d) *Forms of Distribution.* Unless the Participant's Account is distributed in the form of an annuity purchased from an insurance company or in a single-sum on or before the Automatic Distribution Date, as of the first Distribution Calendar Year, distributions will be made in accordance with Sections 7.06 and 7.07. If the Participant's Account is distributed in the form of an annuity contract purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Income Tax Regulations.

7.06 Required Minimum Distributions During Participant's Lifetime.

- (a) *Amount of Required Minimum Distribution for Each Distribution Calendar Year.* During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
- (1) the quotient obtained by dividing the Participant's Account Balance by the distribution period set forth in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9, Q&A-2, of the Income Tax Regulations using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
 - (2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9, Q&A-3, of the Income Tax Regulations using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.
- (b) *Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.* Required minimum distributions will be determined under this Section 7.06 beginning with the first Distribution Calendar Year and continuing up to, and including, the Distribution Calendar Year that includes the Participant's date of death.

7.07 Required Minimum Distributions After Participant's Death.

- (a) *Death On or After Date Distributions Begin.*
- (1) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:
 - (i) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (ii) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (iii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
 - (2) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) *Death Before Date Distributions Begin.*

- (1) Participant Survived by Designated Beneficiary. Except as permitted by Section 401(a)(9) of the Code, if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 7.07(a).
- (2) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire Account will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (3) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 7.05(b)(1), this Section 7.07(b) will apply as if the surviving spouse were the Participant.

7.08 Definitions.

- (a) *Designated Beneficiary.* The individual who is a designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the Plan and who is the Designated Beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4 of the Income Tax Regulations.
- (b) *Distribution Calendar Year.* A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Automatic Distribution Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Sections 7.05(b) and (c). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Automatic Distribution Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Automatic Distribution Date occurs, will be made on or before December 31 of that Distribution Calendar Year.
- (c) *Life Expectancy.* Life Expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9, Q&A-1, of the Income Tax Regulations.
- (d) *Participant's Account Balance.* The Account Balance as of the last Accounting Date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contribution made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the Accounting Date and decreased by distributions made in the valuation calendar year after the Accounting Date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

7.09 Unforeseeable Emergencies.

- (a) In the event an unforeseeable emergency occurs, a Participant, or a Beneficiary with a current unconditional right to all or a portion of the Participant's account balance under the Plan following the death of the Participant, may, unless otherwise elected by the Employer, apply to the Employer (or the Administrator, acting on behalf of the Employer) to receive that part of the value

of his or her Account that is reasonably needed to satisfy the emergency need. If such an application is approved by the Employer (or the Administrator, acting on behalf of the Employer), the Participant or Beneficiary shall be paid only such amount as the Employer or Administrator deems necessary to meet the emergency need, but payment shall not be made to the extent that the financial hardship may be relieved through cessation of deferral under the Plan, insurance or other reimbursement, or liquidation of other assets to the extent such liquidation would not itself cause severe financial hardship.

- (b) An unforeseeable emergency shall be deemed to involve only circumstances of severe financial hardship of a Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Section 152 of the Code, and, for taxable years beginning on or after January 1, 2005, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code); loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or the Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. The need to pay for the funeral expenses of a spouse or a dependent (as defined in Section 152 of the Code, and, for taxable years beginning on or after January 1, 2005, without regard to Sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code) may also constitute an unforeseeable emergency. In addition, loss of property due to theft, legal bills involving criminal charges, and lost or reduced wages of the Participant's or Beneficiary's household may constitute an unforeseeable emergency if extraordinary, unforeseeable, and arising as a result of events beyond the control of the Participant or Beneficiary and otherwise meeting the conditions described in Section 7.09(a). Except as otherwise specifically provided in this Section 7.09(b), the purchase of a home and the payment of college tuition are not unforeseeable emergencies.
- (c) Unless otherwise elected by the Employer, the determination of any unforeseeable emergency will be expanded to include circumstances of severe financial hardship resulting from an illness or accident of a Primary Beneficiary or other similar extraordinary and unforeseeable circumstances of a Primary Beneficiary that result in a severe financial hardship.

7.10 In-Service Distribution of Rollover Contributions. Effective January 1, 2006, the Employer may elect to allow Participants to receive an in-service distribution of amounts attributable to rollover contributions to the Plan. If the Employer has elected to make such distributions available, a Participant that has a separate account attributable to rollover contributions to the Plan may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

7.11 In-Service Distribution to Participants Age 70½ or Older. Unless otherwise elected by the Employer, a Participant who has reached age 70½ and has not yet had a Severance Event, may, at any time, request a distribution of all or a part of his or her Account.

7.12 Distribution of De Minimis Accounts. Notwithstanding the foregoing provisions of this Article VII:

- (a) *Mandatory Distribution:* If the value of a Participant's Account is less than \$1,000, the Participant's Account shall be paid to the Participant in a single lump sum distribution, provided that:

- (1) No amount has been deferred under the Plan with respect to the Participant during the

2-year period ending on the date of the distribution; and

- (2) There has been no prior distribution under the Plan to the Participant pursuant to this Section 7.12.

Notwithstanding any other provisions of the Plan to the contrary, if the amount of a Beneficiary's Account following notification of a Participant's death is less than \$1,000, the Beneficiary's Account may be paid to the Beneficiary in a single lump sum distribution.

- (b) *Voluntary Distribution*: If the value of the Participant's Account is at least \$1,000 but not more than the dollar limit under Section 411(a)(11)(A) of the Code, the Participant may elect to receive his or her entire Account in a lump sum payment if:

- (1) No amount has been deferred under the Plan with respect to the Participant during the 2-year period ending on the date of the distribution; and
- (2) There has been no prior distribution under the Plan to the Participant pursuant to this Section 7.12.

7.13 Deemed Severance from Employment.

- (a) Unless otherwise elected by the Employer, effective January 1, 2009, a Participant shall be deemed to have a severance from employment solely for purposes of eligibility to receive distributions from the Plan during any period the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) for more than thirty (30) days.
- (b) If a Participant receives a distribution pursuant to Section 7.13(a), then during the six-month period beginning on the date of the distribution the Participant shall not be permitted to defer compensation.
- (c) If a Participant receives a distribution which could be attributable to: (i) a deemed severance from employment described in subsection (a); or (ii) another distribution event under the Plan, then the distribution shall be considered made pursuant to the distribution event referenced in (ii), and the Participant shall not be subject to the limitation on elective deferrals or Voluntary Employee Contributions set forth in subsection (b).

7.14 Distributions for Health and Long-Term Care Insurance for Public Safety Officers.

- (a) If elected by the Employer, for Plan Years beginning after December 31, 2006, Eligible Retired Public Safety Officers may elect after separation from service to have up to \$3,000 distributed tax-free annually from the Plan in order to pay for Qualified Health Insurance Premiums for an accident or health plan (including a self-insured plan) or a qualified long-term care insurance contract. The Plan shall make such distributions directly to the provider of the accident or health plan or qualified long-term care insurance contract.
- (b) The term "Eligible Retired Public Safety Officer" means an individual who, by reason of disability or attainment of Normal Retirement Age, is separated from service as a Public Safety Officer with the Employer who maintains the eligible retirement plan from which distributions pursuant to this Section are made. The term "Public Safety Officer" has the same meaning given such term by Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968.
- (c) The term "Qualified Health Insurance Premiums" means premiums for coverage for the Eligible

Retired Public Safety Officer, his spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in Code Section 7702B).

7.15 EESA Provisions. The provisions relating to qualified disaster recovery assistance distributions for Participants affected by certain 2008 severe storms, flooding, and tornadoes and repayment thereof, and relating to repayment of prior qualified distributions for home purchases, set forth in Section 702 of the Emergency Economic Stabilization Act of 2008 ("EESA") shall apply to the Plan.

7.16 KETRA and GOZA Provisions. The provisions relating to qualified hurricane distributions and repayment thereof set forth in Section 1400Q(a) of the Code, and relating to repayment of prior qualified distributions for home purchases set forth in Code Section 1400Q(b), shall apply to the Plan. These provisions added to the Code by the Katrina Emergency Tax Relief Act of 2005 ("KETRA") and the Gulf Opportunity Zone Act of 2005 (GOZA), permit plans to allow repayments of certain prior qualified distributions for home purchases for Participants affected by Hurricanes Katrina, Rita, and Wilma.

Article VIII. Loans to Participants

8.01 Availability of Loans to Participants.

- (a) If elected by the Employer, loans will be available to Participants in this Plan. A Participant may apply for a loan from the Plan subject to the limitations and other provisions of this Article.
- (b) The Employer shall establish written guidelines governing the granting of loans, provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Article, and that loans are made available to all applicable Participants on a reasonably equivalent basis.

8.02 Terms and Conditions of Loans to Participants.

Any loan by the Plan to a Participant under Section 8.01 of the Plan shall satisfy the following requirements:

- (a) *Availability.* Loans shall be made available to all Participants who are active employees on a reasonably equivalent basis. Loans shall not be made available to terminated Employees, Beneficiaries, or alternate payees.
- (b) *Interest Rate.* Loans must be adequately secured and bear a reasonable interest rate.
- (c) *Loan Limit.* No Participant loan shall exceed the present value of the Participant's Account.
- (d) *Foreclosure.* In the event of default on any installment payment, the outstanding balance of the loan shall be a deemed distribution. In such event, an actual distribution of a plan loan offset amount will not occur until a distributable event occurs in the Plan.
- (e) *Reduction of Account.* Notwithstanding any other provision of this Plan, the portion of the Participant's Account balance used as a security interest held by the Plan by reason of a loan outstanding to the Participant shall be taken into account for purposes of determining the amount of the Account balance payable at the time of death or distribution, but only if the reduction is used as repayment of the loan.
- (f) *Amount of Loan.* At the time the loan is made, the principal amount of the loan plus the outstanding balance (principal plus accrued interest) due on any other outstanding loans to the Participant from the Plan and from all other plans of the Employer that are either eligible deferred compensation plans described in Section 457(b) of the Code or qualified employer

plans under Section 72(p)(4) of the Code shall not exceed the lesser of:

- (1) \$50,000, reduced by the excess (if any) of
 - (i) The highest outstanding balance of loans from the Plan during the one (1) year period ending on the day before the date on which the loan is made; over
 - (ii) The outstanding balance of loans from the Plan on the date on which such loan is made; or
- (2) One-half of the value of the Participant's interest in all of his or her Accounts under this Plan.

For the purpose of the above limitation, all loans from all qualified employer plans of the Employer under Code Section 72(p)(4) are aggregated.

- (g) *Application for Loan.* The Participant must give the Employer adequate written notice, as determined by the Employer, of the amount and desired time for receiving a loan. No more than one (1) loan may be made by the Plan to a Participant in any twelve-month period, unless a different period is elected by the Employer. No loan shall be approved if an existing loan from the Plan to the Participant is in default to any extent.
- (h) *Length of Loan.* Any loan issued shall require the Participant to repay the loan in substantially equal installments of principal and interest, at least monthly, over a period that does not exceed five (5) years from the date of the loan; provided, however, that if the proceeds of the loan are applied by the Participant to acquire any dwelling unit that is to be used within a reasonable time (determined at the time of the loan is made) after the loan is made as the principal residence of the Participant, the five (5) year limit shall not apply. In this event, the period of repayment shall not exceed a reasonable period determined by the Employer. Principal installments and interest payments otherwise due may be suspended for up to one (1) year during an authorized leave of absence, if the promissory note so provides, but not beyond the original term permitted under this subsection (h), with a revised payment schedule (within such term) instituted at the end of such period of suspension.
- (i) *Prepayment.* The Participant shall be permitted to repay the loan in whole or in part at any time prior to maturity, without penalty.
- (j) *Promissory Note.* The loan shall be evidenced by a promissory note executed by the Participant and delivered to the Employer, and shall bear interest at a reasonable rate determined by the Employer.
- (k) *Security.* The loan shall be secured by an assignment of the participant's right, title and interest in and to his or her Account.
- (l) *Assignment or Pledge.* For the purposes of paragraphs (f) and (g), assignment or pledge of any portion of the Participant's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan.
- (m) *Other Terms and Conditions.* The Employer shall fix such other terms and conditions of the loan as it deems necessary to comply with legal requirements, to maintain the eligibility of the Plan and Trust under Section 457 of the Code, or to prevent the treatment of the loan for tax purposes as a distribution to the Participant. The Employer, in its discretion for any reason, may also fix other terms and conditions of the loan, not inconsistent with the provisions of this Article, including:
 - (1) the circumstances under which a loan becomes immediately due and payable, provided, however, with respect loans issued after December 31, 2012, that the loan program shall

not provide that a loan becomes due and payable solely because the Participant requests or receives a partial distribution of the Participant's account balance after termination of employment;

- (2) rules relating to reamortization of loans; and
- (3) rules relating to refinance of loans.

8.03 Participant Loan Accounts.

- (a) Upon approval of a loan to a Participant by the Employer, an amount not in excess of the loan shall be transferred from the Participant's other investment fund(s), described in Section 6.05 of the Plan, to the Participant's loan account as of the Accounting Date immediately preceding the agreed upon date on which the loan is to be made.
- (b) The assets of a Participant's loan account may be invested and reinvested only in promissory notes received by the Plan from the Participant as consideration for a loan permitted by Section 8.01 of the Plan or in cash. Uninvested cash balances in a Participant's loan account shall not bear interest. Neither the Employer, the Administrator, nor any other person shall be liable for any loss, or by reason of any breach, that results from the Participant's exercise of such control.
- (c) Repayment of principal and payment of interest shall be made by payroll deduction or, Automated Clearing House (ACH) transfer, or with respect to a terminated Employee solely by ACH, and shall be invested in one (1) or more other investment funds, in accordance with Section 6.05 of the Plan, as of the next Accounting Date after payment thereof to the Trust. The amount so invested shall be deducted from the Participant's loan account. A payment intended to be a prepayment or payment of the loan in full may also be made by cashier's check or money order, and shall be invested in accordance with this provision.
- (d) The Employer shall have the authority to establish other reasonable rules, not inconsistent with the provisions of the Plan, governing the establishment and maintenance of Participant loan accounts.

Article IX. Roth Provisions

This Article IX has no effect unless and until the Employer affirmatively elects to offer Designated Roth Accounts.

9.01 Definitions. The following definitions shall apply for purposes of this Article IX.

- (a) *Designated Roth Account.* A bookkeeping account established and maintained to record the Participant's Roth Elective Deferrals, In-Plan Roth Conversions, rollovers from designated Roth account under other eligible retirement plans, and the income gains and losses thereon. Unless specifically stated otherwise, all references in the Plan to a Participant's Account shall include a Participant's Designated Roth Account.
- (b) *In-Plan Roth Conversion.* (1) A distribution from a Participant's Pre-Tax Account that is rolled over to the Participant's Designated Roth Account under the Plan, as described in Code Section 402A(c)(4)(B); or (2) A transfer from an amount in the Participant's Pre-Tax Account not otherwise distributable from the Plan to the Participant's Designated Roth Account under the Plan, as described in Code Section 402A(c)(4)(E), to the extent permitted by Section 9.05(e).
- (c) *Pre-Tax Account.* A bookkeeping account established and maintained to record the portion of the Participant's Account attributable to amounts other than Roth Elective Deferrals, In-Plan

Roth Conversions, rollovers from designated Roth accounts under other eligible retirement plans, and the income gains and losses thereon. Unless specifically stated otherwise, all references in the Plan to a Participant's Account shall include a Participant's Pre-Tax Account.

- (d) *Qualified Roth Contribution Program.* A program described in paragraph (1) of Code Section 402A(b), under which a Participant may make Roth Elective Deferrals in lieu of all or a portion of the elective deferrals the Participant is otherwise eligible to make under the Plan.
- (e) *Roth Elective Deferrals.* Deferred Includible Compensation contributed pursuant to Section 9.02 by a Participant, which amounts are:
 - (1) designated irrevocably by the Participant at the time of the deferral election as a Roth elective deferral that is being made in lieu of all or a portion of the pre-tax deferrals the Participant is otherwise eligible to make under the Plan; and
 - (2) treated by the Employer as includible in the Participant's income at the time the Participant otherwise would have received that amount as Includible Compensation.

9.02 Permitted Roth Elective Deferrals

- (a) If the Employer elects to offer Designated Roth Accounts, as of the effective date of such election, a Participant shall be permitted to make Roth Elective Deferrals from his or her Includible Compensation in such amount or percentage as may be specified in the Joinder Agreement. A Participant's Roth Elective Deferrals will be allocated to a separate Designated Roth Account maintained for such deferrals as defined in Section 9.01(a) above.
- (b) Unless specifically stated otherwise, Roth Elective Deferrals will be treated as Deferred Compensation for all purposes under the Plan.

9.03 Separate Accounting

- (a) Contributions and withdrawals of Roth Elective Deferrals, In-Plan Roth Conversions and rollovers from a designated Roth account under an eligible retirement plan will be credited and debited to a Participant's Designated Roth Account.
- (b) The Plan will maintain a record of the amount of Roth Elective Deferrals, In-Plan Roth Conversions, and rollovers from a designated Roth account under an eligible retirement plan in each Participant's Designated Roth Account.
- (c) Gains, losses, and other credits or charges must be separately allocated on a reasonable and consistent basis to each Participant's Designated Roth Account and Pre-Tax Account under the Plan.
- (d) No contributions other than Roth Elective Deferrals, In-Plan Roth Conversions, and rollovers from a designated Roth account under an eligible retirement plan and properly attributable earnings thereon will be credited to each Participant's Designated Roth Account.

9.04 Direct Rollovers

- (a) Notwithstanding anything to the contrary in the Plan, a direct rollover of a distribution from a Designated Roth Account under the Plan shall be made only to another designated Roth account under an eligible retirement plan described in Section 402A(e)(1) of the Code or to a Roth IRA described in Section 408A of the Code, and only to the extent the rollover is permitted under the

rules of Section 402(c) of the Code.

- (b) Notwithstanding anything to the contrary in the Plan, unless otherwise elected by the Employer, the Plan will accept a rollover contribution to a Designated Roth Account only if it is a direct rollover from another designated Roth account under an eligible retirement plan described in Section 402A(e)(1) of the Code, or if the rollover is an In-Plan Roth Conversion defined in Section 10.05.
- (c) Eligible rollover distributions from a Participant's Designated Roth Account are taken into account in determining whether the total amount of the Participant's Account balances under the Plan exceeds \$1,000 for purposes of mandatory distributions from the Plan.

9.05 In-Plan Roth Conversions. Unless otherwise elected by the Employer, as of the effective date of this Article the Plan shall allow for In-Plan Roth Conversions.

- (a) *Tax Treatment.* The amount of an In-Plan Roth Conversion shall be includible in the Participant's gross income, as though it were not part of a qualified rollover contribution.
- (b) *Irrevocability.* Any election made by the Participant pursuant to Section 9.05(a) to do an In-Plan Roth Conversion shall be irrevocable.
- (c) *Treatment of Loans.* Outstanding plan loans shall be excluded from In-Plan Roth Conversions. Notwithstanding anything herein to the contrary, an In-Plan Roth Conversion shall not accelerate or otherwise cause a Participant to default on an outstanding plan loan.
- (d) *Spousal Consent.* Notwithstanding anything herein to the contrary, if the Plan requires spousal consent for a distribution, a married Participant shall not be required to obtain spousal consent in connection with an election to make an In-Plan Roth Conversion.
- (e) *In-Plan Roth Conversions of Non-Distributable Amounts.* Effective January 1, 2013, a Participant may transfer, as part of an In-Plan Roth Conversion, an amount that is not otherwise distributable from the Participant's Pre-Tax Account to the Participant's Designated Roth Account. Such transfer shall be treated as a distribution which was contributed in a qualified rollover contribution within the meaning of Code Section 408A(e). Any distribution restrictions that were applicable to the amount before the In-Plan Roth Conversion shall apply to such amount (and earnings and losses thereon) in the Participant's Designated Roth Account. If the Participant's Account or a portion of the Account is subject to a vesting schedule, an In-Plan Roth Conversion is available only if the Account or portion of the Account is fully vested. The Participant may not transfer under this Section 9.05(e) any portion of the Account that is partially vested.

9.06 Availability of Loans from Designated Roth Accounts. A Participant's Designated Roth Account balance can be included to determine a Participant loan amount under Article VIII. However, unless the Employer elects otherwise, Designated Roth Accounts will not be available as a source for loans under the Plan.

Article X. Non-Assignability

10.01 General. Except as provided in Article VIII and Section 10.02, no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder, which payments and rights are expressly declared to be non-assignable and non-transferable.

10.02 Domestic Relations Orders.

- (a) *Allowance of Transfers:* To the extent required under a final judgment, decree, or order (including approval of a property settlement agreement) that (1) relates to the provision of child support, alimony payments, or marital property rights and (2) is made pursuant to a state domestic relations law, and (3) is permitted under Sections 414(p)(11) and (12) of the Code, any portion of a Participant's Account may be paid or set aside for payment to a spouse, former spouse, child, or other dependent of the Participant (an "Alternate Payee"). Where necessary to carry out the terms of such an order, a separate Account shall be established with respect to the Alternate Payee who shall be entitled to make investment selections with respect thereto in the same manner as the Participant. Any amount so set aside for an Alternate Payee shall be paid in accordance with the form and timing of payment specified in the order. Nothing in this Section shall be construed to authorize any amount to be distributed under the Plan at a time or in a form that is not permitted under Section 457(b) of the Code and is explicitly permitted under the uniform procedures described in Section 10.02(d) below. Notwithstanding the foregoing sentence, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State, then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Any payment made to a person pursuant to this Section shall be reduced by any required income tax withholding. An Account maintained by the Alternate Payee shall otherwise be treated as if it were a Participant Account.
- (b) *Release from Liability to Participant:* The Employer's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to an Alternate Payee to paragraph (a) of this Section and the Participant and his or her Beneficiaries shall be deemed to have released the Employer and the Plan Administrator from any claim with respect to such amounts.
- (c) *Participation in Legal Proceedings:* The Employer and Administrator shall not be obligated to defend against or set aside any judgment, decree, or order described in paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Employer or Administrator to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the Employer's obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Employer and Administrator shall be authorized to disclose information relating to the Participant's Account to the Alternate Payee (including the legal representatives of the Alternate Payee), or to a court.
- (d) *Determination of Validity of Domestic Relations Orders:* The Administrator shall establish uniform procedures for determining the validity of any domestic relations order. The Administrator's determinations under such procedures shall be conclusive and binding on all parties and shall be afforded the maximum amount of deference permitted by law.

10.03 IRS Levy. Notwithstanding Section 10.01, the Administrator may pay from a Participant's or Beneficiary's Account balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an

unpaid tax assessment against the Participant or Beneficiary.

- 10.04 Mistaken Contribution.** To the extent permitted by applicable law, if any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Administrator, to the Employer.
- 10.05 Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such persons as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.
- 10.06 Procedure When Distributee Cannot Be Located.** The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Employer or Administrator's records, (b) notification sent to the Social Security Administration or the Pension Benefit Guarantee Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within six (6) months. If the Administrator is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Trust shall continue to hold the benefits due such person to the extent consistent with applicable law.

Article XI. Relationship to Other Plans and Employment Agreements

This Plan serves in addition to any other retirement, pension, or benefit plan or system presently in existence or hereinafter established for the benefit of the Employer's employees, and participation hereunder shall not affect benefits receivable under any such plan or system. Nothing contained in this Plan shall be deemed to constitute an employment contract or agreement between any Participant and the Employer or to give any Participant the right to be retained in the employ of the Employer. Nor shall anything herein be construed to modify the terms of any employment contract or agreement between a Participant and the Employer.

Article XII. Amendment or Termination of Plan

The Employer may at any time amend this Plan provided that it transmits such amendment in writing to the Administrator at least thirty (30) days prior to the effective date of the amendment. The consent of the Administrator shall not be required in order for such amendment to become effective, but the Administrator shall be under no obligation to continue acting as Administrator hereunder if it disapproves of such amendment.

The Administrator may at any time propose an amendment to the Plan by an instrument in writing transmitted to the Employer. Such amendment shall become effective unless, within the 30-day period beginning on the date the Administrator transmits such amendment, the Employer notifies the Administrator in writing that it disapproves such amendment, in which case such amendment shall not become effective. In the event of such disapproval, the Administrator shall be under no obligation to continue acting as

Administrator hereunder.

The Employer may at any time terminate this Plan. In the event of termination, assets of the Plan shall be distributed to Participants and Beneficiaries as soon as administratively practicable following termination of the Plan. Alternatively, assets of the Plan may be transferred to an eligible deferred compensation plan maintained by another eligible governmental employer within the same State if (a) all assets held by the Plan are transferred; (b) the receiving plan provides for the receipt of transfers; (c) the Participants and Beneficiaries whose deferred amounts are being transferred will have an amount immediately after the transfer at least equal to the deferred amount immediately before the transfer; and (d) the Participants or Beneficiaries whose deferred amounts are being transferred are not eligible for additional annual deferrals in the receiving plan unless the Participants or Beneficiaries are performing services for the employer maintaining the receiving plan. In addition, unless otherwise prohibited by applicable law, with respect to Participants or Beneficiaries who cannot be located or who do not elect otherwise, the assets held in the accounts of such Participants or Beneficiaries may be transferred to an individual retirement plan (as defined in Section 7701(a)(37) of the Code) selected by the Employer.

Except as may be required to maintain the status of the Plan as an eligible deferred compensation plan under Section 457(b) of the Code or to comply with other applicable laws, no amendment or termination of the Plan shall divest any Participant of any rights with respect to compensation deferred before the date of the amendment or termination.

Article XIII. Applicable Law

This Plan and Trust shall be construed under the laws of the state where the Employer is located and is established with the intent that it meet the requirements of an "eligible deferred compensation plan" under Section 457(b) of the Code, as amended. The provisions of this Plan and Trust shall be interpreted wherever possible in conformity with the requirements of that Section of the Code.

In addition, notwithstanding any provision of the Plan to the contrary, the Plan shall be administered in compliance with the requirements of Section 414(u) of the Code.

Article XIV. Miscellaneous Items

- 14.01** Gender and Number. The masculine pronoun, whenever used herein, shall include the feminine pronoun, and the singular shall include the plural, except where the context requires otherwise.
- 14.02** Electronic Communication and Consent. Unless expressly required otherwise, where this Plan provides that a document, election, notification, direction, signature, or consent will be in writing, such writing may occur through an electronic medium, including but not limited to electronic mail, intranet or internet web posting and online account access, to the fullest extent permitted by applicable law.

DECLARATION OF TRUST

This Declaration of Trust (the "Group Trust Agreement") is made as of the 19th day of May, 2001, by VantageTrust Company, which declares itself to be the sole Trustee of the trust hereby created.

WHEREAS, the ICMA Retirement Trust was created as a vehicle for the commingling of the assets of governmental plans and governmental units described in Section 818(a)(6) of the Internal Revenue Code of 1986, as amended, pursuant to a Declaration of Trust dated October 4, 1982, as subsequently amended, a

copy of which is attached hereto and incorporated by reference as set out below (the "ICMA Declaration"); and

WHEREAS, the trust created hereunder (the "Group Trust") is intended to meet the requirements of Revenue Ruling 81-100, 1981-1 C.B. 326, and is established as a common trust fund within the meaning of Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated, to accept and hold for investment purposes the assets of the Deferred Compensation and Qualified Plans held by and through the ICMA Retirement Trust.

NOW, THEREFORE, the Group Trust is created by the execution of this Declaration of Trust by the Trustee and is established with respect to each Deferred Compensation and Qualified Plan by the transfer to the Trustee of such Plan's assets in the ICMA Retirement Trust, by the Trustees thereof, in accord with the following provisions:

- (a) Incorporation of ICMA Declaration by Reference; ICMA By-Laws. Except as otherwise provided in this Group Trust Agreement, and to the extent not inconsistent herewith, all provisions of the ICMA Declaration are incorporated herein by reference and made a part hereof, to be read by substituting the Group Trust for the Retirement Trust and the Trustee for the Board of Trustees referenced therein. In this respect, unless the context clearly indicates otherwise, all capitalized terms used herein and defined in the ICMA Declaration have the meanings assigned to them in the ICMA Declaration. In addition, the By-Laws of the ICMA Retirement Trust, as the same may be amended from time-to-time, are adopted as the By-Laws of the Group Trust to the extent not inconsistent with the terms of this Group Trust Agreement.

Notwithstanding the foregoing, the terms of the ICMA Declaration and By-Laws are further modified with respect to the Group Trust created hereunder, as follows:

1. any reporting, distribution, or other obligation of the Group Trust vis-à-vis any Deferred Compensation Plan, Qualified Plan, Public Employer, Public Employer Trustee, or Employer Trust shall be deemed satisfied to the extent that such obligation is undertaken by the ICMA Retirement Trust (in which case the obligation of the Group Trust shall run to the ICMA Retirement Trust); and
 2. all provisions dealing with the number, qualification, election, term and nomination of Trustees shall not apply, and all other provisions relating to trustees (including, but not limited to, resignation and removal) shall be interpreted in a manner consistent with the appointment of a single corporate trustee.
- (b) *Compliance with Revenue Procedure 81-100.* The requirements of Revenue Procedure 81-100 are applicable to the Group Trust as follows:
 1. Pursuant to the terms of this Group Trust Agreement and Article X of the By-Laws, investment in the Group Trust is limited to assets of Deferred Compensation and Qualified Plans, investing through the ICMA Retirement Trust.
 2. Pursuant to the By-Laws, the Group Trust is adopted as a part of each Qualified Plan that invests herein through the ICMA Retirement Trust.
 3. In accord with the By-Laws, that part of the Group Trust's corpus or income which equitably belongs to any Deferred Compensation and Qualified Plan may not be used for or diverted to any purposes other than for the exclusive benefit of the Plan's employees or their beneficiaries who are entitled to benefits under such Plan.

4 In accord with the By-Laws, no Deferred Compensation Plan or Qualified Plan may assign any or part of its equity or interest in the Group Trust, and any purported assignment of such equity or interest shall be void.

(c) *Governing Law.* Except as otherwise required by federal, state or local law, this Declaration of Trust (including the ICMA Declaration to the extent incorporated herein) and the Group Trust created hereunder shall be construed and determined in accordance with applicable laws of the State of New Hampshire.

(d) *Judicial Proceedings.* The Trustee may at any time initiate an action or proceeding in the appropriate state or federal courts within or outside the state of New Hampshire for the settlement of its accounts or for the determination of any question of construction which may arise or for instructions.

IN WITNESS WHEREOF, the Trustee has executed this Declaration of Trust as of the day and year first above written.

VANTAGETRUST COMPANY

MISSIONSQUARE RETIREMENT

**777 NORTH CAPITOL STREET, NE
WASHINGTON, DC 20002-4240**

800-669-7400

WWW.MISSIONSQ.ORG

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6.5
BUILDING OFFICIAL, PERMIT COUNTER, AND
INSPECTION SERVICES

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
INTERWEST CONSULTING GROUP
FOR BUILDING OFFICIAL, PERMIT COUNTER, AND INSPECTION SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on January 19, 2022, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Interwest Consulting Group ("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 February 7, 2022 and 11:59 p.m. on June 30, 2023; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT through a maximum of 11:59 p.m. on June 30, 2025.

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 July 1, 2023 and ending at 11:59 p.m. on June 30, 2025 with no changes to the terms and conditions of the AGREEMENT.

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 _____
Avner Alkhas, Chief Financial Officer

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

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6.6
CITY ATTORNEY SERVICES

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May 8, 2023

VIA E-MAIL

Honorable Mayor
and Members of the City Council
City of Laguna Woods
24264 El Toro Road
Laguna Woods, CA 92637

Re: Legal Representation Letter

Dear Mr. Macon:

Thank you for asking Rutan & Tucker, LLP (“Rutan,” “we,” “us,” or “our” below) to ratify and extend its current agreement to provide legal services as the City Attorney for the City of Laguna Woods. The existing term of Rutan’s agreement for providing legal services to the City of Laguna Woods expires on June 30, 2023. This letter sets forth our proposal for the confirmation of the basic terms of the engagement and the arrangement for fees and costs that will apply to the engagement. All other terms and arrangements remain unchanged.

1. ***Client; Scope of Representation.*** The client in this matter is the City of Laguna Woods (sometimes collectively referred to as “you” below). We will be engaged to provide general City Attorney legal services and advice through June 30, 2025. We propose to continue the existing agreement. You may limit or expand the scope of our representation from time to time, provided that we must agree to any substantial expansion or limitation of the representation. The firm will perform these services, will take reasonable steps to keep you informed of progress, respond to your inquiries, and will consult with you as necessary.

2. ***Duties of Client.*** You agree to timely provide us such information, assistance and cooperation as is necessary for us to effectively perform our services and to timely pay our bills for fees, costs and expenses as further described herein.

3. ***General Terms; Fees and Expenses.*** To assist you in understanding our billing practices and other general terms, we enclose a copy of our current Policy on Professional Fees and General Terms of Engagement (the “General Terms”). The General Terms are incorporated in this letter. The General Terms describe the ranges of hourly rates for our attorneys and paraprofessionals and our policies regarding reimbursement of costs and expenses. Please specifically note that the hourly rate for all of the services we began providing beginning August 12, 2021, and continuing through June 30, 2024, shall continue to be Three Hundred Dollars \$300.00 per hour, for all hours up to twenty (20) in a single month, and Three Hundred Twenty-Five Dollars (\$325.00) for all hours above twenty (20) in a single month. Litigation and

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special projects continue to be Three Hundred Twenty-Five Dollars (\$325.00) per hour, and third party reimbursable matters continue to be Four Hundred Twenty-Five Dollars (\$425.00) per hour. Bond financing will continue to be based upon an hourly rate, as may be negotiated. You understand and acknowledge these are negotiated rates, and are not set by law. On or before May 31, 2024, you and Rutan & Tucker will meet and confer regarding potential adjustment to billable hour rates to be in effect from July 1, 2024, until the end of the term of this agreement. In the absence of agreement regarding an adjustment, the rates specified herein shall continue in effect.

4. ***No Guarantees.*** We agree to use our best efforts in representing you, but cannot make representations or guarantees as to the ultimate outcome of any matter, the efficacy of any experts or consultants that may be retained in any matter you refer to us, or as to the ultimate expenses that you may incur. All our statements on such matters are statements of opinion only based upon the information known at the time. We do maintain errors and omissions insurance coverage applicable to the services to be rendered.

5. ***Term of Engagement.*** In accordance with the General Terms, either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct.

6. ***Binding Arbitration.*** We appreciate the opportunity to serve as your attorneys and anticipate a continued productive, harmonious relationship. If you become dissatisfied for any reason with the services we have performed, the fees charged, or any other aspect of the attorney-client relationship, we encourage you to bring that to our attention immediately. Similarly, if we perceive a problem with the representation, we will discuss it with you. Most such problems can be rectified by communication and discussion. Although in our experience disputes of any type are rare, a dispute conceivably could arise between us which cannot be resolved by discussion or negotiation. We believe such attorney-client disputes are most satisfactorily resolved through binding arbitration rather than by litigation in court.

Arbitration is, as you know, a process by which both parties to a dispute agree to submit the matter to a retired judge or other arbitrator who has expertise in the area and to abide by the arbitrator's decision, instead of litigating in court. In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and rigid than in a court trial. Arbitration often results in a decision much more quickly than proceedings in court, and the attorneys' fees and other costs incurred by both sides are often substantially less.

Both the United States and California Supreme Courts have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious. Arbitration is also less acrimonious and more confidential than traditional litigation and is, therefore, particularly suited to resolution of disputes between attorneys and their clients.

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Your agreement to arbitrate disputes is not a condition of our agreeing to represent you, and if you do not wish to agree to arbitrate, then you should advise me before signing the copy of this letter, so we can delete this section of the agreement. You are encouraged to discuss the advisability of arbitration with independent counsel.

By signing this agreement, you agree that if any dispute arises out of or relating to this agreement, our relationship, or the services performed by us (including but not limited to any disputes regarding our fees and expenses and any failure by you to pay such fees and expenses in accordance with this agreement, claims of professional negligence, breach of contract or fiduciary duty, fraud or any claim based upon a statute), such dispute shall be resolved by submission to final and binding arbitration in Orange County, California, before a retired judge or justice of the California Superior Court or a higher court. Please be advised that by agreeing to binding arbitration, you are waiving any right to a jury trial on any such dispute. If you and we are unable to agree on a retired judge or justice, each party will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. Should you elect to have any fee dispute arbitrated pursuant to non-binding arbitration under statutory or case law, (including your rights to request mandatory fee arbitration under the rules of the Orange County Bar Association) then such non-binding arbitration shall determine only the issue of the amount of fees properly chargeable to you. Any other claims or disputes between us, including claims for professional negligence, shall remain subject to binding arbitration pursuant to this agreement. In the event of such an arbitration, the parties shall be entitled to take discovery in accordance with the provisions of the California Code of Civil Procedure, but either party may request that the arbitrator limit the amount or scope of such discovery, and in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

7. ***Conflicts in this Matter.*** We cannot, without appropriate consents, represent any party if there is a conflict of interest with any of our other clients. In order to avoid conflicts of interest among our clients, we maintain an index of relevant names. We have not discovered any conflict which requires further action before extending our existing arrangement for the provision of City Attorney services. Please inform us at once if you learn in the future of persons or entities who may be involved in actions adverse to the City so we can make a conflict of interest search with respect to them.

8. ***Conflicts Waiver.*** In undertaking this representation, our objective is to represent you to the best of our ability without forfeiting the continuing representation of our other clients. Rutan & Tucker LLP is a large law firm which has represented, and continues to represent, many different corporate and individual clients with various interests in numerous industries. It is possible that, during the time we are representing your interests in this matter, you may become involved in transactions and/or disputes in which your interests are adverse to those of one of the firm's present or future clients. Therefore, as a specific condition to our undertaking your representation, you understand and agree that this firm may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to

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our work for you even if the interests of such clients in those other matters are directly adverse to your interests. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage.

Please be aware that you have the right to obtain the advice of independent counsel regarding the terms of this agreement, and you are encouraged to do so.

This letter and the attached General Terms constitute the entire agreement between you and Rutan & Tucker, LLP with respect to our engagement. No prior oral or written understanding shall be of any force or effect with respect to these matters. This agreement may not be modified, except by a document in writing executed by both parties. A waiver of any party of any breach of any of the conditions, terms or time requirements under this letter shall not be construed as a waiver of any succeeding breach. This letter may be executed in multiple counterparts, each of which shall be deemed an original. By executing below, you represent to us that the person whose signature appears on your behalf.

[Continued on following page]

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Please review this letter and the General Terms attached hereto carefully. If the terms and conditions of our representation and the billing arrangements under this agreement meet with your approval, please sign the enclosed copy of this letter and return it to me. Please call the undersigned if you have any questions.

Once again, thank you for the opportunity to continue to work with the City of Laguna Woods.

Very truly yours,

RUTAN & TUCKER, LLP



Alisha Patterson

AP:hd

ACCEPTED AND AGREED:

CITY OF LAGUNA WOODS

Cynthia Conners, Mayor
City of Laguna Woods

**POLICY ON PROFESSIONAL FEES
AND
GENERAL TERMS OF ENGAGEMENT**

Professional Fees and Billing Procedures.

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees and payment terms. The following is intended to explain briefly our present billing policies and procedures. These policies and procedures are subject to change. We encourage you to discuss with us at any time any questions you might have concerning these policies and procedures.

Unless otherwise agreed in writing by you and us, our professional fees will be based on the hourly rates of the attorneys and paraprofessionals working on your matter(s). Our hourly rates for attorneys and paraprofessionals are adjusted from time to time and generally as of January 1st of each year. Adjustments in billing rates will be reflected in the invoice for legal services which constitutes our written notice to you. The current hourly billing rates for attorneys and paraprofessionals at the firm for 2023 are as follows: (i) partners range from \$390.00 to \$1,050.00 per hour, (ii) associates range from \$310.00 to \$515.00 per hour and (iii) paralegals, law clerks, legal interns, legal assistants, document clerks and other paraprofessionals range from \$90.00 to \$330.00.

Rutan & Tucker, LLP bills its clients for costs advanced on a client's behalf, such as filing fees, transcript and deposition fees, reasonable travel expenses, and expert witness fees. The firm also charges for certain costs and expenses incurred on behalf of clients such as long-distance telephone calls, facsimile and telecopier transmissions, copying, scanning, printing, postage, mileage, messengers, and computerized research. Notwithstanding the foregoing, we may forward to you large disbursement invoices for your direct payment to the supplier.

We make every effort to include disbursements in the statement for the month in which the disbursements are incurred. Some disbursements, however, may not be available to us until the following months, in which case a subsequent statement may be rendered to you for these additional charges, or an estimated amount may be included in the initial billing and an adjustment made when the actual disbursement information is available.

In the absence of other arrangements, our billing statements ordinarily will be rendered to you on a monthly basis.

Our billing statements are due and payable upon receipt. We ask and expect payment of our statements on a current basis, as delayed payment adds to our overall costs of providing services. Unless you notify us of any objection to any such billing statement (specifically describing the basis for such objection), within thirty (30) days after the date we send the billing statement to you, we will presume that you have no objection to the amounts set forth in the billing statement. If any statement remains unpaid for more than thirty (30) days after the date the statement is sent by this firm, interest may be added at the rate of 10% per annum on the unpaid balance.

Unless specifically agreed in writing, we cannot make any guarantee as to the amount which you will incur for attorneys' fees and costs in any matter, as those figures will wholly depend on the time and effort required to be devoted to such matter. Any estimates of anticipated fees and costs, whether for budgeting purposes or otherwise, are, due to the uncertainties involved, necessarily only an approximation of potential fees and costs. Unless specifically agreed in writing, such estimates are not a maximum or minimum quotation and are not binding. The actual fees and costs will be determined in accordance with the policies described above.

General Terms.

We have been engaged to represent the person(s), company(ies) or organization(s) agreed to in writing by this firm. Unless agreed to in writing, we are not representing any of their respective members, shareholders, affiliates, subsidiaries, parent companies, joint ventures, officers, directors, partners, principals, investors, or employees. Accordingly, we can take on matters that may be adverse to these related parties or their legal interests, unless precluded by reason of the Rules of Professional Conduct.

Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable Rules of Professional Conduct. If we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the matter(s) for which we have been engaged. If you so request, we will use reasonable efforts to suggest to you possible successor counsel and provide it with whatever documents you have provided to us, but will retain materials that we have generated, as noted below.

Unless previously terminated, our representation of you in any matter will terminate upon our sending to you our final invoice for services rendered for such matter. Upon the termination of such representation, our own lawyer work product documents, notes and files (the "Work Product Files") pertaining to your matter will be retained by the firm. Your documents, property and files that are not Work Product Files (the "Client Files") will be, at your request, returned to you upon the termination of such representation. Both the Client Files (unless otherwise returned to you at your request) and the Work Product Files will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents, property, files or other materials retained by us within a reasonable time after the termination of the engagement. Specifically, it is our current policy to store your Client Files for a period of five (5) years and at the conclusion of such five (5) year period we will make an attempt to contact you as to the disposition of your Client Files, but if we are unable to locate you, we reserve the right to destroy such Client Files.

In the performance of our services, you may disclose personal information about individuals to us, including personal information we collect on your behalf. In doing so, you acknowledge that such disclosure is pursuant to a business purpose and not for commercial purposes. In performing our services, we shall not: (a) sell personal information; (b) retain, use or disclose the personal information for any purpose other than for the performance of its services; (c) retain, use, or disclose personal information for commercial purposes; or (d) retain, use, or disclose personal information outside of our direct business relationship. We certify that we understand these restrictions and will comply with them. Notwithstanding the foregoing, we may

have legal and/or ethical obligations which may mandate the processing (including the collection, use, disclosure, deletion, or retention) of personal information disclosed to us by you. Rutan & Tucker, LLP shall not be liable for the processing of personal information that is, or is reasonably believed to be, necessary for: (v) compliance with a federal, state, or local law; (w) compliance with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, or local authority; (x) cooperation with law enforcement agencies concerning conduct or activity that it believes may violate a federal, state, or local law; (y) the exercising or defending of legal claims; (z) compliance with our ethical duties. Moreover, the processing restrictions placed upon us in this paragraph shall not apply where compliance with such restriction(s) would violate an evidentiary privilege under California (or other states') law, and shall not prevent us from providing personal information of an individual to a person covered by an evidentiary privilege under California (or other states') law as part of a privileged communication. For purposes of this section, "personal information" means information that identified, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual or household. Personal information does not include publicly available information, deidentified information, or aggregate consumer information.

You are engaging the firm to provide legal services in connection with specific matter(s). After completion, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after these matters have been completed to provide additional advice on issues arising from these matters, this firm has no continuing obligation to advise you with respect to future legal developments. In particular, please be advised that this firm does not undertake to perform further actions on your behalf in connection with renewal of perfection of liens, filing of UCC continuation statements, and the like in connection with any loan related matter. Further, we do not offer the service of annuity/maintenance fee payments with respect to patent prosecution.

We have made no representations, promises or guarantees to you regarding the outcome of your matter. Any comments about the outcome of your matter at any time during the performance of services do not constitute promises, guarantees, or assurances, as to the outcome of your matter.

Unless otherwise agreed in a signed writing, the firm shall have no responsibility to investigate or evaluate whether insurance is available for any matter covered by this engagement or to tender any matter covered by this engagement to any insurance carrier.

If we are required to respond to a subpoena of our records relating to services we have performed for you, or testify by deposition or otherwise concerning such services, then we will take reasonable steps to consult with you as to whether you wish to supply the information demanded or assert objections to the extent you may properly do so. You agree to pay us for our time and costs incurred in responding to any such demand, in accordance with the provisions of this letter, including, but not limited to, time and expense incurred in search and photocopying costs, reviewing documents, appearing at depositions or hearings, and otherwise litigating issues raised by the request.

In order to maximize efficiency, please be advised that attorneys and paraprofessionals at this firm routinely use the following communications methods to the fullest extent possible: e-mail, document transfer by computer, mobile telephones, and facsimile transfers.

Although not required in California, some states require that a law firm disclose the existence of errors and omissions insurance coverage applicable to the services to be rendered. Rutan & Tucker, LLP hereby confirms the existence of such insurance coverage for the purposes of complying with such a requirement.

Duty to Preserve Relevant Evidence in the Event of Litigation or Disputes.

If you are currently involved in a dispute which has resulted or is likely to result in litigation, or if you become involved in such a dispute at a later date, please be aware that you have a legal obligation to preserve “documents and data” potentially relevant to any such dispute. In addition to the obvious fact that we may need the evidence to help prove or defend your case, the primary reason we need to tell you about this obligation is because, if you do not take such steps, you could suffer severe sanctions in any litigation (or arbitration) that might arise. Those sanctions could include, among others, direct and substantial monetary sanctions, “issue sanctions”, resulting in a directed finding against you on certain issues in the case, or even possibly a directed judgment against you, resulting in loss of the entire case.

Compliance with the obligation to preserve all potentially relevant evidence may not be as easy as it sounds. Preservation obligations include, for example, the obligation to suspend normal document destruction routines and otherwise protect against inadvertent deletion of evidence, especially electronic evidence. You need to notify and work with all of your employees and managerial personnel who might possess any such evidence, and consider all of the places where such evidence might be located, such as, e.g., home computers, laptop computers, cell phones, backup devices, and a wide range of other electronic devices and physical locations outside your normal offices and outside your network. You also need to evaluate the extent to which any of your agents, outside professionals, or consultants may have evidence which should be preserved. Furthermore, all of this needs to be documented.

We ask that you coordinate with our professional staff to ensure that proper steps have been taken to preserve all potentially relevant evidence, including electronic evidence whenever litigation, or a dispute which may lead to litigation, arises. To the extent that you have qualified and sophisticated in-house personnel experienced with document preservation activities, such coordination may simply consist of providing us with the documentation reflecting the steps taken and review of that documentation and the processes reflected. To the extent you do not have such in-house capabilities, our staff can help lead you through the process. In either event, it is very important for us to confirm the steps that have been taken so that we can later both establish your compliance with the obligation to preserve potentially relevant evidence and also utilize the documentation to coordinate the efficient identification, retrieval, and production of evidence for the presentation of your case.

Please let me know if you have any questions and, in any event, please let me know who within your organization would be best to coordinate these efforts so that I can put them in touch with our staff.

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6.7
CITY ENGINEERING AND TRAFFIC
OPERATIONS SERVICES

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
CIVILSOURCE, INC.
FOR CITY ENGINEERING AND TRAFFIC OPERATIONS SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on June 17, 2015, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and CivilSource, Inc. ("CONSULTANT"), is made and entered into this _____ by and among CITY and CONSULTANT.

WHEREAS, the initial term of the AGREEMENT was for the period between July 1, 2015 and 11:59 p.m. on June 30, 2017; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT for any applicable mutually agreeable period through a maximum of 11:59 p.m. on June 30, 2020; and

WHEREAS, the term of the AGREEMENT was previously extended for periods through 11:59 p.m. on June 30, 2023; and

WHEREAS, CITY has requested that CONSULTANT continue to provide services for an additional six-month period.

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 July 1, 2023 and ending at 11:59 p.m. on December 31, 2023 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 _____
Jeffrey M. Cooper, PE, Senior Vice President

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

6.8
CITY HALL AND PUBLIC LIBRARY BUILDING
JANITORIAL SERVICES

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**EXTENSION AND AMENDMENT OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
OMNI ENTERPRISE, INC.
FOR CITY HALL JANITORIAL SERVICES**

This EXTENSION AND AMENDMENT of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on August 27, 2020, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Omni Enterprise, Inc. ("CONSULTANT"), is made and entered into this _____ by and among CITY and CONSULTANT.

WHEREAS, the initial term of the AGREEMENT was for the period between August 29, 2020 and 11:59 p.m. on June 30, 2023; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT through a maximum of 11:59 p.m. on June 30, 2024; and

WHEREAS, an AMENDMENT of the AGREEMENT has become necessary due to changes in CITY's janitorial services needs and CITY's request of CONSULTANT to provide additional services; and

WHEREAS, CONSULTANT represents that it is willing and able to provide the services requested by CITY.

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 July 1, 2023 and ending at 11:59 p.m. on June 30, 2024 with no changes to the terms and conditions of the AGREEMENT except as specified herein.

2. CITY and CONSULTANT hereby agree to change the title of this agreement to read as follows:

**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
OMNI ENTERPRISE, INC
FOR CITY HALL AND PUBLIC LIBRARY BUILDING JANITORIAL SERVICES**

3. CITY and CONSULTANT hereby agree to an AMENDMENT of the AGREEMENT consisting of the modifications shown on pages 3 through 9 of this AMENDMENT to EXHIBIT "A" of the AGREEMENT, and pages 10 through 11 of this AMENDMENT to Exhibit

"B" of the AGREEMENT.

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

CITY OF LAGUNA WOODS:

By _____
Christopher Macon, City Manager

CONSULTANT:

By _____
Dante Perez, President & Secretary

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

AMENDMENT TEXT

Exhibit A (“Scope of Services”) of the AGREEMENT is amended to read as follows (additions shown with underlining and deletions shown with ~~strike-through~~):

EXHIBIT "A"**SCOPE OF SERVICES**

CONSULTANT shall perform and complete City Hall and Public Library janitorial services by providing all labor, tools, equipment, materials, and supplies (except as noted herein) necessary to complete work in a professional, thorough, and timely manner, in accordance with standards and specifications as contained in this AGREEMENT.

CONSULTANT shall provide janitorial services for Laguna Woods City Hall (“City Hall”) located at 24264 El Toro Road, Laguna Woods, CA 92637 and the Laguna Woods Public Library Building located at 24266 El Toro Road, Laguna Woods, CA 92637 (“Public Library”).

City Hall is approximately 7,910 square feet and includes a combination of office space, conference rooms, public meeting areas, restrooms, and ~~a—break rooms~~. Temporary accommodations that are located on the same parcel as City Hall, if ever utilized by CITY, shall also be covered by this AGREEMENT without the right for CONSULTANT to seek to renegotiate this AGREEMENT or modify the rates set forth in EXHIBIT “B” of this AGREEMENT, provided that the total square footage of all areas for which services are provided does not exceed 8,000 square feet and all areas are limited to office space, conference rooms, public meeting areas, restrooms, and break rooms.

Public Library consists of two areas – (Area 1) approximately 1,074 square feet of office space, public library space, and a restroom, and (Area 2) an adjacent Outdoor Activity Room and adjoining storage closet.

The services identified in EXHIBIT “A” of this AGREEMENT are not all-inclusive, and CONSULTANT understands and agrees that all tasks incidental to cleaning functions not specifically listed, but normally included in general janitorial practices, shall be provided.

CONSULTANT shall provide the following services:

A. Daily Service (CITY HALL: TO OCCUR EVERY MONDAY, WEDNESDAY, AND FRIDAY BETWEEN 6 P.M. AND 11:59 P.M., ~~EVERY SUNDAY ANY TIME, AND AS REQUESTED BY CITY~~) (PUBLIC LIBRARY AREA 1: TO OCCUR EVERY MONDAY, TUESDAY, WEDNESDAY, THURSDAY, AND FRIDAY BETWEEN 6 P.M. AND 11:59 P.M., AND AS REQUESTED BY CITY)

- *Baby Diaper Changing Stations*: Wipe down all hard surfaces with a damp cloth and dry. Clean, disinfect*, and remove all spills and soiling.
- *Carpet Spot Cleaning*: Check all carpeted areas for new dirty spots, stains, and gum and,

if found, treat with a carpet spot cleaning solution.

- *Carpeted Floors*: Vacuum all carpeted areas free of all visible debris including, but not limited to, areas underneath furniture, underneath mats, and behind doors.
- *Cobwebs*. Remove all cobwebs from corners, ceilings, [light fixtures](#), and [door/window frames](#).
- *Drinking Fountains*: Clean and disinfect* all metal surfaces and touch points, including orifices, drains, and push bars, [as well as adjacent grab bars](#). Remove all smudges, fingerprints, marks, streaks, and other visible soil from the drinking fountains ([including, but not limited to, calcium buildup](#)).
- *Elevator (City Hall Only)*: Vacuum the carpeted floor of the elevator. Clean all buttons (inside and outside of the elevator car), control panels, and metal railings with an appropriate solution to remove smudges, fingerprints, marks, streaks, and other visible soil.
- *Interior Surfaces*: Remove smudges, fingerprints, marks, streaks, and other visible soil from all washable, [interior](#) hard surfaces ~~inside City Hall~~ including, but not limited to, mirrors, light switches, doors, door handles, door frames, telephone stations, and display cases.
- *Lobbies and Entrances*: Clean all glass doors (inside and outside) with an appropriate solution to remove smudges, fingerprints, marks, and streaks. Vacuum all door mats.
- *Non-Carpeted Floors*: Vacuum or sweep all non-carpeted floors free of all visible debris including, but not limited to, areas underneath furniture, underneath mats, and behind doors. Damp-mop and dry all non-carpeted floors with an appropriate solution to remove visible debris.
- *Restrooms*: [Clean and polish stainless steel surfaces](#). Clean and disinfect* all sinks, counters, receptacles, dispensers, partitions, fiberglass reinforced plastic (FRP)-covered walls, toilets, urinals, fixtures, and metal surfaces. Clean all mirrors and metal surfaces with an appropriate solution to remove smudges, fingerprints, marks, and streaks. Mop and clean all non-carpeted floors with an appropriate solution to remove fecal matter, urine, bodily fluids, and visible debris. Refill all soap dispensers and paper dispensers. [Add water to floor drains to prevent sewer odor](#).
- *Tables, Counters, ~~and~~ Desks, and Chairs*: Remove all non-permanent stains, spots, spills, and marks from desktops, counters, tables, [chairs](#), cabinets, bookshelves, and other hard surfaces. Cleaning shall not be of such a degree as to remove the finish or leave abrasive marks.
- *Waste Receptacles and Shredders*: Empty all waste receptacles and shredders and return the same to the locations in which they were found. Clean the interior and exterior of all waste receptacles and the walls/surfaces next to waste receptacles. Replace all waste receptacle liners after each cleaning.
- *Irregularities*. Leave written notice for [CityCITY](#) staff of all irregularities observed during the performance of daily service (e.g., defective plumbing fixtures, electrical problems, burned-out lights, breakage or damage to light bulbs, missing supplies).
- *Setup of City Council Chambers*. Setup, rearrange, or stack in designated locations, tables and chairs in the City Council Chambers as requested by CITY.

* For Daily Service, disinfection shall be performed using one or more United States Environmental Protection Agency (EPA)-registered disinfectant products appropriate for

use on the surface for which it is used.

B. Monthly Service (PUBLIC LIBRARY AREA 2: TO OCCUR ONE CONSISTENTLY SCHEDULED WEEKDAY PER MONTH BETWEEN 6 P.M. AND 11:59 P.M., AND AS REQUESTED BY CITY – CONSULTANT TO PROVIDE CITY WITH A SCHEDULE FOR SCHEDULED MONTHLY SERVICE)

Note: Public Library Area 2 includes desktops, counters, tables, and chairs when set out prior to the beginning of janitorial services, or when setup by janitorial services personnel. Desktops, counters, tables, and chairs when stored in the storage closet are not included.

- Blinds and Shutters: Clean all dust, dry soil, and other visible debris from all blinds and shutters. Return all slats and cords to the position in which they were prior to cleaning.
- Cobwebs. Remove all cobwebs from corners, ceilings, light fixtures, and door/window frames.
- Dusting: Dust all surfaces including, but not limited to, doors, desktops, counters, tables, chairs, windowsills (interior and exterior), and wall-mounted artwork/plaques.
- Non-Carpeted Floors: Vacuum, sweep, or use other appropriate methods to keep all non-carpeted floors free of all visible debris including, but not limited to, areas underneath furniture, underneath mats, and behind doors.
- Surfaces: Remove smudges, fingerprints, marks, streaks, and other visible soil from all washable hard surfaces including, but not limited to, light switches, doors, door handles, and door frames.
- Tables, Counters, Desks, and Chairs: Remove all non-permanent stains, spots, spills, and marks from desktops, counters, tables, chairs, and other hard surfaces. Cleaning shall not be of such a degree as to remove the finish or leave abrasive marks.
- Windows and Glass Doors: Clean the interior and exterior surfaces and frames of all windows with an appropriate solution to remove smudges, fingerprints, marks, and streaks. For this bullet, “windows” refers to all interior and exterior windows, including glass doors.
- Irregularities. Leave written notice for CITY staff of all irregularities observed during the performance of daily service (e.g., defective plumbing fixtures, electrical problems, burned-out lights, breakage or damage to light bulbs, missing supplies).
- Setup of Outdoor Activity Room. Setup, rearrange, or stack in designated locations, tables and chairs in the Outdoor Activity Room as requested by CITY.

BC. Monthly Service (TO OCCUR ONE CONSISTENTLY SCHEDULED WEEKDAY PER MONTH BETWEEN 6 P.M. AND 11:59 P.M. FOR BOTH CITY HALL AND PUBLIC LIBRARY AREA 1, AND AS REQUESTED BY CITY – CONSULTANT TO PROVIDE CITY WITH A SCHEDULE FOR SCHEDULED MONTHLY SERVICE)

- Air Conditioner Supply Vents, Returns, and Exhaust Fan Grills: Clean all dust, dry soil, particles, and other visible debris from vents, returns, and grills, as well as from walls and ceiling areas adjacent to vents, returns, and grills.
- Balcony (City Hall Only): Sweep or mop and dispose of all debris on the second-floor balcony.

ITEM 6.8

- *Blinds and Shutters:* Clean all dust, dry soil, and other visible debris from all blinds and shutters. Return all slats and cords to the position in which they were prior to cleaning.
- *Coffee Machines (City Hall Only):* Clean all visible food/drink residue, debris, and waste material. Clean buttons and exterior surfaces with an appropriate solution to remove smudges, fingerprints, marks, and streaks.
- *Dishwasher (City Hall Only):* Clean and polish stainless steel surfaces.
- *Dusting:* Dust all surfaces including, but not limited to, doors, desktops, counters, tables, chairs, cabinets, bookshelves, hard surfaces of cubicle partitions, windowsills (interior and exterior, excluding second floor exterior), and wall-mounted artwork/plaques.
- *Furniture:* Vacuum all upholstered furniture. Lift and vacuum underneath all removable cushions. Wipe down all vinyl and hard surfaces with a damp cloth and dry. Clean, disinfect*, and remove all spills and soiling.
- *Ice Machines (City Hall Only):* Clean and polish stainless steel surfaces.
- *Microwaves and Toaster Ovens (City Hall Only):* Clean and polish stainless steel surfaces. Clean all visible food/drink residue, debris, and waste material. Clean buttons and interior and exterior surfaces with an appropriate solution to remove smudges, fingerprints, marks, and streaks.
- *Plexiglas Panels/Partitions (City Hall Only):* Clean both sides of the Plexiglas panels/partitions at the first-floor public counter areas using one or more cleaning products appropriate for use on the surface for which it is used.
- *Refrigerators and Freezers (City Hall Only):* Remove and dispose of all food and beverages (unless otherwise marked with the City’s logo) from the refrigerator and freezer. Clean and polish stainless steel surfaces. Clean all visible food/drink residue, debris, and waste material. Clean buttons and interior and exterior surfaces with an appropriate solution to remove smudges, fingerprints, marks, and streaks.
- *Stairwells (City Hall Only):* Sweep or mop and dispose of all debris in both stairwells. Wipe down all railings with a damp cloth and dry.
- *Windows and Glass Doors:* Clean the interior surfaces and frames of all first- and second-floor windows and the exterior surfaces and frames of all first-floor windows with an appropriate solution to remove smudges, fingerprints, marks, and streaks. For this bullet, “windows” refers to all interior and exterior windows, including glass doors.
- *Irregularities.* Leave written notice for CityCITY staff of all irregularities observed during the performance of daily service (e.g., defective plumbing fixtures, electrical problems, burned-out lights, breakage or damage to light bulbs, missing supplies).

* For Monthly Service, disinfection shall be performed using one or more United States Environmental Protection Agency (EPA)-registered disinfectant products appropriate for use on the surface for which it is used.

~~C. COVID-19 Disinfection Service (TO OCCUR EVERY MONDAY, TUESDAY, WEDNESDAY, THURSDAY, AND SUNDAY BETWEEN 6 P.M. AND 11:59 P.M. AND AS REQUESTED BY CITY)~~

- ~~*Disinfection:* Disinfect all of the following using one or more United States Environmental Protection Agency (EPA)-registered disinfectant products that has qualified for use against~~

~~SARS-CoV-2, the novel coronavirus that causes COVID-19 (EPA List N):~~~~○ First Floor~~

- ~~▪ Public counters in main lobby area~~
- ~~▪ Conference Room table and chairs with arms~~
- ~~▪ Council Chambers conference table and chairs with arms~~
- ~~▪ Council Chambers dais countertops and chairs with arms~~
- ~~▪ Drinking fountains—all metal surfaces and touch points, including orifices, drains, and push bars~~
- ~~▪ Burglar alarm keypad~~

~~○ Second Floor~~

- ~~▪ Baby diaper changing station~~

~~○ Both Floors~~

- ~~▪ Bathroom counters and all metal surfaces in bathrooms~~
- ~~▪ Elevator buttons (inside and outside of the elevator car) and control panel~~
- ~~▪ Door handles (interior and exterior) and panic bars~~
- ~~▪ Light switches~~
- ~~▪ Stairwell railings~~

D. Emergency Service (TO OCCUR AS REQUESTED BY CITY WITH ON-SITE RESPONSE REQUIRED WITHIN TWO (2) HOURS OF REQUEST BY CITY)

Emergency services may include all or a portion of the work otherwise required for Daily Service, Monthly Service, and Disinfection Service.

E. Special Event Service (TO OCCUR AS REQUESTED BY CITY)

Special event services may include all or a portion of the work otherwise required for Daily Service, Monthly Service, and Disinfection Service, as well as:

- *Public Assistance:* Assist members of the public by removing items from vehicles, moving items to designated collection areas, and performing similar manual labor. Items may be up to fifty (50) pounds in weight and include items for disposal or recycling (e.g., universal waste, electronic waste, documents, light bulbs, batteries, and medication).

Securing of Alarms, Doors, and Windows

CITY shall issue necessary keys, entry codes, and alarm codes to CONSULTANT, as may change from time to time at CITY's sole discretion. CONSULTANT shall sign for the issuance of such keys, entry codes, and alarm codes and return all keys to CITY immediately upon termination of the agreement or request by CITY. CONSULTANT shall not duplicate any key nor allow any unauthorized personnel to be in possession of, or otherwise gain access to, any key, entry code, or alarm code. CONSULTANT shall provide verbal and written notice to CITY immediately upon becoming aware of any unauthorized use, duplication, or access of any key, entry code, or alarm code.

ITEM 6.8

CONSULTANT shall ensure that City Hall ~~is~~ and Public Library are alarmed, with all exterior doors and windows securely closed and locked prior to departure. In the event that City Hall or Public Library is occupied by CITY or County of Orange Library staff at the time of departure, CONSULTANT shall securely close and lock all exterior doors and windows, and notify CITY or County of Orange Library staff of their departure, but not alarm the building. CONSULTANT shall exercise reasonable care and attention to ensure that no entry to City Hall and Public Library is made by non-CITY or County of Orange Library employees while performing services outside of City Hall's business hours.

Waste Disposal

CONSULTANT shall deposit all waste generated or collected in the performance of its duties in a location(s) specified by CITY. Such location(s) may change from time-to-time, at CITY's sole discretion, and be on-site at City Hall, Public Library, and/or on an immediately adjacent parcel. CONSULTANT shall comply with all applicable source separation waste disposal requirements.

Holiday Services and Schedule Modifications

CONSULTANT shall not provide service of any kind on holidays observed by CONSULTANT for which holiday rates apply without obtaining prior written authorization from CITY.

CITY reserves the right to cancel any scheduled service by providing at least forty-eight (48) hours written notice to CONSULTANT. CONSULTANT shall not be compensated for such cancellations nor shall such cancellations change the rates set forth in this AGREEMENT.

Supplies and Equipment

- *Supplies:* CONSULTANT shall notify CITY at least ten (10) business days in advance of the need for any supplies necessary for the performance of its duties. Unless otherwise authorized, in writing, by CITY, CITY shall furnish all supplies deemed necessary by CITY to perform the requested services. CONSULTANT shall use all chemicals and other supplies in accordance with federal, state, and local laws, as well as comply with Material Safety Data Sheets standards. Material Safety Data Sheets shall be on-site and available for all chemicals stored and used within a service area prior to performing work. CITY or CONSULTANT, whichever furnished each, shall post copies of Material Safety Data Sheets for all chemicals used in each janitorial closet in compliance with Occupational Safety and Health Administration (OSHA) Hazard Communication Standard 29 CFR 1900.1200.
- *Equipment:* CITY shall supply a vacuum, mop, and mop bucket, which CONSULTANT may, but is not required, to use in the performance of its duties. All other necessary equipment, including all personal protective equipment (which, for the purpose of this AGREEMENT shall also include gloves, face masks, and similar materials), shall be purchased and maintained by CONSULTANT at CONSULTANT's own cost.

On-Site Storage

CITY shall provide a small closet and mop sink at City Hall for use by CONSULTANT [while providing services at City Hall or Public Library](#). Said closet may be used to store supplies and equipment purchased and provided by both CITY and CONSULTANT. CONSULTANT shall acknowledge that it does not have exclusive control over said closet, that supplies and equipment are stored in said closet at CONSULTANT's own risk, and that said closet may be of insufficient size to store all necessary supplies and equipment. CITY shall not be responsible for CONSULTANT's losses from said closet.

Supervision of Work

CONSULTANT shall designate a project manager who shall be responsible for overseeing all work performed under the agreement and coordinating the same with CITY, as well as for conducting regular on-site inspections of CONSULTANT's personnel to ensure compliance with the agreement. He/she/they shall have at least two (2) years of experience involving janitorial services and be fluent in the English language.

CONSULTANT shall work with CITY to establish procedures for providing notification of required services including, at a minimum, the designation of a primary and alternate point of contact, one of whom shall be available to CITY, via telephone, at all times.

No Use of Office

CONSULTANT shall not use any of City Hall's [or Public Library's](#) telephones, computers, or office equipment while providing services.

No Use of Amplified Sound

CONSULTANT shall not use amplified sound (including, but not limited to, speaker settings on telephones or other personal electronic devices) while providing services.

Uniforms Required

At all times during City Hall [and Public Library](#) janitorial services, CONSULTANT's personnel shall be dressed in clean, high visibility uniforms, appropriate to the nature of the work performed, with the company name clearly identified. No portion of a uniform shall be removed or not worn. Personnel not in full uniform shall be immediately removed from providing services.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK.]

Section 1 of Exhibit B (“Compensation”) of the AGREEMENT is amended to read as follows (additions shown with underlining and deletions shown with ~~strike through~~):

EXHIBIT "B"
COMPENSATION

Table B-1: Compensation Schedule – As-Needed Services

Service ¹	Regular Rate ²	Holiday Rate ^{2, 3}
Daily Service (<u>City Hall; including all items marked “City Hall Only” in Exhibit "A" of this AGREEMENT</u>)	\$80.00 <u>150.00</u> /per day	\$120.00 <u>225.00</u> /per day
Daily Service (<u>Public Library Area 1; excludes all items marked “City Hall Only” in Exhibit "A" of this AGREEMENT</u>)	<u>\$150.00/per day</u>	<u>\$225.00/per day</u>
Monthly Service (<u>City Hall; including all items marked “City Hall Only” in Exhibit "A" of this AGREEMENT</u>)	\$80.00 <u>200.00</u> /per day	\$120.00 <u>300.00</u> /per day
Monthly Service (<u>Public Library Area 1; excludes all items marked “City Hall Only” in Exhibit "A" of this AGREEMENT</u>)	<u>\$200.00/per day</u>	<u>\$300.00/per day</u>
Monthly Service (<u>Public Library Area 2</u>)	<u>\$100.00/per day</u>	<u>\$150.00/per day</u>
COVID-19 Disinfection Service	\$80.00/per day	\$120.00/per day
Emergency Service (<u>City Hall or Public Library Areas 1 or 2</u>)	\$25.00/per hour/per person	\$37.50/per hour/per person
Special Event Service (<u>City Hall or Public Library Areas 1 or 2</u>)	\$25.00/per hour/per person	\$37.50/per hour/per person
Supplies Purchased with Prior Written Authorization from CITY	Actual Cost + 10% mark-up (as evidenced by receipts)	

ITEM 6.8

¹ CITY reserves the right to cancel any scheduled service by providing at least forty-eight (48) hours written notice to CONSULTANT. CONSULTANT shall not be compensated for such cancellations nor shall such cancellations change the rates set forth in Table B-1.

² Rates are not subject to minimums or maximums and are all inclusive. CONSULTANT shall not receive separate compensation for travel, lodging, mileage, telephone service, internet service, equipment, supplies, food, drink, or attire, except as noted in this AGREEMENT.

³ “Holiday Rate” shall apply to the following holidays only: New Year’s Day, Labor Day, Thanksgiving Day, and Christmas Day. CONSULTANT shall not provide service of any kind on holidays for which holiday rates apply without obtaining prior written authorization from CITY.

Rate Changes

~~The rates set forth in Table B-1 shall not change during the term of this AGREEMENT nor through June 30, 2024 (if the term of this AGREEMENT is extended through that date).~~

Other Notes

The rates set forth in Table B-1 are “all inclusive”. CITY shall not provide separate or supplemental compensation to CONSULTANT.

The rates set forth in Table B-1 shall not change based on CITY’s addition or modification of the number or type of workstations, chair mats, employees, or similar factors.

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6.9
CODE ENFORCEMENT SERVICES

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
WILLDAN ENGINEERING
FOR CODE ENFORCEMENT SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on May 5, 2021, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Willdan Engineering ("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 July 1, 2021 and 11:59 p.m. on June 30, 2023; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT through a maximum of 11:59 p.m. on June 30, 2025.

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 July 1, 2023 and ending at 11:59 p.m. on July 31, 2023 with no changes to the terms and conditions of the AGREEMENT.

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 _____
Al Brady, Deputy Director of Building & Safety

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

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6.10
AS NEEDED FINANCIAL CONSULTING
SERVICES

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**EXTENSION OF THE
CONSULTANT SERVICES AGREEMENT
BETWEEN THE
CITY OF LAGUNA WOODS
AND
IRWIN B. BORNSTEIN
FOR AS NEEDED FINANCIAL SERVICES**

This EXTENSION of the CONSULTANT SERVICES AGREEMENT FOR AS NEEDED FINANCIAL SERVICES ("AGREEMENT") that was entered into on July 1, 2017, by and among the City of Laguna Woods, a general law city of the State of California ("CITY") and Irwin B. Bornstein, an individual ("CONSULTANT"), is made and entered into this _____ by and among CITY and CONSULTANT.

WHEREAS, the initial term of the AGREEMENT was for the period between July 1, 2017 and 11:59 p.m. on June 30, 2018; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended by mutual written agreement; and

WHEREAS, the term of the AGREEMENT was previously extended for periods through 11:59 p.m. on June 30, 2023.

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 July 1, 2023 and ending at 11:59 p.m. on June 30, 2024 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 _____
Irwin B. Bornstein

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

6.11
INFORMATION TECHNOLOGY SERVICES

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
PRACTICAL DATA SOLUTIONS
FOR INFORMATION TECHNOLOGY SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on June 28, 2017, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and Practical Data Solutions ("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 July 1, 2017 and 11:59 p.m. on June 30, 2019; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended upon written agreement of both parties to the AGREEMENT for any applicable mutually agreeable period; and

WHEREAS, the term of the AGREEMENT was previously extended for periods through 11:59 p.m. on June 30, 2023.

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 July 1, 2023 and ending at 11:59 p.m. on June 30, 2024 with no changes to the terms and conditions of the AGREEMENT.

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 _____
John McDermott, Owner

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

6.12
LAW ENFORCEMENT SERVICES

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**AGREEMENT
BETWEEN THE
CITY OF LAGUNA WOODS
AND THE
COUNTY OF ORANGE**

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THIS AGREEMENT is entered into this First day of June 2023, which date is enumerated for purposes of reference only, by and between the CITY OF LAGUNA WOODS, hereinafter referred to as "CITY", and the COUNTY OF ORANGE, a political subdivision of the State of California, hereinafter referred to as "COUNTY".

WITNESSETH:

WHEREAS, CITY wishes to contract with COUNTY for law enforcement services; and

WHEREAS, COUNTY is agreeable to the rendering of such services, as authorized in Government Code Sections 51301 and 55632, on the terms and conditions hereinafter set forth,

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

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1 **A. TERM:**

2 The term of this Agreement shall commence July 1, 2023 and terminate
3 June 30, 2024 unless earlier terminated by either party or extended in the
4 manner set forth herein.

5 **B. OPTIONAL TERMINATION OR EXTENSION:**

- 6 1. COUNTY or CITY may terminate this Agreement, without cause, upon
7 one-hundred and eighty (180) days written notice to the other party.
- 8 2. If COUNTY and CITY have not entered into a written agreement by
9 June 30, 2024 for COUNTY to provide to CITY, during all or part of the
10 period between July 1, 2024 and June 30, 2025, law enforcement services
11 similar to those specified herein, then SHERIFF, on behalf of COUNTY, and
12 CITY's Manager, on behalf of CITY, are authorized to execute a written
13 amendment to this Agreement that provides as follows and does not
14 materially alter other terms of the Agreement: SHERIFF shall continue to
15 provide to CITY all or a designated part of the law enforcement services
16 specified herein, for a specified time period between July 1, 2024³ and
17 August 31, 2024³ and CITY shall pay COUNTY the full costs of providing
18 such services. Such full costs may be greater than those listed herein for
19 the period July 1, 2023 through June 30, 2024. SHERIFF and CITY
20 Manager shall file copies of any such amendments to this Agreement with
21 the Clerk of COUNTY's Board of Supervisors and CITY's Clerk.

22 **C. REGULAR SERVICES BY COUNTY:**

- 23 1. COUNTY, through its Sheriff-Coroner and deputies, officers and
24 employees, hereinafter referred to as "SHERIFF", shall render to CITY law
25 enforcement services as hereinafter provided. Such services shall include
26 the enforcement of lawful State statutes and lawful municipal ordinances of
27 CITY other than licensing ordinances.

28 //

1 **C. REGULAR SERVICES BY COUNTY:** (Continued)

- 2 2. The night, day and evening patrol and supervisory shifts will be established
3 by SHERIFF. Personnel of each shift may work varying and different times
4 and may be deployed to other shifts when, in the opinion of SHERIFF and
5 CITY Manager, the need arises. Any long-term shift deployment change
6 will be reported to CITY's Council.
- 7 3. The level of service, other than for licensing, to be provided by COUNTY for
8 the period July 1, 2023 through June 30, 2024, is set forth in Attachment A.
- 9 4. For any service listed in Attachment A in this Agreement that is provided to
10 CITY at less than 100% of a full-time SHERIFF position, COUNTY retains
11 the option to terminate such service in the event the other city or cities that
12 contract(s) for the balance of the time of the employee providing the service
13 no longer pay(s) for such service and CITY does not request the Agreement
14 be amended to provide for payment of 100% of the cost of the employee
15 providing such service. The Maximum Obligation of CITY set forth in
16 Subsection G-2 will be adjusted accordingly.
- 17 5. All services contracted for in this Agreement may not be operational on the
18 precise date specified in this Agreement. In those instances, SHERIFF
19 shall notify CITY Manager of the date or dates such service or services are
20 to be implemented. COUNTY shall reduce the monthly charges to CITY,
21 based on the actual date of implementation of the service or services.
22 Charges shall be reduced on the next monthly billing tendered in
23 accordance with Subsection G-3 of this Agreement.
- 24 6. During emergencies, such as mutual aid situations, SHERIFF will attempt to
25 staff the CITY's Emergency Operations Center (EOC) with a Captain or
26 Sergeant to assist the CITY with the operations of the EOC. Such services
27 may be considered supplemental to the contract and chargeable to the CITY
28 on a time and material basis to the extent the services provided are at a

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 level greater than that specified in Attachment A of this Agreement.

- 3 7. With respect to the licensing ordinances of CITY listed in Attachment B,
4 SHERIFF shall receive applications for CITY licenses pursuant to said
5 ordinances and complete investigations relating to such applications. Such
6 investigations shall be forwarded to CITY Manager. COUNTY shall not
7 provide any advisory, administrative, hearing or litigation attorney support or
8 services related to licensing. COUNTY shall not provide any administrative
9 or investigatory services related to the licensing ordinances listed in
10 Attachment B, except the investigations relating to initial applications for
11 which this subsection provides.

12 In the event CITY amends Attachment B, CITY's Manager, on behalf of
13 CITY, and SHERIFF, on behalf of COUNTY, have authority to execute an
14 amendment of this Agreement to substitute CITY's amended Attachment B,
15 as long as said Amendment to this Agreement does not materially change
16 any other provision of this Agreement.

- 17 8. With the limitations set forth below, SHERIFF, on behalf of COUNTY, and
18 CITY Manager, on behalf of CITY, are authorized to execute written
19 amendments to this Agreement to increase or decrease the level of service
20 set forth in Attachment A, when SHERIFF and CITY Manager mutually
21 agree that such increase or decrease in the level of service is appropriate.
22 Any such amendment to the Agreement shall concomitantly increase or
23 decrease the cost of services payable by CITY set forth in Attachment C,
24 and the Maximum Obligation of CITY set forth in Subsection G-2, in
25 accordance with the current year's COUNTY law enforcement cost study.
26 SHERIFF and CITY Manager shall file copies of any such amendments to
27 this Agreement with the Clerk of COUNTY's Board of Supervisors and
28 CITY's Clerk. Except for costs related to Sections G-4a and G-4b, changes

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 to this Agreement executed by SHERIFF and CITY Manager may not, in the
3 aggregate, increase or decrease the cost of services payable by CITY by
4 more than one percent (1%) of the total cost originally set forth in
5 Attachment C and the Maximum Obligation originally set forth in
6 Subsection G-2.

7 Except for changes under Sections G-4a and G-4b, prior approval by
8 COUNTY's Board of Supervisors and CITY's Council is required before
9 execution of any amendment that brings the aggregate total of changes in
10 costs payable by CITY to more than one percent (1%) of the total cost
11 originally set forth in Attachment C and the Maximum Obligation originally
12 set forth in Subsection G-2 of this Agreement.

- 13 9. SHERIFF shall consider input from the CITY Manager regarding the
14 selection and assignment of a Captain to provide services to CITY.

15 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY:**

- 16 1. Enhanced services for events on CITY property. At the request of CITY,
17 through its City Manager, SHERIFF may provide enhanced law
18 enforcement services for functions, such as community events, conducted
19 on property that is owned, leased or operated by CITY. SHERIFF shall
20 determine personnel and equipment needed for such enhanced services.
21 To the extent the services provided at such events are at a level greater
22 than that specified in Attachment A of this Agreement, CITY shall reimburse
23 COUNTY for such additional services, at an amount computed by
24 SHERIFF, based on the current year's COUNTY law enforcement cost
25 study. The cost of these enhanced services shall be in addition to the
26 Maximum Obligation of CITY set forth in Subsection G-2 of this Agreement.
27 SHERIFF shall bill CITY immediately after each such event.

28 //

1 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY: (Continued)**

2 2. Supplemental services for occasional events operated by private individuals
3 and entities on non-CITY property. At the request of CITY, through its City
4 Manager, and within the limitations set forth in this Subsection D-2,
5 SHERIFF may provide supplemental law enforcement services to preserve
6 the peace at special events or occurrences that occur on an occasional
7 basis and are operated by private individuals or private entities on non-CITY
8 property. SHERIFF shall determine personnel and equipment needed for
9 such supplemental services, and will provide such supplemental services
10 only if SHERIFF is able to do so without reducing the normal and regular
11 ongoing services that SHERIFF otherwise would provide to CITY pursuant
12 to this Agreement. Such supplemental services shall be provided only by
13 regularly appointed full-time peace officers, at rates of pay governed by a
14 Memorandum of Understanding between COUNTY and the bargaining
15 unit(s) representing the peace officers providing the services. Such
16 supplemental services shall include only law enforcement duties and shall
17 not include services authorized to be provided by a private patrol operator,
18 as defined in Section 7582.1 of the Business and Professions Code. Law
19 enforcement support functions, including, but not limited to, clerical
20 functions and forensic science services, may be performed by non-peace
21 officer personnel if the services do not involve patrol or keeping the peace
22 and are incidental to the provision of law enforcement services. CITY shall
23 reimburse COUNTY its full, actual costs of providing such supplemental
24 services at an amount computed by SHERIFF, based on the current year's
25 COUNTY law enforcement cost study. The cost of these supplemental
26 services shall be in addition to the Maximum Obligation of CITY set forth in
27 Subsection G-2 of this Agreement. SHERIFF shall bill CITY immediately
28 after each such event.

1 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY:** (Continued)

- 2 3. Supplemental services for events operated by public entities on non-CITY
3 property. At the request of CITY, through its City Manager, and within the
4 limitations set forth in this subsection D-3, SHERIFF may provide
5 supplemental law enforcement services to preserve the peace at special
6 events or occurrences that occur on an occasional basis and are operated
7 by public entities on non-CITY property. SHERIFF shall determine
8 personnel and equipment needed for such supplemental services, and will
9 provide such supplemental services only if SHERIFF is able to do so
10 without reducing services that SHERIFF otherwise would provide to CITY
11 pursuant to this Agreement. CITY shall reimburse COUNTY its full, actual
12 costs of providing such supplemental services at an amount computed by
13 SHERIFF, based on the current year's COUNTY law enforcement cost
14 study. The cost of these supplemental services shall be in addition to the
15 Maximum Obligation of CITY set forth in Subsection G-2 of this Agreement.
16 SHERIFF shall bill CITY immediately after each such event.
- 17 4. Notwithstanding the foregoing, CITY, through its permit process, may utilize
18 the services of SHERIFF at events, for which CITY issues permits, that are
19 operated by private individuals or entities or public entities. SHERIFF shall
20 determine personnel and equipment needed for said events. If said events
21 are in addition to the level of services listed in Attachment A of this
22 Agreement, CITY shall reimburse COUNTY for such additional services at
23 an amount computed by SHERIFF, based upon the current year's COUNTY
24 law enforcement cost study. The cost of these services shall be in addition
25 to the Maximum Obligation of CITY set forth in Subsection G-2 of this
26 Agreement. SHERIFF shall bill CITY immediately after said services are
27 rendered.

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1 **D. ENHANCED AND SUPPLEMENTAL SERVICES BY COUNTY:** (Continued)

2 5. In accordance with Government Code Section 51350, COUNTY has
3 adopted Board Resolution 89-1160 which identifies Countywide services,
4 including but not limited to helicopter response. SHERIFF through this
5 contract provides enhanced helicopter response services. The cost of
6 enhanced helicopter response services is included in the cost of services
7 set forth in Attachment C and in the Maximum Obligation of CITY set forth
8 in Subsection G-2. COUNTY shall not charge any additional amounts for
9 enhanced helicopter services after the cost of services set forth in
10 Attachment C and in the Maximum Obligation set forth in Subsection G-2
11 has been established without written notification to the CITY.

12 **E. BODY WORN CAMERA AND IN CAR VIDEO:**

13 1. As part of the law enforcement services to be provided to CITY, COUNTY
14 has provided, or will provide, body worn cameras (hereinafter called "BWC")
15 that will be worn by SHERIFF'S personnel and In Car Video (hereinafter
16 called "ICV") that will be mounted in vehicles designated by SHERIFF for
17 use within CITY service area.

18 2. SHERIFF has the exclusive right to use said BWC and ICV for law
19 enforcement services related to this Agreement.

20 3. CITY shall pay COUNTY the full costs to COUNTY of a) the acquisition of
21 BWC and the acquisition and installation of ICV, and b) recurring costs, as
22 deemed necessary by COUNTY, including the costs of maintenance and
23 contributions to a fund for replacement and upgrade of such BWC and ICV
24 when they become functionally or technologically obsolete.

25 The costs to be paid by CITY for recurring costs, including maintenance
26 and replacement/upgrade of BWC and ICV, are included in the costs set
27 forth in Attachment C and the Maximum Obligation of CITY set forth in
28 Subsection G-2 of this Agreement unless CITY has already paid such costs.

1 **E. BODY WORN CAMERA AND IN CAR VIDEO: (Continued)**

2 CITY shall not be charged additional amounts for maintenance or
3 replacement/upgrade of said BWC and ICV during the period July 1, 2023
4 through June 30, 2024.

- 5 4. If, following the initial acquisition of BWC and ICV referenced above, CITY
6 requires BWC and ICV for additional SHERIFF'S personnel or vehicles
7 designated for use in the CITY service area, COUNTY will purchase said
8 additional BWC and ICV. Upon demand by COUNTY, CITY will pay to
9 COUNTY a) the full costs of acquisition of additional BWC and the full cost
10 of acquisition and installation of additional ICV, and b) the full recurring
11 costs for said BWC and ICV, as deemed necessary by COUNTY, including
12 the costs of maintenance, and contributions to a fund for replacement and
13 upgrade of such BWC and ICV when they become functionally or
14 technologically obsolete. Said costs related to additional BWC and ICV are
15 not included in, and are in addition to, the costs set forth in Attachment C
16 and the Maximum Obligation of CITY set forth in Subsection G-2 of this
17 Agreement.
- 18 5. COUNTY will replace and/or upgrade BWC and ICV as needed. The costs
19 of replacing/upgrading BWC and ICV shall be paid by COUNTY from the
20 replacement/upgrade funds to be paid by CITY in accordance with the
21 foregoing. CITY shall not be charged any additional charge to replace or
22 upgrade BWC and ICV.

23 **F. LICENSING SERVICES BY CITY:**

24 Upon receipt from COUNTY of investigations of applications for licenses
25 referred to in Subsection C-7 of this Agreement, CITY Manager shall determine
26 whether to grant or deny the licenses and will issue the licenses or notify the
27 applicants of denial. CITY shall provide all attorney services related to the
28 granting, denial, revocation and administration of said licenses and the

1 **F. LICENSING SERVICES BY CITY: (Continued)**

2 enforcement of CITY ordinances pertaining to said licenses.

3 **G. PAYMENT:**

4 1. Pursuant to Government Code Section 51350, CITY agrees to pay to
5 COUNTY the full costs of performing the services mutually agreed upon in
6 this Agreement. The costs of services include salaries, wages, benefits,
7 mileage, services, supplies, equipment, and divisional, departmental and
8 COUNTY General overhead.

9 2. Unless the level of service set forth in Attachment A is increased or
10 decreased by mutual agreement of the parties, or CITY is required to pay
11 for increases as set forth in Subsection G-4, the Maximum Obligation of
12 CITY for services, other than Licensing Services, set forth in Attachment A
13 of this Agreement, to be provided by COUNTY for the period July 1,
14 2023 through June 30, 2024 shall be \$3,049,067 as set forth in
15 Attachment C.

16 The overtime costs included in the Agreement are only an estimate.
17 SHERIFF shall notify CITY of actual overtime worked during each fiscal
18 year. If actual overtime worked is above or below budgeted amounts,
19 billings will be adjusted accordingly at the end of the fiscal year. Actual
20 overtime costs may exceed CITY's Maximum Obligation.

21 3. COUNTY shall invoice CITY monthly. During the period of July 1, 2023
22 through June 30, 2024, said invoices will require payment by CITY of
23 one-twelfth (1/12) of the Maximum Obligation of CITY set forth in
24 Subsection G-2 of this Agreement, as said Maximum Obligation may have
25 been increased or decreased pursuant to mutual agreement of the parties.
26 In addition, if a determination is made that increases described in
27 Subsection G-4 must be paid, COUNTY thereafter shall include the pro-rata
28 charges for such increases in its monthly invoices to CITY for the balance

1 **G. PAYMENT:** (Continued)

2 of the period between July 1, 2023 and June 30, 2024.

3 4a. At the time this Agreement is executed, there may be unresolved issues
4 pertaining to potential changes in salaries and benefits for COUNTY
5 employees. The costs of such potential changes are not included in the
6 Fiscal Year 2023-24 cost set forth in Attachment C nor in the Fiscal Year
7 2023-24 Maximum Obligation of CITY set forth in Subsection G-2 of this
8 Agreement. If the changes result in the COUNTY incurring or becoming
9 obligated to pay for increased costs for or on account of personnel whose
10 costs are included in the calculations of costs charged to CITY hereunder,
11 CITY shall pay COUNTY, in addition to the Maximum Obligation set forth in
12 Subsection G-2 of this Agreement, the full costs of said increases to the
13 extent such increases are attributable to work performed by such personnel
14 after July 1, 2023, and CITY's Maximum Obligation hereunder shall be
15 deemed to have increased accordingly. CITY shall pay COUNTY in full for
16 such increases on a pro-rata basis over the portion of the period between
17 July 1, 2023 and June 30, 2024 remaining after COUNTY notifies CITY that
18 increases are payable. If the changes result in the COUNTY incurring or
19 becoming obligated to pay for decreased costs for or on account of
20 personnel whose costs are included in the calculations of costs charged to
21 CITY hereunder, COUNTY shall reduce the amount owed by the CITY to
22 the extent such decreases are attributable to work performed by such
23 personnel during the period July 1, 2023 through June 30, 2024, and
24 CITY's Maximum Obligation hereunder shall be deemed to have decreased
25 accordingly. COUNTY shall reduce required payment by CITY in full for
26 such decreases on a pro-rata basis over the portion of the period between
27 July 1, 2023 and June 30, 2024 remaining after COUNTY notifies CITY that
28 the Maximum Obligation has decreased.

1 **G. PAYMENT:** (Continued)

2 4b. If CITY is required to pay for increases as set forth in Subsection G-4a
3 above, COUNTY, at the request of CITY, will thereafter reduce the level of
4 service to be provided to CITY, as set forth in Attachment A of this
5 Agreement to a level that will make the Maximum Obligation of CITY
6 hereunder for the period July 1, 2023 through June 30, 2024 an amount
7 specified by CITY that is equivalent to or higher or lower than the Maximum
8 Obligation set forth in Subsection G-2 for said period at the time this
9 Agreement originally was executed. The purpose of such adjustment of
10 service levels will be to give CITY the option of keeping its Maximum
11 Obligation hereunder at the pre-increase level or at any other higher or
12 lower level specified by CITY. In the event of such reduction in level of
13 service and adjustment of costs, the parties shall execute an amendment to
14 this Agreement so providing, pursuant to Subsection C-8. Decisions about
15 how to reduce the level of service provided to CITY shall be made by
16 SHERIFF with the approval of CITY.

17 5. CITY shall pay COUNTY in accordance with COUNTY Board of
18 Supervisors' approved County Billing Policy, Attachment D.

19 6. COUNTY shall charge CITY late payment penalties in accordance with the
20 County Billing Policy.

21 7. As payment for the Licensing Services described in Subsection C-7 of this
22 Agreement, COUNTY shall retain all fees paid by applicants for licenses
23 pursuant to CITY ordinances listed in Attachment B. Retention of said fees
24 by COUNTY shall constitute payment in full to COUNTY for costs incurred
25 by COUNTY in performing the functions related to licensing described in
26 Subsection C-7; provided, however, that if any of said fees are waived or
27 reduced by CITY, CITY shall pay to COUNTY the difference between the
28 amount of fees retained by COUNTY and the fees that were set forth in the

1 **G. PAYMENT:** (Continued)

2 ordinances listed in Attachment B at the time this Agreement was executed.
3 If CITY increases the fee schedule for the licensing ordinances set forth in
4 Attachment B, either party shall have the right to seek amendment of this
5 Agreement with respect to the division of the increased fees between CITY
6 and COUNTY.

7 8. Fees generated or collected by SHERIFF contract personnel for copying of
8 documents related to the services provided in this Agreement will be at
9 COUNTY-established rates and will be credited to CITY on an annual basis.

10 9. Narcotic asset forfeitures will be handled pursuant to Attachment E.

11 **H. NOTICES:**

12 1. Except for the notices provided for in Subsection 2 of this Section, all
13 notices authorized or required by this Agreement shall be effective when
14 written and deposited in the United States mail, first class postage prepaid
15 and addressed as follows:

16 **CITY:** ATTN: CITY MANAGER
17 24264 EL TORO ROAD
18 LAGUNA WOODS, CA 92653

19
20 **COUNTY:** ATTN: LAW ENFORCEMENT CONTRACT MANAGER
21 SHERIFF-CORONER DEPARTMENT
22 320 NORTH FLOWER STREET, SUITE 108
23 SANTA ANA, CA 92703

24 2. Termination notices shall be effective when written and deposited in the
25 United States mail, certified, return receipt requested and addressed as
26 above.

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1 **I. STATUS OF COUNTY:**

2 COUNTY is, and at all times shall be deemed to be, an independent contractor.
3 Nothing herein contained shall be construed as creating the relationship of
4 employer and employee, or principal and agent, between CITY and COUNTY
5 or any of COUNTY's agents or employees. COUNTY and its SHERIFF shall
6 retain all authority for rendition of services, standards of performance, control
7 of personnel, and other matters incident to the performance of services by
8 COUNTY pursuant to this Agreement. COUNTY, its agents and employees
9 shall not be entitled to any rights or privileges of CITY employees and shall not
10 be considered in any manner to be CITY employees.

11 **J. STATE AUDIT:**

12 Pursuant to Government Code Section 8546.7, CITY and COUNTY shall be
13 subject to examination and audit by the State Auditor for a period of three (3)
14 years after final payment by CITY to COUNTY under this Agreement. CITY
15 and COUNTY shall retain all records relating to the performance of this
16 Agreement for said three-year period, except that those records pertaining to
17 any audit then in progress, or to any claims or litigation, shall be retained
18 beyond said three-year period until final resolution of said audit, claim or
19 litigation.

20 **K. ALTERATION OF TERMS:**

21 This Agreement is comprised of this document and Attachments A through G,
22 which are attached hereto and incorporated herein by reference.

23 This Agreement fully expresses all understanding of CITY and COUNTY with
24 respect to the subject matter of this Agreement and shall constitute the total
25 Agreement between the parties for these purposes. No addition to, or
26 alteration of, the terms of this Agreement, unless expressly provided herein,
27 shall be valid unless made in writing, formally approved and executed by duly
28 authorized agents of both parties.

1 **L. INDEMNIFICATION:**

2 1. COUNTY, its officers, agents, employees, subcontractors and independent
3 contractors shall not be deemed to have assumed any liability for the
4 negligence or any other act or omission of CITY or any of its officers,
5 agents, employees, subcontractors or independent contractors, or for any
6 dangerous or defective condition of any public street, work, or property of
7 CITY, or for any illegality or unconstitutionality of CITY's municipal
8 ordinances. CITY shall indemnify and hold harmless COUNTY and its
9 elected and appointed officials, officers, agents, employees, subcontractors
10 and independent contractors from any claim, demand or liability whatsoever
11 based or asserted upon the condition of any public street, work, or property
12 of CITY, or upon the illegality or unconstitutionality of any municipal
13 ordinance of CITY that SHERIFF has enforced, or upon any act or omission
14 of CITY, or its elected and appointed officials, officers, agents, employees,
15 subcontractors or independent contractors related to this Agreement,
16 including, but not limited to, any act or omission related to the maintenance
17 or condition of any vehicle or motorcycle that is owned or possessed by
18 CITY and used by COUNTY personnel in the performance of this
19 Agreement, for property damage, bodily injury or death or any other
20 element of damage of any kind or nature, and CITY shall defend, at its
21 expense including attorney fees, and with counsel approved in writing by
22 COUNTY, COUNTY and its elected and appointed officials, officers, agents,
23 employees, subcontractors and independent contractors in any legal action
24 or claim of any kind based or asserted upon such condition of public street,
25 work, or property, or illegality or unconstitutionality of a municipal ordinance,
26 or alleged acts or omissions. If judgment is entered against CITY and
27 COUNTY by a court of competent jurisdiction because of the concurrent
28 active negligence of either party, CITY and COUNTY agree that liability

1 **L. INDEMNIFICATION: (Continued)**

2 will be apportioned as determined by the court. Neither party shall request
3 a jury apportionment.

- 4 2. COUNTY shall indemnify and hold harmless CITY and its elected and
5 appointed officials, officers, agents, employees, subcontractors and
6 independent contractors from any claim, demand or liability whatsoever
7 based or asserted upon any act or omission of COUNTY or its elected and
8 appointed officials, officers, agents, employees, subcontractors or
9 independent contractors related to this Agreement, for property damage,
10 bodily injury or death or any other element of damage of any kind or nature,
11 and COUNTY shall defend, at its expense, including attorney fees, and with
12 counsel approved in writing by CITY, CITY and its elected and appointed
13 officials, officers, agents, employees, subcontractors and independent
14 contractors in any legal action or claim of any kind based or asserted upon
15 such alleged acts or omissions.

16 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM:**

- 17 1. COUNTY has established a Traffic Violator Apprehension Program [“the
18 Program”], which is operated by SHERIFF, and is designed to reduce
19 vehicle accidents caused by unlicensed drivers and drivers whose licenses
20 are suspended and to educate the public about the requirements of the
21 Vehicle Code and related safety issues with regard to driver licensing,
22 vehicle registration, vehicle operation, and vehicle parking. The Program
23 operates throughout the unincorporated areas of the COUNTY and in the
24 cities that contract with COUNTY for SHERIFF’s law enforcement services,
25 without regard to jurisdictional boundaries, because an area-wide approach
26 to reduction of traffic accidents and driver education is most effective in
27 preventing traffic accidents. In order for CITY to participate in the Program,
28 CITY has adopted fees pursuant to Vehicle Code Section 22850.5, in the

1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM:** (Continued)

2 same amount as approved by COUNTY, as set forth in the resolution that is
3 Attachment F [hereinafter called a "TVAP resolution"], and has directed that
4 the revenue from such fee be used for the Program. CITY's participation in
5 the Program may be terminated at any time by rescission or amendment of
6 the TVAP resolution. In the event CITY 1) amends said TVAP resolution, or
7 rescinds said TVAP resolution and adopts a new TVAP resolution
8 pertaining to the above-referenced fees and the Program, and 2) remains a
9 participant in the Program thereafter, CITY's Manager, on behalf of CITY,
10 and SHERIFF, on behalf of COUNTY, have authority to execute an
11 amendment of this Agreement to substitute CITY's amended or new TVAP
12 resolution for Attachment F to the Agreement, as long as said amendment
13 to the Agreement does not materially change any other provision of the
14 Agreement. As COUNTY updates its fees for the Program periodically,
15 COUNTY will provide written notice to CITY of the updated fees. CITY'S
16 participation in the Program will terminate if CITY determines not to adopt
17 the updated fees for the Program.

18 2. COUNTY will make available for review, at the request of CITY, all financial
19 data related to the Program as may be requested by CITY.

20 3. Fee revenue generated by COUNTY and participating cities will be used to
21 fund the following positions, which will be assigned to the Program:

- 22 • Ten one hundredths of one (0.10) Sergeant
23 (8 hours per two-week pay period)
- 24 • One (1) Staff Specialist
25 (80 hours per two-week pay period)
- 26 • One (1) Office Specialist
27 (80 hours per two-week pay period)

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1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM:** (Continued)

- 2 4. Fee revenue generated by CITY may be used to reimburse CITY for
3 expenditures for equipment and/or supplies directly in support of the
4 Program. In order for an expenditure for equipment and/or supplies to be
5 eligible for reimbursement, CITY shall submit a request for and obtain pre-
6 approval of the expenditure by using the form as shown in Attachment G.
7 The request shall be submitted within the budget schedule established by
8 SHERIFF. SHERIFF shall approve the expenditure only if both of the
9 following conditions are satisfied: 1) there are sufficient Program funds,
10 attributable to revenue generated by CITY's fee, to pay for the requested
11 purchase, and 2) CITY will use the equipment and/or supplies, during their
12 entire useful life, only for purposes authorized by its TVAP resolution in
13 effect at the time of purchase. In the event that CITY terminates its
14 participation in the Program, CITY agrees that the equipment purchased by
15 CITY and reimbursed by Program funds will continue to be used, during the
16 remainder of its useful life, exclusively for the purposes authorized by
17 CITY's TVAP resolution in effect at the time of purchase.
- 18 5. In the event the fees adopted by COUNTY, CITY and other participating
19 jurisdictions are not adequate to continue operation of the Program at the
20 level at which it operated previously, COUNTY, at the option of CITY, will
21 reduce the level of Program service to be provided to CITY or will continue
22 to provide the existing level of Program services. COUNTY will charge CITY
23 the cost of any Program operations that exceed the revenue generated by
24 fees. Such charges shall be in addition to the Maximum Obligation of CITY
25 set forth in Subsection G-2 of this Agreement. The amount of any revenue
26 shortfall charged to CITY will be determined, at the time the revenue
27 shortfall is experienced, according to CITY's share of Program services
28 rendered. In the event of a reduction in level of Program service,

1 **M. TRAFFIC VIOLATOR APPREHENSION PROGRAM:** (Continued)

2 termination of Program service or adjustment of costs, the parties shall
3 execute an amendment to this Agreement so providing. Decisions about
4 how to reduce the level of Program service provided to CITY shall be made
5 by SHERIFF with the approval of CITY.

6 **N. MOBILE DATA COMPUTERS:**

7 1. As part of the law enforcement services to be provided to CITY, COUNTY
8 has provided, or will provide, mobile data computers (hereinafter called
9 "MDCs") that are or will be mounted in patrol vehicles and motorcycles
10 designated by COUNTY for use within CITY limits.

11 2. SHERIFF has the exclusive right to use said MDCs for law enforcement
12 services related to this Agreement.

13 3. CITY shall pay COUNTY the full costs to COUNTY of a) the acquisition and
14 installation of MDCs that are or will be mounted in patrol vehicles and
15 motorcycles assigned to CITY, and b) recurring costs, as deemed
16 necessary by COUNTY, including the costs of maintenance and
17 contributions to a fund for replacement and upgrade of such MDCs when
18 they become functionally or technologically obsolete.

19 The costs to be paid by CITY for recurring costs, including maintenance
20 and replacement/upgrade of MDCs, are included in the costs set forth in
21 Attachment C and the Maximum Obligation of CITY set forth in Subsection
22 G-2 of this Agreement unless CITY has already paid such costs. CITY shall
23 not be charged additional amounts for maintenance or
24 replacement/upgrade of said MDCs during the period July 1, 2023 through
25 June 30, 2024.

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1 **N. MOBILE DATA COMPUTERS: (Continued)**

2 4. If, following the initial acquisition of MDCs referenced above, CITY requires
3 MDCs for additional patrol cars designated for use in the CITY, or for
4 CITY's Emergency Operations Center, COUNTY will purchase said
5 additional MDCs. Upon demand by COUNTY, CITY will pay to COUNTY a)
6 the full costs of acquisition and installation of said additional MDCs, and b)
7 the full recurring costs for said MDCs, as deemed necessary by COUNTY,
8 including the costs of maintenance, and contributions to a fund for
9 replacement and upgrade of such MDCs when they become functionally or
10 technologically obsolete. Said costs related to additional MDCs are not
11 included in, and are in addition to, the costs set forth in Attachment C and
12 the Maximum Obligation of CITY set forth in Subsection G-2 of this
13 Agreement.

14 5. COUNTY will replace and/or upgrade MDCs as needed. The costs of
15 replacing/upgrading MDCs shall be paid by COUNTY from the
16 replacement/upgrade funds to be paid by CITY in accordance with the
17 foregoing. CITY shall not be charged any additional charge to replace or
18 upgrade MDCs.

19 **O. E-CITATION UNITS:**

20 1. As part of the law enforcement services to be provided to CITY, COUNTY
21 has provided, or will provide, E-Citation units designated by COUNTY for
22 use within CITY limits.

23 2. SHERIFF has the exclusive right to use said E-Citation units for law
24 enforcement services related to this Agreement.

25 3. CITY shall pay COUNTY the full costs to COUNTY of a) the acquisition of
26 E-Citation units that are assigned to CITY, and b) recurring costs, as
27 deemed necessary by COUNTY, including the costs of maintenance and
28 contributions to a fund for replacement and upgrade of such E-Citation units

1 **O. E-CITATION UNITS:** (Continued)

2 when they become functionally or technologically obsolete.

3 The costs to be paid by CITY for recurring costs, including maintenance
 4 and replacement/upgrade of E-Citation units, are included in the costs set
 5 forth in Attachment C and the Maximum Obligation of CITY set forth in
 6 Subsection G-2 of this Agreement unless CITY has already paid such
 7 costs. CITY shall not be charged additional amounts for maintenance or
 8 replacement/upgrade of said E-Citation units during the period July 1, 2023
 9 through June 30, 2024.

10 4. If, following the initial acquisition of E-Citation units referenced above, CITY
 11 requires additional E-Citation units designated for use in CITY, COUNTY
 12 will purchase said additional E-Citation units. Upon demand by COUNTY,
 13 CITY will pay to COUNTY a) the full costs of acquisition of said additional
 14 E-Citation units, and b) the full recurring costs for said E-Citation units, as
 15 deemed necessary by COUNTY, including the costs of maintenance, and
 16 contributions to a fund for replacement and upgrade of such E-Citation units
 17 when they become functionally or technologically obsolete. Said costs
 18 related to additional E-Citation units are not included in, and are in addition
 19 to, the costs set forth in Attachment C and the Maximum Obligation of CITY
 20 set forth in Subsection G-2 of this Agreement.

21 5. COUNTY will replace and/or upgrade E-Citation units as needed. The
 22 costs of replacing/upgrading E-Citation units shall be paid by COUNTY from
 23 the replacement/upgrade funds to be paid by CITY in accordance with the
 24 foregoing. CITY shall not be charged any additional charge to replace or
 25 upgrade E-Citation units.

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IN WITNESS WHEREOF, the parties have executed the AGREEMENT in the
County of Orange, State of California.

DATED: _____

CITY OF LAGUNA WOODS

ATTEST: _____
City Clerk

BY: _____
Mayor

APPROVED AS TO FORM:

BY: _____
City Attorney

DATED: _____

COUNTY OF ORANGE

BY: _____
Chairman of the Board of Supervisors
County of Orange, California

SIGNED AND CERTIFIED THAT A COPY OF THIS
AGREEMENT HAS BEEN DELIVERED TO THE CHAIR
OF THE BOARD PER G.C. Sec. 25103, Reso 79-1535

Attest:

Robin Stieler
Clerk of the Board
County of Orange, California

APPROVED AS TO FORM:
Office of the County Counsel
County of Orange, California

BY: _____
Annie Loo
Deputy
Digitally signed by Annie Loo
DN: cn=Annie Loo, o=County Counsel,
ou, email=annie.loo@coco.ocgov.com,
c=US
Date: 2023.04.18 09:11:25 -0700

DATED: 4/18/23

**ORANGE COUNTY SHERIFF-CORONER
FY 2023-24 LAW ENFORCEMENT CONTRACT
CITY OF LAGUNA WOODS
"REGULAR SERVICES BY COUNTY"
(Subsection C-3)**

LEVEL OF SERVICE PROVIDED BY SHERIFF:

Title	Detail	Quantity	Frequency
INVESTIGATION SERVICES:			
Investigator		0.50	40 hrs./ per two wk. pay period
PATROL AND TRAFFIC SERVICES*:			
Sergeant	Patrol/Traffic	1.00	80 hrs./ per two wk. pay period
Sergeant	Patrol/Traffic	0.34	27.20 hrs./per two wk. pay period
Deputy Sheriff II	Patrol/Traffic	6.00	each, 80 hrs./ per two wk. pay period
TOTAL		7.84	

* Deployment to be determined by SHERIFF in cooperation with CITY Manager

REGIONAL / SHARED STAFF:

Title	Regional Team	Quantity	% Allocation
TRAFFIC:			
Sergeant	Traffic	0.60	1.70%
Deputy Sheriff II	Traffic	4.00	1.70%
Investigative Assistant	Traffic	2.00	1.70%
Office Specialist	Traffic	1.00	1.70%
AUTO THEFT:			
Sergeant	Auto Theft	0.30	0.35%
Investigator	Auto Theft	2.00	0.35%
Investigative Assistant	Auto Theft	1.00	0.35%
Office Specialist	Auto Theft	1.00	0.35%
DIRECT ENFORCEMENT:			
Sergeant	DET	1.00	0.88%
Investigator	DET	1.00	0.88%
COURTS:			
Investigative Assistant	Courts	2.00	1.56%
TOTAL		15.90	

1 **CITY OF LAGUNA WOODS**
2 **LICENSING ORDINANCES**

3
4 BINGO GAME

5 BINGO OFFICIAL

6 CANVASSER/SOLICITOR

7 COIN DEALER

8 COMMERCIAL FORTUNETELLER

9 DANCE INSTRUCTOR (NUDE)

10 DANCE STUDIO (NUDE)

11 ESCORT

12 ESCORT BUREAU

13 FIGURE MODEL (NUDE)

14 FIGURE MODEL STUDIO (NUDE)

15 GUN DEALER

16 INTERLOCUTRIX (NUDE)

17 INTRODUCTORY SERVICE

18 JUNK COLLECTOR

19 JUNK DEALER

20 MEDICAL MARIJUANA DISPENSARY

21 PEDDLER

22 POOL ROOM

23 PUBLIC DANCE

24 RAP SESSION (NUDE)

25 SECONDHAND DEALER (Pawnbroker)

26 TAXICAB STAND

27
28

**ORANGE COUNTY SHERIFF-CORONER
FY 2023-24 LAW ENFORCEMENT CONTRACT
CITY OF LAGUNA WOODS**

**"PAYMENT"
(Subsection G-2)**

COST OF SERVICES PROVIDED BY SHERIFF (Subsection G-2):

Title	Detail	Quantity	Cost of Service (each)	Cost of Service Total
INVESTIGATION SERVICES:				
Investigator		0.50	\$ 355,128	\$ 177,564
PATROL AND TRAFFIC SERVICES:				
Sergeant	Patrol/Traffic	1.00	\$ 359,633	\$ 359,633
Sergeant	Patrol/Traffic	0.34	\$ 359,633	\$ 122,275
Deputy Sheriff II	Traffic	6.00	\$ 300,145	\$ 1,800,872
TOTAL POSITIONS		7.84		\$ 2,460,344

REGIONAL / SHARED STAFF:

Title	Regional Team	Quantity	% Allocation	Cost \$
TRAFFIC:				
Sergeant	Traffic	0.60	1.70%	\$ 4,753
Deputy Sheriff II	Traffic	4.00	1.70%	\$ 24,976
Investigative Assistant	Traffic	2.00	1.70%	\$ 5,362
Office Specialist	Traffic	1.00	1.70%	\$ 2,087
AUTO THEFT:				
Sergeant	Auto Theft	0.30	0.35%	\$ 484
Investigator	Auto Theft	2.00	0.35%	\$ 2,386
Investigative Assistant	Auto Theft	1.00	0.35%	\$ 551
Office Specialist	Auto Theft	1.00	0.35%	\$ 416
DIRECT ENFORCEMENT:				
Sergeant	DET	1.00	0.88%	\$ 3,678
Investigator	DET	1.00	0.88%	\$ 3,411
COURTS:				
Investigative Assistant	Courts	2.00	1.56%	\$ 4,637
TOTAL REGIONAL/SHARED		15.90		\$ 52,741

OTHER CHARGES AND CREDITS (Subsection G-2):

OTHER CHARGES:

Other Charges include: Annual leave paydowns and apportionment of cost of leave balances paid at end of employment; Body Worn Camera (BWC) and In Car Video (ICV); contract administration; data line charges; enhanced helicopter response services; facility lease; holiday pay; Integrated Law & Justice of Orange County fees; Mobile Data Computer (MDC) recurring cost for five and thirty-four hundredths (5.34) units; overtime; patrol training cost allocation; premium pay for bilingual staff, education pay, MARTpay and on-call pay; services and supplies; and transportation charges.

CREDITS:

Credits include: AB 109 (2011 Public Safety Realignment); estimated vacancy credits; reimbursement for false alarms; reimbursement for training and miscellaneous programs.

TOTAL OTHER CHARGES AND CREDITS	\$ 535,982
TOTAL COST OF SERVICES (Subsection G-2)	\$ 3,049,067

ATTACHMENT D

COUNTY BILLING POLICY
APPROVED BY BOARD MINUTE ORDER DATED OCTOBER 27, 1992

I. POLICY

All County agencies/departments/districts (County) governed by the Board of Supervisors shall bill contracting entities for materials and/or services provided under contract in accordance with the following standardized billing and collection policy. Billing frequency is dependent on whether the contract is a fixed price or actual cost contract. Payment due date is designed to be both responsive to the County's cash flow needs and reasonable enough as to not require special processing by the contracting entity. If payments are not received by the required due dates, a late payment fee shall be computed and billed to the contracting entity in accordance with the requirements of this procedure.

Nothing herein shall affect the liability, including pre-judgment interest, of the contracting party for services or materials in as much as this is a policy to enact standard billing practices.

II. DEFINITIONS

- A. Contract for the purposes of this policy - A contract is a formal written agreement, a purchase order from the contracting entity, or any other acceptable mutual understanding between the contracting parties.
- B. Received by the County - The phrase "received by the County", as used in Section VI of this policy, refers to the date a payment is received by the County. It is defined as the date the payment is in the County's possession. It is not the date the payment is posted or deposited by the County.

III. FIXED PRICE CONTRACTS

- A. Fixed Price (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued no later than five (5) working days after delivery by the County of the materials and/or services. Examples of such one-time, non-recurring provision of materials and/or services might be a city contracting with the Sheriff for security service at a parade or sporting event; or, a city purchasing a computer listing containing certain city-requested data. Payment due date shall be invoice date plus 30 days.
- B. Fixed Price (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued according to the following frequency:
1. Annual Billings that total \$10,000 or less per 12-month period shall be billed via one (1) annual invoice. Annual invoices will be issued for each 12-month period of the contract, or portions thereof. Invoices shall be issued no later than five working days after the beginning of each 12-month period. Payment due date shall be invoice date plus 30 days.

2. Quarterly Billings that are greater than \$10,000 but not more than \$200,000 per 12-month period, shall be billed in quarterly installments. Quarterly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into four (4) installments. Invoices shall be issued no later than 30 days after the beginning of each quarter. Payment due date shall be 60 days after the beginning of each calendar quarter.
3. Monthly Billings that are greater than \$200,000 per 12-month period shall be billed in monthly installments. Monthly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into 12 installments. Invoices shall be issued on or before the first day of each service month. Payment due date shall be 30 days after the beginning of each service month.

An example of a fixed price contract for ongoing, recurring provision of materials and/or services might be a city contracting with the Sheriff for law enforcement services.

IV. ACTUAL COST CONTRACTS

- A. Actual Cost (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued after delivery by the County of the materials and/or services and no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.
- B. Actual Cost (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued on a monthly basis and shall represent the cost of materials and/or services provided to the contracting entity during the previous calendar month. Such invoices shall be issued no later than 15 days after the close of the monthly billing period. If the County agency/department/district does not utilize a monthly billing cycle, the invoice shall be issued no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.

Examples of actual cost contracts for the ongoing, recurring provision of materials and/or services might be a city contracting with the County for communications equipment repair or waste disposal at a County landfill.

V. PAYMENT DUE DATES

Notwithstanding the provisions of Sections II and III above, payment due date shall be at least invoice date plus 30 days. If the County is late in issuing an invoice, the contracting entity would always have at least invoice date plus 30 days to pay. If the County is early in issuing an invoice, the contracting entity would still have a payment due date of either 60 days after the beginning of the quarter (quarterly invoices) or 30 days after the beginning of the service month (monthly invoices).

(EXAMPLES: An invoice for October service, dated and issued October 8 (late) would have a payment due date of November 7. An invoice for August service, dated and issued July 20 (early) would have a payment due date of August 30.)

VI. LATE CHARGES

The late payment of any invoiced amount by a contracting entity will cause the County to incur costs not contemplated by the County/contracting entity agreement, the exact amount of such cost will be extremely difficult to ascertain. Such costs include, but are not limited to, costs such as administrative follow-up and processing of delinquent notices, increased accounting costs, etc.

Late charges will be assessed in the following situations:

- Over-the-counter payments will be assessed a late charge if any payment is not received by the County by the payment due date.
- Payments transmitted to the County via the U.S. Mail that have the payer's postage meter mark will be assessed a late charge if any payment is not received by the County by the payment due date plus one day.
- Payments transmitted to the County via the U.S. Mail that have a U.S. Post Office postmark dated after the payment due date will be assessed a late charge.

The late charge assessed in each of these situations shall be three-quarters of one percent (0.75%) of the payment due and unpaid plus \$100.00 for late payments made within 30 days of the payment due date. An additional charge of three-quarters of one percent (0.75%) of said payment shall be added for each additional 30-day period that the payment remains unpaid. Late charges shall be added to the payment and invoiced to the contracting entity in accordance with this policy.

VII. COLLECTIONS

Any invoice remaining unpaid 90 days after the invoice date shall be referred to the Auditor-Controller for subsequent collection action, such as deduction from contracting entity moneys on deposit with the County Treasurer in accordance with Government Code Section 907 and any other applicable provision of law. Non-payment of invoices and applicable late charges will constitute a breach of contract for which the County retains all legal remedies including termination of the contract.

VIII. DISCOUNT FOR EARLY PAYMENT

Any payment received by the County from a contracting entity 20 days or more before the payment due date shall be entitled to a discount of one-quarter of one percent (0.25%). If the contracting entity takes a discount, and the payment is received by the County less than 20 days before the payment due date, County staff shall immediately notify the contracting entity by telephone that the discount should not have been taken and that the balance is due by the original payment due date.

If the balance is not received by the County in accordance with the dates as specified in Section VII, applicable late charges shall be calculated on the balance due.

IX. DEFERRED REVENUE

At fiscal year end, any portion of revenue invoiced (not necessarily received) during the fiscal year being closed out that represents charges or prepayment for materials and/or services for the upcoming fiscal year shall be reclassified from a revenue account to a deferred revenue account (liability). In the new fiscal year the deferred revenue shall be reclassified to a revenue account. (EXAMPLE: On June 1, 19X1, a city is invoiced \$48,000 which represents charges for the 12-month period June 1, 19X1 to May 31, 19X2. The amount to be reclassified to deferred revenue would be \$44,000, representing 11/12ths of the total amount. In July 19X1, the \$44,000 would be reclassified to revenue.) Reclassification entries shall be made by Auditor-Controller Agency Accounting units, or for those agencies/departments/districts without such a unit, the agency/department/district shall notify the Auditor-Controller of the amounts to be reclassified.

X. COST RECOVERY

All County agencies/department/districts shall include all costs of providing contracted services in contract rates. Including all direct costs, allocated indirect costs such as departmental and County (CWCAP) overhead, and cost of capital financing.

XI. EXISTING CONTRACTS

Billing terms and provisions contained in existing contracting entity agreements (existing as of the date this policy is approved by the Board of Supervisors) shall remain in effect for the life of the contract. However, when these existing contracts are renegotiated, they shall contain the billing provisions as set forth in this policy.

XII. DEVIATIONS FROM POLICY

Deviations from this policy shall be approved by the Board of Supervisors. Proposed deviations by agencies/departments/districts shall be submitted to the CEO for concurrence in advance of filing an Agenda Item Transmittal (AIT) with the Clerk of the Board. The CEO, or his/her designee, shall advise the agency/department/district of approval or disapproval of the proposed deviations. If a County agency/department/district submits a contract to the Board of Supervisors for approval, and the billing provisions in the contract deviate from this policy, the agency/department/district shall specifically advise the Board of Supervisors in the AIT of the deviation, the reason for the deviation, and of the CEO's recommendation relative thereto.

POLICY FOR DISTRIBUTION OF FORFEITED AND SEIZED ASSETS**BACKGROUND**

The Orange County Sheriff's Department provides contract law enforcement services to cities in Orange County. Because of the increased likelihood that contracted patrol or investigation personnel may become involved in significant narcotic seizures, which could affect law enforcement services provided by the Sheriff's Department to contract cities, the following policy is in effect.

CONTRACTED PATROL AND INVESTIGATION OFFICERS

When assets (cash or property) are seized in CITY by contracted patrol or investigation personnel, and subsequently forfeited to COUNTY's Sheriff Department, hereinafter referred to as "SHERIFF", the forfeited assets shall be shared with CITY as set forth below, for the purpose of augmenting law enforcement services in CITY, subject to guidelines by the forfeiting agency of such sharing and use of forfeited assets. A portion of forfeited assets may be retained by SHERIFF, to pay for departmental expenses not recovered through law enforcement contracts.

In such cases, pursuant to the forfeiting agency's guidelines, SHERIFF shall apply to the forfeiting agency for the return of a share of assets. In his application, SHERIFF shall specify the percentage of shared assets returned to SHERIFF that will be used to augment law enforcement services in CITY and the use of said assets by CITY.

In those cases in which assets are seized within CITY by personnel assigned to CITY pursuant to this Agreement, without the involvement of other law enforcement personnel, and in which the seizure is a result solely of activities self-initiated by SHERIFF personnel assigned to CITY or initiated by said personnel in response to calls for service within CITY, SHERIFF shall apply to have all of the assets used to augment CITY law enforcement services.

In those cases in which SHERIFF personnel assigned to CITY pursuant to this Agreement play an ancillary role in a seizure or in which other law enforcement personnel are involved in a seizure, SHERIFF shall determine the percentage of the total forfeited assets for which he will apply to augment CITY's law enforcement services. This determination will be based on the circumstances of the seizure, including the pro-rata involvement of all personnel, including those assigned to CITY.

Each seizure will be evaluated on an individual and independent basis, and said evaluations will be available for review to CITY's manager. Examples of those incidents which would be evaluated as set forth in this section include situations in which a contract patrol deputy provides uniformed backup at a SHERIFF's Narcotic Bureau search warrant location or in which contract investigators participate in the service of a search warrant that was initiated by non-contract law enforcement personnel.

Assets (cash or property) that are returned to SHERIFF by the forfeiting agency with the understanding that they will be used to augment CITY law enforcement services shall be used by CITY and SHERIFF only for such purposes. If the forfeiting agency attaches additional or more specific conditions to the use of said assets, CITY and SHERIFF shall also abide by those conditions. SHERIFF and CITY's manager shall determine the specific use of said assets within the conditions imposed by the forfeiting agency.

RESOLUTION NO. 21-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO. 01-11; ADOPTING A MODIFIED ADMINISTRATIVE FEE TO RECOVER NO MORE THAN THE ORANGE COUNTY SHERIFF'S DEPARTMENT'S REASONABLE ADMINISTRATIVE COSTS RELATING TO THE REMOVAL, IMPOUND, STORAGE, OR RELEASE OF VEHICLES PROPERLY IMPOUNDED PURSUANT TO THE CALIFORNIA VEHICLE CODE ("TRAFFIC VIOLATOR APPREHENSION PROGRAM FEE"); AND, DETERMINING THAT THE FEE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, pursuant to applicable California law, cities may charge rates or fees that are equal to or less than the reasonably anticipated costs of providing a service, conferring a benefit, granting a privilege, performing regulatory duties, enforcing laws, or as a condition of property development; and

WHEREAS, the Orange County Sheriff-Coroner ("the Sheriff") has instituted a Traffic Violator Apprehension Program designed to reduce vehicle accidents caused by unlicensed drivers and drivers whose licenses are suspended, as well as to educate the public about the requirements of the California Vehicle Code and related safety issues with regard to driver licensing, vehicle registration, vehicle operation, and vehicle parking; and

WHEREAS, the Sheriff operates the Traffic Violator Apprehension Program in the unincorporated areas of Orange County and in the cities of Orange County that contract for the Sheriff's law enforcement services; and

WHEREAS, operating the Traffic Violator Apprehension Program on an area-wide basis without regard to jurisdictional boundaries between unincorporated areas of Orange County and the cities, serves the public purposes of the City because drivers routinely cross jurisdictional boundaries, making an area-wide approach to the reduction of traffic accidents and driver education effective in preventing traffic accidents in all participating jurisdictions; and

WHEREAS, the Sheriff impounds numerous and various vehicles removed from highways, public property, or private property in the unincorporated areas of Orange County and in cities that contract for the Sheriff's law enforcement services during the normal course of duty; and

WHEREAS, the Sheriff impounds said vehicles pursuant to authority under the California Vehicle Code as follows:

California Vehicle Code Section and Impound Ground

14602.6	Suspended, revoked or unlicensed driver/30-day hold
22651 (a)	Unattended vehicle on bridge
22651 (d)	Vehicle blocking driveway
22651 (e)	Vehicle blocking fire hydrant
22651 (f)	Vehicle blocking freeway
22651 (h) (1)	Driver arrested
22651 (h) (2)	Order of suspension or revocation pursuant to Section 13388
22651 (i) (1)	Multiple parking citations
22651 (j)	Lack of vehicle registration
22651 (k)	Parking over 72 hours
22651 (l)	Parking in a construction zone
22651 (m)	Violation of special events restriction
22651 (n)	No parking zone
22651 (o) (1)	Vehicle registration is incorrect, falsified or expired by more than six months
22651 (p)	Driver unlicensed or license suspended
22651 (r)	Vehicle blocking another vehicle
22651 (t)	Notice to appear/illegal amber lights
22651 (u)	Acting as a car dealer without a license or temporary permit
22651 (v)	Illegally letting stand a mobile billboard advertisement
22651 (w)	Second or subsequent violation of an ordinance
22655.3	Removal for investigation (fleeing in violation of sections 2800.1 or 2800.2)
22655.5 (a)	Vehicle was used as the means of committing a public offense
22655.5 (b)	Vehicle is evidence of crime
22669	Abandoned vehicle

; and

WHEREAS, on March 28, 2000, the Orange County Board of Supervisors adopted Resolution No. 00-96, which established fees for the Traffic Violator Apprehension Program that were applicable in the unincorporated areas of Orange County. The fees that were established by County of Orange Resolution No. 00-96 address the Sheriff's administrative costs relating to the removal, impound, storage, or release of properly impounded vehicles; and

WHEREAS, California Vehicle Code Section 22850.5 authorizes the City Council, by resolution, to establish a fee equal to the administrative costs relating to the removal, impound, storage, or release of properly impounded vehicles; and

WHEREAS, on April 18, 2001, the City Council adopted Resolution No. 01-11, which authorized the Sheriff to collect fees in the City in connection with the Traffic Violator Apprehension Program in amounts identical to the County of Orange's fees as set forth in County of Orange Resolution No. 00-96; and

WHEREAS, the Orange County Board of Supervisors has established an interest-earning, budgeted special revenue fund, called the "Traffic Violator Fund" and designated as Fund 13B, to be controlled by the Sheriff; and

WHEREAS, the Orange County Board of Supervisors has directed that proceeds from the Traffic Violator Apprehension Program fees be deposited into the Traffic Violator Fund; and

WHEREAS, the Orange County Board of Supervisors has directed that funds from the Traffic Violator Fund must be used to reimburse the Sheriff for the administrative costs associated with the removal, impound, storage, and release of vehicles in accordance with the California Vehicle Code; and

WHEREAS, the City's existing Traffic Violator Apprehension Program fees differ based on whether a subject vehicle is licensed or unlicensed; and

WHEREAS, a cost study prepared in September 2020 by the Sheriff determined that due to technological advancements for determining the licensed status of drivers, the difference in fee based on whether a vehicle is licensed or unlicensed is no longer supported by the actual administrative costs relating to the removal, impound, storage, and release of a vehicle; and

WHEREAS, the September 2020 cost study prepared by the Sheriff also calculated the reasonable administrative costs relating to the removal, impound, storage, and release of a vehicle in the amount of \$144 per removal; and

WHEREAS, on November 17, 2020, the Orange County Board of Supervisors adopted Resolution No. 20-161, which updated the County of Orange's Traffic Violator Apprehension Program fees based on the September 2020 cost study prepared by the Sheriff and, in doing so, reviewed findings of compliance with Section 1(e)(2) of Article XIIC of the California Constitution; and

WHEREAS, consistent with the City's authority under California Vehicle Code Section 22850.5, the Sheriff has requested that the City modify its Traffic Violator Apprehension Program fees to match the County of Orange's updated fee; and

WHEREAS, the City Council desires to modify its Traffic Violator Apprehension fees to match the County of Orange's updated fee; and

WHEREAS, the City Council desires for the Sheriff to continue to collect the Traffic Violator Apprehension fee on behalf of the City. Continuing with such a practice will ensure that persons/entities whose vehicles are impounded, rather than the public as a whole, bear the administrative costs of such impounds; and

WHEREAS, California Vehicle Code Section 22850.5 imposes the following restrictions on the imposition of an administrative fee:

- (a) The charges shall only be imposed on the registered owner or the agents of that owner and shall not include any vehicle towed under an abatement program or sold at a lien sale pursuant to Sections 3068.1 to 3074, inclusive, of, and Section 22851 of, the Civil Code unless the sale is sufficient in amount to pay the lienholder's total charges and proper administrative costs; and
- (b) Any charges shall be collected by the local or state authority only from the registered owner or an agent of the registered owner; and
- (c) The charges shall be in addition to any other charges authorized or imposed pursuant to [the California Vehicle Code]; and
- (d) No charge may be imposed for any hearing or appeal relating to the removal, impound, storage, or release of a vehicle unless that hearing or appeal was requested in writing by the registered or legal owner of the vehicle or an agent of that registered or legal owner. In addition, the charge may be imposed only upon the person requesting that hearing or appeal.

; and

WHEREAS, it is unfair to impose the administrative fee authorized by California Vehicle Code Section 22850.5 in the following circumstances: 1) when the vehicle was left because it became inoperable while being driven, if the registered owner makes good faith attempts promptly to remove the vehicle from a location where it was not permitted; 2) when the vehicle was stolen; 3) When the vehicle was left by an ill or injured driver; and/or, 4) when it is demonstrated to the satisfaction of the Sheriff's designated personnel that neither the registered owner of

the vehicle nor his/her/their agent, if any, was at fault in creating the circumstances leading to the impounding of the vehicle; and

WHEREAS, the City Council conducted a duly noticed public hearing at its regular meeting on February 17, 2021 regarding the proposed adoption of a modified Traffic Violator Apprehension Program Fee; and

WHEREAS, public noticing for the aforementioned public hearing included publication in the *Laguna Woods Globe*; and

WHEREAS, the existing and proposed Traffic Violator Apprehension Program fees, as well as the September 2020 cost study prepared by the Sheriff, were made available to the public at and from Laguna Woods City Hall beginning on February 1, 2021, and on the City's website beginning on February 10, 2021; and

WHEREAS, after consideration of the information provided by City staff, the attachments to the agenda report for the February 17, 2021 public hearing, the City's costs to participate in the Traffic Violator Apprehension Program, and all public comments and testimony received, the City Council finds that it is in the best interest of the City to adopt a modified Traffic Violator Apprehension Program fee.

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

SECTION 1. The above recitals are true and correct.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that this action is not subject to the California Environmental Quality Act (Pub. Resources Code, Sec. 21000 et seq.) ("CEQA") pursuant to sections 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3. CEQA Guideline section 15378(b)(4) excludes "government funding mechanisms or other government fiscal activities" from its definition of "project" when they "do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment," as is the case here. Even if this action were subject to CEQA, it would be categorically exempt under CEQA Guideline section 15273, which applies to the establishment, modification, structuring, restructuring,

or approval of rates, tolls, fares, or other charges by the City, when such charges are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, and (2) purchasing or leasing supplies, equipment, or materials – as is the case with the Traffic Violator Apprehension Program Fee. Finally, this action is exempt from CEQA based on CEQA Guideline section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 3. Upon the effective date of the Traffic Violator Apprehension Program Fee set forth in Section 4 of this resolution, all previous Traffic Violator Apprehension Program fees adopted by resolution of the City Council shall be repealed including, without limitation, Resolution No. 01-11.

SECTION 4. On February 18, 2021, the administrative fee indicated below shall become effective for the removal, impound, storage, or release of vehicles properly impounded after removal from locations in the City in accordance with or on account of provisions of the California Vehicle Code listed below:

A fee of \$144 for each removal of a vehicle in accordance with or on account of violation of California Vehicle Code sections:

California Vehicle Code Section and Impound Ground

14602.6	Suspended, revoked or unlicensed driver/30-day hold
22651 (a)	Unattended vehicle on bridge
22651 (d)	Vehicle blocking driveway
22651 (e)	Vehicle blocking fire hydrant
22651 (f)	Vehicle blocking freeway
22651 (h) (1)	Driver arrested
22651 (h) (2)	Order of suspension or revocation pursuant to Section 13388
22651 (i) (1)	Multiple parking citations
22651 (j)	Lack of vehicle registration
22651 (k)	Parking over 72 hours
22651 (l)	Parking in a construction zone
22651 (m)	Violation of special events restriction
22651 (n)	No parking zone
22651 (o) (1)	Vehicle registration is incorrect, falsified or expired by more than six months
22651 (p)	Driver unlicensed or license suspended
22651 (r)	Vehicle blocking another vehicle
22651 (t)	Notice to appear/illegal amber lights

22651 (u)	Acting as a car dealer without a license or temporary permit
22651 (v)	Illegally letting stand a mobile billboard advertisement
22651 (w)	Second or subsequent violation of an ordinance
22655.3	Removal for investigation (fleeing in violation of sections 2800.1 or 2800.2)
22655.5 (a)	Vehicle was used as the means of committing a public offense
22655.5 (b)	Vehicle is evidence of crime
22669	Abandoned vehicle

In adopting such fee, the City Council finds that the amount of the fee does not exceed the reasonable costs of providing the services for which the fee is charged.

; and

SECTION 5. The Sheriff is authorized to collect the fee established herein, on behalf of the City, at the time of release of vehicles that are subject to the fee.

SECTION 6. The fee established herein shall only be imposed on the registered owner or the agent of the registered owner of the impounded vehicle, and shall not include any vehicle towed under an abatement program or sold at a lien sale pursuant to Sections 3068.1 to 3074, inclusive, of, and Section 22851 of, the California Civil Code unless the sale is sufficient in amount to pay the lienholder's total charges and proper administrative costs.

SECTION 7. The fee established herein shall be collected only from the registered owner or an agent of the registered owner of the impounded vehicle, and shall be in addition to any other charges authorized or imposed pursuant to the California Vehicle Code.

SECTION 8. The fee established herein complies with California Vehicle Code Section 22850.5(b)(4) as the supporting September 2020 cost study prepared by the Sheriff did not include administrative costs for conducting a hearing or appeal related to the removal, impound, storage, or release of a vehicle.

SECTION 9. The Sheriff shall not impose the fee established herein in any of the following circumstances: (a) when the vehicle was left because it became inoperable while being driven, if the registered owner makes good faith attempts promptly to remove the vehicle from a location where it was not permitted; (b) when the vehicle was stolen; (c) when the vehicle was left by an ill or injured driver; and/or,

(d) when it is demonstrated to the satisfaction of the Sheriff's designated personnel that neither the registered owner of the vehicle nor his/her/their agent, if any, was at fault in creating the circumstances leading to the impounding of the vehicle

SECTION 10. A registered owner or an agent of a registered owner who believes he/she/they are exempt from the fee established herein under any of the criteria listed in this resolution above may apply in writing for a waiver of the fee and shall present such supporting information or documentation, as the Sheriff may request, to the Sheriff's designated personnel. Upon the presentation of a written application for waiver of said fee, together with such supporting documentation as may be requested by the Sheriff, the Sheriff's designated personnel or his/her/their designee shall determine promptly whether the applicant meets the criteria for a waiver of the fee and if so, shall waive the fee.

SECTION 11. Until further order of the City Council, the Sheriff is directed to deposit the proceeds of the fee established herein into the Traffic Violator Fund described herein. Proceeds from the Traffic Violator Fund shall be used in conformance with the County of Orange's restrictions for the same, as well as in conformance with any applicable provisions set forth in the City's agreement with the County for the Sheriff's law enforcement services.

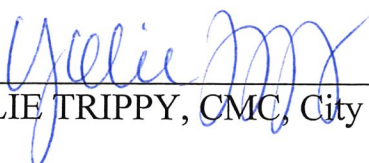
SECTION 12. Until further order of the City Council, the Orange County Board of Supervisors is authorized to carry forward in the Traffic Violator Fund and accumulate any balance of proceeds of fees imposed by this resolution that remains at the end of a fiscal year, as long as such fee proceeds will be used for the purposes provided herein.

SECTION 13. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this 17th day of February 2021.


SHARI L. HORNE, 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. 21-04** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the 17th day of February 2021, by the following vote:

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



YOLIE TRIPPY, CMC, City Clerk

**ORANGE COUNTY SHERIFF-CORONER
TRAFFIC VIOLATOR APPREHENSION PROGRAM**

ITEM 6.12

REQUEST	CONTRACT CITY			
	Participating City Request to Purchase From the TVA in FY	Date		
	<u>QUANTITY</u>	<u>ITEM DESCRIPTION</u>	<u>APPLICABILITY TO TVA PROGRAM</u>	<u>ESTIMATED COST</u>
CERTIFICATION	<p>THE CITY CERTIFIES THAT THE EQUIPMENT PURCHASED BY CITY AND TO BE REIMBURSED BY PROGRAM FUNDS WILL BE USED FOR ITS ENTIRE USEFUL LIFE EXCLUSIVELY FOR THE PURPOSES OF THE TRAFFIC VIOLATOR APPREHENSION PROGRAM</p> <p>CITY MANAGER REQUEST:</p> <p>Printed Name _____</p> <p>Signature: _____ DATE _____</p>			
	ORANGE COUNTY SHERIFF-CORONER DEPARTMENT			
APPROVALS				
	Recommended For Approval CITY POLICE SERVICES CHIEF	MANAGER – TVA PROGRAM		

OCS
BUDGET
USE ONLY

ATTACHMENT G

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6.13
AS NEEDED WASTE MANAGEMENT
CONSULTING SERVICES

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**EXTENSION OF THE
CONSULTANT SERVICES AGREEMENT
BETWEEN THE
CITY OF LAGUNA WOODS
AND
MICHAEL BALLIET
FOR AS NEEDED WASTE MANAGEMENT SERVICES**

This EXTENSION of the CONSULTANT SERVICES AGREEMENT FOR AS NEEDED WASTE MANAGEMENT SERVICES ("AGREEMENT") that was approved by the City Council on June 24, 2015, by and among the City of Laguna Woods, a general law city of the State of California ("CITY") and Michael Balliet, an individual ("CONSULTANT"), is made and entered into this _____ by and among CITY and CONSULTANT.

WHEREAS, the initial term of the AGREEMENT was for the period between July 1, 2015 and 11:59 p.m. on June 30, 2016; and

WHEREAS, the AGREEMENT allows for the term of the AGREEMENT to be extended by mutual written agreement; and

WHEREAS, the term of the AGREEMENT was previously extended for periods through 11:59 p.m. on June 30, 2023.

NOW THEREFORE, the parties agree as follows:

1. CITY and CONSULTANT hereby agree to an EXTENSION of the AGREEMENT for a period beginning on July 1, 2023 and ending at 11:59 p.m. on June 30, 2024 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 _____
Michael Balliet

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

6.14
CALIFORNIA JOINT POWERS INSURANCE
AUTHORITY RISK MANAGEMENT
EDUCATIONAL FORUM
(NO REPORT)

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6.15
REJECTION OF CLAIM
(NO REPORT)

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7.1

SITE DEVELOPMENT PERMIT SDP-1521 TO ALLOW FOR THE ESTABLISHMENT OF AN ADMINISTRATIVE/PROFESSIONAL OFFICE, INCLUDING CONSTRUCTION OF AN APPROXIMATELY 4,555 SQUARE FOOT BUILDING AND PHYSICAL MODIFICATIONS OF EXISTING PARKING, LANDSCAPING, AND OTHER SITE FEATURES, AND SIGN PROGRAM SP-2022-0002 TO ALLOW FOR VARIOUS SIGNAGE AT 24221 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: May 17, 2023 Regular Meeting

SUBJECT: Site Development Permit SDP-1521 to allow for the establishment of an administrative/professional office, including construction of an approximately 4,555 square foot building and physical modifications of existing parking, landscaping, and other site features, and Sign Program SP-2022-0002 to allow for various signage at 24221 Paseo de Valencia, Laguna Woods, CA 92637

Recommendation

1. Receive staff report.

AND
2. Continue the public hearing that was continued from the regular City Council meeting on April 19, 2023.

AND
3. Receive public testimony.

AND
4. Close public hearing.

AND
5. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING SITE DEVELOPMENT PERMIT SDP-1521 TO ALLOW FOR THE ESTABLISHMENT OF AN ADMINISTRATIVE/PROFESSIONAL OFFICE, INCLUDING CONSTRUCTION OF AN APPROXIMATELY 4,555 SQUARE FOOT BUILDING AND PHYSICAL MODIFICATIONS OF EXISTING PARKING, LANDSCAPING, AND OTHER SITE FEATURES, AND SIGN PROGRAM SP-2022-0002 TO ALLOW FOR VARIOUS SIGNAGE AT 24221 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING AND CERTIFYING THAT THE SITE DEVELOPMENT PERMIT AND SIGN PROGRAM ARE CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTIONS 15302 AND 15311 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

Overview

Tarek A. El Nabli (“Applicant”), on behalf of Parentis Health, has submitted a land use application seeking approval of Site Development Permit SDP-1521 and Sign Program SP-2022-0002, to establish an administrative/professional office and display related signage at 24221 Paseo de Valencia, Laguna Woods, CA 92637.

The project location is west of Paseo de Valencia between El Toro Road and Calle de la Plata. It has been vacant since 2018 when the former Century 21 real estate office closed.

A vicinity map is included as Attachment B.

Surrounding land uses are listed in Table 1.

Table 1: Surrounding Land Uses

General Location	General Plan Land Use Designation	Land Use
North	Commercial	Bank of America / Valencia Center
South	Commercial	Wells Fargo Bank / Orange County Diagnostics / San Sebastian Apartments
East	City of Laguna Hills	Taj Mahal Medical Center
West	High Density Residential	San Sebastian Apartments

The project location is within the Professional and Administrative Office (PA) zoning district. The Professional and Administrative Office (PA) zoning district designates areas to “provide for the development and preservation of an optimal environment for low to moderate intensity professional and administrative office uses and related uses on sites with large pervious open spaces and off-street parking facilities” (Laguna Woods Municipal Code Section 13.10.010).

Site Development Permits

Site development permits are intended to “provide for administrative review of detailed development plans for a proposed use” (Laguna Woods Municipal Code Section 13.24.020). While site development permits are typically acted on by staff, Laguna Woods Municipal Code Section 13.24.040 allows staff to defer action to the City Council in instances when the public interest would be better served.

Staff has forwarded this application to the City Council due to anticipated public interest in the proposed use of the long-vacant project location.

Sign Programs

Sign programs are intended to “provide incentive and latitude to achieve effectiveness, attractive appearance, compatible design and variety in permanent signage” (Laguna Woods Municipal Code Section 13.20.160). The City Council is responsible for approving or denying sign programs and subsequent amendments, subject to certain findings set forth in the Laguna Woods Municipal Code.

April 19, 2023 City Council Meeting

At the City Council meeting on April 19, 2023, the public hearing for this item was opened and continued to today’s meeting. One resident provided public testimony generally related to concerns regarding the architectural design and compatibility of the proposed new building.

Discussion

The City Council is asked to conduct a public hearing on the application for Site Development Permit SDP-1521 and Sign Program SP-2022-0002 and, thereafter, consider approval of the same (Attachment A). Staff recommends approval, subject to proposed conditions of approval (Exhibit A to Attachment A). The proposed

conditions of approval would regulate the use and signage in manners consistent with the purpose and intent of Laguna Woods Municipal Code chapters 13.10 (Commercial Districts) and 13.20 (Sign Regulations).

Site Development Permit SDP-1521 and Sign Program SP-2022-0002 would apply to the Applicant's proposed use of the property (Parentis Health, an administrative/professional office that is permitted as a principal use by the Laguna Woods Municipal Code), as well as eligible successors, at the project location.

Site Development Permit SDP-1521

The Applicant has submitted Site Development Permit SDP-1521 to allow for the establishment of an administrative/professional office, including construction of an approximately 4,555 square foot building and physical modifications of existing parking, landscaping, and other site features. The proposed two-story building would replace the existing 3,077 square foot, single-story building.

The project location currently has 10 off-street parking spaces (one accessible and nine standard). The Applicant is proposing to double the number of parking spaces to a total of 20 (two accessible and 18 standard, one of which would be designated for electric vehicle charging purposes). In doing so, the project location would have two parking spaces in excess of the number required for the proposed use by Laguna Woods Municipal Code Section 13.18.070.

As the project location does not currently have a trash enclosure to store waste and recycling receptacles, the proposed conditions of approval would require the Applicant to construct a new trash enclosure. CR&R Incorporated has reviewed the proposed trash enclosure location and confirmed serviceability.

The proposed conditions of approval would limit noise at the project location in consideration of the nearby residential use (San Sebastian Apartments). Initial construction activity would be restricted to Monday – Friday: 7 a.m. to 5 p.m. and Saturday – Sunday: 9 a.m. to 3 p.m. No construction would be permitted on federal holidays. The use of amplified sound on – or in a manner audible on – any patio, balcony, stairwell, or similar exterior space would be prohibited.

Also, in consideration of the nearby residential use, all roof-mounted heating, ventilation, and air conditioning equipment would be required to be aesthetically screened to minimize visibility from adjacent structures.

Landscaping for this project would be required to comply with the City's tree removal and water efficient landscape ordinances. As proposed, 12 existing trees (including one olive tree in declining health) would be removed, including nine Queen Palms, one Tupidanthus, one Olive Tree, and one Washingtonia Palm. 16 new trees would be planted, consisting of a combination of Holly Oaks, Australian Willows, White Crepe Myrtles, Chinese Pistaches, and Brisbane Boxes. Specific landscape plans remain subject to separate approval by staff. The plans included with this agenda item are for conceptual reference only.

Proposed site, building, and landscape plans are included in Attachment C.

Sign Program SP-2022-0002

Laguna Woods Municipal Code Chapter 13.10 allows the City's sign regulations to be supplemented by sign programs approved by the City Council. In this case, Sign Program SP-2022-0002 is required due to the Applicant's proposed combination of more than three permanent signs at the project site.

The proposed sign program (Exhibit B to Attachment A) includes three wall signs and one monument sign. Locations, areas, dimensions, and additional design details are included in the proposed sign program.

The proposed monument sign would be constructed in the center of a new fountain near the intersection of Paseo de Valencia and Calle de la Plata. The sign would be stationary and include only cascading and recirculating, pooled water.

Revisions to Documents Since April 19, 2023 City Council Meeting

Subsequent to the City Council meeting on April 19, 2023, the applicant revised the proposed sign program (Exhibit B to Attachment A) and site, building, and conceptual landscape plans (Attachment C). The revisions updated the conceptual renderings and preliminary landscape plan to better approximate the variety and type of proposed landscaping. The previous conceptual renderings and preliminary landscape plan appeared to show extensive turf grass although no turf grass was proposed. The areas and dimensions of proposed signs were also corrected.

Also, subsequent to the City Council meeting on April 19, 2023, staff revised the proposed conditions of approval (Exhibit A to Attachment A). Revisions include, but are not limited to, modifying Condition of Approval #1 and adding Condition

of Approval #5 to clarify that grading plans would be reviewed and acted upon separately, as well as clarifying that the limits on constructions hours set by Condition of Approval #25 would apply until all structures and facilities permitted by Site Development Permit SDP-1521 pass all necessary inspections by the City, El Toro Water District, and Orange County Fire Authority.

Environmental Review

The City Council is asked to find that this project is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15302 of Title 14 of the California Code of Regulations, in that it consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose as the structure replaced. The project specifically involves the replacement of a commercial structure with a new, larger commercial structure within a similar building footprint and for substantially the same purpose.

The City Council is also asked to find that this project is categorically exempt from CEQA pursuant to Section 15311 of Title 14 of the California Code of Regulations, in that it consists of approvals related to the construction or placement of on-premise signs, which are minor structures accessory to (appurtenant to) a commercial facility.

Fiscal Impact

The City’s expenses associated with processing this project are recovered through planning services fees.

Documents Available for Review

Related documents – including the Applicant’s application – are available for public review at City Hall during normal working hours.

Report Prepared With: Rebecca M. Pennington, Development Programs Analyst

Attachments: A – Proposed Resolution
Exhibit A – Proposed Conditions of Approval
Exhibit B – Proposed Sign Program SP-2022-0002
B – Vicinity Map
C – Proposed Site, Building, and Conceptual Landscape Plans for SDP-1521

RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING SITE DEVELOPMENT PERMIT SDP-1521 TO ALLOW FOR THE ESTABLISHMENT OF AN ADMINISTRATIVE/PROFESSIONAL OFFICE, INCLUDING CONSTRUCTION OF AN APPROXIMATELY 4,555 SQUARE FOOT BUILDING AND PHYSICAL MODIFICATIONS OF EXISTING PARKING, LANDSCAPING, AND OTHER SITE FEATURES, AND SIGN PROGRAM SP-2022-0002 TO ALLOW FOR VARIOUS SIGNAGE AT 24221 PASEO DE VALENCIA, LAGUNA WOODS, CA 92637, AND DETERMINING AND CERTIFYING THAT THE SITE DEVELOPMENT PERMIT AND SIGN PROGRAM ARE CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT PURSUANT TO SECTIONS 15302 AND 15311 OF TITLE 14 OF THE CALIFORNIA CODE OF REGULATIONS

WHEREAS, Tarek A. El Nabli (“Applicant”) submitted an application for Site Development Permit SDP-1521 to allow for the establishment of an administrative/professional office, including construction of an approximately 4,555 square foot building and physical modifications of existing parking, landscaping, and other site features, and Sign Program SP-2022-0002 to allow for various signage at 24221 Paseo de Valencia, Laguna Woods, CA 92637 in the Professional and Administrative Office (PA) zoning district; and

WHEREAS, on April 19, 2023, the City Council of the City of Laguna Woods (“City Council”), after giving notice thereof as required by law, opened a public hearing regarding Site Development Permit SDP-1521 and Sign Program SP-2022-0002 and continued such hearing to May 17, 2023; and

WHEREAS, on May 17, 2023, the City Council, continued the public hearing regarding Site Development Permit SDP-1521 and Sign Program SP-2022-0002; and

WHEREAS, the City Council accepted public testimony regarding Site Development Permit SDP-1521 and Sign Program SP-2022-0002 during the public hearing on both April 19, 2023 and May 17, 2023; and

WHEREAS, the City Council has carefully considered all pertinent testimony, as well as all information contained in the agenda report prepared for

Site Development Permit SDP-1521 and Sign Program SP-2022-0002, as presented at the public hearing; and

WHEREAS, staff has reviewed the environmental form submitted by the Applicant in accordance with the City’s procedures. Based upon the information received and staff’s assessment of the information, Site Development Permit SDP-1521 and Sign Program SP-2022-0002 have been determined to be categorically exempt pursuant to Sections 15302 (Replacement or Reconstruction) and 15311 (Accessory Structures) of the California Environmental Quality Act (“CEQA”); and

WHEREAS, all legal prerequisites have occurred prior to the adoption of this resolution; and

WHEREAS, the City Council makes the following findings subject to the conditions of approval:

Findings for All Discretionary Permits

1. The use or project proposed is consistent with the General Plan.

The proposed project is consistent with the Commercial land use designation of the General Plan, which is intended to cover “*a broad range of non-residential, nonindustrial uses.*” Administrative offices are explicitly referenced in the General Plan as typical commercial uses. The project has been reviewed and found to be in conformance with the General Plan’s maximum floor area ratio of 0.30 for the Commercial land use designation. Objective I of the General Plan Land Use Element is to “*promote land uses that accommodate the diverse needs of City of Laguna Woods residents*” and Policy I.B is to “*actively participate with property owners and their representatives to expand the range of retail goods and services.*” The proposed project would allow the establishment of an administrative/professional office in a vacant commercial building that was previously occupied by an administrative/professional office. The use would serve Laguna Woods residents and surrounding communities.

2. The use, activity or improvement(s) proposed is consistent with the provisions of the Zoning Code.

An administrative/professional office is permitted as a principal use within

the Professional and Administrative Office (PA) zoning district. The proposed use is also consistent with the purpose and intent of the Professional and Administrative Office (PA) zoning district, which is “*to provide for the development and preservation of an optimal environment for low to moderate intensity professional and administrative office uses and related uses on sites with large pervious open spaces and off-street parking facilities.*” With the conditions of approval, several of which address public health, safety, and general welfare as further discussed in Finding #5 below, the proposed use would be compatible with surrounding residential uses.

As part of the proposed project, the Applicant would modify an existing trash enclosure to conform with Section 13.10.040(c) of the Laguna Woods Municipal Code, which requires “*all storage of cartons, containers, and trash be enclosed by a roofed structure.*”

3. The approval of the permit application is in compliance with the requirements of the California Environmental Quality Act.

Based on the information received from the Applicant and staff’s assessment of the same, the proposed project has been determined to be categorically exempt from CEQA pursuant to Sections 15302 (Replacement or Reconstruction) and 15311 (Accessory Structures) of Title 14 of the California Code of Regulations. Additional information is contained in Section 2 of this resolution and incorporated herein by this reference.

4. The location, size, design and operating characteristics of the proposed use will not create conditions or situations that may be incompatible with other permitted uses in the vicinity.

The proposed administrative/professional office building would be established in the same location as a former administrative/professional office building. Ingress and egress to the project location are provided via Calle de la Plata and one existing driveway along Paseo de Valencia, neither of which would be modified as a result of the project. Parking would be provided in excess of that which is required by the Laguna Woods Municipal Code.

Conditions of approval are included to ensure that appropriate measures are taken to avoid conditions or situations that may be incompatible with other permitted uses in the vicinity. For example: Condition of Approval #3

requires the project to “comply with all then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations...” Condition of Approval #19 requires equipment and supply deliveries to be scheduled to occur during off-peak hours of operation, to minimize on-site traffic and parking impacts. Conditions of Approval #24 and #25 limit noise on the property in consideration of the nearby residential use.

5. The approval of the permit application will not result in conditions or circumstances contrary to the public health and safety and the general welfare.

The project would be subject to conditions of approval which would regulate the use in a manner consistent with the purpose and intent of the Laguna Woods Municipal Code Chapter 13.10. Several of the conditions of approval related to public health, safety, and general welfare including, but not limited to, reservation of the City’s rights to require additional security or safety measures, if warranted, and provisions related to the abatement of graffiti. Such conditions would assist in protecting the public from potential risk or danger. The conditions of approval also explicitly require the project to comply with all applicable, then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations.

6. The approval of the permit application is in compliance with all City-required public facilities regulations.

The proposed project has been evaluated against all City regulations through the site development permit process and is deemed to be in compliance, subject to the conditions of approval. The proposed project would not require the addition or modification of any public facilities, nor heightened levels of service for any public services operating from public facilities.

Findings for All Sign Programs

7. 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.

The proposed signs would not be of a type, nor would they include any of the features or characteristics, that would result in their being prohibited pursuant to Laguna Woods Municipal Code Section 13.20.130. The proposed signs would be aesthetically appealing, compatible, and harmonious with the signage on surrounding properties, buildings, and streetscapes. The proposed signs would be similar in type as those commonly associated with other commercial uses, including office uses, elsewhere in and around Laguna Woods. The proposed signs would be scaled in a manner aesthetically appropriate for the size and location of the project location.

8. 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.

The proposed signs would help to provide awareness of the use occupying the project location. The proposed signs would be similar in type as those commonly associated with other commercial uses, including office uses, elsewhere in and around Laguna Woods. The proposed signs would be scaled in a manner aesthetically appropriate for the size and location of the project location.

9. The proposed signs are appropriate to the type of business or activity to which they pertain.

The proposed signs would be similar in type as those commonly associated with other commercial uses, including office uses, elsewhere in and around Laguna Woods. The City has permitted numerous illuminated wall signs and monument signs for other commercial uses.

10. The proposed signs are displayed in a manner that does not harm public health, safety and welfare.

The proposed signs would be displayed in a manner that would not harm public health, safety, and welfare. For example: Condition of Approval #3 requires that the signs “comply with all then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations...” Condition of Approval #7 requires graffiti to be removed within 24 hours. Condition of Approval #27 includes requirements to ensure that “signage does not, at any time, create an actual or reasonably foreseeable nuisance for properties

located within line of sight, passing motorists, or any other party...” Condition of Approval #28 requires signs to “be kept clean, complete, repaired, and in good structural and functional working order, and shall not be allowed to fall into a state of disrepair, damage, or decrepitude.” Additionally, Laguna Woods Municipal Code Section 13.20.020(d) requires that all signs be maintained in good condition and allows the City to “order the repair or removal of any sign that is unsafe, defective, damaged, or unsatisfactorily maintained.”

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

SECTION 1. The above recitals are true and correct.

SECTION 2. After reviewing the entire project record, the City Council hereby determines and certifies that this project is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to:

- Section 15302 of Title 14 of the California Code of Regulations, in that it consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose as the structure replaced. The project specifically involves the replacement of a commercial structure with a new, larger commercial structure within a similar building footprint and for substantially the same purpose; and
- Section 15311 of Title 14 of the California Code of Regulations, in that it consists of approvals related to the construction or placement of on-premise signs, which are minor structures accessory to (appurtenant to) a commercial facility.

SECTION 3. The City Council hereby approves Site Development Permit SDP-1521 and Sign Program SP-2022-0002, subject to the conditions of approval attached to this resolution as Exhibit A, which are incorporated herein by this reference.

SECTION 4. 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 2023.

CYNTHIA S. CONNERS, 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. 23-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 2023, by the following vote:

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

YOLIE TRIPPY, CMC, City Clerk

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Exhibit A to Resolution No. 23-XX

City of Laguna Woods

**Conditions of Approval for
Site Development Permit SDP-1521
and Sign Program SP-2022-0002**

Site Development Permit SDP-1521 and Sign Program SP-2022-0002

1. The project shall be constructed, developed, used, operated, and permanently maintained in accordance with the terms of the application, plans, drawings, and conditions imposed herein.
2. The Applicant(s)/Owner(s) shall comply with all of the conditions of approval as part of Site Development Permit SDP-1521 (“site development permit”) and Sign Program SP-2022-0002 (“sign program”). Failure to comply with any one or more of the conditions imposed herein constitute grounds for revocation of said site development permit and/or sign program by the City Council.
3. The Applicant(s)/Owner(s) shall comply with all then-current requirements of the Laguna Woods Municipal Code and the California Building Standards Code, as well as federal, state, and local laws, rules, and regulations, as they pertain to the improvements and uses sought in this application, and such requirements are made a condition of this approval. These include, but are not limited to, all requirements related to building permits, grading permits, and encroachment permits; engineering review, landscaping review, water quality review, and plan review, generally, of proposed construction plans; accessibility, including accessibility required by the federal Americans with Disabilities Act; best management practices and other actions or improvements required by National Pollutant Discharge Elimination System permit(s); and, restrictions on parking, circulation, lighting, and noise.
4. Landscaping for the project shall be designed to comply with the City’s Water Efficient Landscape Ordinance and with the Guidelines for Implementation of the Water Efficient Landscape Ordinance. This approval does not include any approval for landscaping of any kind, nor does it represent or imply that any landscaping proposed in connection with this application, or at any time in the future, will or will not be approved by the City.

ITEM 7.1 – Exhibit A to Attachment A

5. Grading for the project shall comply with the Laguna Woods Municipal Code and other applicable laws, rules, and regulations. This approval does not include any approval for grading of any kind, nor does it represent or imply that any grading proposed in connection with this application, or at any time in the future, will or will not be approved by the City.
6. This approval does not eliminate the need for building permits, grading permits, or encroachment permits or include any action or finding as to compliance or approval of any other applicable federal, state or local ordinance, regulation, rule, or requirement.
7. Graffiti on the property shall be removed at the Applicant(s)/Owner(s)' expense within 24 hours.
8. In the event of repeated or disproportionately high numbers of calls for law enforcement or other public safety service, or based upon input from the Orange County Sheriff's Department (or successor law enforcement agency) or surrounding residents or businesses, the City Manager may require, at his/her/their discretion, that the Applicant(s)/Owner(s) provide additional on-site security and/or safety measures at the property, as may be reasonably calculated to address situations or circumstances leading to or causing such increased calls for service, or complaints or comments from surrounding residents or businesses.
9. City staff, or their authorized representatives, shall have the right to access and enter the property to make reasonable Applicant- or Owner-authorized scheduled inspections, or unscheduled inspections in areas otherwise open to the public, to observe and enforce compliance with applicable laws and the conditions set forth herein.
10. In accordance with policies adopted by the City, the Applicant(s)/Owner(s) shall be responsible for any cost incurred as a result of local law enforcement, public safety, or code enforcement investigation/inspection that results in a finding of violation of any applicable laws and/or conditions of approval.
11. Any request to modify the conditions of approval contained herein shall require review and authorization by the City Manager. The City Manager may require the submission of such documentation or reporting, or the conduct of such studies or analysis, as he/she/they deems necessary to evaluate a request for modification. The City Manager may in his/her/their discretion refer such decision to the City Council.

ITEM 7.1 – Exhibit A to Attachment A

12. This approval may be modified or revoked by the City Council, after applicable notice and public hearing procedures have been satisfied, should it be determined, within the City’s jurisdictional authority, that the conditions under which the project has been operated or maintained are detrimental to the public health, safety or welfare, or materially injurious to property or animals in the vicinity; or if the project is operated or maintained so as to constitute a public nuisance, or if the project is operated or maintained in violation of any of the conditions of approval set forth herein, or for any other reason permitted by law.

13. Transfer:

In the event of transfer of the property to which this approval pertains, the transferee shall, prior to exercising the rights granted hereunder, arrange and attend a conference with the City to review these conditions of approval, and document the manner in which activities will occur and the manner in which these conditions of approval will be met.

14. Termination:

Upon approval, this site development permit and sign program shall become null and void (A) upon the expiration of building permits, due to inactivity, obtained to construct this project, or (B) after the project has been constructed, 180 calendar days after such time the approved use at the approved location ceases to be operated as noted by lapse of City business license, lapse of California Department of Tax & Fee Administration (or successor agency) permit or license, or date noted by City official with proper site verification of abandonment or discontinuance.

The City Manager may in his/her/their discretion refer decision regarding termination to the City Council.

This site development permit and sign program shall be deemed immediately terminated should the approved location be occupied by a use not in accord with this approval, subject to written notice to the Owner(s) with 10 calendar days to cure.

15. The Applicant(s)/Owner(s), or successor in interest, shall as a condition of issuance of this approval, at its sole expense, defend, indemnify, and hold harmless the City and its respective elected and appointed boards, officials, officers, agents, employees and volunteers from any claim, action, or

ITEM 7.1 – Exhibit A to Attachment A

proceeding against the City and its respective elected and appointed boards, officials, officers, agents, employees and volunteers to attach, set aside, void or annul an approval of the City Council or other decision-making body, or staff action concerning this site development permit approval, or its implementation. The Applicant(s)/Owner(s) shall pay all of the City’s defense costs incurred by counsel of the City’s choosing, and shall reimburse the City for any and all court costs and other parties’ attorney fees that the City may be required by a court to pay as a result of such defense. The Applicant(s)/Owner(s) may at its sole discretion participate in the defense of any such action under this condition, with its own counsel.

16. Prior to the issuance of building permits, the Property Owner(s) shall sign and have notarized (acknowledgement) the “Owner(s) Acknowledgement of Conditions of Approval for Site Development Permit SDP-1521 and Sign Program SP-2022-0002” and return one wet-signed original to the City Manager with a copy of a recordable legal description of all affected properties in form acceptable to the City Manager.

Site Development Permit SDP-1521

17. This site development permit does not allow for the application of any license or permit issued by the State Department of Alcoholic Beverage Control for which City approval is required. Alcoholic beverages shall not be sold on the property unless separately approved by the City.
18. This site development permit does not allow for the sale or distribution of tobacco or cigarettes. Tobacco and cigarettes shall not be sold or distributed on the property unless separately approved by the City.
19. Equipment and supply deliveries shall be scheduled to occur during off-peak hours of operation, to minimize on-site traffic and parking impacts.
20. All waste and recycling receptacles for collection– as the number and type may change from time-to-time to meet on-site needs or comply with applicable law – shall be stored in trash enclosures enclosed by a roofed structure with opaque walls and access point(s), which shall not exceed 144 square feet as proposed. Waste and recycling receptacles shall not be stored outside of trash enclosures enclosed by a roofed structure with opaque walls and access point(s). Applicant(s)/Owner(s) acknowledge and agree that more frequent collection may be required to comply with this condition when the number and type of waste and recycling receptacles to accommodate less

ITEM 7.1 – Exhibit A to Attachment A

frequent collection exceeds available space in trash enclosures enclosed by a roofed structure with opaque walls and access point(s).

21. The interior floor plans submitted for this site development permit are conceptual only and may be modified by the Applicant(s)/Owner(s) subject to the issuance of building permits and compliance and approval with all other applicable federal, state or local ordinance, regulation, rule, or requirement.
22. Patios, balconies, stairwells, and similar exterior spaces shall not be used for storage or any purpose other than gathering or ingress/egress. This condition of approval shall not be interpreted as prohibiting the placement of tables, chairs, and other furniture on patios and balconies, except to the extent that such furniture is placed in a manner that obstructs ingress/egress through the space or precludes the regular use of any furniture.
23. All roof-mounted heating, ventilation, and air conditioning equipment, as may be installed or change from time-to-time, shall be aesthetically screened to minimize visibility from adjacent structures. Such screening shall be color-coordinated with adjacent building materials and generally conform to the screening depicted in the renderings submitted for this site development permit. The City Manager shall be responsible for determining whether screening is color coordinated and generally conforms to the screening depicted in the renderings submitted for this site development permit.
24. The use of amplified sound on – or in a manner audible on – any patio, balcony, stairwell, or similar exterior space is prohibited. For the purpose of this condition of approval, “amplified sound” shall mean sound whose volume is increased by any electric, electronic, mechanical, or motor-powered means including, but not limited to, amplifiers, speakers, radios, stereos, public address systems, and similar equipment. This condition of approval shall not apply to (A) computers, telephones, and other equipment when amplified sound is only audible to individuals wearing earphones, earbuds, or similar personal, wearable technology, or (B) alarms and similar warning systems.
25. Until all structures and facilities permitted by this site development program pass all necessary inspections by the City, El Toro Water District, and Orange County Fire Authority, construction activity shall be limited to the following days and hours unless otherwise approved in writing by the City Manager or his/her/their designee in their sole discretion:
 - Monday – Friday: 7 a.m. to 5 p.m.

ITEM 7.1 – Exhibit A to Attachment A

- Saturday: 9 a.m. to 3 p.m.
- Sunday: 9 a.m. to 3 p.m.
- Federal Holidays: Not Allowed

Sign Program SP-2022-0002

26. Except as otherwise provided herein, or as permitted pursuant to the Laguna Woods Municipal Code, this approval is for the location and design of the specified signage show on Exhibit B to Resolution No. 23-XX only. No additional approval is implied or granted.
27. The Applicant(s)/Owner(s) are solely responsible for ensuring that signage does not, at any time, create an actual or reasonably foreseeable nuisance for properties located within line of sight, passing motorists, or any other party including, but not limited to, any nuisance caused either entirely or in part by the brightness, intensity, or direction of sign illumination. The Applicant(s)/Owner(s) shall take all steps necessary to prevent and immediately resolve such situations and shall immediately implement any direction received by City staff, which the Applicant(s)/Owner(s) understand and acknowledge may include, but not necessarily be limited to, any or all of the following:
- a) Reducing the intensity or brightness of sign illumination;
 - b) Installing additional landscaping to screen illuminated signs, including obtaining approval for amendments to applicable landscape plans and complying with all then-applicable laws and regulations;
 - c) Installing additional shielding or filters for illuminated signs; and/or
 - d) Dimming or turning off the illumination on signs at certain times.

For the purpose of this condition, “reasonably foreseeable” shall include any determination made based upon the judgement and discretion of the City Council or City Manager. City staff’s discretion shall not be directed toward the content or wording of signage.

28. All signs shall be kept clean, complete, repaired, and in good structural and functional working order, and shall not be allowed to fall into a state of disrepair, damage, or decrepitude.
29. No sign shall flash, blink, rotate, engage in any motion, or emit any noise.
30. Fountains or other water features shall not include the use of any ornamental

ITEM 7.1 – Exhibit A to Attachment A

jet or similar facilities that cause water to be visibly propelled upward. This condition of approval shall not be interpreted as prohibiting the use of jets or similar facilities to circulate water within the basin of fountains or other water features for maintenance purposes, or for moving water within cascading water features to the extent that such movement is concealed from public view.

31. Window signage not otherwise requiring a sign permit pursuant to the Laguna Woods Municipal Code, and not considered protected expression under federal or state law, shall be limited to no more than 5% of the square footage of all windows on each frontage and shall not be illuminated.
32. A proposed sign program change must be submitted to the City Manager for any relocation, alteration, or addition to any feature or material not specifically approved in the original application, or for any amendment of these conditions of approval. If the City Manager determines, in his/her/their reasonable discretion, that the proposed sign program change proposes non-substantial deviations from the approved sign program, and still complies with the provisions, spirit, intent, and findings of this approval action, the proposed sign program change may be approved by the City Manager without requiring a new public hearing or City Council approval. The City Manager may require the submission of such documentation or reporting, or the conduct of such studies or analysis, as he/she/they deems necessary to evaluate a request for a proposed sign program change. Notwithstanding the foregoing, the City Manager may refer any such determination to the City Council, and/or for additional public hearing.

[SIGNATURES ON NEXT PAGE]

ITEM 7.1 – Exhibit A to Attachment A

**OWNER(S) ACKNOWLEDGEMENT OF CONDITIONS OF APPROVAL FOR
SITE DEVELOPMENT PERMIT SDP-1521 AND SIGN PROGRAM SP-2022-0002
("ACKNOWLEDGEMENT")**

1. *ACKNOWLEDGEMENT OF CONDITIONS OF APPROVAL.* The person or persons executing this ACKNOWLEDGEMENT on behalf of the respective Owner(s) has reviewed all Conditions of Approval for Site Development Permit SDP-1521 and Sign Program SP-2022-0002 and has had the opportunity to consult with legal counsel regarding them as the Owner(s) has deemed appropriate.

2. *PURPOSE.* The purpose of this ACKNOWLEDGEMENT is to ensure the Owner(s) are aware of the Conditions of Approval for Site Development Permit SDP-1521 and Sign Program SP-2022-0002, which “run with the land.” References to “Applicant(s)/Owner(s)” in the Conditions of Approval for Site Development Permit SDP-1521 and Sign Program SP-2022-0002 are not intended to, and will not be interpreted by the City as, conferring any additional legal responsibility or liability upon the Owner(s) beyond that which otherwise exists in applicable law, or otherwise changing the Owner(s) existing legal obligations.

3. *RECORDATION.* The person or persons executing this ACKNOWLEDGEMENT on behalf of the respective Owner(s) consents to the recordation of the Conditions of Approval for Site Development Permit SDP-1521 and Sign Program SP-2022-0002, including this ACKNOWLEDGEMENT, in the office of the Clerk-Recorder for the County of Orange.

4. *AUTHORITY TO EXECUTE.* The person or persons executing this ACKNOWLEDGEMENT on behalf of the respective Owner(s) represents and warrants that he/she/they has/have the authority to so execute this ACKNOWLEDGEMENT and to bind the respective Owner(s) to its obligations hereunder.

5. *SEVERABILITY.* If any term, condition or covenant of this ACKNOWLEDGEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this ACKNOWLEDGEMENT shall not be affected thereby and the ACKNOWLEDGEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

Property Owner – Park Place Properties-Laguna Woods, LLC

Signature: _____ Date: _____

Full Name: _____ Title: _____

SIGNATURE MUST BE NOTARIZED; ATTACH ACKNOWLEDGEMENT.

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Exhibit B to Attachment A

Proposed Sign Program SP-2022-0002

This document is available for review at or from City Hall.

This document is also available at the following link:

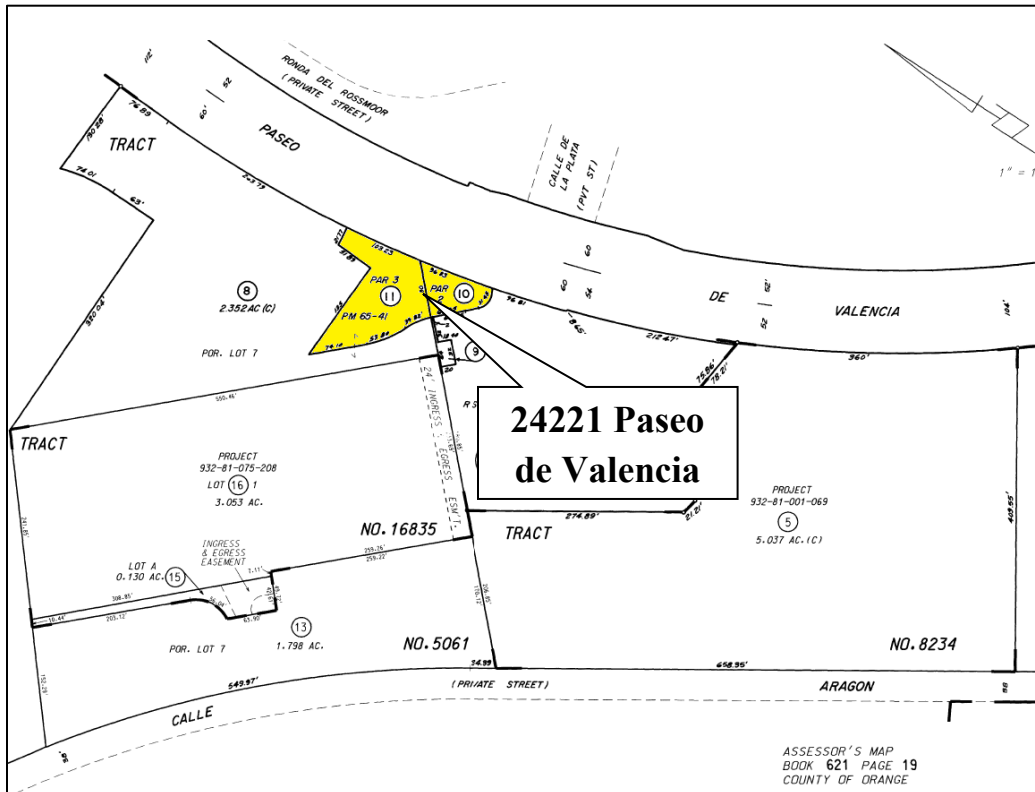
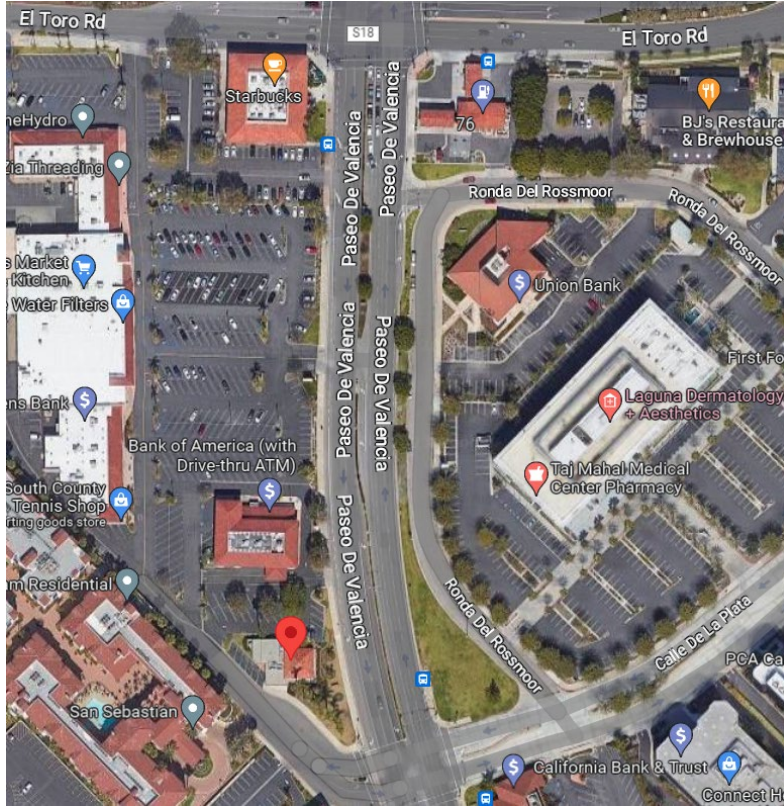
<https://www.cityoflagunawoods.org/wp-content/uploads/2023/05/7.1-4b-2023-05-17-Parentis-Health-Signage-Submittal.pdf>

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Vicinity Map

24221 Paseo de Valencia, Laguna Woods, CA 92637

Project Area



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ITEM 7.1

Attachment C

Proposed Site, Building, and Conceptual Landscape Plans for SDP-1521

This document is available for review at or from City Hall.

This document is also available at the following link:

<https://www.cityoflagunawoods.org/wp-content/uploads/2023/05/7.1-6b-2023-05-17-Parentis-Health-Planning-Submittal.pdf>

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8.1

CITY MANAGER EMPLOYMENT AGREEMENT

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Alisha Patterson, City Attorney
FOR: May 17, 2023 Regular Meeting
SUBJECT: City Manager Employment Agreement

Recommendation

Approve a City Manager Employment Agreement with Christopher Macon and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

Background

Christopher Macon has been employed by the City since May 2007 and has served as City Manager since August 2013. The terms of his employment are set forth in an employment agreement approved by the City Council. Without further action, the existing employment agreement will expire on August 21, 2024.

The City Council's designated representatives (Cynthia S. Conners, Mayor, and Noel Hatch, Mayor Pro Tem), acting with instruction provided by the City Council in closed session pursuant to California Government Code Section 54957.6, has negotiated with the City Manager regarding a potential contract extension.

Discussion

Today's meeting is an opportunity for City Council action, as well as public input, on a proposed employment agreement that would continue Christopher Macon's service as City Manager (Attachment A). The City's designated representatives recommend that the City Council approve the agreement and authorize the Mayor to execute the agreement, subject to approval as to form by the City Attorney.

Key terms of the proposed agreement include:

Term		Proposed Agreement	Existing Agreement
§ 1	<i>Term</i>	Approximately 6 years	Same
		May 17, 2023 through August 21, 2029	October 17, 2018 through August 21, 2024
§ 4(a)	<i>Base Salary</i>	\$196,376.45	Same
	<i>Automatic Annual Increases in Base Salary</i>	2% (June 2023 and each subsequent January)	CPI or 2%, whichever is less
§ 4(c)	<i>Base Deferred Compensation</i>	\$750 per month contribution for the remainder of 2023.	No deferred compensation
	<i>Automatic Annual Increases in Base Deferred Compensation</i>	\$250 per month (not to exceed IRS limits).	
§ 6(e)	<i>Technology Allowance</i>	\$150 per month to maintain home internet and cellular telephone capabilities for job-related use.	Same
§ 5(b)	<i>Administrative Leave</i>	2 weeks (80 hours) per calendar year. Administrative Leave cannot be carried over between subsequent calendar years and is not compensable upon separation or termination.	Same

Term		Proposed Agreement	Existing Agreement
§ 5(a)	<i>Paid Time Off</i>	Same as other full-time employees. 4 weeks (160 hours) per calendar year with an accrual limit of 12 weeks (480 hours).	Same
§ 5(c)	<i>Floating Holidays</i>	Same as other full-time employees. 2 days (16 hours) per calendar year. Floating Holidays cannot be carried over between subsequent calendar years, but are compensable upon separation or termination.	Same
§5(c)	<i>Benefit Allowance</i>	Same as other full-time employees hired prior to January 1, 2019. \$1,000 per month (less a mandatory contribution to the City’s employee assistance program) that can be applied toward health, dental, and/or vision insurance, as well as health and/or dependent care flexible spending accounts. Up to \$500 may be taken as taxable compensation. Any amount that remains after benefit elections is forfeited.	Same
§5(d)	<i>Retirement</i>	Same as other full-time employees considered “Classic” by the California Public Employees Retirement System (“CalPERS”). The City Manager pays the 7% CalPERS employee contribution and 7.65% Social Security and Medicare employee contributions from salary. The City pays the	Same

Term		Proposed Agreement	Existing Agreement
		CalPERS employer contribution (11.41%, increasing to 12.97% on July 1, 2023) and 7.65% Social Security and Medicare employer contributions.	
§ 3(a) and § 3(c)	<i>Severance Pay and Benefits</i>	In the event of termination without cause or involuntary resignation, and subject to execution of a waiver and release agreement:	Silent on involuntary resignation
		<ul style="list-style-type: none"> 6 months of base salary, or as many months as then remain on the contract term, whichever is less. 	Same
		<ul style="list-style-type: none"> 6 months of deferred compensation contributions, or as many months as then remain on the contract term, whichever is less. 	No deferred compensation
		<ul style="list-style-type: none"> 6 months of Consolidated Omnibus Budget Reconciliation Act (“COBRA”) insurance coverage, or as many months as then remain on the contract term, or until ineligible for COBRA coverage, whichever is less. 	Same
		<ul style="list-style-type: none"> Acknowledges City Manager may be entitled to an additional separation payment from the California Joint Powers Insurance Authority’s (“CJPIA”) Chief Executives’ 	Silent on availability of CESP. CJPIA makes coverage determinations for CESP on a case-by-case basis, regardless

Term		Proposed Agreement	Existing Agreement
		Separation Payment (“CESP”) or similar program, nor does it allow the City to object to the City Manager’s entitlement of the same, provided the City Manager satisfies all of the terms and conditions of such program. CJPIA makes coverage determinations for CESP on a case-by-case basis.	of what the agreement says.

The proposed agreement has been reviewed by the City Attorney.

A redline version of the proposed agreement, showing changes from the existing agreement, which was entered into in October 2018, is included as Attachment B.

Fiscal Impact

The City’s current costs related to the City Manager’s compensation and benefits are included in the existing budget. Increased costs related to implementation of the proposed agreement can be absorbed in the current fiscal year’s budget and would be budgeted for in the upcoming Fiscal Years 2023-25 Budget. The primary increased costs specific to the City Manager in the proposed agreement is the new deferred compensation contribution (\$750 per month, increasing annually as noted above) and automatic 2% annual increase in base pay (as noted above, the existing agreement limits the annual increase in base pay to 2%, but makes such amount contingent on a Consumer Price Index change).

- Attachments: A – Proposed City Manager Employment Agreement
- B – Proposed City Manager Employment Agreement (redline)

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CITY MANAGER EMPLOYMENT AGREEMENT

This City Manager Employment Agreement between the City of Laguna Woods (“City”) and Christopher Macon (“Manager”) (“Agreement”) is made this 17th day of May, 2023.

RECITALS

A. Christopher Macon has been employed by the City of Laguna Woods since May 2007 and has served as City Manager since August 2013.

B. City desires to continue to employ Christopher Macon, as City Manager, as provided by Chapter 2.06 of the Laguna Woods Municipal Code, and upon the terms and conditions set out herein.

C. Christopher Macon desires to continue to serve as City Manager of the City of Laguna Woods on the terms and conditions set out herein.

D. City desires to enter into a new employment agreement with Christopher Macon as City Manager of the City of Laguna Woods for the period May 17, 2023, to and including August 21, 2029.

AGREEMENT

NOW, THEREFORE, the parties agree as follows on the terms and conditions of Manager’s employment.

1. DUTIES AND TERM

Effective May 17, 2023 (“Effective Date”), and effective until August 21, 2029, unless earlier terminated by either of the parties, City hereby employs Manager, and Manager hereby accepts employment, as City Manager of the City. Manager shall perform the functions and duties specified for the City Manager of the City in Chapter 2.06 of the Laguna Woods Municipal Code and other ordinances, resolutions and policies of City, and shall perform such other legally

permissible and proper duties and functions as the City Council of the City (the “Council”) may from time-to-time assign, consistent with the Laguna Woods Municipal Code, other applicable law, and this Agreement. City and Manager hereby expressly agree that the employment relationship created by this Agreement is “at-will” and that Manager serves at the will and pleasure of Council.

2. NOTIFICATION REQUIREMENTS REGARDING EXPIRATION OR TERMINATION OF AGREEMENT

(a) Potential Renewal of Agreement. On or before July 15, 2029, and in the event Agreement is not earlier terminated, Manager shall notify Council of the provisions of Section 2 of this Agreement, at which time Manager and Council shall meet to discuss whether this Agreement shall be renewed or not renewed, and if renewed, upon such terms and conditions as the parties may mutually agree to.

(b) Termination by Manager. In the event Manager terminates his employment as Manager, then Manager shall give City at least forty-five (45) days’ notice of termination in writing in advance of the date of termination, unless mutually agreed upon otherwise.

(c) All Terminations. Manager agrees that in the event Manager’s employment is terminated, with or without cause, under no circumstances shall Manager be entitled to, nor shall, contest the existence or nature of Manager’s “at-will” employment status, nor shall Manager be entitled to seek or receive the remedy of reinstatement to employment with City in any administrative or legal forum.

(d) Effect of Council Change on Terminations. As the sole and exclusive restriction on Manager’s “at-will” status, Council shall take no action, whether immediate or prospective, to terminate Manager or request Manager’s resignation within one hundred twenty (120) days following the certification of any City election at which any City Councilmember seat

is up for election or within one hundred twenty (120) days following the appointment of any City Councilmember.

3. SEVERANCE AND SEVERANCE PAY AND BENEFITS

(a) Termination without Cause. In the event Manager is involuntarily terminated by Council without cause, City agrees to pay Manager within fifteen (15) days of the later to occur of (i) the date of termination of employment; (ii) the date of final determination by Council of the matters subject to a hearing as set forth in this paragraph; or (iii) the date of Manager's execution of the waiver and release agreement described in this Section (3)(a) and culmination of any revocation period set forth therein: a lump sum cash payment equal to six (6) months of the base salary Manager is receiving on the date of Council's action to terminate Manager, or as many months as then remain on Manager's contract term, whichever is less, less legally required or authorized deductions, plus a lump sum deferred compensation contribution equal to six (6) months of the deferred compensation contribution Manager is receiving on the date of Council's action to terminate Manager, or as many months as then remain on Manager's contract term, whichever is less ("Severance Pay"). City shall also pay Manager's Consolidated Omnibus Budget Reconciliation Act ("COBRA") premiums for COBRA insurance coverage otherwise available to Manager, for a period of six (6) months, or as many months as then remain on Manager's contract term, or until Manager becomes ineligible for COBRA, whichever is less. The payments described in this paragraph are collectively referred to as "Severance Benefits."

Such Severance Pay and Severance Benefits shall be in addition to any other payments for accrued paid time off or other cash payments Manager would be entitled to at the termination of employment.

Manager agrees that Severance Pay and Severance Benefits shall be Manager's sole remedy for a termination without cause. Severance Pay and Severance Benefits shall not be paid

ITEM 8.1 – Attachment A

to Manager unless and until Manager executes a waiver and release agreement prepared by the City Attorney in form substantially similar to the one set forth as Exhibit “A” to this Agreement.

Notwithstanding the foregoing, City and Manager acknowledge and agree that as of the Effective Date of this Agreement, City is a member of the California Joint Powers Insurance Authority (“CJPIA”) and that CJPIA currently maintains a program for compensation to chief executives of its members who are involuntarily terminated (the “Chief Executives’ Separation Payment” or “CESP”). City does not covenant in this Agreement to remain a member of CJPIA or to ensure that CJPIA continues to maintain the CESP or similar program during any term of this Agreement, but if City is a member of CJPIA and the CESP or similar program is in effect upon the date Manager is terminated without cause, nothing in this Agreement is intended to limit or restrict Manager’s entitlement to an additional separation payment pursuant to the CESP or similar program, nor shall City object to Manager’s entitlement of the same, provided Manager satisfies all of the terms and conditions of such program. The Severance Pay and Severance Benefits provided for herein shall be in addition to, and not offset by, any payment to which Manager may otherwise be entitled to, or qualify for, through the CESP or similar program.

In the event Council terminates Manager without cause, neither Council, any Councilmember(s), nor Manager shall make any written, verbal or electronic statement concerning Manager’s termination except in the form of a joint press release or statement, the form and content of which is mutually agreeable to Council and Manager. The joint press release or statement shall not contain any text or information that is disparaging to Council or Manager. Council, any Councilmember(s) or Manager may repeat the substance of the joint press release or statement in response to any inquiry. City employees and City representatives shall be directed by Council to only refer inquiring parties to the joint press release or statement without further comment.

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(b) Termination by City with Cause. In the event Manager is terminated for cause as defined herein due to the reasonable determination of Council, based upon the weight of the evidence produced at a hearing conducted by Council, then, and in that event, City shall have no obligation to pay the Severance Pay and Severance Benefits described above in Section 3, subpart (a). Council's determination of the sufficiency of cause shall be final and binding. In the context of this Agreement, "for cause" shall mean that Manager has committed, in the performance of Manager's duties or in any manner that causes harm to Manager's or City's reputation, either (i) any illegal act, as determined by a court of law or adjudicated by an appropriate administrative agency or official, resulting in personal gain to Manager ; (ii) any act of insubordination or defiance of official Council instruction or direction, given to Manager after being approved by a majority of the members of Council; (iii) any conviction on a crime of fraud, misrepresentation, deceit or moral turpitude; or (iv) malfeasance in connection with Manager's office or position.

Nothing set forth herein shall be deemed to confer upon Manager any due process or other right to have a hearing by Council concerning any proposed termination of Manager; provided, however, that Manager shall be entitled to a hearing solely concerning any proposal by Council not to pay Manager the Severance Pay and Severance Benefits.

(c) Involuntary Resignation. In deciding to enter into this Agreement, Manager has relied upon (i) the current provisions of the Laguna Woods Municipal Code and other ordinances, resolutions and policies of City as pertains to Manager's hiring, appointment, promotion, demotion, supervisory and removal authority of City officers and employees, and Council's commitment to give orders and direction to Manager; and (ii) the terms and conditions of this Agreement. In the event Council or the electorate (i) adds, deletes or amends the Laguna Woods Municipal Code or any ordinance, resolution or policy of City without the consent of

Manager and such addition, deletion or amendment is inconsistent with this Agreement or reduces or infringes upon Manager's hiring, appointment, promotion, demotion, supervisory or removal authority as pertains to any City officer or employee as currently provided in the Laguna Woods Municipal Code or other ordinances, resolutions and policies of City, or allows Council or any Councilmember(s) to give orders or direction to any City officers or employees subordinate to Manager; or (ii) acts in a manner inconsistent with this Agreement, then Manager shall have the right, at Manager's sole option, to give Council written notice that such action(s) constitute a request for Manager's involuntary resignation. For the purpose of this Section 3(c), "City officers or employees" shall include employees of City, as well as consultants and independent contractors providing services on behalf of City which would otherwise be undertaken by employees of City, with the exception of Council, the City Attorney and consultants and independent contractors retained by Council to perform evaluation, investigation or other services directly related to Manager.

Upon receipt of such written notice, Council shall have thirty (30) days in which to do one of the following: (a) rescind the action(s); (b) renegotiate this Agreement to Manager's satisfaction; (c) confirm that Manager is being asked to involuntarily resign; or (d) take no action. In the event either (c) or (d) occurs, or Council is unable to accomplish (a) or (b), then Manager shall be entitled to resign subject to the terms and conditions of Section 3(a) above, including the receipt of Severance Pay and Severance Benefits as provided therein.

4. SALARY AND OTHER COMPENSATION

(a) Salary. Commencing on the Effective Date, City shall pay Manager an annual base salary, exclusive of benefits, in the sum of One Hundred Ninety-Six Thousand Three Hundred Seventy-Six Dollars and Forty-Five Cents (\$196,376.45) per year, payable in installments at the same time and by the same methods as other City employees are regularly paid.

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Thereafter, such base salary amount shall be increased by two percent (2%), effective with the first pay period of June 2023, and annually thereafter, effective with the first pay period of each calendar year. City acknowledges that this base salary may be subject to increase based upon merit and performance. In addition thereto, Council shall conduct an annual performance evaluation of Manager as described in Section 7 below, and if a majority of Council deems Manager to have successfully performed up to the Anniversary Date may, in their sole and absolute discretion, grant Manager a discretionary bonus or increase in base salary or other benefits or compensation, based on merit and performance. Council and Manager agree to review Manager's compensation and benefits at the time of Manager's annual performance evaluation for each year this Agreement is in effect.

(b) Reduction of Salary. Council may, in its discretion, reduce the salary of Manager due to budgetary constraints, on condition that any such reduction shall not exceed the average reduction applicable to all full-time City employees at the time of reduction in Manager's salary. City shall not at any time during this Agreement reduce the salary of Manager, except as permitted by this Agreement.

(c) Deferred Compensation Contribution. Commencing with the first pay period of June 2023, City shall contribute Seven Hundred Fifty Dollars and Zero Cents (\$750.00) per month into a MissionSquare Retirement Internal Revenue Code 457(b) Deferred Compensation Plan, or other deferred compensation plan mutually agreed to by Council and Manager, on behalf of Manager. Thereafter, as a retention incentive, such monthly deferred compensation contribution amount shall be increased by Two Hundred Fifty Dollars and Zero Cents (\$250.00), effective with the first pay period of each calendar year, except that such amount

shall not exceed elective deferral limits established by the Internal Revenue Service as may change from time-to-time.

5. BENEFITS

(a) Paid Time Off. Manager shall accrue paid time off (leave) at a rate of one hundred and sixty (160) hours per calendar year, to be used at Manager’s discretion and otherwise administered consistent with applicable City Resolutions and Personnel Rules. Manager shall not maintain paid time off in excess of 480 hours.

(b) Administrative Leave. Upon each January 1 of the term hereof, Manager shall accrue eighty (80) hours of paid administrative leave to be used at Manager’s discretion. Such administrative leave must be used each calendar year in which it is accrued, or shall be lost at the end of the calendar year, without cash payment or other compensation, and cannot be carried over to a subsequent calendar year. Administrative leave shall not be treated as compensable upon separation or termination.

(c) Supplemental Benefits. Except as provided otherwise herein, Manager shall receive any and all other supplemental benefits as are generally available to full-time City employees as provided by applicable City Resolutions and Personnel Rules. In the event more generous supplemental benefits are extended to any class of full-time City employee, Manager shall be eligible for the same. Except as otherwise provided herein, all actions undertaken by City relating to supplemental benefits for full-time City employees shall be considered actions affecting the same benefits applicable to Manager. As used herein, “supplemental benefits” include, but are not limited to, monthly benefit allowances, flexible benefits plan options, paid time off, administrative leave, floating holidays, holiday pay, retirement benefits and payments, health insurance and such other benefits not expressly enumerated herein which City offers to any class of full-time City employee.

(d) Retirement. Manager shall be eligible for all of the retirement rights currently in existence for full-time City employees or as may be amended from time to time.

(e) Reduction of Benefits. City shall not at any time during the term of this Agreement reduce the benefits of Manager, except as permitted by this Agreement.

6. PROFESSIONAL DEVELOPMENT, OUTSIDE PROFESSIONAL ACTIVITIES, WORK SCHEDULE, AND OTHER EXPENSES

(a) Professional Development.

(i) Subject to Council's discretion to adopt and amend the budget, City agrees to pay for professional dues and subscriptions on behalf of Manager which are reasonably necessary, as determined by Council, for Manager's continuation and full participation in national, regional, state or local associations and organizations necessary and desirable for Manager's continued professional participation, growth and advancement, or for the good of City. Furthermore, City shall pay for any additional professional dues and subscriptions as may be approved by Council from time to time.

(ii) Subject to Council's discretion to adopt and amend the budget, City agrees to pay within the adopted budget the reasonable travel and subsistence expenses of Manager for official travel, meetings and events reasonably necessary to continue the professional development of Manager and reasonably necessary to fulfill official and other functions for City, all as determined to be reasonable and necessary by Council. Such meetings and events may include, but are not limited to, national, regional, state and local conferences of governmental groups and committees in which Manager serves as a member.

(b) Outside Professional Activities. Manager agrees to remain in the exclusive employ of the City of Laguna Woods while employed by the City of Laguna Woods. This Section 6(b) shall not prohibit occasional teaching, writing, speaking, consulting or other employment for

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compensation, a fee, or other value, provided that Manager gives advance written notification to Council of such teaching, writing, speaking, consulting or other employment. Any teaching, writing, speaking, consulting or other employment performed or engaged in by Manager during the term of this Agreement shall not interfere with Manager's performance of Manager's duties and obligations under this Agreement.

(c) Work Schedule. Manager's duties are anticipated to require time in excess of a forty (40) hour workweek and time outside of normal office hours. Manager's base salary includes compensation for all hours worked. Manager shall be classified as an exempt employee for purposes of the Fair Labor Standards Act and shall not be entitled to compensation for overtime. In recognition of the time required by Manager to perform Manager's duties and obligations under this Agreement and the exempt, salaried nature of the employment, Manager is permitted to establish and exercise a flexible work schedule including, but not limited to, telecommuting and remote work, to the extent such flexible work schedule does not (i) interfere with Manager's performance of Manager's duties and obligations under this Agreement; (ii) result in Manager's in-person absence from Council meetings unless excused by the Mayor or Council pursuant to Laguna Woods Municipal Code section 2.06.060(6); or (iii) result in Manager telecommuting or working remotely for a majority of any eighty (80) hour pay period unless in connection with job-affiliated travel; Manager's use of paid time off, administrative leave or floating holidays; illness; construction, maintenance or other condition affecting occupancy of Manager's office; or other circumstance separately approved by Council.

(d) General Expenses. City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by Manager, including participation in civic and other local organizations, and hereby agrees to reimburse or pay said reasonable general expenses.

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Subject to Council’s discretion to adopt and amend the budget, the City Treasurer (or other designated City employee) is hereby authorized to disburse funds within the adopted budget as needed to fulfill all provisions of this Agreement upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

City shall bear full cost of any fidelity or other bonds required of Manager under any law or ordinance.

(e) Technology Allowance. Manager shall at all times keep and maintain his own home Internet capabilities and cellular telephone with email, Internet and data capabilities available for use in connection with Manager’s duties. Manager shall be paid a technology allowance of One Hundred Fifty Dollars (\$150.00) per month, to offset the costs of maintaining such technology.

(f) Vehicle Insurance. Manager shall at all times keep and maintain in full force and effect during the term of this Agreement automobile liability insurance with minimum limits of \$100,000 per claim and \$300,000 per occurrence, or such lesser amount as otherwise may be established by the City Council.

7. PERFORMANCE EVALUATION

(a) Council and Manager may annually define such goals and objectives for City which they mutually determine necessary for the proper operation of City in the attainment of Council’s policy objectives, and Council and Manager may further establish a priority among those various goals and objectives to be reduced to writing. The process of considering the establishment and priority of goals and objectives of City shall be conducted and completed generally in July of each year (“Goals and Objectives”), and may occur in connection with Manager’s annual performance review.

(b) Council, following informal and nonbinding consultation with Manager, shall periodically assess the Goals and Objectives and how they relate to the performance of Manager. Council shall review and evaluate the performance of Manager at least once annually, in closed session, on a form Council and Manager mutually agree to. Except as otherwise required by law, any public report of Manager’s evaluation shall be made in accordance with a mutual agreement by Council and Manager as to form and content. To the extent Council desires to use a consultant or other party, with the exception of the City Attorney, to facilitate, manage or conduct work on behalf of Council as it relates to Manager’s evaluation, such consultant or other party shall be mutually agreed to by Council and Manager. Notwithstanding any term or provision of this Agreement to the contrary, Manager shall serve at the will and pleasure of Council, and Council shall be entitled to terminate the employment of Manager without cause.

8. TERMS OF EMPLOYMENT

Council, following informal and nonbinding consultation with Manager, may by motion, resolution or written amendment to this Agreement approved as an official Council meeting agenda item, fix any other terms and conditions of employment as it may determine, from time to time, relating to the performance of Manager, provided such terms and conditions are not prohibited by the provisions of this Agreement, the Laguna Woods Municipal Code or any other rules or regulations of City or other applicable laws. Manager shall be subject to applicable City Resolutions and Personnel Rules, provided, however, that Council shall replace the role of the City Manager therein in dealings affecting Manager that would otherwise be referred to or involve the City Manager, and provided further that nothing therein shall abridge or infringe the “at-will” nature of Manager’s employment, nor grant Manager any rights inconsistent with that status.

9. CONFLICT OF INTEREST PROHIBITION

It is understood and agreed that because of the duties of Manager within and on behalf of the City of Laguna Woods and its citizenry, Manager shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City of Laguna Woods, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of Council. For and during the term of this Agreement, Manager further agrees, except for a personal residence or residential property acquired or held for future use as his personal residence and real property acquired by Manager prior to the Effective Date of this Agreement, not to invest in any other real estate or property improvements within the corporate limits of the City of Laguna Woods without prior consent of Council.

10. PROVISIONS OF GOVERNMENT CODE SECTION 53243 ET AL.

(a) Pursuant to Government Code section 53243, in the event City provides paid leave to Manager pending an investigation of a crime involving abuse of his office or position covered by Government Code section 53243.4, and should that investigation lead to a conviction, Manager shall fully reimburse City for any salary provided for that purpose.

(b) Pursuant to Government Code section 53243.1, in the event City provides funds for the legal criminal defense of Manager pending an investigation of a crime involving abuse of his office or position covered by Government Code section 53243.4, and should that investigation lead to a conviction, Manager shall fully reimburse City for any funds provided for that purpose.

(c) Pursuant to Government Code section 53243.2, in the event City provides a cash settlement related to the termination of Manager as defined in the terms of this Agreement and Manager subsequently is convicted of a crime involving abuse of his office or position covered

by Government Code section 53243.4, Manager shall fully reimburse City for any funds provided for that purpose.

11. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties concerning the subject matter set forth herein and no promise, representation, warranty or covenant not included in this Agreement has been or is relied upon by any party hereto concerning the offer and acceptance of employment described herein.

12. NO CONTINUING WAIVER

No waiver of any term or condition of this Agreement by either party shall be deemed a continuing waiver of such term or condition.

13. EFFECTIVE DATE AND ANNIVERSARY DATE

The Effective Date of this Agreement shall be May 17, 2023. The Anniversary Date shall be August 21 of each subsequent year this Agreement remains in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth hereinabove.

CITY:

MANAGER:

Cynthia S. Conners
Mayor

Christopher Macon

Agreement approved by the City Council in open session at a meeting on May 17, 2023.

ATTEST:

Yolie Trippy, CMC
City Clerk

APPROVED AS TO FORM:

Alisha Patterson
City Attorney

EXHIBIT “A”

WAIVER AND GENERAL RELEASE

THIS WAIVER AND GENERAL RELEASE (hereinafter " Agreement") is entered into by and between City Manager [NAME] (hereinafter the "City Manager") and the CITY OF LAGUNA WOODS (hereinafter "City") and is made with reference to the following facts:

RECITALS

A. The City Manager is employed by the City as the City Manager pursuant to that certain [TITLE OF AGREEMENT] dated [DATE] (the Employment Agreement").

B. The City Council terminated the City Manager without cause, effective [DATE] ("Termination Date").

C. Pursuant to Section of the Employment Agreement, in the event the City Manager is terminated without cause, the City Manager is entitled to a severance payment, conditioned on the City Manager executing a release and waiver of any and all claims against the City, it’s officers, employees, and agents arising out of his employment with the City and the termination thereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Lump Sum Cash Payment.** In consideration of the releases as set forth in this Agreement, the City shall pay the City Manager a Severance Payment equal to six (6) months of the base salary the City Manager is receiving on the date of the City Council’s action to terminate the City Manager, or as many months as then remain on the City Manager’s contract term, whichever is less, less legally required or authorized deductions, plus a lump sum deferred compensation contribution equal to six (6) months of the deferred compensation contribution the City Manager is receiving on the date of the City Council’s action to terminate the City Manager, or as many months as then remain on the City Manager’s contract term, whichever is less. The City shall provide the Severance Payment to the City Manager within fifteen (15) calendar days after the Revocation Period (as defined herein) expires.

2. **Insurance.** In consideration of the releases as set forth in this Agreement, the City shall pay the City Manager’s Consolidated Omnibus Budget Reconciliation Act ("COBRA") premiums for COBRA insurance coverage otherwise available to the City Manager, for a period of six (6) months, or as many months as then remain on the City Manager’s contract term, or until the City Manager becomes ineligible for COBRA, whichever is less

2. **Payout of Accrued Leave Time.** Within fifteen (15) calendar days after the Revocation Period (as defined herein) expires, the City shall pay the City Manager for his accrued leave time in the amounts set forth below, less any relevant taxes and other legally required withholdings:

a) Paid Time Off (_ hours) - \$ _

b) Floating Holidays (_ hours) - \$ _

3. Releases.

a) In consideration of the compensation provided for by this agreement, the City Manager, for the City Manager's self and the City Manager's successors, assigns and representatives, does hereby release the City, its officers, agents, employees, insurers, successors, predecessors, assigns and representatives, from any and all claims, demands, causes of actions, contracts, covenants, representations, warranties, promises, undertakings, actions, suits, obligations, controversies, debts, costs, expenses, accounts, damages, losses, judgments, liabilities or demands of any nature whatsoever, anticipated or unanticipated, known or unknown (collectively "Claims") that the City Manager may have or claim to have at any time up to and including the time this Agreement is executed by the respective parties. The matters released include by way of example and not limitation: Claims for injuries to the City Manager arising out of or relating to the course and scope of employment with the City; claims for alleged violations of any contracts, express or implied, or any covenants of good faith and fair dealing, express or implied; claims of any legal restrictions on the City's right to discipline or terminate employees, any "constructive discharge," or "wrongful discharge," or any tort; claims for defamation, invasion of privacy and emotional and/ or personal injury or distress or the like; claims for sick leave, vacation, compensated time off, separation pay or severance; claims for violation of any local, state, federal or other government statute, regulation or ordinance, as amended, or any public policy expressing such statute, regulation or ordinance, including, without limitation, the following: Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national original discrimination); 42 U. S. C. Section 1918 and 1983 (discrimination in making and enforcement of contracts, deprivation of rights, respectively); Age Discrimination in Employment Act (42 U. S. C. Section 621, 634); Federal and California Equal Pay Acts (29 U. S. C. Section 206(d)(1) and California Labor Code Sections 3200 et seq.); California Fair Employment and Housing Act (Government Code Section 12940, et seq., including discrimination on the basis of race, color, national origin, ancestry, physical handicap, mental condition, marital status, sex or age); California Labor Code Section 1102. 1 (sexual orientation); Executive Order 11141 (age discrimination); Rehabilitation Act of 1973 (29 U. S. C. Sections 503 and 504); Older Workers Benefit Protection Act; Amendments to the Age Discrimination in Employment Act (29 U. S. C. Sections 621, et seq.); Civil Rights Act of 1991; Americans with Disabilities Act; or the Unruh Civil Rights Act California Civil Code Section 51, et seq.); State and Federal Family Medical Leave Acts; any other local, state or federal statute, rule, regulation, ordinance, law or constitution, governing employment, employment termination, discrimination or harassment in employment, or payment of wages or benefits not otherwise specifically mentioned.

b) The City Manager expressly acknowledges and agrees that, by entering into this Agreement, the City Manager is waiving any and all rights or claims that the City Manager may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. The City Manager further expressly acknowledges and agrees that (a) the City Manager has entered into this Agreement voluntarily, free from duress, coercion, or mistake of facts; (b) that this Agreement is in writing and understandable; (c) that the City Manager is waiving current ADEA claims explicitly and cannot waive future ADEA claims; (d) in return for this

Agreement the City Manager will receive consideration beyond that which the City Manager was already entitled to receive before entering into this Agreement; (e) the City Manager has been advised and is hereby advised in writing to consult with an attorney before signing this Agreement; (f) that the City Manager has been given a copy of this Agreement and informed that the City Manager has twenty-one (21) days within which to consider the Agreement, which period the City Manager has elected to waive; and (g) the City Manager is hereby informed that the City Manager has seven (7) days following the date of the City Manager's execution of this Agreement in which to revoke the Agreement ("Revocation Period"). Any notice of revocation must be in writing and must be delivered to the City Attorney, prior to the end of the seventh calendar day following the date of the City Manager's execution. The Agreement shall become binding and effective on the eighth day after the date of execution unless a revocation has been filed.

c) The parties represent and warrant that they have not filed any complaints, charges, or lawsuits against the other, or the City's Councilmembers, officers, directors, employees, attorneys, or agents, with any court or governmental agency arising out of the City Manager's employment with the City, and that they will not do so at any time hereinafter. However, the Parties shall not be limited from pursuing claims for the sole purpose of enforcing their rights under this Agreement. Further, the Parties agree that under this Agreement, they waive any claim for damages incurred at any time after the date of this Agreement because of alleged continuing effects of any alleged unlawful acts or omissions involving the City Manager's employment with or separation from the City, including compensation and other employee benefits. Nothing in this Agreement shall prevent the City from forwarding information or documents to law enforcement officials if the City determines that illegal conduct may have occurred or if otherwise required by law.

d) The parties intend and agree that this Agreement will be effective as full, final and general release of and from all matters covered herein. In furtherance thereof, the City Manager acknowledges that the City Manager is familiar with and has secured independent advice as to California Civil Code Section 1542 which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The City Manager expressly waives and releases any right or benefit which the City Manager may have or may in the future have under California Civil Code Section 1542 and all similar laws, rules and statutes to the fullest extent that such rights or benefits may be lawfully waived or released.

e) The City Manager acknowledges that the City Manager may hereafter discover facts different from or in addition to those now known or believed to exist arising out of the employment relationship recited above, or matters for which releases have been given

herein, and agrees that this Agreement will nonetheless be binding and remain in full and complete force and effect.

f) The City Manager acknowledges that he has had the opportunity to consult independent legal counsel of his own choice prior to the execution of this Agreement. Each party shall bear his or its own respective legal fees and costs.

4. Return of City Property. Before accepting the Severance Payment, the City Manager shall return all City property, including identification cards or badges, access codes or devices, keys, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, and any other City property in the City's possession. Notwithstanding the timeframe outlined in Section 1 of this Agreement, the City shall not be required to provide the Severance Payment unless and until the City Manager has returned all City property.

5. Confidential Information and Trade Secrets.

This clause is specifically designed to protect the City's confidential or proprietary information and confidential information and trade secrets. The City Manager acknowledges that during the course of his employment, he has obtained and has had access to certain confidential information, including, but not limited to, personnel information, legal advice, and other confidential or proprietary information relating to City business ("Confidential Information"). All Confidential Information is of substantial value to the City. The City Manager that Confidential Information shall be construed to the fullest extent permitted by Civil Code section 3426 et seq. and any other law that would preclude the release of Confidential Information. The City Manager hereby agrees to forever hold the Confidential Information in strict confidence and not to use such Confidential Information for his or any other person's benefit. If the City Manager is compelled in any judicial or administrative proceeding to disclose any Confidential Information, he shall promptly notify the City in writing of the proceeding, so that the City may oppose such disclosure or seek an appropriate protective order or other remedy to prevent the disclosure.

The City Manager agrees to deliver or return to the City all Confidential Information regardless of the form it takes, whether documents (including all copies thereof), electronically stored information (including, but not limited to, email, information stored on any laptop, home computer, handheld personal device or cellular phone, voicemail, text messages, portable storage devices, CDs, DVDs, disks) records, lists, or notes.

6. Miscellaneous.

a) Integration. This Agreement contains and expresses the entire and final agreement of the parties with respect to the matters covered herein, and supersedes all negotiations, prior discussions, prior agreements and preliminary agreements between the parties. No promises or representations, express or implied, concerning this Agreement have been made by the parties other than those contained in this Agreement.

b) Amendments. Any alteration or modification of this Agreement must be in writing and signed by each party to it, or their authorized representatives.

c) Severability. In the event a court of competent jurisdiction determines that any provision of this Agreement or application of it is void, invalid, unenforceable or contrary to law for any reason, its remaining provisions shall remain in full force and effect.

d) Binding on Successors and Assigns. This Agreement shall forever bind and inure to the benefit of the parties and their respective successors and assigns of every type.

e) No Admission of Wrongdoing. Each party to this Agreement denies its liability to the other party hereto in connection with the subject matter of this Agreement, but desires to resolve the rights, claims and causes of action, if any, between and among them without the necessity of litigation. This Agreement is a compromise of the disputed claims and rights, and shall not constitute or be construed as an admission by either of the parties of wrongdoing or violation of any law, statute, duty or contract whatsoever, or that any of the parties was entitled to any damages or amounts demanded incident to this controversy.

f) Admissibility of Agreement. Notwithstanding any other provision of this Agreement to the contrary, it is the parties' intent that this Agreement be admissible, binding and enforceable under California Civil Code section 664. 6, and subject to disclosure within the meaning of California Evidence Code section 1123(a), (b) and (c), and that this Agreement is expressly not privileged from disclosure under California Evidence Code section 1119.

g) Venue. The Parties agree that any and all disputes regarding this Agreement shall be brought in the Superior Court of the State of California, Orange County.

h) Attorneys' Fees. In any action brought to enforce any provision of this Agreement, each side shall bear their own costs and attorney's fees.

i) Indemnification for Tax Obligations. It is expressly understood and agreed that the City Manager has secured his own independent advice with respect to the tax consequences of the payments to be made under this Agreement and shall indemnify and hold the City harmless for any and all claims, demands or actions brought alleging any tax obligation with respect to said payments. It is expressly understood that by entering into this Agreement, the City Manager is not relying upon any representations concerning the tax consequences or effect of the payments to be made under this Agreement by the City or its attorneys.

j) Execution. This Agreement may be executed in two or more counterparts, including typewritten, photographic or facsimile copies, each of which shall be deemed to be an original Agreement, and all of which together shall constitute one agreement.

THE UNDERSIGNED PARTIES, AND EACH OF THEM, ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY, HAVE HAD THE OPPORTUNITY TO DISCUSS THE CONTENTS OF THE AGREEMENT WITH THEIR RESPECTIVE ATTORNEYS AND, AS A RESULT, FULLY UNDERSTAND THE TERMS AND CONSEQUENCES OF THE AGREEMENT. BASED ON THEIR KNOWLEDGE AND UNDERSTANDING OF THE AGREEMENT, THE

PARTIES REPRESENT AND WARRANT THAT THEY FREELY AND VOLUNTARILY ENTER INTO IT ON THE DATE SET FORTH BELOW.

[SIGNATURES]

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CITY MANAGER EMPLOYMENT AGREEMENT

This City Manager Employment Agreement between the City of Laguna Woods (“City”) and Christopher Macon (“Manager”) (“Agreement”) is made this 17th day of ~~October~~May, ~~2018~~2023.

RECITALS

A. Christopher Macon has been employed by the City of Laguna Woods since May 2007 and has served as City Manager since August 2013.

B. City desires to continue to employ Christopher Macon, as City Manager, as provided by Chapter 2.06 of the Laguna Woods Municipal Code, and upon the terms and conditions set out herein.

C. Christopher Macon desires to continue to serve as City Manager of the City of Laguna Woods on the terms and conditions set out herein.

D. City desires to enter into a new employment agreement with Christopher Macon as City Manager of the City of Laguna Woods for the period ~~October~~May 17, ~~2018~~2023, to and including August 21, ~~2024~~2029.

AGREEMENT

NOW, THEREFORE, the parties agree as follows on the terms and conditions of Manager’s employment.

1. DUTIES AND TERM

Effective ~~October~~May 17, ~~2018~~2023 (“Effective Date”), and effective until August 21, ~~2024~~2029, unless earlier terminated by either of the parties, City hereby employs Manager, and Manager hereby accepts employment, as City Manager of the City. Manager shall perform the functions and duties specified for the City Manager of the City in Chapter 2.06 of the Laguna

Woods Municipal Code and other ordinances, resolutions and policies of ~~the~~ City, and shall perform such other legally permissible and proper duties and functions as the City Council of the City (the “Council”) may from ~~time time to to~~ time assign, consistent with the Laguna Woods Municipal Code, ~~and~~ other applicable law, and this Agreement. City and Manager hereby expressly agree that the employment relationship created by this Agreement is “~~at-at~~-will” and that ~~the~~ Manager serves at the will and pleasure of ~~the City~~ Council.

2. NOTIFICATION REQUIREMENTS REGARDING EXPIRATION OR TERMINATION OF AGREEMENT

(a) Potential Renewal of Agreement. On or before July 15, ~~2024~~2029, and in the event Agreement is not earlier terminated, Manager shall notify Council of the provisions of Section 2 of this Agreement, at which time Manager and Council shall meet to discuss whether this Agreement shall be renewed or not renewed, and if renewed, upon such terms and conditions as the parties may mutually agree to.

(b) Termination by Manager. In the event Manager terminates his employment as Manager, then Manager shall give City at least forty-five (45) days’ notice of termination in writing in advance of the date of termination, unless mutually agreed upon otherwise.

(c) All Terminations. Manager agrees that in the event Manager’s employment is terminated, with or without cause, under no circumstances ~~will~~shall Manager be entitled to, nor shall, contest the existence or nature of Manager’s “~~at-at~~-will” employment status, nor ~~will~~shall Manager be entitled to seek or receive the remedy of reinstatement to employment with ~~the~~ City in any administrative or legal forum.

(d) Effect of ~~City~~ Council Change on Terminations. As the sole and exclusive restriction on Manager’s “~~at-at~~-will” status, ~~City Council~~ shall ~~not call for, initiate, or terminate~~ Manager’s employment take no action, whether immediate or prospective, to terminate Manager

or request Manager's resignation within one hundred twenty (120) days following the certification of any City election at which any City Councilmember seat is up for election or within one hundred twenty (120) days following the appointment of any City Councilmember.

3. SEVERANCE AND SEVERANCE PAY AND BENEFITS

(a) Termination without Cause. In the event ~~that~~ Manager is involuntarily terminated by ~~the~~ Council without cause, City agrees to pay Manager within fifteen (15) days of the later to occur of (i) the date of termination of employment; ~~or~~ (ii) the date of final determination by ~~the~~ Council of the matters subject to a hearing as set forth in this paragraph; or (iii) the date of Manager's execution of the waiver and release agreement described in this Section (3)(a) and culmination of any revocation period set forth therein: ~~(i)~~ a lump sum cash payment ("Severance Pay") equal to six (6) months of the base salary Manager is receiving on the date of ~~the~~ Council's action to terminate Manager, or as many months as then remain on Manager's contract term, whichever is less, less legally required or authorized deductions, plus a lump sum deferred compensation contribution equal to six (6) months of the deferred compensation contribution Manager is receiving on the date of Council's action to terminate Manager, or as many months as then remain on Manager's contract term, whichever is less ("Severance Pay"); and (ii) ~~City shall pay~~ City shall also pay Manager's Consolidated Omnibus Budget Reconciliation Act ("COBRA") premiums for COBRA insurance coverage otherwise available to Manager, for a period of six (6) months, or as many months as then remain on Manager's contract term, or until Manager becomes ineligible for COBRA, whichever is less. The payments described in this paragraph are collectively referred to as "Severance Benefits."

Such ~~severance~~ Severance pay Pay and Severance Benefits shall be in addition to any other payments for accrued ~~leave~~ paid time off or other cash payments Manager would be entitled to at the termination of employment. ~~In exchange for and as a condition to receipt of the~~

~~Severance Pay, Manager shall execute a release and waiver, in a form acceptable to the City Attorney, releasing the City from any and all claims associated with Manager's termination and waiving any rights to unemployment benefits to which Manager may otherwise be entitled.~~

~~Manager agrees that Severance Pay and Severance Benefits shall be Manager's sole remedy for a termination without cause. Severance Pay and Severance Benefits shall not be paid to Manager unless and until Manager executes a waiver and release agreement prepared by the City Attorney in form substantially similar to the one set forth as Exhibit "A" to this Agreement.~~

~~Notwithstanding the foregoing, City and Manager acknowledge and agree that as of the Effective Date of this Agreement, City is a member of the California Joint Powers Insurance Authority ("CJPIA") and that CJPIA currently maintains a program for compensation to chief executives of its members who are involuntarily terminated (the "Chief Executives' Separation Payment" or "CESP"). City does not covenant in this Agreement to remain a member of CJPIA or to ensure that CJPIA continues to maintain the CESP or similar program during any term of this Agreement, but if City is a member of CJPIA and the CESP or similar program is in effect upon the date Manager is terminated without cause, nothing in this Agreement is intended to limit or restrict Manager's entitlement to an additional separation payment pursuant to the CESP or similar program, nor shall City object to Manager's entitlement of the same, provided Manager satisfies all of the terms and conditions of such program. The Severance Pay and Severance Benefits provided for herein shall be in addition to, and not offset by, any payment to which Manager may otherwise be entitled to, or qualify for, through the CESP or similar program.~~

~~In the event Council terminates Manager without cause, neither Council, any Councilmember(s), nor Manager shall make any written, verbal or electronic statement concerning Manager's termination except in the form of a joint press release or statement, the form and content~~

of which is mutually agreeable to Council and Manager. The joint press release or statement shall not contain any text or information that is disparaging to Council or Manager. Council, any Councilmember(s) or Manager may repeat the substance of the joint press release or statement in response to any inquiry. City employees and City representatives shall be directed by Council to only refer inquiring parties to the joint press release or statement without further comment.

(b) Termination by City with Cause. In the event Manager is terminated for cause as defined herein due to the reasonable determination of ~~the~~ Council, based upon the weight of the evidence produced at a hearing conducted by ~~the~~ Council, then, and in that event, City shall have no obligation to pay the Severance Pay and Severance Benefits described above in Section 3, subpart (a). ~~The~~ Council's determination of the sufficiency of cause shall be final and binding. In the context of this Agreement, "for cause" shall mean that Manager has committed, in the performance of Manager's duties or in any manner that causes harm to Manager's or ~~the~~ City's reputation, either (i) any illegal act, as determined by a court of law or adjudicated by an appropriate administrative agency or official, involving resulting in personal gain to Manager as determined by a court of law or adjudicated by an appropriate administrative agency or official; (ii) any act of insubordination or defiance of official ~~City~~ Council instruction or direction, given to Manager after being approved by a majority of the members of ~~City~~ Council; ~~;~~ (iii) any conviction on a crime of fraud, misrepresentation, deceit, or moral turpitude; or (iv) malfeasance in connection with Manager's office or position.

Nothing set forth herein shall be deemed to confer upon Manager any due process or other right to have a hearing by Council concerning any proposed termination of Manager; provided, however, that Manager shall be entitled to a hearing solely concerning any proposal by ~~the~~ Council not to pay Manager the Severance Pay and Severance Benefits.

(c) Involuntary Resignation. In deciding to enter into this Agreement, Manager has relied upon (i) the current provisions of the Laguna Woods Municipal Code and other ordinances, resolutions and policies of City as pertains to Manager’s hiring, appointment, promotion, demotion, supervisory and removal authority of City officers and employees, and Council’s commitment to give orders and direction to Manager; and (ii) the terms and conditions of this Agreement. In the event Council or the electorate (i) adds, deletes or amends the Laguna Woods Municipal Code or any ordinance, resolution or policy of City without the consent of Manager and such addition, deletion or amendment is inconsistent with this Agreement or reduces or infringes upon Manager’s hiring, appointment, promotion, demotion, supervisory or removal authority as pertains to any City officer or employee as currently provided in the Laguna Woods Municipal Code or other ordinances, resolutions and policies of City, or allows Council or any Councilmember(s) to give orders or direction to any City officers or employees subordinate to Manager; or (ii) acts in a manner inconsistent with this Agreement, then Manager shall have the right, at Manager’s sole option, to give Council written notice that such action(s) constitute a request for Manager’s involuntary resignation. For the purpose of this Section 3(c), “City officers or employees” shall include employees of City, as well as consultants and independent contractors providing services on behalf of City which would otherwise be undertaken by employees of City, with the exception of Council, the City Attorney and consultants and independent contractors retained by Council to perform evaluation, investigation or other services directly related to Manager.

Upon receipt of such written notice, Council shall have thirty (30) days in which to do one of the following: (a) rescind the action(s); (b) renegotiate this Agreement to Manager’s satisfaction; (c) confirm that Manager is being asked to involuntarily resign; or (d) take no action.

In the event either (c) or (d) occurs, or Council is unable to accomplish (a) or (b), then Manager shall be entitled to resign subject to the terms and conditions of Section 3(a) above, including the receipt of Severance Pay and Severance Benefits as provided therein.

4. SALARY AND OTHER COMPENSATION

(a) Salary. Commencing on the Effective Date, City shall pay Manager an annual base salary, exclusive of benefits, in the sum of One Hundred Ninety-Six Thousand Three Hundred Seventy-Six Dollars and Forty-Five Cents~~One Hundred Eighty Three Thousand Seven Hundred and Seventy Dollars~~ (\$196,376.45~~\$183,770.00~~) per year, payable in installments at the same time and by the same methods as other City employees are regularly paid. Thereafter, such base salary amount shall be ~~adjusted July 1 of each succeeding year, in the amount of any increase in the Bureau of Labor Statistics' Los Angeles Long Beach Anaheim Consumer Price Index for All Urban Consumers (CPI-U), between April of the then-current and previous years, not to exceed 2% in any single year~~increased by two percent (2%), effective with the first pay period of June 2023, and annually thereafter, effective with the first pay period of each calendar year. ~~The~~ City acknowledges that this base salary may be subject to increase based upon merit and performance. In addition thereto, ~~at least thirty (30) days prior to Manager's Anniversary Date each year; the~~ Council shall conduct an annual performance evaluation of Manager as described in Section 7 below, and if a majority of ~~the~~ Council deems Manager to have successfully performed up to the Anniversary Date may, in their sole and absolute discretion, grant Manager a discretionary bonus or increase in base salary or other benefits or compensation, based on merit and performance ~~and consistent with the City's compensation policies in effect at the time of said increase.~~ City Council and Manager agree to review Manager's salary-compensation and benefits at the time of Manager's annual performance evaluation for each year this Agreement is in effect.

(b) Reduction of Salary. Council may, in its discretion, reduce the salary of Manager due to budgetary constraints, on condition that any such reduction shall not exceed the average reduction applicable to all ~~management employees of the City~~ full-time City employees at the time of reduction in Manager's salary. City shall not at any time during this Agreement reduce the salary of Manager, except as permitted by this Agreement.

(b)(c) Deferred Compensation Contribution. Commencing with the first pay period of June 2023, City shall contribute Seven Hundred Fifty Dollars and Zero Cents (\$750.00) per month into a MissionSquare Retirement Internal Revenue Code 457(b) Deferred Compensation Plan, or other deferred compensation plan mutually agreed to by Council and Manager, on behalf of Manager. Thereafter, as a retention incentive, such monthly deferred compensation contribution amount shall be increased by Two Hundred Fifty Dollars and Zero Cents (\$250.00), effective with the first pay period of each calendar year, except that such amount shall not exceed elective deferral limits established by the Internal Revenue Service as may change from time-to-time.

5. BENEFITS

(a) Paid Time Off. Manager shall accrue ~~annual~~ paid time off (leave) at a rate of ~~twenty (20) days~~ one hundred and sixty (160) hours per calendar year, to be used at Manager's discretion and otherwise administered consistent with ~~the provisions of Resolution No. 18-23~~ applicable City Resolutions and Personnel Rules. Manager shall not maintain ~~annual~~ paid time off in excess of 480 hours.

(b) Administrative Leave. Upon each January 1 of the term hereof, Manager shall accrue eighty (80) hours of paid administrative leave to be used at Manager's discretion. Such administrative leave must be used each calendar year in which it is accrued, or shall be lost at the end of the calendar year, without cash payment or other compensation, and cannot be carried

over to a subsequent calendar year. Administrative leave shall not be treated as compensable upon separation or termination.

~~(e) Vehicle Insurance. At a minimum, Manager shall procure and maintain in full force and effect during the term of this Agreement automobile liability insurance with minimum limits of \$100,000 per claim and \$300,000 per occurrence, or such lesser amount as otherwise may be established by the City Council.~~

~~(d)(c) Supplemental Benefits. Except as provided otherwise herein, Manager shall receive any and all other supplemental benefits as are generally available to management employees of the City full-time City employees as provided by applicable City Resolutions and Personnel Rules. In the event more generous supplemental benefits are extended to any class of full-time City employee, Manager shall be eligible for the same. Except as otherwise provided herein, all actions undertaken by City relating to supplemental benefits for management full-time City employees shall be considered actions affecting the same benefits applicable to Manager. As used herein, “supplemental benefits” include, but are not limited to, monthly benefit allowances, flexible benefits plan options, paid time off, administrative leave, floating holidays, holiday pay, retirement benefits and payments, and health insurance and such other benefits not expressly enumerated herein which City offers to any class of full-time City employee.~~

~~(e)(d) Retirement. Manager shall be eligible for all of the retirement rights, benefits and obligations set forth in Resolution No. 18-23 currently in existence for full-time City employees or as may be amended from time to time (collectively “Resolution 18-23” herein).~~

~~(f)(e) Reduction of Benefits. City shall not at any time during the term of this Agreement reduce the benefits of Manager, except as permitted by this Agreement.~~

6. PROFESSIONAL DEVELOPMENT, OUTSIDE PROFESSIONAL ACTIVITIES, WORK SCHEDULE, AND ~~GENERAL-OTHER~~ EXPENSES

(a) Professional Development.

(i) Subject to ~~the~~ Council's discretion to adopt and amend the budget, City agrees to pay for professional dues and subscriptions on behalf of Manager which are reasonably necessary, as determined by ~~the~~ Council, for ~~the~~ Manager's continuation and full participation in national, regional, state or local associations and organizations necessary and desirable for Manager's continued professional participation, growth and advancement, or for the good of ~~the~~ City. Furthermore, City shall pay for any additional professional dues and subscriptions as may be approved by ~~the~~ Council from time to time.

(ii) Subject to ~~the~~ Council's discretion to adopt and amend the budget, City agrees to pay within the adopted budget the reasonable travel and subsistence expenses of Manager for official travel, meetings and events reasonably necessary to continue the professional development of Manager and reasonably necessary to fulfill official and other functions for ~~the~~ City, all as determined to be reasonable and necessary by ~~the~~ Council. Such meetings and events may include, but are not limited to, national, regional, state and local conferences of governmental groups and committees in which Manager serves as a member.

(b) Outside Professional Activities. Manager agrees to remain in the exclusive employ of the City of Laguna Woods while employed by the City of Laguna Woods. This ~~section~~ Section 6(b) shall not prohibit occasional teaching, writing, speaking, consulting or other employment for compensation, a fee, or other value, provided that Manager gives advance written notification to ~~the~~ Council of such teaching, writing, speaking, consulting or other employment. Any teaching, writing, speaking, consulting or other employment performed or engaged in by

Manager during the term of this Agreement shall not interfere with Manager's performance of Manager's duties and obligations under this Agreement.

(c) Work Schedule. Manager's duties are anticipated to require time in excess of a forty (40) hour workweek and time outside of normal office hours. Manager's base salary includes compensation for all hours worked. Manager shall be classified as an exempt employee for purposes of the Fair Labor Standards Act and shall not be entitled to compensation for overtime. In recognition of the time required by Manager to perform Manager's duties and obligations under this Agreement and the exempt, salaried nature of the employment, Manager is permitted to establish and exercise a flexible work schedule including, but not limited to, telecommuting and remote work, to the extent such flexible work schedule does not (i) interfere with Manager's performance of Manager's duties and obligations under this Agreement; (ii) result in Manager's in-person absence from Council meetings unless excused by the Mayor or Council pursuant to Laguna Woods Municipal Code section 2.06.060(6); or (iii) result in Manager telecommuting or working remotely for a majority of any eighty (80) hour pay period unless in connection with job-affiliated travel; Manager's use of paid time off, administrative leave or floating holidays; illness; construction, maintenance or other condition affecting occupancy of Manager's office; or other circumstance separately approved by Council.

(e)(d) General Expenses. City recognizes that certain expenses of a non-personal and generally job-affiliated nature are incurred by ~~the~~ Manager, including participation in civic and other local organizations, and hereby agrees to reimburse or pay said reasonable general expenses.

Subject to ~~the~~ Council's discretion to adopt and amend the budget, the City Treasurer (or other designated City employee) is hereby authorized to disburse funds within the

adopted budget as needed to fulfill all provisions of this Agreement upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

City shall bear full cost of any fidelity or other bonds required of Manager under any law or ordinance.

(e) Technology Allowance. Manager shall at all times keep and maintain his own home Internet capabilities and cellular telephone with e-mail, Internet, and data capabilities available for use in connection with Manager's ~~services to be provided hereunder~~duties, and such laptop computer or tablet computer technology as is reasonably required to assure Manager can be responsive to City's needs, including emergency response. Manager shall be paid a ~~Technology~~technology Allowance allowance of One Hundred Fifty Dollars (\$150.00) per month, to offset the costs of maintaining such ~~cell phone and personal computing~~ technology.

(d)(f) Vehicle Insurance. Manager shall at all times keep and maintain in full force and effect during the term of this Agreement automobile liability insurance with minimum limits of \$100,000 per claim and \$300,000 per occurrence, or such lesser amount as otherwise may be established by the City Council.

7. PERFORMANCE EVALUATION

(a) ~~The~~ Council and Manager may annually define such goals and objectives for ~~the~~ City which they mutually determine necessary for the proper operation of ~~the~~ City in the attainment of ~~the~~ Council's policy objectives, and ~~the~~ Council and Manager may further establish a priority among those various goals and objectives to be reduced to writing. The process of considering the establishment and priority of goals and objectives of ~~the~~ City shall be conducted and completed generally in July of each year ("Goals and Objectives"), and may occur in connection with Manager's annual performance review.

(b) ~~The~~ Council, following informal and nonbinding consultation with Manager, shall periodically assess the Goals and Objectives and how they relate to the performance of Manager. ~~The~~ Council shall review and evaluate the performance of Manager at least once annually, in closed session, on a form Council and Manager mutually agree to. Except as otherwise required by law, any public report of Manager’s evaluation shall be made in accordance with a mutual agreement by Council and Manager as to form and content. To the extent Council desires to use a consultant or other party, with the exception of the City Attorney, to facilitate, manage or conduct work on behalf of Council as it relates to Manager’s evaluation, such consultant or other party shall be mutually agreed to by Council and Manager. Notwithstanding any term or provision of this Agreement to the contrary, Manager shall serve at the will and pleasure of ~~the~~ Council, and ~~the~~ Council shall be entitled to terminate the employment of Manager without cause.

8. TERMS OF EMPLOYMENT

~~The~~ Council, following informal and nonbinding consultation with Manager, may by motion, resolution or written amendment to this Agreement approved as an official Council meeting agenda item, fix any other terms and conditions of employment as it may determine, from time to time, relating to the performance of Manager, provided such terms and conditions are not prohibited by the provisions of this Agreement, the Laguna Woods Municipal Code or any other rules or regulations of ~~the~~ City or other applicable laws. Manager shall be subject to applicable City Resolutions and Personnel Rules, provided, however, that ~~the Mayor-Council will shall~~ replace the role of the City Manager therein in dealings affecting Manager that would otherwise be referred to or involve the City Manager, and provided further that nothing therein shall abridge or infringe the “~~at-at~~-will” nature of Manager’s employment, nor grant Manager any rights inconsistent with that status.

9. CONFLICT OF INTEREST PROHIBITION

It is understood and agreed that because of the duties of Manager within and on behalf of the City of Laguna Woods and its citizenry, Manager shall not, during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of the City of Laguna Woods, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of ~~the City~~ Council. For and during the term of this Agreement, Manager further agrees, except for a personal residence or residential property acquired or held for future use as his personal residence and real property acquired by Manager prior to the Effective Date of this Agreement, not to invest in any other real estate or property improvements within the corporate limits of the City of Laguna Woods without prior consent of ~~the City~~ Council.

10. PROVISIONS OF GOVERNMENT CODE SECTION 53243.4 ET AL.

(a) Pursuant to Government Code section 53243, In-in the event ~~that the~~ City provides paid leave to ~~the~~ Manager pending an investigation of a crime involving abuse of his office or position covered by Government Code section 53243.4, and should that investigation lead to a conviction, ~~the~~ Manager shall fully reimburse ~~the~~ City for any salary provided for that purpose.

(b) Pursuant to Government Code section 53243.1, In-in the event ~~that the~~ City provides funds for the legal criminal defense of ~~the~~ Manager pending an investigation of a crime involving abuse of his office or position covered by Government Code section 53243.4, and should that investigation lead to a conviction, ~~the~~ Manager shall fully reimburse ~~the~~ City for any funds provided for that purpose.

(c) Pursuant to Government Code section 53243.2, In-in the event ~~that the~~ City provides a cash settlement related to the termination of ~~the~~ Manager as defined in the terms of this

Agreement and ~~the~~ Manager subsequently is convicted of a crime involving abuse of his office or position covered by Government Code section 53243.4, ~~the~~ Manager shall fully reimburse ~~the~~ City for any funds provided for that purpose.

11. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties concerning the subject matter set forth herein and no promise, representation, warranty or covenant not included in this Agreement has been or is relied upon by any party hereto concerning the offer and acceptance of employment described herein.

12. NO CONTINUING WAIVER

No waiver of any term or condition of this Agreement by either party shall be deemed a continuing waiver of such term or condition.

13. EFFECTIVE DATE AND ANNIVERSARY DATE

The Effective Date of this Agreement shall be ~~October~~ May 17, ~~2018~~ 2023. The Anniversary Date shall be August 21 of each subsequent year this Agreement remains in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth hereinabove.

CITY:

MANAGER:

~~Carol Moore~~
Cynthia S. Connors
Mayor

~~Christopher Macon~~

Agreement approved by the City Council in open session at a meeting on ~~October~~May 17, ~~2018~~2023.

ATTEST:

~~Yolie Trippy, CMC~~
Deputy City Clerk

APPROVED AS TO FORM:

~~David B. Cosgrove~~
Alisha Patterson
City Attorney

PREDELINE

EXHIBIT "A"

WAIVER AND GENERAL RELEASE

THIS WAIVER AND GENERAL RELEASE (hereinafter " Agreement") is entered into by and between City Manager [NAME] (hereinafter the "City Manager") and the CITY OF LAGUNA WOODS (hereinafter "City") and is made with reference to the following facts:

RECITALS

A. The City Manager is employed by the City as the City Manager pursuant to that certain [TITLE OF AGREEMENT] dated [DATE] (the Employment Agreement").

B. The City Council terminated the City Manager without cause, effective [DATE] ("Termination Date").

C. Pursuant to Section of the Employment Agreement, in the event the City Manager is terminated without cause, the City Manager is entitled to a severance payment, conditioned on the City Manager executing a release and waiver of any and all claims against the City, it's officers, employees, and agents arising out of his employment with the City and the termination thereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Lump Sum Cash Payment.** In consideration of the releases as set forth in this Agreement, the City shall pay the City Manager a Severance Payment equal to six (6) months of the base salary the City Manager is receiving on the date of the City Council's action to terminate the City Manager, or as many months as then remain on the City Manager's contract term, whichever is less, less legally required or authorized deductions, plus a lump sum deferred compensation contribution equal to six (6) months of the deferred compensation contribution the City Manager is receiving on the date of the City Council's action to terminate the City Manager, or as many months as then remain on the City Manager's contract term, whichever is less. The City shall provide the Severance Payment to the City Manager within fifteen (15) calendar days after the Revocation Period (as defined herein) expires.

2. **Insurance.** In consideration of the releases as set forth in this Agreement, the City shall pay the City Manager's Consolidated Omnibus Budget Reconciliation Act ("COBRA") premiums for COBRA insurance coverage otherwise available to the City Manager, for a period of six (6) months, or as many months as then remain on the City Manager's contract term, or until the City Manager becomes ineligible for COBRA, whichever is less

2. **Payout of Accrued Leave Time.** Within fifteen (15) calendar days after the Revocation Period (as defined herein) expires, the City shall pay the City Manager for his accrued leave time in the amounts set forth below, less any relevant taxes and other legally required withholdings:

a) Paid Time Off (_ hours) - \$ _

b) Floating Holidays (_ hours) - \$ _

3. **Releases.**

a) In consideration of the compensation provided for by this agreement, the City Manager, for the City Manager's self and the City Manager's successors, assigns and representatives, does hereby release the City, its officers, agents, employees, insurers, successors, predecessors, assigns and representatives, from any and all claims, demands, causes of actions, contracts, covenants, representations, warranties, promises, undertakings, actions, suits, obligations, controversies, debts, costs, expenses, accounts, damages, losses, judgments, liabilities or demands of any nature whatsoever, anticipated or unanticipated, known or unknown (collectively "Claims") that the City Manager may have or claim to have at any time up to and including the time this Agreement is executed by the respective parties. The matters released include by way of example and not

limitation: Claims for injuries to the City Manager arising out of or relating to the course and scope of employment with the City; claims for alleged violations of any contracts, express or implied, or any covenants of good faith and fair dealing, express or implied; claims of any legal restrictions on the City's right to discipline or terminate employees, any "constructive discharge," or "wrongful discharge," or any tort; claims for defamation, invasion of privacy and emotional and/ or personal injury or distress or the like; claims for sick leave, vacation, compensated time off, separation pay or severance; claims for violation of any local, state, federal or other government statute, regulation or ordinance, as amended, or any public policy expressing such statute, regulation or ordinance, including, without limitation, the following: Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national original discrimination); 42 U. S. C. Section 1918 and 1983 (discrimination in making and enforcement of contracts, deprivation of rights, respectively); Age Discrimination in Employment Act (42 U. S. C. Section 621, 634); Federal and California Equal Pay Acts (29 U. S. C. Section 206(d)(1) and California Labor Code Sections 3200 et seq.); California Fair Employment and Housing Act (Government Code Section 12940, et seq., including discrimination on the basis of race, color, national origin, ancestry, physical handicap, mental condition, marital status, sex or age); California Labor Code Section 1102. 1 (sexual orientation); Executive Order 11141 (age discrimination); Rehabilitation Act of 1973 (-29 U. S. C. Sections 503 and 504); Older Workers Benefit Protection Act; Amendments to the Age Discrimination in Employment Act (29 U. S. C. Sections 621, et seq.); Civil Rights Act of 1991; Americans with Disabilities Act; or the Unruh Civil Rights Act California Civil Code Section 51, et seq.); State and Federal Family Medical Leave Acts; any other local, state or federal statute, rule, regulation, ordinance, law or constitution, governing employment, employment termination, discrimination or harassment in employment, or payment of wages or benefits not otherwise specifically mentioned.

b) The City Manager expressly acknowledges and agrees that, by entering into this Agreement, the City Manager is waiving any and all rights or claims that the City Manager may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. The City Manager further expressly acknowledges and agrees that (a) the City Manager has entered into this Agreement voluntarily, free from duress, coercion, or mistake of facts; (b) that this Agreement is in writing and understandable; (c) that the City Manager is waiving current ADEA claims explicitly and cannot waive future ADEA claims; (d) in return for this Agreement the City Manager will receive consideration beyond that which the City Manager was already entitled to receive before entering into this Agreement; (e) the City Manager has been advised and is hereby advised in writing to consult with an attorney before signing this Agreement; (f) that the City Manager has been given a copy of this Agreement and informed that the City Manager has twenty-one (21) days within which to consider the Agreement, which period the City Manager has elected to waive; and (g) the City Manager is hereby informed that the City Manager has seven (7) days following the date of the City Manager's execution of this Agreement in which to revoke the Agreement ("Revocation Period"). Any notice of revocation must be in writing and must be delivered to the City Attorney, prior to the end of the seventh calendar day following the date of the City Manager's execution. The Agreement shall become binding and effective on the eighth day after the date of execution unless a revocation has been filed.

c) The parties represent and warrant that they have not filed any complaints, charges, or lawsuits against the other, or the City’s Councilmembers, officers, directors, employees, attorneys, or agents, with any court or governmental agency arising out of the City Manager’s employment with the City, and that they will not do so at any time hereinafter. However, the Parties shall not be limited from pursuing claims for the sole purpose of enforcing their rights under this Agreement. Further, the Parties agree that under this Agreement, they waive any claim for damages incurred at any time after the date of this Agreement because of alleged continuing effects of any alleged unlawful acts or omissions involving the City Manager’s employment with or separation from the City, including compensation and other employee benefits. Nothing in this Agreement shall prevent the City from forwarding information or documents to law enforcement officials if the City determines that illegal conduct may have occurred or if otherwise required by law.

d) The parties intend and agree that this Agreement will be effective as full, final and general release of and from all matters covered herein. In furtherance thereof, the City Manager acknowledges that the City Manager is familiar with and has secured independent advice as to California Civil Code Section 1542 which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The City Manager expressly waives and releases any right or benefit which the City Manager may have or may in the future have under California Civil Code Section 1542 and all similar laws, rules and statutes to the fullest extent that such rights or benefits may be lawfully waived or released.

e) The City Manager acknowledges that the City Manager may hereafter discover facts different from or in addition to those now known or believed to exist arising out of the employment relationship recited above, or matters for which releases have been given herein, and agrees that this Agreement will nonetheless be binding and remain in full and complete force and effect.

f) The City Manager acknowledges that he has had the opportunity to consult independent legal counsel of his own choice prior to the execution of this Agreement. Each party shall bear his or its own respective legal fees and costs.

4. Return of City Property. Before accepting the Severance Payment, the City Manager shall return all City property, including identification cards or badges, access codes or devices, keys, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files, physical files, and any other City property in the City’s possession. Notwithstanding the timeframe outlined in Section 1 of this Agreement, the City shall

not be required to provide the Severance Payment unless and until the City Manager has returned all City property.

5. Confidential Information and Trade Secrets.

This clause is specifically designed to protect the City's confidential or proprietary information and confidential information and trade secrets. The City Manager acknowledges that during the course of his employment, he has obtained and has had access to certain confidential information, including, but not limited to, personnel information, legal advice, and other confidential or proprietary information relating to City business ("Confidential Information"). All Confidential Information is of substantial value to the City. The City Manager that Confidential Information shall be construed to the fullest extent permitted by Civil Code section 3426 et seq. and any other law that would preclude the release of Confidential Information. The City Manager hereby agrees to forever hold the Confidential Information in strict confidence and not to use such Confidential Information for his or any other person's benefit. If the City Manager is compelled in any judicial or administrative proceeding to disclose any Confidential Information, he shall promptly notify the City in writing of the proceeding, so that the City may oppose such disclosure or seek an appropriate protective order or other remedy to prevent the disclosure.

The City Manager agrees to deliver or return to the City all Confidential Information regardless of the form it takes, whether documents (including all copies thereof), electronically stored information (including, but not limited to, email, information stored on any laptop, home computer, handheld personal device or cellular phone, voicemail, text messages, portable storage devices, CDs, DVDs, disks) records, lists, or notes.

6. Miscellaneous.

a) Integration. This Agreement contains and expresses the entire and final agreement of the parties with respect to the matters covered herein, and supersedes all negotiations, prior discussions, prior agreements and preliminary agreements between the parties. No promises or representations, express or implied, concerning this Agreement have been made by the parties other than those contained in this Agreement.

b) Amendments. Any alteration or modification of this Agreement must be in writing and signed by each party to it, or their authorized representatives.

c) Severability. In the event a court of competent jurisdiction determines that any provision of this Agreement or application of it is void, invalid, unenforceable or contrary to law for any reason, its remaining provisions shall remain in full force and effect.

d) Binding on Successors and Assigns. This Agreement shall forever bind and inure to the benefit of the parties and their respective successors and assigns of every type.

e) No Admission of Wrongdoing. Each party to this Agreement denies its liability to the other party hereto in connection with the subject matter of this Agreement, but desires to resolve the rights, claims and causes of action, if any, between and among them without the necessity of litigation. This Agreement is a compromise of the disputed claims and rights, and shall not constitute or be construed as an admission by either of the parties of

wrongdoing or violation of any law, statute, duty or contract whatsoever, or that any of the parties was entitled to any damages or amounts demanded incident to this controversy.

f) Admissibility of Agreement. Notwithstanding any other provision of this Agreement to the contrary, it is the parties' intent that this Agreement be admissible, binding and enforceable under California Civil Code section 664. 6, and subject to disclosure within the meaning of California Evidence Code section 1123(a), (b) and (c), and that this Agreement is expressly not privileged from disclosure under California Evidence Code section 1119.

g) Venue. The Parties agree that any and all disputes regarding this Agreement shall be brought in the Superior Court of the State of California, Orange County.

h) Attorneys' Fees. In any action brought to enforce any provision of this Agreement, each side shall bear their own costs and attorney's fees.

i) Indemnification for Tax Obligations. It is expressly understood and agreed that the City Manager has secured his own independent advice with respect to the tax consequences of the payments to be made under this Agreement and shall indemnify and hold the City harmless for any and all claims, demands or actions brought alleging any tax obligation with respect to said payments. It is expressly understood that by entering into this Agreement, the City Manager is not relying upon any representations concerning the tax consequences or effect of the payments to be made under this Agreement by the City or its attorneys.

j) Execution. This Agreement may be executed in two or more counterparts, including typewritten, photographic or facsimile copies, each of which shall be deemed to be an original Agreement, and all of which together shall constitute one agreement.

THE UNDERSIGNED PARTIES, AND EACH OF THEM, ACKNOWLEDGE THAT THEY HAVE CAREFULLY READ THIS AGREEMENT IN ITS ENTIRETY, HAVE HAD THE OPPORTUNITY TO DISCUSS THE CONTENTS OF THE AGREEMENT WITH THEIR RESPECTIVE ATTORNEYS AND, AS A RESULT, FULLY UNDERSTAND THE TERMS AND CONSEQUENCES OF THE AGREEMENT. BASED ON THEIR KNOWLEDGE AND UNDERSTANDING OF THE AGREEMENT, THE PARTIES REPRESENT AND WARRANT THAT THEY FREELY AND VOLUNTARILY ENTER INTO IT ON THE DATE SET FORTH BELOW.

[SIGNATURES]