

CITY of LAGUNA WOODS CITY COUNCIL AGENDA

Regular Meeting
Wednesday, September 20, 2023
2:00 p.m.

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

Cynthia Connors
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

9/15/23
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: 842 0190 3313 followed by pound (#) and the following meeting passcode: 204251 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: 842 0190 3313
- Open the Zoom application following the on-screen prompts
- Enter the following meeting password: 204251
- 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 Hunger Action Month – September 2023

Recommendation: Approve and present the proclamation.

4.2 Fire Prevention Week – October 8-14, 2023

Recommendation: Approve and present the proclamation.

4.3 City Hall/Public Library Project Update

Recommendation: Receive and file.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

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

VI. CONSENT CALENDAR

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

6.1 City Council Minutes

Recommendation: Approve the City Council meeting minutes for the regular meeting on August 16, 2023.

6.2 City Treasurer's Report

Recommendation: Receive and file the City Treasurer's Report for the month of August 2023.

6.3 Warrant Register

Recommendation: Approve the warrant register dated September 20, 2023 in the amount of \$933,040.60.

6.4 Fiscal Years 2023-25 Budget and Work Plan & Fiscal Years 2023-34 Capital Improvement Program

Recommendation:

1. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2023-25 BUDGET AND WORK PLAN FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, AND FISCAL YEAR 2024-25 COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025

AND

2. Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, IN ACCORDANCE WITH ARTICLE XIII B OF THE CALIFORNIA STATE CONSTITUTION

6.5 Investment of Financial Assets Policy

Recommendation: Adopt a resolution titled:

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

6.6 Workplace Violence Policy

Recommendation: Adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AMENDMENTS TO ADMINISTRATIVE POLICY 4.8 PERTAINING TO WORKPLACE VIOLENCE

6.7 Landscape Architecture and Landscape Plan Review Services

Recommendation: Approve an extension of the agreement with RJM Design Group, Inc. for landscape architecture and landscape plan review services and authorize the City Manager to execute the extension, subject to approval as to form by the City Attorney.

6.8 Catch Basin Maintenance Services

Recommendation: Approve an agreement with United Storm Water, Inc. for catch basin maintenance services and authorize the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

6.9 El Toro Road and Moulton Parkway Water Quality Treatment Project

Recommendation: Reject all bids received for the “El Toro Road and Moulton Parkway Water Quality Treatment Project” (bid opening date of August 31, 2023).

VII. PUBLIC HEARINGS

7.1 Cannabis Storefront Retailer Fees

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

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, ADOPTING A NEW ANNUAL APPLICATION AND ROUTINE INSPECTION

FEE FOR CANNABIS STOREFRONT RETAILERS
APPLYING FOR A COMMERCIAL CANNABIS PERMIT;
AND DETERMINING AND CERTIFYING THAT THE
RESOLUTION IS EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT

7.2 Electric Vehicle Charging Station Fees

Recommendation:

1. Receive staff report.

AND

2. Open public hearing.

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, ADOPTING NEW
ELECTRIC VEHICLE CHARGING FEES FOR USE OF
CITY-OWNED ELECTRIC VEHICLE CHARGING
STATIONS LOCATED AT LAGUNA WOODS CITY HALL,
24264 EL TORO ROAD, LAGUNA WOODS, CA 92637;
AND DETERMINING AND CERTIFYING THAT THE
RESOLUTION IS EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT

VIII. CITY COUNCIL BUSINESS

8.1 Business Registration Ordinance (agendized by Councilmember Moore)

Recommendation: Direct the City Manager to draft an ordinance for future consideration by the City Council that would – if adopted by the City Council at a future meeting – require businesses operating from a fixed location in Laguna Woods (excluding home-based businesses) to register with the City.

8.2 Street Racing and Excessive Vehicle-related Noise Ordinance (agendized by Councilmember Moore)

Recommendation: Direct the City Manager to draft an ordinance for future consideration by the City Council that would – if adopted by the City Council at a future meeting – prohibit street racing and excessive vehicle-related noise on public streets.

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 Connors

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 Regular Meeting: Wednesday, October 18, 2023 at 2 p.m.
Laguna Woods City Hall
24264 El Toro Road, Laguna Woods, California 92637

4.1
HUNGER ACTION MONTH
– SEPTEMBER 2023

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**Proclamation
City of Laguna Woods
Hunger Action Month
September 2023**

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

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

WHEREAS, hunger, food and nutritional insecurity, and poverty, are issues of vital concern in Orange County where 267,330 people face food insecurity, according to Feeding America’s Map the Meal Gap Study for 2021; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim September 2023 as “Hunger Action Month” in the City of Laguna Woods and encourages its residents to consider donating, volunteering, or otherwise supporting the efforts of food banks, food recovery organizations, and meals on wheels programs.

Dated this 20th day of September, 2023

Cynthia S. Conners
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.2
FIRE PREVENTION WEEK
– OCTOBER 8-14, 2023

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**Proclamation
City of Laguna Woods
Fire Prevention Week
October 8-14, 2023**

WHEREAS, fire is a serious public safety concern both locally and nationally, and homes are where people are at greatest risk from fire; and

WHEREAS, cooking is the leading cause of house fires and injuries in the United States, causing nearly half of all home structure fires; and

WHEREAS, more than 3,000 Americans die in fires each year, with structure fires affecting an average of 358,500 homes each year and resulting in 7 deaths a day; and

WHEREAS, more than a third of home fire deaths occur in homes with no smoke alarms. Working smoke alarms in the home can reduce the risk of dying in a fire by more than half; and

WHEREAS, the 2023 Fire Prevention Week theme, “*Cooking Safety Starts with YOU – Pay Attention to Fire Prevention*,” serves as a reminder for residents to learn the simple but important actions that can be taken to keep themselves and those around them safe from cooking fires.

NOW, THEREFORE, BE IT RESOLVED that the Laguna Woods City Council does hereby proclaim October 8-14, 2023 as “Fire Prevention Week” in the City of Laguna Woods and urges its residents to practice safe cooking habits. Residents should stay in the kitchen while cooking and remove items from around the stove that can catch fire.

Dated this 20th day of September, 2023

Cynthia S. Conners
Mayor

Attest: Yolie Trippy, CMC
City Clerk

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4.3
CITY HALL/PUBLIC LIBRARY UPDATE
(NO REPORT)

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6.0
CONSENT CALENDAR SUMMARY

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: September 20, 2023 Regular Meeting

SUBJECT: Consent Calendar Summary

Recommendation

Approve all proposed actions on the September 20, 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 September 20, 2023 Consent Calendar contains the following items:

- 6.1 Approval of the City Council meeting minutes for the regular meeting on August 16, 2023.
- 6.2 Approval of a motion to receive and file the City Treasurer's Report for the month of August 2023.
- 6.3 Approval of the warrant register dated September 20, 2023 in the amount of \$933,040.60. 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] Adoption of a resolution amending and adopting the Fiscal Years 2023-25 Budget and Work Plan for Fiscal Year 2023-24 commencing July 1, 2023 and ending June 30, 2024, and Fiscal Year 2024-25 commencing July 1, 2024 and ending June 30, 2025. The proposed resolution (Attachment A) would amend the Fiscal Years 2023-25 Budget & Work Plan to correct General Fund franchise fee revenue projections and public safety services appropriations, as well as clarify Fuel Tax Fund, Road Maintenance & Rehabilitation Program Fund, and Senior Mobility Program Fund revenue projections. The amendments are necessary due to (1) the inadvertent understatement of General Fund franchise fee revenue by \$135,000 in Fiscal Year 2023-24 and \$139,000 in Fiscal Year 2024-25, (2) a spreadsheet error that resulted in some – but not all – of the budget documents omitting a \$40,000 General Plan appropriation for the Emergency Operations Plan Update from totals for Fiscal Year 2023-24, and (3) inadvertent inconsistency in projected revenues for the Fuel Tax Fund, Road Maintenance & Rehabilitation Program Fund, and Senior Mobility Program Fund amongst budget documents. As proposed, the increase in General Fund revenue projections previously adopted by the City Council would be 1.88% for Fiscal Year 2023-24 and 1.89% for Fiscal Year 2024-25; the increase in General Fund appropriations for Fiscal Year 2023-24 would be 0.52%. All other proposed amendments relate to clarifying projected revenue and would have no effect on existing appropriations. The proposed resolution would also authorize staff to revise the Fiscal Year 2023-25 Budget & Work Plan to reflect the amendments and correct typographical errors.

AND

[2] Adoption of a resolution amending and adopting the annual appropriations limit (Gann Limit) for Fiscal Year 2023-24 commencing July 1, 2023 and ending June 30, 2024, in accordance with Article XIII B of the California State Constitution. The Gann Limit adopted for Fiscal Year 2023-24 is correct; however, staff has calculated that the amount of appropriations subject to the Gann Limit totals \$4,991,577, which is \$24,245 less than previously adopted. The proposed resolution would amend the Gann Limit documentation to reflect the recalculation. As the City does not anticipate receiving or appropriating tax proceeds in excess of the Gann Limit, neither the existing nor recalculated amount of appropriations subject to the Gann Limit is expected to impact the City's operations.

- 6.5 Adoption of a resolution reviewing and adopting an annual statement of the investment policy, adopting an investment policy, and renewing the City Council’s delegation of investment authority to the City Treasurer pursuant to California Government Code Section 53607. An agenda report is included with additional information.
- 6.6 Adoption of a resolution adopting amendments to Administrative Policy 4.8 pertaining to workplace violence. The proposed resolution (Attachment A) would update the Workplace Violence Policy, which was adopted by the City Council in 2001. The proposed policy (Exhibit A to Attachment A) is based on guidance provided by the California Joint Powers Insurance Authority and has been reviewed by the City Attorney’s Office. The existing policy is included as Attachment B.
- 6.7 Approval of an extension of the agreement with RJM Design Group, Inc. for landscape architecture and landscape plan review 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 from July 1, 2023 through June 30, 2024, as allowed by the existing agreement. RJM Design Group has provided landscape architecture and landscape plan review services to the City since June 7, 2021. Due to RJM Design Group’s qualifications and performance to-date, staff recommends extending the agreement. Staff plans to conduct a competitive Request for Proposals (“RFP”) process later this fiscal year for services beginning July 1, 2024.
- 6.8 Approval of an agreement with United Storm Water, Inc. for catch basin maintenance services and authorization for the City Manager to execute the agreement, subject to approval as to form by the City Attorney. The Request for Proposals (“RFP”) for catch basin maintenance services was released on August 3, 2023 with proposals due by August 25, 2023. Only one proposal was received (United Storm Water). After reviewing the proposal, staff recommends that the City Council award an agreement to United Storm Water due to factors including, but not limited to, experience and past performance. United Storm Water provided catch basin maintenance services for the City between August 1, 2011 and June 30, 2013, and in January 2016. United Storm Water either provides or has provided similar services for the cities of Dana Point, Santa Ana, and Tustin.
- 6.9 Rejection of all bids received for the “El Toro Road and Moulton Parkway

Water Quality Treatment Project” (bid opening date of August 31, 2023). Two bids were received for this project (see table below). Subsequent to the bid opening, the low bidder withdrew from consideration due to a clerical error that resulted in an unintentional material difference between their actual and intended bid amounts. The remaining bidder’s bid amount is approximately 192% higher than the City’s construction cost estimate of \$192,000. Staff recommends rejecting all bids and rebidding this project.

Bidder	Bid Amount
GCI Construction, Inc.	\$560,448
Kormex Construction, Inc.	\$259,000

The El Toro Road and Moulton Parkway Water Quality Treatment Project is included in the Fiscal Years 2023-34 Capital Improvement Program and involves the construction of a modular wetland system unit on westbound El Toro Road east of Aliso Creek Road near Woods End Wilderness Preserve, and a vegetated swale on southbound Moulton Parkway between City Centre Park and El Toro Road.

6.1
CITY COUNCIL MINUTES

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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**CITY OF LAGUNA WOODS CALIFORNIA
CITY COUNCIL MINUTES
REGULAR MEETING
August 16, 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 Regular 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 McCary led the pledge of allegiance.

Mayor Connors requested to move Item 8.1 to next on the agenda. There were no objections.

VIII. CITY COUNCIL BUSINESS

8.1 Cannabis Retail Sales Business Regulations

City Manager Macon made a presentation.

The following public comments were received:

- Maureen Mehler, resident, spoke in support of allowing cannabis storefront retailers in Laguna Woods.

ITEM 6.1

- Erin McCormick, McCormick & Son Mortuary, shared information regarding the mortuary's operations and emergency services provided, as well as chemicals stored on-site and sensitivity to the religious beliefs of families.

Mayor Conners briefly responded to Ms. McCormick's comments.

- Jim Ropo and his unidentified spouse, residents, spoke in opposition to allowing cannabis storefront retailers in Laguna Woods.
- Juanita Skillman, member, spoke in support of allowing cannabis storefront retailers in Laguna Woods.
- Dave Wheeler, Mayor Pro Tem of the City of Laguna Hills, spoke in opposition to allowing cannabis storefront retailers in Laguna Woods.

Councilmember McCary made comments.

- Kathryn Freshley, resident, spoke in opposition to allowing cannabis storefront retailers in Laguna Woods.
- Chad Wanke, member of the public and part of the Committee to Support Measure T, spoke regarding crime and the clientele of legal versus illegal retailers.
- Jonathan Adler, representative of the Laguna Woods Democratic Club, spoke in support of allowing cannabis storefront retailers in Laguna Woods.

Councilmember Moore made comments.

- Andrew Barnett, member of the public, spoke regarding medical benefits of cannabis and California Senate Bill 1186.
- Lonnie Painter, resident, spoke in support of allowing cannabis storefront retailers in Laguna Woods.
- Jonathan Adler, resident, spoke in support of allowing cannabis storefront retailers in Laguna Woods.

Mayor Conners responded to comments from Mr. Wheeler regarding Mr. Adler's ability to speak twice during public comments.

- Grace Hansel, resident, spoke regarding the federal illegality of cannabis.
- Ruth Carter, resident, spoke in support of allowing cannabis storefront retailers in Laguna Woods.

- Dave Wheeler, Mayor Pro Tem of the City of Laguna Hills, spoke in opposition to allowing cannabis storefront retailers in Laguna Woods.
- Janine Heft, Mayor of the City of Laguna Hills, spoke in opposition to allowing cannabis storefront retailers in Laguna Woods.
- Irene (last name indecipherable), resident, stated that seniors are not in the hospital for using cannabis.
- Pat Micone, resident, suggested allowing only medical cannabis sales and taking more time before adopting an ordinance.

Councilmember Moore made comments regarding written public comments.

Mayor Connors noted that emails were received by the City both in support and opposition of allowing cannabis storefront retailers in Laguna Woods.

- Sarah Armstrong, Americans for Safe Access, spoke in support of allowing cannabis storefront retailers in Laguna Woods.
- Neil (no last name provided), member of the public, expressed concerns regarding allowing cannabis storefront retailers in Laguna Woods and suggested keeping them away from low-income neighborhoods and considering medical cannabis or delivery only.

Councilmembers discussed the item. Staff and Captain Alday, Orange County Sheriff's Department, answered related questions.

Moved by Councilmember McCary, seconded by Mayor Connors, and carried on a 3-2 vote, with Mayor Pro Tem Hatch and Councilmember Moore voting no, to approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTIONS 13.06.010, 13.08.010, 13.10.020, 13.12.020, 13.13.020, 13.18.070, AND 13.26.025 OF TITLE 13 (ZONING) OF THE LAGUNA WOODS MUNICIPAL CODE TO ESTABLISH A REGULATORY FRAMEWORK FOR CANNABIS STOREFRONT RETAILERS, SET THE CANNABIS BUSINESS TAX RATE FOR CANNABIS STOREFRONT RETAILERS, AND CLARIFY THE NATURE OF PROHIBITED CANNABIS BUSINESSES AND EXISTING REGULATIONS PERTAINING TO TOBACCO AND TOBACCO CIGARETTE SALES; AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Mayor Connors called for a brief recess at 3:35 p.m.

The meeting was called back to order at 3:47 p.m.

Mayor Connors requested to move Item V to next on the agenda. There were no objections.

V. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Cheryl Fennik, resident, expressed concerns with a City notice that was left at her door regarding alleged, unpermitted work.

City Manager Macon briefly responded to Ms. Fennik's comments.

Kimberlee Belli, on behalf of Orange County Supervisor Katrina Foley, shared information on the upcoming Senior Summit and responded to questions from councilmembers.

Councilmembers briefly discussed Ms. Belli's comments.

IV. PRESENTATIONS AND CEREMONIAL MATTERS

4.1 City Hall/Public Library Project Update

City Manager Macon provided an update.

Juanita Skillman, resident, inquired about the staffing level of the new library, what days and hours will the library be open, if there will be a printer/copier available to the public, and recommended paperbacks and large print books for the library.

City Manager Macon and Mayor Connors briefly responded to Ms. Skillman's comments.

An unidentified member of the public inquired about the occupancy level of the library and the number of books that will be available.

Councilmember Moore and City Manager Macon briefly responded to the comments.

VI. CONSENT CALENDAR

Moved by Mayor Pro Tem Hatch, seconded by Councilmember Horne, and carried unanimously on a 5-0 vote, to approve Consent Calendar items 6.1 – 6.6.

6.1 City Council Minutes

Approved the City Council meeting minutes for the regular meeting on July 19, 2023.

6.2 City Treasurer's Report

Received and filed the City Treasurer’s Report for the month of July 2023.

6.3 Warrant Register

Approved the warrant register dated August 16, 2023 in the amount of \$614,163.44.

6.4 Code Enforcement Services

Approved an agreement with Willdan Engineering for code enforcement services and authorized the City Manager to execute the agreement, subject to approval as to form by the City Attorney.

6.5 Deed of Easement

Approved a deed of easement to the El Toro Water District for certain waterline infrastructure constructed as part of the City Hall/Public Library Project at 24264 El Toro Road, Laguna Woods, CA 92637 (Assessor’s Parcel Number: 621-121-29) and authorized the Mayor to execute the deed of easement.

6.6 Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 6 and 6(B)

1. Approved final record plans and specifications reflecting completion of the Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 6 and 6(B)” as prepared by the project engineer.

AND

2. Accepted project completion of the contract agreement with Kalban, Inc. for the Americans with Disabilities Act (ADA) Pedestrian Accessibility Improvement Project: Phase 6 and 6(B)”.

AND

3. Release contract retention in the amount of \$12,939.35 withheld per California Government Code 35 days following recordation of the Notice of Completion with the County of Orange, provided no Stop Notices are on file with the City preventing the release of the contract retention.

AND

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

VII. PUBLIC HEARINGS – None

VIII. CITY COUNCIL BUSINESS

8.2 Zoning Code Amendments

City Manager Macon made a presentation.

Moved by Mayor Pro Tem Hatch, seconded by Councilmember McCary, and carried unanimously on a 5-0 vote, to approve second reading and adopt an ordinance – read by title with further reading waived – titled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING CHAPTER 13.14 AND SECTIONS 13.04.020, 13.08.010, 13.13.020, 13.15.011, 13.15.015, 13.15.016, 13.15.017, 13.15.020, 13.23.030, AND 13.26.070 OF TITLE 13 (ZONING) OF THE LAGUNA WOODS MUNICIPAL CODE, AND DETERMINING AND CERTIFYING THAT THE ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

8.3 2021-2029 General Plan Housing Element Update

Councilmember Hatch made comments.

City Manager Macon made a presentation.

Juanita Skillman, resident, inquired about the relevancy of recent room rental changes in the California Civil Code.

City Manager Macon briefly responded to Ms. Skillman’s comments.

Councilmember Moore left the dais at 4:34 p.m.

Mayor Connors briefly responded to Ms. Skillman’s comments.

Kathryn Freshley, resident, inquired about the effect of the proposed zoning overlays on the sale of properties identified in the Housing Element as potential housing sites.

City Manager Macon briefly responded to Ms. Freshley’s comments.

Councilmembers discussed the item and staff answered related questions.

Councilmember Moore returned to the dais at 4:36 p.m.

Councilmember Horne left the dais at 4:39 p.m.

Moved by Mayor Pro Tem Hatch, seconded by Councilmember McCary, and carried

unanimously on a 4-0 vote, with Councilmember Horne absent, to adopt a resolution titled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING REVISIONS TO THE 2021-2029 GENERAL PLAN HOUSING ELEMENT, AND PROVIDING DIRECTION AND MAKING FINDINGS RELATED TO ADOPTION OF THE 2021-2029 GENERAL PLAN HOUSING ELEMENT PURSUANT TO APPLICABLE STATE LAW

- 8.4 2022-2023 Orange County Grand Jury Report, “Welcome Neighborhood – Are cities responsibly managing the integration of group homes?”

City Manager Macon made a presentation.

Mayor Conners made comments.

Moved by Mayor Pro Tem Hatch, seconded by Councilmember McCary, and carried unanimously on a 4-0 vote, with Councilmember Horne absent, to approve a response to the 2022-2023 Orange County Grand Jury Report, “Welcome to the Neighborhood – Are cities responsibly managing the integration of group homes?,” authorize the Mayor to execute the response, and direct the City Manager to submit the response as required by applicable law.

- 8.5 El Toro Road Medians Improvement Project (Westbound El Toro Road between Moulton Parkway to Calle Sonora)

City Manager Macon made a presentation.

Councilmember Horne returned to the dais at 4:44 p.m.

Councilmembers discussed the item and staff answered related questions.

Moved by Councilmember Horne, seconded by Councilmember McCary, and carried unanimously on a 5-0 vote, to approve a conceptual design, tree palette, and plant palette, for the El Toro Road Medians Improvement Project (Westbound El Toro Road between Moulton Parkway to Calle Sonora), and authorize staff to proceed with preparing final design documents.

- 8.6 Employee Compensation and Benefits

City Manager Macon made a presentation.

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

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, REPEALING RESOLUTION NO.23-20, AND ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

IX. CITY COUNCIL REPORTS AND COMMENTS

9.1 Coastal Greenbelt Authority

Councilmember McCary stated that her report was given at the last meeting.

9.2 Orange County Fire Authority

Mayor Pro Tem Hatch provided a report.

9.3 Orange County Library Advisory Board

No report.

9.4 Orange County Mosquito and Vector Control District

No report.

Item 9.6 was taken out of order of the agenda.

9.6 South Orange County Watershed Management Area

No report.

9.5 San Joaquin Hills Transportation Corridor Agency

Mayor Connors provided a report.

9.7 Liaisons to Community Bridge Builders

Councilmember McCary provided a report.

9.8 Other Comments and Reports

Councilmember McCary provided a report on the California Joint Powers Insurance Authority's Annual Board of Directors Meeting.

X. CLOSED SESSION

City Attorney Patterson introduced the closed session agenda.

Mayor Conners made comments.

City Attorney Patterson noted that prior to convening in closed session, the City Council will hear public comments on items appearing on the closed session agenda.

No such public comments were received.

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

XI. CLOSED SESSION REPORT

The City Council reconvened in open session at 5:48 p.m. City Attorney Patterson stated that there was no reportable action.

XII. ADJOURNMENT

The meeting was adjourned at 5:49 p.m. The next regular meeting will be at 2:00 p.m. on Wednesday, September 20, 2023, at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637.

YOLIE TRIPPY, CMC, City Clerk

Approved: September 20, 2023

CYNTHIA S. CONNERS, Mayor

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6.2
CITY TREASURER'S REPORT

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 2023

ITEM 6.2

CASH AND INVESTMENTS

	Beginning Balances As of 7/31/23	Earnings & Receipts	Disbursements	Purchases, Transfers & Other Adjustments	Ending Balances As of 8/31/23	% of Total Cash & Investment Balances	Maximum % Allowed per Investment Policy
Cash and Cash Equivalents							
Analyzed Checking Account (Note 1)	\$ 805,404	\$ 1,044,037	\$ (1,177,697)	\$ -	\$ 671,744	4.79%	
Cash Balances, Multi-Bank Securities (MBS) Account (Note 2 and 4)	\$ 8,095	\$ 14,899	\$ (10,350)	\$ -	\$ 12,644	0.09%	
Earned Interest in Transit and Accrued Interest, MBS Account (Note 4)	\$ 24,484	\$ 18,823	\$ (14,899)	\$ -	\$ 28,408	0.20%	
Petty Cash	\$ 1,251	\$ -	\$ (524)	\$ -	\$ 727	0.01%	
Laguna Woods Civic Support Fund Checking Account	\$ 50,294	\$ 0.21	\$ (3,799)	\$ -	\$ 46,495	0.33%	
Total Cash and Cash Equivalents	\$ 889,528	\$ 1,077,760	\$ (1,207,269)	\$ -	\$ 760,018	5.42%	100.00%
Pooled Money Investment Accounts							
Local Agency Investment Fund (LAIF - fair value) (Notes 2 and 3)	\$ 787,402	\$ -	\$ -	\$ -	\$ 787,402	5.61%	
Orange County Investment Pool (OCIP - fair value) (Notes 2 and 3)	\$ 7,622,090	\$ 43,005	\$ (500,332)	\$ 66,612	\$ 7,231,375	51.54%	
Total Pooled Money Investment Accounts	\$ 8,409,491	\$ 43,005	\$ (500,332)	\$ 66,612	\$ 8,018,776	57.15%	90.00%
Investments - Interest and Income Bearing							
Certificates of Deposit - non-negotiable (fair value) (Note 2)	\$ 5,254,943	\$ -	\$ -	\$ (3,588)	\$ 5,251,355	37.43%	
Total Investments - Interest and Income Bearing	\$ 5,254,943	\$ -	\$ -	\$ (3,588)	\$ 5,251,355	37.43%	90.00%
TOTAL	\$ 14,553,962	\$ 1,120,764	\$ (1,707,600)	\$ 63,024	\$ 14,030,150	100.00%	

Summary of Total Cash, Cash Equivalents, and Investments:

	General Fund	Special Revenue Funds	Totals
Analyzed Checking Account	\$ (3,512,188)	\$ 4,183,932	\$ 671,744
Cash Balances, MBS Account	\$ 12,644	\$ -	\$ 12,644
Earned Interest in Transit and Accrued Interest, MBS Account	\$ 28,408	\$ -	\$ 28,408
Petty Cash	\$ 727	\$ -	\$ 727
LAIF	\$ 787,402	\$ -	\$ 787,402
OCIP	\$ 7,231,375	\$ -	\$ 7,231,375
Certificates of Deposit	\$ 5,251,355	\$ -	\$ 5,251,355
Laguna Woods Civic Support Fund Checking Account	\$ -	\$ 46,495	\$ 46,495
Totals	\$ 9,799,723	\$ 4,230,427	\$ 14,030,150

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



City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 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	244,098	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	238,853	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	243,797	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	244,814	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	244,789	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	199,884	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	241,161	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	240,325	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	243,153	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	232,128	245,000	1.750	Semi-Annual	08/14/20	Green***	1.750	02/14/25
59013KGJ9	2020-2	MERRICK BANK	60 months	03/24/20	03/31/20	100,000	94,363	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	235,325	245,000	3.100	Semi-Annual	11/25/22	Green*	3.100	05/27/25
75102EAP3	2023-6	RAIZ FED CR UN	24 months	05/17/23	05/24/23	245,000	243,167	245,000	5.050	Monthly	06/24/23	Yellow**	5.050	05/27/25
37424PAG9	2023-9	GESA CR UN	24 months	07/19/23	07/31/23	245,000	245,088	245,000	5.500	Monthly	08/31/23	Green***	5.500	07/31/25
59524LAA4	2023-1	MID CAROLINA CR UN	36 months	03/07/23	03/13/23	200,000	198,052	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	242,687	245,000	5.000	Semi-Annual	09/30/23	Green**	5.000	03/31/26
87868YAQ6	2023-7	TECHNOLOGY CR UN	36 months	05/19/23	05/30/23	245,000	242,668	245,000	5.000	Monthly	07/01/23	Green***	5.000	05/29/26
32022RRG4	2022-4	1ST FINL BK USA	48 months	06/15/22	06/24/22	245,000	230,846	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	241,504	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	228,543	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	238,860	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	195,000	200,000	4.600	Monthly	04/08/23	Green*	4.600	03/08/28
89854LAD5	2023-8	TTCU FED CR UN	60 months	07/19/23	07/26/23	245,000	242,249	245,000	5.000	Monthly	08/26/23	Green***	5.000	07/26/28
		Accrued Interest - Month End					28,408							
Total CDs						5,350,000	5,279,763	5,350,000						

(*) 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. The table 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.

Veribanc Rating System

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	807,070	787,402	807,070	Note 3	Quarterly	N/A	N/A	N/A	N/A
N/A	N/A	Orange County Investment Pool (OCIP)	N/A	Various	Various	7,308,254	7,231,375	7,308,254	Note 3	Monthly	N/A	N/A	N/A	N/A
Total PMIA						8,115,324	8,018,776	8,115,324						

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



City of Laguna Woods
City Treasurer's Report
 For the Month Ended August 31, 2023

ITEM 6.2

CASH AND INVESTMENTS

	Beginning Balances As of 7/31/23	Contributions / (Withdrawals)	Administrative Fees & Investment Expense	Unrealized Gain / (Loss)	Ending Balances As of 8/31/23
Other Post-Employment Benefits (OPEB) Trust					
CalPERS California Employers' Retiree Benefit Trust (CERBT) (Note 2) <small>(CERBT holds all assets and administers the OPEB Trust)</small>	\$ 132,274	\$ -	\$ (9)	\$ (2,587)	\$ 129,678
Employer Pension Contributions Trust					
CalPERS California Employers' Pension Prefunding Trust (CEPPT) (Note 2) <small>(CEPPT holds all assets and administers the Employer Pension Contributions Trust)</small>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funds - Held in Trust	<u>\$ 132,274</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ (2,587)</u>	<u>\$ 129,678</u>

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



City of Laguna Woods
City Treasurer's Report
For the Month Ended August 31, 2023

CASH AND INVESTMENTS

Notes:

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

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

LAIF / The City made no deposits to or withdrawals from the LAIF account. The balance includes an adjustment in the amount of (\$19,668.21) to reflect the fair market value of the investment at June 30, 2023.

OCIP / The City made no deposits to the OCIP account and withdrew \$500,000, which was deposited in the City's checking account for cash flow purposes. The balance, as previously adjusted for fair market value, was adjusted by \$66,611.86 to reflect the fair market value of the investment at June 30, 2023. In total, the balance includes an adjustment in the amount of (\$76,879.24) to reflect fair market value.

Investments / There were no maturities of investments. Investments were adjusted in the amount of (\$3,587.75) to report balances at fair market value as of August 31, 2023.

OPEB Trust / The City made no contributions to or withdrawals from the OPEB Trust. The OPEB Trust experienced a net loss of (\$2,596.06) in August 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 August 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	\$0.00	See Notes	See Notes	October 2023	Total pool interest yield for August 2023 was 3.434% and the City's yield will be slightly lower based on allocation ratios and administrative fees to be deducted.
OCIP	Monthly	\$43,004.80	April & May 2023	See Notes	November 2023	Interest is posted three months in arrears and fees are posted monthly. Accrued interest pending payment at August 31, 2023 was \$74,822.11. August 31, 2023 interest rate was 3.893% and fees were 0.050%, for a net yield of 3.843%.

Note 4 - CDs / The stated earnings rate for CDs is a fixed rate for the full term. The City earned interest of \$14,898.94 and transferred out \$10,349.52 in cash balances to the City's checking account in August 2023. Cash balances to be invested or paid out are classified separately on page 1 of 4. The City's portfolio also has \$28,408.26 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: 2023.09.14
 14:16:41 -07'00'

Elizabeth Torres, City Treasurer

6.3 WARRANT REGISTER

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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CITY OF LAGUNA WOODS
WARRANT REGISTER
September 20, 2023

ITEM 6.3

This Report Covers the Period 8/01/2023 through 8/31/2023

Date		Vendor Name	Description	Amount
Debit	Automatic Bank Debits:			
Debit	08/01/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 06/30/2023	3,185.74
Debit	08/01/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 06/30/2023	1,710.24
Debit	08/02/2023	AUTHORIZE.NET	Online Credit Card Processing Fees / July 2023	12.00
Debit	08/02/2023	GLOBAL PAYMENTS / OPEN EDGE	Credit Card Processing Fees / July 2023	1,682.48
Debit	08/02/2023	DELTA DENTAL OF CALIFORNIA	Employee Benefit Program / August 2023	472.44
Debit	08/02/2023	ADP TAX	Payroll Taxes / Pay Period Ended 07/28/2023	9,829.20
Debit	08/02/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 07/28/2023	21,162.18
Debit	08/03/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / July 2023	109.61
Debit	08/04/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 07/28/2023	2,270.00
Debit	08/04/2023	ADP PAYROLL SERVICES	Payroll Processing Fees / Pay Period Ended 07/14/2023	214.47
Debit	08/09/2023	NAVIA BENEFIT SOLUTIONS, INC	125 Cafeteria Plan Administration / July 2023	100.00
Debit	08/10/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / August 2023	107.74
Debit	08/11/2023	CALPERS - HEALTH	Employee Benefit Program / August 2023	7,846.79
Debit	08/11/2023	COUNTY OF ORANGE - SHERIFF	Law Enforcement Services / August 2023	253,453.70
Debit	08/14/2023	U.S. BANK	Bank Service Charges / July 2023	86.75
Debit	08/15/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 07/14/2023	3,516.10
Debit	08/15/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 07/14/2023	1,873.88
Debit	08/16/2023	ADP TAX	Payroll Taxes / Pay Period Ended 08/11/2023	9,399.03
Debit	08/16/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 08/11/2023	20,626.41
Debit	08/17/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 08/11/2023	1,520.00
Debit	08/24/2023	NAVIA BENEFIT SOLUTIONS	Employee Benefit Program / August 2023	1.57
Debit	08/29/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 07/28/2023	3,516.10
Debit	08/29/2023	CALPERS - RETIREMENT	Retirement Contributions / Pay Period Ended 07/28/2023	1,864.35
Debit	08/30/2023	ADP TAX	Payroll Taxes / Pay Period Ended 08/25/2023	9,353.65
Debit	08/30/2023	ADP WAGE PAY	Payroll Transfer / Pay Period Ended 08/25/2023	20,593.44
Debit	08/31/2023	MISSION SQUARE RETIREMENT	Employee Benefit Program / Pay Period Ended 08/25/2023	1,520.00
Check Number	Warrants:			
6848	08/04/2023	ABOUND FOOD CARE	Edible Food Recovery Services Program / June 2023	380.92
6849	08/04/2023	ACC BUSINESS	City Hall Internet Service / June 2023	608.66
6850	08/04/2023	APRIL BAUMGARTEN	Mileage Reimbursement / July 2022 - June 2023	1,531.50
6851	08/04/2023	CITY OF LAGUNA BEACH	Animal Control & Shelter Services / June 2023	9,426.75
6852	08/04/2023	INTERWEST CONSULTING GROUP	Building Official, Permit Counter & Inspection Services / June 2023	71,950.00
6853	08/04/2023	LSA ASSOCIATES, INC.	Planning Services / June 2023	221.00
6854	08/04/2023	MICHAEL BAKER INTERNATIONAL	Planning Services / June 2023	199.50
6855	08/04/2023	PSOMAS	Geographic Information System Services	825.00
6856	08/04/2023	SOUTHERN CALIFORNIA EDISON	Street Lighting - Residential / June 2023	2,412.97
6857	08/04/2023	ADT COMMERCIAL	City Hall Maintenance	1,995.00
6858	08/04/2023	ALISO CREEK MINUTEMAN PRESS	Printing Services	727.31
6859	08/04/2023	ALPHA CARD SYSTEM, LLC	Senior Mobility Program Supplies	301.68
6860	08/04/2023	APRIL BAUMGARTEN	City Hall Maintenance Reimbursement	614.85
6861	08/04/2023	AT&T	Telephone / 639-0500 / July 2023	219.92
6862	08/04/2023	AT&T	Telephone / 452-0600 / July 2023	2,419.99

CITY OF LAGUNA WOODS
WARRANT REGISTER
September 20, 2023

ITEM 6.3

This Report Covers the Period 8/01/2023 through 8/31/2023

Date	Vendor Name	Description	Amount	
6863	08/04/2023	AT&T	Telephone / 458-3487 / July 2023	47.04
6864	08/04/2023	BRIGHTVIEW LANDSCAPE SERVICES, INC.	Landscape Maintenance / July - August 2023	28,537.67
6865	08/04/2023	CAPTIONING UNLIMITED	Closed Captioning / July 2023	400.00
6866	08/04/2023	COUNTY OF ORANGE	800 MHz Communication Charges / July - September 2023	1,400.00
6867	08/04/2023	DC PLUMBING, HEATING AND AIR CONDITIONING	City Hall Maintenance	979.00
6868	08/04/2023	JOHN L. HUNTER & ASSOCIATES, INC	NPDES Inspection Services / July 2023	1,282.50
6869	08/04/2023	MISSION SQUARE RETIREMENT	Quarterly Plan Fee / July - September 2023	125.00
6870	08/04/2023	NEXXSOL CORPORATION	Computer Software License / July 2023 - June 2024	560.16
6871	08/04/2023	ORANGE COUNTY CITY MANAGER ASSOCIATION	Membership Dues / Fiscal Year 2023-24	475.00
6872	08/04/2023	PENELOPE PASCUAL	Taxi Voucher Refund	30.00
6873	08/04/2023	TRAUMA INTERVENTION PROGRAMS, INC	Emotional & Practical Support Services / Fiscal Year 2023-24	1,998.24
6874	08/04/2023	U.S. BANK	Credit Card Charges (expenditures reported separately - see note 3)	2,437.28
6875	08/04/2023	VISION SERVICE PLAN OF AMERICA	Employee Benefit Program / August 2023	129.57
6876	08/11/2023	BALLIET, MICHAEL	Waste Management Consulting Services / April - June 2023	1,468.75
6877	08/11/2023	BUREAU VERITAS NORTH AMERICA INC	Building Plan Review Services / June 2023	8,991.25
6878	08/11/2023	360CIVIC	Website Hosting / July 2023	200.00
6879	08/11/2023	AT&T	White Pages / August 2023	4.28
6880	08/11/2023	CALIFORNIA JPIA	Pollution Liability Insurance Program / Fiscal Year 2023-24	500.00
6881	08/11/2023	CHRIS SEELY	Postage Reimbursement	111.28
6882	08/11/2023	COUNTY OF ORANGE	Automated Fingerprint ID System / August 2023	636.00
6883	08/11/2023	DC PLUMBING, HEATING AND AIR CONDITIONING	City Hall Maintenance	5,760.00
6884	08/11/2023	EPIC IO TECHNOLOGIES, INC.	City Hall Internet Service / August 2023	171.45
6885	08/11/2023	GOLDEN RAIN FOUNDATION	Senate Bill 1383 Mulch Procurement / Calendar Year 2023	9,900.00
6886	08/11/2023	KONE INC.	City Hall Elevator Maintenance / August 2023	232.31
6887	08/11/2023	LSA ASSOCIATES, INC.	Planning Services / July 2023	152.25
6888	08/11/2023	MARC DONOHUE	Administrative Services / August 2023	250.00
6889	08/11/2023	ON POINT LAND SURVEYING, INC	Survey Document Preparation	500.00
6890	08/11/2023	ORANGE COUNTY REGISTER-NOTICES	Public Notices / July 2023	1,734.56
6891	08/11/2023	PARK CONSULTING GROUP, INC	Software Consulting Services / July 2023	2,275.00
6892	08/11/2023	REBECCA PENNINGTON	Document Recording Fee Reimbursement	103.00
6893	08/11/2023	RICOH USA, INC.	Building Printer Usage / May - July 2023	113.52
6894	08/11/2023	SOUTHERN CALIFORNIA GAS COMPANY	Gas Service - City Hall / July 2023	15.78
6895	08/11/2023	STAPLES	Office & Janitorial Supplies	387.63
6896	08/11/2023	SWEEPING CORPORATION OF AMERICA	Street Sweeping Services / July 2023	3,480.00
6897	08/11/2023	WM CURBSIDE, LLC	HHW, Medicine & Sharps Program / July 2023	4,839.48
6898	08/11/2023	OMNI ENTERPRISE INC	Replacement for Check #6809 dated July 13, 2023	3,500.00
6899	08/11/2023	OMNI ENTERPRISE INC	Replacement for Check #6839 dated July 19, 2023	3,500.00
6900	08/17/2023	BOUTWELL FAY LLP	Legal Services / May 2023	765.00
6901	08/17/2023	CIVIL SOURCE	Engineering Services / June 2023	22,965.00
6902	08/17/2023	EL TORO WATER DISTRICT	Water Service / June 2023	3,911.98
6903	08/17/2023	PRACTICAL DATA SOLUTIONS	IT Support Services / June 2023	3,765.65
6904	08/17/2023	SUN TAMERS WINDOW TINTING	City Hall Refurbishment and Safety Project: Phase 3	6,735.81
6905	08/17/2023	AT&T	Telephone / 583-1105 / July 2023	24.53
6906	08/17/2023	AT&T	Telephone / 581-9821 / July 2023	56.32
6907	08/17/2023	CALIFORNIA YELLOW CAB	Taxi Services / July 2023	7,656.80

**CITY OF LAGUNA WOODS
WARRANT REGISTER
September 20, 2023**

This Report Covers the Period 8/01/2023 through 8/31/2023

Date	Vendor Name	Description	Amount	
6908	08/17/2023	FUSCOE ENGINEERING, INC.	Engineering Services	4,401.25
6909	08/17/2023	MYKATON CONSTRUCTION	Waste Diversion Deposit Refund	250.00
6910	08/17/2023	PRACTICAL DATA SOLUTIONS	IT Support Services / July 2023	3,395.72
6911	08/17/2023	PV MAINTENANCE INC	Street, City Hall & Parks Maintenance / July 2023	9,721.92
6912	08/17/2023	RICOH USA, INC.	Copier Lease / September 2023	246.57
6913	08/17/2023	RINGCENTRAL, INC.	Telephone Service / August 2023	11.11
6914	08/17/2023	RUTAN & TUCKER, LLP	Legal Services / July 2023	21,642.75
6915	08/17/2023	SHARESQUARED, INC.	Building Document Tracking Project	277.50
6916	08/17/2023	VERIZON WIRELESS	Building iPads Data Plans / July 2023	120.03
6917	08/17/2023	Y & Y CONSTRUCTION	Waste Diversion Deposit Refund	900.00
6918	08/24/2023	RUTAN & TUCKER, LLP	Legal Services / June 2023	18,503.70
6919	08/24/2023	ADT COMMERCIAL	Annual Fire Extinguisher Inspection	175.00
6920	08/24/2023	ALISO CREEK MINUTEMAN PRESS	Printing Services	94.82
6921	08/24/2023	ALPHA CARD SYSTEM, LLC	Taxi Program Supplies	1,228.35
6922	08/24/2023	DC PLUMBING, HEATING AND AIR CONDITIONING	Code Enforcement Abatement Services	980.00
6923	08/24/2023	ITERIS, INC	Traffic Engineering / July 2023	3,100.00
6924	08/24/2023	KALBAN, INC.	ADA Pedestrian Accessibility Improvement Project: Phases 6 & 6B	245,847.65
6925	08/24/2023	KALBAN, INC.	ADA Pedestrian Accessibility Improvement Project: Phases 6 & 6B	12,939.35
6926	08/24/2023	OMNI ENTERPRISE INC	Janitorial Services / July 2023	50.00
6927	08/24/2023	RODRIGO OCHOA	Code Enforcement Abatement Services	224.38
6928	08/24/2023	TONY'S LOCKSMITH & SAFE SERV.	Locksmith Services	275.00
6929	08/24/2023	WILLDAN ENGINEERING	Code Enforcement Services / July 2023	5,340.00
			Total Bank Debits and Warrants:	\$ 932,697.11

Petty Cash Expenditures Paid Out (See Note 2)

USPS	Postage	\$205.44
Home Depot	City Hall Maintenance	\$138.05
		Total Petty Cash:
		\$343.49

TOTAL \$ 933,040.60

NOTES:

Note 1 - City Councilmembers are eligible to receive either a salary or vehicle reimbursement allowance in the amount of \$300 per month (\$3,600 per year). Such compensation is included in the City's regular payroll (see "ADP Payroll Services" under "Automatic Bank Debits"), unless waived by the Councilmember. For the month of August 2023, the following Councilmembers received compensation in the amount of \$300: Connors, Hatch, Horne, and McCary.

Note 2 - Petty cash is reported as cash is paid out, not when the fund is replenished. No petty cash transactions were paid during this time period.

**CITY OF LAGUNA WOODS
WARRANT REGISTER
September 20, 2023**


This Report Covers the Period 8/01/2023 through 8/31/2023

Date	Vendor Name	Description	Amount
Note 3 - The table below summarizes credit card expenditures paid via Check #6874 to U.S. Bank totaling \$2,437.28:			
	Microsoft	Office 365 Subscription	\$324.00
	Microsoft	Office 365 Subscription	\$941.25
	Adobe	Computer Software	\$143.94
	Zoom	Video Conferencing	\$31.98
	USPS	Postage	\$28.75
	GovernmentJobs.com	Job Posting	\$199.00
	Indeed.com	Job Posting	\$546.50
	MR Direct	Office Supplies	\$67.88
	Aldi's	Breakroom Supplies	\$18.99
	Domino's	Lunch for Counter Staff	\$52.99
	Jersey Mike's	Lunch for Counter Staff	\$82.00
Total Credit Card Reimbursement:			\$2,437.28

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: 2023.09.14
 14:18:52 -07'00'

 Elizabeth Torres, Administrative Services Director/City Treasurer

6.4

**FISCAL YEARS 2023-25 BUDGET AND WORK
PLAN & FISCAL YEARS 2023-34 CAPITAL
IMPROVEMENT PROGRAM**

For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).

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RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE FISCAL YEARS 2023-25 BUDGET AND WORK PLAN FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, AND FISCAL YEAR 2024-25 COMMENCING JULY 1, 2024 AND ENDING JUNE 30, 2025

WHEREAS, the Fiscal Years 2023-25 Budget & Work Plan was adopted by the City Council on June 28, 2023; and

WHEREAS, staff has recommended that the City Council amend the Fiscal Years 2023-25 Budget & Work Plan to correct General Fund franchise fee revenue projections and public safety services appropriations, as well as clarify Fuel Tax Fund, Road Maintenance & Rehabilitation Program Fund, and Senior Mobility Program Fund revenue projections, all of which are incorporated into the budget revenue projection and budget appropriation tables included in Section 1 herein.

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

SECTION 1. Section 2 of Resolution No. 23-16 is hereby amended, in its entirety, to read as follows:

The budget revenue projections are:

	<i>Fiscal Year 2023-24</i>	<i>Fiscal Year 2024-25</i>
General Fund		
Property Tax	\$3,297,700	\$3,405,200
Property Transfer Tax	\$112,000	\$114,900
Sales Tax	\$1,196,000	\$1,233,000
Franchise Fees	\$751,800	\$753,100
Transient Occupancy Tax	\$604,000	\$620,000
Developing Processing Fees	\$814,400	\$827,400
Interest	\$352,000	\$340,000
Miscellaneous	\$207,700	\$213,800
SUBTOTAL	\$7,335,600	\$7,507,400
Capital Projects Fund		

ITEM 6.4 – Attachment A

Intergovernmental	\$0	\$0
Interest	\$0	\$0
SUBTOTAL	\$0	\$0
Fuel Tax	\$492,800	\$503,700
Road Maintenance & Rehabilitation Program	\$435,300	\$465,600
Measure M2 (OC Go)	\$336,000	\$348,600
Service Authority for Abandoned Vehicles	\$0	\$0
Supplemental Law Enforcement Services	\$167,800	\$169,600
Mobile Source Reduction	\$72,000	\$22,000
PEG/Cable Television	\$18,400	\$18,800
Senior Mobility	\$140,700	\$145,700
Community Development Block Grant (CDBG)	\$500,000	\$150,000
Federal Grants	\$1,618,278	\$782,869
State of California Grants	\$239,800	\$0
Miscellaneous Special Revenue	\$0	\$0
Laguna Woods Civic Support Fund	\$0	\$0

The budget appropriations authorized, on a fund level, are:

	<i>Fiscal Year 2023-24</i>	<i>Fiscal Year 2024-25</i>
General Fund	\$7,730,079 (includes transfers to Capital Projects Fund of \$608,250)	\$7,287,511 (includes transfers to Capital Projects Fund of \$0)
Capital Projects Fund	\$608,250	\$0
Fuel Tax	\$395,000	\$425,000
Road Maintenance & Rehabilitation Program	\$325,821	\$195,795
Measure M2 (OC Go)	\$285,700	\$290,700
Service Authority for Abandoned Vehicles	\$0	\$0
Supplemental Law Enforcement Services	\$176,100	\$176,100
Mobile Source Reduction	\$0	\$0
PEG/Cable Television	\$15,000	\$15,000
Senior Mobility	\$207,000	\$227,000
Community Development Block Grant (CDBG)	\$150,000	\$150,000
Federal Grants	\$719,145	\$782,869

State of California Grants	\$0	\$0
Miscellaneous Special Revenue	\$0	\$0
Laguna Woods Civic Support Fund	\$48,810	\$300

SECTION 2. The City Manager is authorized to revise the Fiscal Years 2023-25 Budget & Work Plan to reflect the amendments included in this resolution and correct typographical errors.

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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT (GANN LIMIT) FOR FISCAL YEAR 2023-24 COMMENCING JULY 1, 2023 AND ENDING JUNE 30, 2024, IN ACCORDANCE WITH ARTICLE XIIIB OF THE CALIFORNIA STATE CONSTITUTION

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

WHEREAS, annual appropriations limits established pursuant to Article XIIIB of the California State Constitution (sometimes referred to as “Gann Limits”) are required to be modified on an annual basis for changes in population and inflation according to calculation methods established by California’s Proposition 111 (1990); and

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

WHEREAS, the City complied with the provisions of Article XIIIB of the California State Constitution in determining an appropriations limit for Fiscal Year 2023-24 that was adopted by the City Council on June 28, 2023; and

WHEREAS, the Gann Limit adopted for Fiscal Year 2023-24 is correct; however, staff has calculated that the amount of appropriations subject to the Gann Limit totals \$4,991,577, \$24,245 less than previously adopted, and recommends that the City Council amend its Gann Limit documentation accordingly (the amendments are incorporated into Exhibit A).

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

SECTION 1. Exhibit A to Resolution No. 23-18 is hereby repealed in its entirety and replaced by Exhibit A attached hereto.

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

PASSED, APPROVED AND ADOPTED on this XX day of XX 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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

**CITY OF LAGUNA WOODS
ANNUAL APPROPRIATIONS LIMIT
Fiscal Year 2023-24 Calculation**

Calculation of Appropriations Limit:

Appropriations Limit for Fiscal Year 2022-23	\$12,651,025
Adjustment Factors:	
Population Change (County of Orange)*	x 0.9954
Cost of Living (Per Capita Personal Income)*	<u>x 1.0444</u>
Appropriations Limit for Fiscal Year 2023-24	<u>\$13,152,426</u>
<hr/>	
Appropriations Subject to Limitation for Fiscal Year 2023-24	\$4,991,577

* State of California, Department of Finance, *Price and Population Information*. May 2023.
Factors are rounded to four decimal places for presentation purposes.

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6.5

INVESTMENT OF FINANCIAL ASSETS POLICY

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 20, 2023 Regular Meeting
SUBJECT: Investment of Financial Assets Policy

Recommendation

Adopt a resolution titled:

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

Background

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

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

The existing investment policy was last reviewed and adopted by the City Council at the adjourned regular meeting on March 22, 2023.

The City Council last voted to renew its delegation of investment authority to the City Treasurer at the regular meeting on September 21, 2022.

On December 21, 2022, the City Council appointed Councilmembers Horne and McCary to serve on the standing Investment Policy Review Committee in 2023 and 2024. The Investment Policy Review Committee is responsible for conducting at least biannual reviews of the adequacy and effectiveness of the investment policy and preparing related recommendations for City Council consideration.

Discussion

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

The Investment Policy Review Committee, City Manager, and City Treasurer recommend that the City Council adopt a modified investment policy that (a) eliminates the limit on the amount of United States Treasury Obligations and United States Agency Obligations that can be invested with a single issuer, and (b) makes changes responsive to feedback received from reviewers as part of the California Municipal Treasurers Association's Investment Policy Certification Program. Staff has reviewed all changes for compliance with the California Debt and Investment Advisory Committee's Local Agency Investment Guidelines. The proposed investment policy is included as Exhibit A to Attachment A. A redline version of the proposed investment policy is included as Attachment B.

The proposed investment policy includes the following minor changes to the first paragraph in Section 2.2.06, which were discussed with the Investment Policy Review Committee on March 16, 2023, but inadvertently omitted from the draft acted upon by the Investment Policy Review Committee on September 6, 2023 (additions shown with underlining and deletions shown with ~~strike-through~~):

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

The proposed investment policy also includes the following minor, non-substantive correction to the last sentence in the first paragraph of Section 2.2.09, the need for which was identified by staff after the Investment Policy Review Committee’s most recent meeting on September 6, 2023 (additions shown with underlining and deletions shown with ~~strike-through~~):

“In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law, ~~and~~ at least five years’ experience providing similar services to California municipalities, and in good standing with the Federal Insurance Regulatory Authority, Securities and Exchange Commission, and California Department of Securities.”

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

Fiscal Impact

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

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

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RESOLUTION NO. 23-XX

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

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

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

WHEREAS, the City's investment policy is contained in Administrative Policy 2.2 and was last adopted by the City Council on March 22, 2023; and

WHEREAS, on December 21, 2022, the City Council appointed Councilmembers Horne and McCary to serve on the standing Investment Policy Review Committee from January 1, 2023 through December 31, 2024, as called for in the investment policy; and

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

WHEREAS, the Investment Policy Review Committee (at a special meeting on September 6, 2023), City Manager, and City Treasurer have recommended that the City Council adopt modifications to the existing investment policy, all of which are incorporated into the investment policy attached hereto as Exhibit A; and

WHEREAS, California Government Code Section 53607 provides that the authority of City Council to invest or to reinvest City funds, or to sell or exchange securities so purchased, may be delegated for a one-year period by the City Council to the City Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to

review, the City Council may renew the delegation of authority annually; and

WHEREAS, the City Council last renewed its delegation of investment authority to the City Treasurer on September 21, 2022; and

WHEREAS, the Investment Policy Review Committee (at a special meeting on September 6, 2023) and City Manager have recommended that the City Council renew its delegation of investment authority to the City Treasurer pursuant to California Government Code Section 53607 for a one-year period.

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

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

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

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

PASSED, APPROVED AND ADOPTED on this XX day of XX 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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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**CITY OF LAGUNA WOODS
ADMINISTRATIVE POLICY 2.2**

INVESTMENT OF FINANCIAL ASSETS

2.2.01. Statement of Purpose.

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

2.2.02. Scope.

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

2.2.03. Objectives.

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

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

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

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

2.2.04. Delegation of Authority.

City Treasurer

In accordance with Government Code Section 53607, the City Council delegates its statutory authority to invest or to reinvest City funds, or to sell or exchange securities so purchased, for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council's discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period beginning at the date of adoption.

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

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

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment's performance or losses, market price changes, and the performance of or losses incurred by the overall

portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

Investment Policy Review Committee of the City Council

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

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

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

2.2.05. Public Trust.

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

2.2.06. Prudence.

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

All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries

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

2.2.07. Ethics and Conflicts of Interest.

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

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

2.2.08. Internal Controls and Routine External Review.

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

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

2.2.09. Authorized Financial Dealers, Depositories, and Institutions.

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004,

(3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law, at least five years’ experience providing similar services to California municipalities, and in good standing with the Federal Insurance Regulatory Authority, Securities and Exchange Commission, and California Department of Securities.

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

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

2.2.10. Authorized Investments.

Investments are governed by Government Code, and further limited by the provisions of this Administrative Policy. The types of investments listed in the table below are authorized and shall be invested subject to the limits and requirements set forth therein. Credit criteria and maximum percentages listed in the table below are calculated at the time the investment is purchased.

Type of Investment	Maximum Percent of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity*
Federal Deposit Insurance Corporation (FDIC) Insured Accounts	100%	-	-	N/A

ITEM 6.5 – Exhibit A to Attachment A

Type of Investment	Maximum Percent of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity*
Bankers' Acceptances	20% (no more than 5% with one bank)	-	-	180 days
Commercial Paper	15% (no more than 10% of a single issuer)	-	Standard & Poor's: AAA or Moody's: Aaa	270 days
Local Government Investment Pools	90%	-	See Section 2.2.11	N/A
Joint Powers Authority Pools	90%	-	Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o)	N/A
Money Market Mutual Funds	10%	-	Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in money market instruments	N/A
Certificates of Deposit (Negotiable)	30% (no more than 10% with one bank or issuer)	\$250,000	Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or	5 years
Certificates of Deposit (Non-Negotiable)	90%			

ITEM 6.5 – Exhibit A to Attachment A

Type of Investment	Maximum Percent of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity*
			collateralized in accordance with Section 2.2.15	
Repurchase Agreements	10% (no more than 20% of a single issuer)	-	Collateralized in accordance with Section 2.2.15	30 days
United States Treasury Obligations	90% of overall portfolio for any one investment type	-	Explicit full faith and credit guarantee of the United States Government	5 years
United States Agency Obligations		-	Implied full faith and credit guarantee of the United States Government	5 years
State of California and Other States-issued Obligations	20% of overall portfolio for any one investment type (no more than 5% of a single issuer)	-	-	3 years
California Local Government-issued Municipal Obligations		-	-	3 years
Medium-Term Notes	20%	-	Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent	5 years

* No investment shall be made with a maturity rate more than five years from the date of purchase.

2.2.11. Local Government Investment Pools.

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making any such investment and consider the same during the monthly compliance review required by Section 2.2.13. Due diligence in investigations shall generally include a review of written statements of investment policies, objectives, fees schedules, and reporting schedules, as well as issues related to (1) eligible investors and securities, (2) the permitted frequencies and sizes of deposits and withdrawals, (3) security safeguards, including settlement processes, (4) the frequency with which securities are priced and the program audited, (5) the treatment of gains and losses, including interest calculations and distribution, (6) whether and, if so, how reserves, retained

earnings, and similar funds are utilized by the investment pool, and (7) whether the investment pool is eligible for and, if so, accepts bond proceeds. In addition, only local government investment pools with at least five years' experience providing similar services to other California municipalities may be utilized. Similar due diligence and investigative procedures shall be performed prior to investing in any other pooled investment funds, such as money market mutual funds.

2.2.12. Prohibited Investments.

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

2.2.13. Monthly Internal Compliance Review of Investment Portfolio.

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

2.2.14. Safekeeping and Custody.

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

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

All security transactions, where applicable, shall use a Delivery-versus-Payment (DVP) settlement procedure with the City's payment due at the time of delivery,

which ensures that securities are deposited with the third-party custodian prior to the release of funds.

2.2.15. Collateralization.

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

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

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

2.2.16. Diversification.

The overall investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risk associated with concentrating investments in unvaried investment types, maturity segments, or financial depositories and institutions. In a diversified portfolio, occasional measurement losses may occur. Such losses shall be considered within the overall portfolio's investment return.

2.2.17. Reporting.

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

The report shall contain, at a minimum, the following information that is subject to this Administrative Policy: the type of investment, issuer, date of maturity, par value and costs of each investment, market value, and a description of any investments, including loans and security lending programs, that are under the management of contracted parties. For funds in local government investment pools, the report shall

also include a current market value as of the date of the report and the source of that same valuation. The report shall also comply with Government Accounting Standard Board (GASB) Statement No. 40 and include the following:

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and
- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

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

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

2.2.19. Relationship to Federal and State Laws.

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

2.2.20. Attachments.

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

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

City Council Adoption: September XX, 2023

Attachment A, “Glossary of Terms and Acronyms”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

standard accounting practices for governmental units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

California Municipal Treasurers Association



Investment Policy Certification

Issued on 06/27/2022



City of Laguna Woods

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





President

06/27/2022

Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B, increasing the maximum amount of portfolio investment for non-negotiable certificates of deposit, eliminating the limit on the amount of United States Treasury Obligations and United States Agency Obligations that can be invested with a single issuer, and making changes responsive to the CMTA Investment Scorecards received as part of the June 27, 2022 certification.

**CITY OF LAGUNA WOODS
ADMINISTRATIVE POLICY 2.2**

INVESTMENT OF FINANCIAL ASSETS

2.2.01. Statement of Purpose.

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

2.2.02. Scope.

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

2.2.03. Objectives.

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

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

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

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

2.2.04. Delegation of Authority.

City Treasurer

In accordance with Government Code Section 53607, the City Council delegates its statutory authority to invest or to reinvest City funds, or to sell or exchange securities so purchased, for a one-year period to the City Treasurer. Such delegation of authority is subject to annual review and renewal by the City Council, as well as revocation at the City Council's discretion. Adoption of this Administrative Policy shall constitute renewal of such delegation for an additional one-year period beginning at the date of adoption.

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

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

Pursuant to Laguna Woods Municipal Code Section 2.10.010, the City Treasurer is appointed by, and reports to, the City Manager. The City Manager may serve as, or appoint, an Acting City Treasurer at any time during the absence of a permanent

City Treasurer. During his/her/their appointment, the Acting City Treasurer shall have all of the powers and duties of the City Treasurer.

The City Treasurer and City Manager (with respect to his/her/their role appointing and supervising the City Treasurer, and participating in investment decisions) shall be relieved of personal responsibility for an individual investment's performance or losses, market price changes, and the performance of or losses incurred by the overall portfolio provided that (1) actions were undertaken in accordance with this Administrative Policy and applicable federal and state law, (2) significant deviations from expectations were reported to the City Council in a timely manner, and (3) appropriate action was taken to mitigate future adverse developments.

Investment Policy Review Committee of the City Council

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

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

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

2.2.05. Public Trust.

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

2.2.06. Prudence.

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

All governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

2.2.07. Ethics and Conflicts of Interest.

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

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

2.2.08. Internal Controls and Routine External Review.

The City Treasurer shall develop, implement, and maintain a system of internal controls designed to ensure the effectiveness and efficiency of investment activities, compliance with applicable laws and regulations, and the reliability of financial

reporting. Such internal controls shall seek to prevent the loss of public funds due to fraud, error, misrepresentation, and unanticipated market changes.

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

2.2.09. Authorized Financial Dealers, Depositories, and Institutions.

In accordance with Government Code Section 53601.5, investments shall either be purchased (1) directly from the issuer, (2) from an institution licensed by the State of California as a Broker-Dealer, as defined in Corporations Code Section 25004, (3) from a member of a federally regulated securities exchange, (4) from a national or state-chartered bank, from a savings association or federal association, as defined by Financial Code Section 5102, or (5) from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. In addition, investments shall only be purchased from entities or deposits made in qualified public depositories, as established by state law, with full knowledge of applicable state law, ~~and~~ at least five years’ experience providing similar services to California municipalities, and in good standing with the Federal Insurance Regulatory Authority, Securities and Exchange Commission, and California Department of Securities.

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

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

2.2.10. Authorized Investments.

~~In accordance with the requirements set forth in this Administrative Policy and in~~ Investments are governed by Government Code sections 53601, 53601.6, 53601.8, 53635, 53635.2, 53638, and 53684, and further limited by the provisions of this

Administrative Policy. The following types of investments listed in the table below are authorized and shall be invested subject to the limits and requirements set forth herein. Credit criteria and maximum percentages listed in the table below are calculated at the time the investment is purchased.

Type of Investment	Maximum Amount <u>Percent</u> of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity*
Federal Deposit Insurance Corporation (FDIC) Insured Accounts	100%	-	-	N/A
Bankers' Acceptances	20% (no more than 5% with one bank)	-	-	180 days
Commercial Paper	15% (no more than 10% of a single issuer)	-	Standard & Poor's: AAA or Moody's: Aaa	270 days
Local Government Investment Pools	90%	-	See Section 2.2.11	N/A
Joint Powers Authority Pools	90%	-	Must retain an investment advisor who is registered with the Securities and Exchange Commission (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code Section 53601, subdivisions (a) to (o)	N/A
Money Market Mutual Funds	10%	-	Standard & Poor's AAA or Moody's Aaa; and Must retain an investment advisor registered with the Securities and Exchange Commission (or exempt from registration) has assets under management in excess of \$500 million, and has at least five years' experience investing in	N/A

Type of Investment	Maximum Amount <u>Percent</u> of Portfolio Investment	Maximum Amount of Individual Investment	Minimum Credit Quality and Requirements	Maximum Maturity*
			money market instruments	
Certificates of Deposit (Negotiable)	30% (no more than 10% with one bank or issuer)	\$250,000	Issued by a nationally or state-chartered bank, or state or federal savings and loan association, as defined by California Financial Code Section 5102, and fully insured by the FDIC or collateralized in accordance with Section 2.2.15	5 years
Certificates of Deposit (Non-Negotiable)	90%			
Repurchase Agreements	10% (no more than 20% of a single issuer)	-	Collateralized in accordance with Section 2.2.15	30 days
United States Treasury Obligations	90% of overall portfolio for any one investment type (no more than 20% of a single issuer)	-	Explicit full faith and credit guarantee of the United States Government	5 years
United States Agency Obligations		-	Implied full faith and credit guarantee of the United States Government	5 years
State of California and Other States-issued Obligations	20% of overall portfolio for any one investment type (no more than 5% of a single issuer)	-	-	3 years
California Local Government-issued Municipal Obligations		-	-	3 years
Medium-Term Notes	20%	-	Nationally Recognized Statistical Ratings Organization Rating: "A" rating category or its equivalent	5 years

* No investment shall be made with a maturity rate more than five years from the date of purchase.

2.2.11. Local Government Investment Pools.

While local government investment pools generally provide significant safety and liquidity, the City Treasurer shall complete a thorough investigation prior to making

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

2.2.12. Prohibited Investments.

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

2.2.13. Monthly Internal Compliance Review of Investment Portfolio.

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

2.2.14. Safekeeping and Custody.

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

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

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

2.2.15. Collateralization.

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

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

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

2.2.16. Diversification.

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

2.2.17. Reporting.

The City Treasurer shall prepare and submit a monthly investment report to the City Council. The report shall include a summary of all investment transactions for the

preceding month, as required by Government Code Section 53607, as well as similar information that would be required by Government Code Section 53646(b) if the City prepared quarterly investment reports, to the extent that such information is available.

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

- A. Certification that all investment actions executed since the last report have been made in full compliance with this Administrative Policy; and
- B. Certification that the City is able to meet all cash flow needs which might reasonably be anticipated for the next 12 months.

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

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

2.2.19. Relationship to Federal and State Laws.

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

2.2.20. Attachments.

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

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

City Council Adoption: ~~March 22~~September XX, 2023

REDLINE

Attachment A, “Glossary of Terms and Acronyms”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

standard accounting practices for governmental units.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

California Municipal Treasurers Association



Investment Policy Certification

Issued on 06/27/2022



City of Laguna Woods

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





President

06/27/2022

Date

Since receiving certification, the City’s modifications of the Investment of Financial Assets policy have been limited to updating this Attachment B, ~~and~~ increasing the maximum amount of portfolio investment for non-negotiable certificates of deposit, eliminating the limit on the amount of United States Treasury Obligations and United States Agency Obligations that can be invested with a single issuer, and making changes responsive to the CMTA Investment Scorecards received as part of the June 27, 2022 certification.

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6.6

WORKPLACE VIOLENCE POLICY

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING AMENDMENTS TO ADMINISTRATIVE POLICY 4.8 PERTAINING TO WORKPLACE VIOLENCE

WHEREAS, the City’s workplace violence policy is contained in Administrative Policy 4.8, which was last amended by the City Council on April 18, 2001; and

WHEREAS, staff has prepared amendments to Administrative Policy 4.8 (incorporated into the administrative policy attached hereto as Exhibit A), for consideration by the City Council.

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

SECTION 1. That the administrative policy attached hereto as Exhibit A is adopted and is a statement of the City’s workplace violence policy. The administrative policy attached hereto as Exhibit A replaces and supersedes all previous versions of Administrative Policy 4.8.

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

PASSED, APPROVED AND ADOPTED on this XX day of XX 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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

**CITY OF LAGUNA WOODS
ADMINISTRATIVE POLICY 4.8**

WORKPLACE VIOLENCE

4.8.01. Statement of Purpose.

This Administrative Policy is intended to (1) define and explicitly prohibit threats or acts of violence within the City of Laguna Woods’ work environment, (2) explicitly prohibit the condoning or perpetuation of such conduct, and (3) establish a standardized and efficient process for reporting and responding to complaints of such conduct.

4.8.02. Statement of Overarching Policy.

The City is strongly committed to ensuring the safety of all employees and providing them with a safe and secure work environment.

The City considers threats or acts, whether verbal, written, or physical, of violence including, but not limited to, coercion, harassment, intimidation, or stalking, which involve or affect employees, to be serious offenses and is firmly committed to the philosophy that every employee has the right to work in an environment free from such conduct. Employees are expected to adhere to a standard of conduct that promotes safety and security within the work environment and is compliant with this Administrative Policy and all applicable federal, state, and local laws and regulations governing workplace conduct.

The City expressly prohibits retaliation against individuals for good faith opposition to, or reporting of, threats or acts of workplace violence.

4.8.03. Scope.

This Administrative Policy applies to any location in or at which City business is conducted. References to “work environment” or “workplace” shall be interpreted broadly to include City-owned, City-operated, and City-maintained buildings and facilities, as well as buildings and facilities owned, operated, or maintained by other parties but where City business is conducted, either temporarily or otherwise (e.g., events and meetings at private properties attended by employees). Vehicles, whether City-owned or privately-owned, when used in the conduct of City business, also constitute a part of the “work environment” and “workplace.”

This Administrative Policy is one of several administrative policies that seek to promote safety and security within the workplace (e.g., Administrative Policy 4.7 (Harassment, Discrimination, and Retaliation) and Administrative Policy 4.9 (Injury and Illness Prevention Plan)).

4.8.04. Threats or Acts of Violence.

A credible threat of violence is a knowing and willful statement or course of conduct that would place a reasonable person in fear for their safety, or the safety of their immediate family, and that serves no legitimate purpose. Any person may present a credible threat of violence in the workplace, including, but not limited to, employees, officials, officers, agents, volunteers, interns, consultants, contractors, vendors, visitors, or members of the public. General examples of prohibited violence in the workplace include, but are not limited to, the following:

1. Threatening to harm or causing harm to an individual or their family, friends, associates, or property.
2. Fighting, challenging another individual to a fight, or participating in dangerous or threatening horseplay.
3. Striking, punching, slapping, or assaulting another individual.
4. Grabbing, pinching, slapping, touching, or otherwise making physical contact with another individual in an unwanted way, whether sexually or otherwise.
5. Intimidating through direct or veiled verbal threats, or through physical threats, such as obscene gestures, grabbing, or pushing.
6. Intimidating or attempting to coerce an employee to do wrongful acts that would affect the City's business interests.
7. Making harassing or threatening telephone calls.
8. Sending harassing or threatening emails, drawings, instant messages, letters, notes, text messages, or other written correspondence or documents.
9. Harassing surveillance or stalking, which is engaging in a pattern of conduct with the intent to follow, alarm, or harass another individual, which presents a credible threat to any individual and causes that individual to fear for their

safety, or the safety of their immediate family, as defined in California Civil Code Section 1708.7.

10. Suggesting or otherwise intimating that an act to injure individuals or property is appropriate or justified behavior.
11. Use of a personal, private, or City-issued material, supply, tool, vehicle, or other equipment in a threatening manner toward another.
12. Possession or use of a weapon or other dangerous device, whether loaded, unloaded, assembled, disassembled, operable, inoperable, or the functional equivalents of each, or made of any particular material or a look-alike (e.g., toy guns and water rifles), except to the extent expressly authorized in writing by an employee's job classification or relevant policy and possessed in accordance therewith. Weapons and dangerous devices may include, but are not limited to, acids, ammunition, axes, blackjacks, blowguns, clubs, crossbows, daggers, darts, dirks, explosive substances, explosives, firearms, gas- or spring-operated guns, gunpowder, infectious substances, knives (including pocket knives and folding knives having a blade that locks into place), metal knuckles, missiles, nunchucks, pepper spray, swords, poisons, razor blades, rockets, sickles, slingshots, spears, tasers, throwing stars, toxic gases, and truncheons.

4.8.05. Possession and Use of Weapons and Dangerous Devices.

Prohibition of Weapons and Dangerous Devices

The possession or use of any weapon or dangerous device including, but not limited to, the weapons and dangerous devices generally summarized in Section 4.8.03(12), by any employee, is prohibited within the workplace, except to the extent expressly authorized in writing by an employee's job classification or relevant policy and possessed in accordance therewith. This prohibition exists regardless of whether an employee possesses a concealed carry weapon permit or is allowed by applicable law to possess a weapon or dangerous device.

Searches of City Property

The City reserves the right, at any time, and at its sole discretion, to search any City property, for the purpose of determining whether any weapon or dangerous device has been brought into the work environment in violation of this Administrative Policy. All employees are advised that interference with, or obstruction of, searches

of City property authorized by this Administrative Policy may result in discipline up to and potentially including termination.

4.8.06. Employee Responsibilities.

Employees are required to exhibit workplace behaviors that demonstrate respect for others and professionalism at all times in the workplace. In addition to the prohibited acts of workplace violence generally summarized in Section 4.8.03, employees are required to refrain from the following in the workplace:

1. Engaging in verbal abuse of others.
2. Creating disturbances causing other employees to be concerned for their safety.
3. Bullying or cyberbullying other employees.
4. Failing to report any belief that they or any other employee may be the subject of a violent act in the workplace, or because of their City employment.

Employees are also required to inform the City Manager or Administrative Services Director/City Treasurer of domestic violence threats that impact the workplace or that are crossing over from home to the workplace (e.g., employees with civil restraining or stay-away orders against a current or former spouse or partner). It is not the City's intent to pry into employees' personal lives; however, when an employee has received a threat of domestic violence or the employee has filed a domestic violence-related civil order, a threat of violence may be created within the workplace. The City may also assist with support, safety information, or resources including, but not limited to, law enforcement or domestic violence advocates.

4.8.07. Reporting Workplace Violence.

If an employee is the victim of a threat or act of violence in the workplace, hears of or witnesses such conduct in the workplace, or believes that they or another employee may be subject to such conduct, they are required to immediately report the matter to their immediate supervisor, or to any other supervisor who they feel comfortable speaking with. If the employee does not feel that the matter can be discussed with their immediate supervisor or another supervisor, they must contact the City Manager. In the event that the matter concerns the City Manager, the employee may report the matter to the City Attorney.

Immediate reporting by employees may be delayed if an employee perceives that they are in immediate danger of a violent act, have just been victimized by a violent act, or are a witness of a violent act in progress. In those instances, the employee shall do the following and report the incident immediately once it is safe to do so:

1. Place themselves in a safe location;
2. If it is necessary and safe to do so, call 911 and request immediate response of law enforcement. Be prepared to inform the public safety dispatcher of the circumstances and the exact location where assistance is required;
3. If it is safe to do so, warn other employees or individuals who may also be in danger; and
4. If it is safe to do so, inform a supervisor of the circumstances.

Reports shall be made immediately after the incident once it is safe to do so, and include the following information:

1. Involved employee's name and position title;
2. The name(s) of the individual(s) involved in the incident, if known;
3. The specific nature of the incident, including the date, time, location, type of violence, and any injuries or physical impacts, if known; and
4. The name(s) of any witness(es) to the violence, if known.

All employees are advised that timely reporting to the City, in a manner consistent with the process set forth in this Administrative Policy, is essential. The City cannot respond to threats or acts of workplace violence unless it knows about them. It is the employee's responsibility to bring complaints to the attention of the City so that prompt and appropriate action can be taken.

Employees will not be retaliated against for good faith opposition to, or reporting of, threats or acts of workplace violence. It is unlawful for an employer to retaliate against employees who oppose or report practices prohibited by federal or state law; file complaints; or, otherwise participate in an investigation, proceeding, or hearing conducted by the governmental authorities (e.g., law enforcement or the district attorney). It is the City's policy to strictly comply with such laws and regulations.

California Senate Bill 400 (Jackson, Chapter 759, Statutes of 2013) protects the employment rights of victims of domestic violence, sexual assault, and stalking. Employees are protected from firing or other discrimination related to their known status as a victim. Employees can request safety accommodations for any instances they feel the threat of domestic violence, sexual assault, or stalking may carry over from home into the workplace. Such requests for safety accommodations shall be directed to the City Manager or Administrative Services Director/City Treasurer. The City is required to provide reasonable safety accommodations to employees unless the granting of such accommodations would constitute an undue hardship. Harassment, discrimination, or retaliation against an employee requesting a safety accommodation as a result of domestic violence, sexual assault, or stalking is prohibited. It is the City's policy to strictly comply with Senate Bill 400.

The City will not tolerate interference with, or obstruction of, the process set forth in this Administrative Policy. All employees are advised that interference with, or obstruction of, the process set forth in this Administrative Policy may result in discipline up to and potentially including termination.

4.8.08. Supervisor Reporting Obligations.

Any supervisor who (1) receives a report of workplace violence, (2) witnesses a threat or act of workplace violence, or (3) has any reason to believe that a threat or act of workplace violence may have occurred, or is presently occurring, in the work environment, is required to immediately report the conduct to their immediate supervisor. If the supervisor does not feel that the report can be made to their immediate supervisor, they are required to make the report to the City Manager or Administrative Services Director/City Treasurer. In the event that the report concerns the City Manager, the supervisor may make the report to the City Attorney. In any case, the report must be made immediately.

All supervisors are advised that failure to fulfill the reporting obligations set forth in this Administrative Policy will result in discipline up to and potentially including termination, if workplace violence was known or should have been known in the normal course and scope of their supervisory duties.

4.8.09. Anonymous Reports.

The City discourages anonymous reports as anonymity in the reporting process may compromise the City's ability to complete a full investigation; however, any employee may make a report of workplace violence without disclosing his/her/their

identity by following the process set forth in Section 4.8.07 of this Administrative Policy, but filing the report anonymously with the City Manager or Administrative Service Director/City Treasurer. In the event that the report concerns the City Manager, the complaint may be filed anonymously with the City Attorney.

All employees are advised that should the City learn of the identity of an anonymous complaining party, the City cannot guarantee that his/her/their identity will remain confidential, if the City determines in its discretion that disclosure is necessary to complete a full investigation or for any other lawful reason.

4.8.10. City Response to Reports.

Immediate Response

After a report of workplace violence is received, the supervisor who received the report shall immediately do the following and report the incident to the City Manager, Administrative Services Director/City Treasurer, or City Attorney (if the matter involves the City Manager) once it is safe to do so:

1. Place themselves in a safe location;
2. If it is necessary and safe to do so, call 911 and request immediate response of law enforcement. Be prepared to inform the public safety dispatcher of the circumstances and the exact location where assistance is required;
3. If it is safe to do so, warn other employees or individuals who may also be in danger; and
4. If it is safe to do so, ask the involved employee(s) to leave the workplace and not return until directed to do so by the City.

Supervisors are empowered and directed to do all of the aforementioned actions without obtaining advance approval from the City Manager, Administrative Services Director/City Treasurer, City Attorney, or any other employee or individual.

All supervisors are advised that failure to take the immediate response actions set forth in this Administrative Policy will result in discipline up to and potentially including termination.

Investigation of Complaints

After a report of workplace violence is received, the City will immediately undertake or direct an effective, thorough, impartial, and objective investigation. The investigation will include, but not necessarily be limited to, obtaining information from the complaining and accused parties, as well as anyone who may have been a witness to the alleged incident.

The City will document complaints and investigations to ensure reasonable progress, timely closure, and reasonable findings based on the evidence collected. No party is entitled to view or receive copies of any confidential notes or other written materials related to complaints or investigations.

At any point during an investigation, the City Council or the City Manager may place the involved employee(s) on paid administrative leave.

Confidentiality

Any investigation related to a report under this Administrative Policy will be conducted with as much confidentiality as the City determines is legally possible and with respect for the rights of all individuals involved, and except as disclosure may be otherwise required by law. Information related to the investigation will generally be provided on a “need to know” basis. The confidential nature of the complaint and investigation is vital in protecting the privacy rights of all individuals involved and encouraging the reporting of workplace violence.

All employees are advised that failure to keep information related to an investigation confidential, except as expressly authorized by the City Manager or City Attorney, or permitted or required by law, such as in discussion with a legal representative, may result in discipline up to and potentially including termination.

Cooperation with Investigation

All employees who are involved in an investigation related to a complaint under this Administrative Policy are required to fully and truthfully cooperate therewith. The City will not tolerate interference with, or obstruction of, an investigation.

All employees are advised that failure to fully and truthfully cooperate with an investigation may result in discipline up to and potentially including termination. Likewise, any interference with, or obstruction of, an investigation may result in

discipline up to and potentially including termination.

City Determination and Corrective Action

Following an investigation related to a report under this Administrative Policy, the City will make its determination and communicate that determination to the complaining and accused parties. Parties are not entitled to view or receive copies of any confidential notes or other written materials related to the investigation.

If the City determines that the accused party has violated this Administrative Policy, appropriate corrective action will be taken including, but not necessarily limited to, discipline up to and potentially including termination. As a part of the City's attempt to remedy the complaining party's concerns, the City's determination notice to the complaining party may also generally advise that corrective action has been taken against the accused party.

Violations of this Administrative Policy may also result in legal action including, but not limited to, seeking a temporary restraining order or injunction on behalf of the City and its employees, and criminal prosecution.

The definitions and information set forth in this Administrative Policy are based on certain definitions of workplace violence. In light of the City's duty to prevent the unlawful conduct defined in this Administrative Policy, and in light of the City's desire to maintain a safe and secure work environment, the City reserves the right to take appropriate corrective action when an employee engages in inappropriate conduct that does not fully rise to the standards set forth herein (e.g., the City may take appropriate corrective action for inappropriate conduct, even if such conduct was not subjectively violent, or if it does not meet legal thresholds of violence).

Bad Faith and Intentionally False Complaints

While the City vigorously defends its employees' right to work in an environment that is free of workplace violence, it also recognizes that false accusations of the same can have serious consequences.

All employees are advised that deliberately reporting a complaint made in bad faith, or deliberately reporting a complaint that is known to be false, may result in discipline up to and potentially including termination.

Recordkeeping and Document Retention

The City shall maintain records regarding threats and acts of workplace violence reported and investigated under this Administrative Policy in the manner, and for the periods of time, required by applicable law.

4.8.11. Administrative Policy Dissemination.

All employees, members of the City Council, and other local City officials shall be provided with and acknowledge receipt of a copy of this Administrative Policy as part of their initial orientation with the City.

4.8.12. Relationship to Federal and State Laws.

Where federal or state laws are more restrictive than or contradict this Administrative Policy, such laws shall take precedence. Where this Administrative Policy is more restrictive than federal or state laws, this Administrative Policy shall take precedence.

City Council Adoption: September XX, 2023

CITY OF LAGUNA WOODS

**ADMINISTRATIVE POLICY 4.8
WORKPLACE VIOLENCE**

4.8.01 PURPOSE

To provide information for all City of Laguna Woods employees to help identify the potential for violence, methods for prevention and intervention, and a plan for post incident recovery.

4.8.02 GENERAL POLICY

The Federal Occupational Safety and Health Act requires that employers provide employees with a safe and healthy work environment. This requirement includes: furnishing safety devices and safeguards; and/or; adopting practices, means, methods, operations and processes necessary to protect the life, safety, and health of employees.

State Occupational Safety and Health regulations contain similar requirements. These regulations require employers to take every measure possible to prevent acts of violence, and when violence occurs, to respond appropriately to minimize damage caused by the act(s).

As part of its commitment to providing a safe and healthful workplace, the City of Laguna Woods has established a "Zero-tolerance" policy for workplace violence. Under no circumstances will the City of Laguna Woods tolerate any threats or physical violence towards its employees or residents. Should the City of Laguna Woods employee physically or verbally threaten a co-worker or resident, that employee will be subject to prompt discipline, up to and including termination. Additionally, threats or physical violence could result in legal action. This includes violence directed at a City of Laguna Woods employee from a resident.

4.8.03 DEADLY WEAPONS

Bringing a deadly weapon to work or carrying a deadly weapon while at work is strictly and specifically prohibited. This prohibition does not apply to persons authorized to carry weapons as part of their job responsibility, such as certain Security personnel. For the purpose of this policy, "deadly weapon" means a device, instrument or object that is specifically designed or intended to cause death or serious physical injury. This prohibition extends to deadly weapons in vehicles

brought to work, whether owned, leased, rented, or borrowed. This prohibition does not apply to personal defense devices, such as personal attack alarms, or to chemical defense sprays, such as Pepper spray or Mace, provided the spray is used in a lawful manner. **City of Laguna Woods employees who bring weapons to work or carry weapons while at work are subject to immediate, severe disciplinary action, up to and including termination and legal action.**

4.8.04 REPORTING PROCESS

It is incumbent upon each employee to promptly report any threat or physical violence he or she receives or witnesses to their immediate supervisor. Employees must be aware that violence can enter the workplace via several routes including: Co-workers or former employees; Laguna Woods residents; current and former spouses; boyfriends, and girlfriends; contractors and vendors; and criminals. Only through prompt reporting and action can violence escalation be prevented. Should any employee have a question or concern about this issue he or she should not hesitate to contact his/her supervisor or the city manager. Maintaining a safe and healthful workplace free of violence and intimidation is the responsibility of every City of Laguna Woods employee.

4.8.05 REPRISALS PROHIBITED

Taking reprisal action against any person because that person reported a violent incident, furnished information, or participated in any manner in an investigation, is prohibited. **City of Laguna Woods employees who engage in such retaliatory conduct are subject to immediate, severe disciplinary action, up to and including termination.**

In all cases involving violence, the first priority of the City of Laguna Woods employees in dealing with the situation is to protect themselves, their co-workers, Leisure World residents, and the public from injury. **The first option should always be for the employee to remove him or herself peacefully from the situation.**

4.8.06 TYPES OF WORKPLACE VIOLENCE

Workplace Violence can take several forms. These seven types are the most common.

- Criminal Directed: The person committing the violence has no legitimate relationship to the workplace and usually intends to commit a robbery or other criminal act.
- Employer Directed: Violence or aggression directed against workplace authority; that is, an executive, manager or supervisor.
- Domestic Directed: Violence or aggression engaged in by a partner or would-be partner that is directed towards his/her spouse, former spouse or partner.
- Property Directed: Acts of violence or aggression directed against the City of Laguna Woods property or equipment (i.e., vandalism).
- Commercial Directed: An individual participates in events directed against the City of Laguna Woods for personal gain, such as theft of property or money. This may also include acts of violence or aggression.
- Employee Directed: An individual engages in acts of violence or aggression directed towards a the City of Laguna Woods employee or individual working on behalf of the City of Laguna Woods (i.e., a contractor or temporary employee).
- Citizen Directed: Conduct and activity that is either criminal or inappropriate that threatens or harms residents.

4.8.07 TRAINING AND INSTRUCTION

All employees shall have training and instruction on general and job-specific workplace security practices. Training and instruction shall be provided as part of new employee orientation and scheduled at least annually for existing employees.

General workplace security training and instruction includes, but is not limited to, the following:

- Explanation of the Workplace Violence Prevention and Response Program including measures for reporting any violent acts or threats of violence;
- Recognition of workplace security hazards including the risk factors associated with the types of workplace violence; and measures to prevent

workplace violence, including procedures for reporting workplace security hazards or threats to employees;

- Ways to defuse hostile or threatening situations;
- Measures to summon others for assistance;
- Employee routes of escape;
- Notification of law enforcement authorities when a criminal act may have occurred or is likely to occur;
- Emergency medical care provided in the event of any violent act upon an employee;
- Post-event trauma counseling for those employees desiring such assistance.

4.8.08 RECOGNITION AND WARNING SIGNS

The risk of workplace violence can be minimized by the careful observation of behavior. Specific stress factors, behaviors, and personality traits have been associated, after the fact, with almost every incident of workplace violence. The presence of several of these indicators greatly increases the likelihood of violent actions. An escalating series of clues usually precedes an act of workplace violence. The risk of a violent outburst is greatly increased when a combination of the following warning signs is ignored:

- A. Boundary crossing includes pushing the limits of acceptable workplace behavior and continual testing of established rules.
- B. Chemical dependence upon alcohol and/or drugs may agitate or create paranoia and aggressive behavior.
- C. Concentration problems such as difficulty recalling instructions, forgetfulness, repetition of errors, and staring into space indicate a troubled employee.
- D. Depression causes nearly one in seven sufferers to commit a violent act either upon themselves or others. Symptoms of depression include; despair, ambivalence, slowed work pace, continual sad or blank facial expressions,

withdrawal, self-condemnation and self-destructive behavior, hopelessness, helplessness, inappropriate guilt/shame, and poor personal hygiene.

- E. History of violence, including domestic abuse, is the best predictor of violent behavior.
- F. Inconsistent work patterns and attendance problems include periods of very high and very low productivity as well as unexplained or improbable excuses for absences.
- G. Obsessive interest in weapons and violent incidents may be revealed in casual conversations, subscriptions to survivalist and weapon magazines, and by preoccupation with hobbies such as marksmanship. An obsession with an impending apocalypse, or destruction of the world, is also common among unstable individuals.
- H. Obsession with job may cause a deeper sense of loss in the case of a poor performance review or termination. These individuals may be loners, having little else of importance in their lives.
- I. Pathological "blamers" cannot take responsibility for their own actions. He or she will not admit wrongdoing, even for minor mistakes, always blaming other people, the organization, or the system.
- J. Personality disorders can result in antisocial behavior such as repeated fighting and domestic violence. These individuals have little remorse about wrongdoing and will find ways to justify their violent behavior. Mood shifts, inappropriate anger, skillful manipulation of others, and preoccupation with self are indicators of personality disorders.
- K. Personal stress can result in excessive personal phone calls, desk pounding or throwing of objects, crying, lapses in attention, and general frustration with the surrounding environment. Debt, separation, divorce, or the death of a relative can all cause excessive stress.
- L. A pattern of poor interpersonal relationships may result in belligerence, overreaction to criticism, and verbal harassment.
- M. Psychosis is a loss of contact with reality that may be manifested as paranoia, loss of association during conversations, flat facial expressions, extreme ambivalence, hallucinations, poor insight, talking to self, or bizarre delusions.

- N. Romantic obsession is a fixation upon and idealized romantic love for another person. Behavioral signs may include stalking, numerous phone calls, spying, and unwanted visits and gifts.
- O. Safety issues like recklessness or repeated involvement in accidents reveal lapses in concentration and disregard for personal/coworker safety.
- P. Unusual or changed behavior includes verbal outbursts, inappropriate remarks, and threats such as "they'll regret this." A series of escalating threats is a particularly important indicator of potential violent actions.
- Q. Paranoia -- irrational thoughts of being "Set-up."

4.8.09 PREVENTION

These preventive measures can be used to minimize the risk of violence in the workplace.

- A. Careful and thoughtful management of people is the best tool to avoid incidents of workplace violence. Handle problems with and between employees quickly, fairly, and consistently using standard City of Laguna Woods' procedures. This also applies to resolving problems with the public.
- B. Maintain open lines of communication with employees. Keep all employees informed of pertinent workplace issues. Conduct open meetings with staff when practical. Ask your employees for safety suggestions and implement them as soon as possible. Allow for confidential input of information.
- C. Lock doors that lead to non-public work areas. Only lock doors from the outside so that emergency exits are not obstructed.
- D. Design work areas so that there is an unobstructed secondary escape exit whenever possible.
- E. Coordinate all phases of the termination process through Human Resources. Improperly handled terminations can cause serious humiliation and anger.
- F. Plan ahead and contact Security for added safety prior to a visit from an individual who is a known or possible threat.

- G. Establish a code word/ distress signal that can be used to convey the need to summon Security personnel.
- H. Take all threats of violence very seriously. Watch for and document the "warning signs".
- I. Encourage a troubled employee to seek counseling.
- J. In serious situations seek and require medical-expert examination and advice.

4.8.10 GUIDELINES FOR HANDLING A POTENTIALLY VIOLENT CONFRONTATION

- A. Try to stay calm. Raising your own voice may increase the anxiety of the potentially violent person.
- B. Speak slowly, softly, and clearly to reduce the momentum of the situation.
- C. Move away from any objects, such as scissors or heavy objects, that may be employed as a weapon.
- D. Allow potentially violent person to "vent".
- E. Avoid challenging body language such as placing your hands on your hips, moving toward the person, or staring directly at them. Remain seated and do not turn your back on the individual.
- F. Attempt to maintain separation from the potentially violent person.
- G. Position yourself, if possible, so that an exit route is readily accessible.
- H. Listen empathetically by really paying attention to what the person is saying. Let the person know that you will help them within your ability to do so or you will seek additional help. Show concern for the individual's issues but remain neutral
- I. Remain helpful while you summon your supervisor for assistance when dealing with a resident. Sometimes, the opportunity to talk to the boss will help satisfy an irritated resident.

- J. Neither agree with distorted statements nor attempt to argue -- REMAIN CALM. Avoid defensive statements. This is not the time to place blame back on the enraged person.
- K. Ask the belligerent person to leave and come back at a time when they feel more calm.
- L. Ask questions to help regain control of the conversation.
- M. Ask uninvolved parties to leave the area if this can be done safely. Use any prearranged code word or signal to alert your supervisor/coworker to call Security.
- N. Do not attempt to bargain with a potentially violent person or make promises that you cannot keep.
- O. Describe the consequences of any violent behavior.
- P. Do not physically touch an outraged person, or try to force them to leave.
- Q. Calmly ask the person to place any weapons in a neutral location while you continue to talk to them.
- R. Never attempt to disarm or accept a weapon from the person in question. Weapon retrieval is only to be done by Public Safety personnel.

4.8.11 REPORTING

It is imperative that all incidents of workplace violence be promptly reported. Your immediate supervisor and the Risk Manager should be notified immediately for incidents involving physical aggression. The City of Laguna Woods employees should be aware that making intentionally false statements alleging workplace violence or potential warning signs will result in immediate, severe disciplinary action, up to and including termination. To the extent possible, the privacy rights of all concerned will be protected.

4.8.12 INTERVENTION

The best time for successful intervention is when the warning signs first begin to appear. Document all threats, acts of violence, or warning signs that a person may become violent. Focus on the behaviors involved and statements made by the

individual. Report all incidents so that a preliminary investigation can be conducted.

4.8.13 POST INCIDENT RESPONSE

Detailed facts and the names of witnesses must be gathered and provided to investigating personnel. Collect facts on who, what, where, when and how the incident occurred. Record early.

If a major episode of workplace violence has occurred and injuries are sustained anticipate a heavy media response. The City Manager or a designated employee will be responsible for communications with the media. The Risk Manager must notify Cal-OSHA if the episode has resulted in serious injury or involves multiple individual injuries.

Do not expect business-as-usual conditions. Nothing will ever be the same following a serious violent attack. Flexibility, compassion, and understanding will be required to establish a new state of normal operations for the organization. Supervisors and managers need to watch closely for signs of stress among employees returning to work following a violent incident.

Adopted by City Council: April 18, 2001

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6.7
LANDSCAPE ARCHITECTURE AND
LANDSCAPE PLAN REVIEW SERVICES

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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**EXTENSION OF THE
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
RJM DESIGN GROUP, INC.
FOR LANDSCAPE ARCHITECTURE AND LANDSCAPE PLAN REVIEW SERVICES**

This EXTENSION of the AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT") that was approved by the City Council on June 2, 2021, by and among the City of Laguna Woods, a California municipal corporation ("CITY") and RJM Design Group, Inc. ("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 June 7, 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, 2024.

NOW THEREFORE, the parties amend the AGREEMENT as follows and, by doing so, memorialize prior authorized terms of agreement and performance consistent with same from and after July 1, 2023 until the date of signing hereto:

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 _____
Larry P. Ryan, President

APPROVED AS TO FORM:

Alisha Patterson, City Attorney

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6.8 CATCH BASIN MAINTENANCE SERVICES

**For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).**

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**AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE
CITY OF LAGUNA WOODS
AND
UNITED STORM WATER, INC.
FOR CATCH BASIN MAINTENANCE SERVICES**

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this _____ ("EFFECTIVE DATE"), by and among the City of Laguna Woods, a California municipal corporation ("CITY"), and United Storm Water, Inc. ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of SECTION 17 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period beginning on October 1, 2023 and ending at 11:59 p.m. on October 31, 2026. Such term may be extended upon written agreement of both parties to this AGREEMENT through a maximum of 11:59 p.m. on October 31, 2027.

SECTION 2. SCOPE OF SERVICES.

CONSULTANT shall perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" and made a part of this AGREEMENT. All work to be performed by CONSULTANT shall be coordinated with, and approved by City Manager of CITY or his or her designee. CONSULTANT shall not begin work on any individual task or assignment until authorized by the City Manager of CITY or his or her designee to proceed.

SECTION 3. ADDITIONAL SERVICES.

CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", unless such additional services are authorized in advance and in writing by the City Council or the City Manager of CITY or his or her designee. CONSULTANT shall be compensated for any such additional services only in the amounts and in the manner agreed to by the City Council or City Manager of CITY or his or her designee.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part

ITEM 6.8

of this AGREEMENT. CONSULTANT shall perform work only as requested by CITY. This AGREEMENT does not state, convey, imply, or infer a specific, minimum or expected amount of work or compensation for as needed services or reimbursables. Compensation for services shall not exceed the amounts specified in EXHIBIT "B" "COMPENSATION".

(b) No later than the 15th of each month CONSULTANT shall furnish to CITY an **original** invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the categories required by CITY, which are subject to change at the discretion of CITY. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event that any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by CONSULTANT which are disputed by CITY, CITY will use its best efforts to cause CONSULTANT to be paid within thirty (30) days of receipt of CONSULTANT's invoice.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT, nor to constitute any waiver of any type of relief or remedy, legal or equitable, arising out of any breach or nonperformance of any aspect of the AGREEMENT by CONSULTANT.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work in its discretion within sixty (60) days after submitted to CITY. Any rejection of work by CITY shall be by written explanation. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, SECTIONS 13 and 14 of this AGREEMENT, pertaining to indemnification and insurance, respectively.

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files, and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents, notwithstanding any billing or compensation disputes that may then exist between CITY and CONSULTANT.

SECTION 7. CONSULTANT'S BOOKS AND RECORDS.

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's and any of CONSULTANT's subcontractors' performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all drafts of studies or planning documents, correspondence, notices, ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for five (5) years from the end of the term of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit, and copying, at any time during regular business hours, upon written request by CITY, Federal government, State of California, or their designated representatives. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit, and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

(d) CONSULTANT shall prepare and submit to CITY reports concerning the performance of the work in this AGREEMENT as CITY shall require.

SECTION 8. STATUS OF CONSULTANT.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, official, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt, or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of CONSULTANT or any of CONSULTANT's

ITEM 6.8

officers, officials, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, officials, employees or agents is in any manner officials, officers, employees or agents of CITY.

(c) CONSULTANT shall: (i) recruit, screen, interview, and assign its employees (the "ASSIGNED EMPLOYEES") to perform the work described in EXHIBIT "A" for CITY at the location(s) specified in EXHIBIT "A"; (ii) pay ASSIGNED EMPLOYEES wages and provide other benefits required by law, including sick and family medical leave, and any other benefits as CONSULTANT deems appropriate; (iii) pay, withhold, and transmit payroll taxes, provide unemployment insurance and workers' compensation in an amount no less than required by law, and handle workers' compensation and unemployment claims involving ASSIGNED EMPLOYEES; (iv) ensure ASSIGNED EMPLOYEES are legally authorized to work in the United States; and, (v) have sole responsibility for providing and will provide necessary health coverage to ASSIGNED EMPLOYEES under the Affordable Care Act's ("ACA") employer mandate and its implementing regulations. CONSULTANT represents and warrants that it will comply with all laws, including the ACA, in doing so.

(d) CONSULTANT shall not use any independent contractors to perform the services described in EXHIBIT "A" on CONSULTANT's behalf unless approved in writing by CITY in advance.

(e) CONSULTANT represents that: (i) it is solely responsible for all required training of ASSIGNED EMPLOYEES under federal, state, and local laws, including those regarding anti-harassment, anti-retaliation, anti-discrimination, workplace safety training, and any other applicable laws; (ii) it has, and during the term of this AGREEMENT shall maintain, anti-harassment, anti-retaliation, and anti-discrimination policies, and appropriate complaint procedures in place; (iii) it is solely responsible for the supervision of ASSIGNED EMPLOYEES; (iv) it is solely responsible for all pre-employment screening and testing of ASSIGNED EMPLOYEES, as may be required or allowed by law, including Form I-9 verification, criminal background checks, industry-specific checks, other background checks, and related recordkeeping; and, (v) it is solely responsible for performance managing, disciplining, and terminating its ASSIGNED EMPLOYEES.

(f) Neither CONSULTANT, nor any of CONSULTANT's officers, officials, employees, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.

(g) This AGREEMENT shall in no way prohibit the CITY from entering into other agreements or contracts, hiring staff or making other such arrangements with other persons and/or entities relative to the services set forth in EXHIBIT "A" "SCOPE OF SERVICES".

SECTION 9. STANDARD OF PERFORMANCE.

ITEM 6.8

CONSULTANT represents and warrants that it has the qualifications, experience, personnel, and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent, and professional manner. CONSULTANT shall at all times faithfully, competently and to the best of its ability, experience, and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

(a) CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT, including but not limited to regulations and rules pertaining to any grant awards or third-party funding with which this AGREEMENT is funded in whole or in part. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. CITY shall not be responsible for monitoring CONSULTANT's compliance with federal, state, and local laws, statutes, codes, ordinances, or regulations. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

(b) CONSULTANT shall not be debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, or from receiving Federal contracts, subcontracts, or financial or nonfinancial assistance or benefits, under Executive Order 12549, "Debarment and Suspension" (24 CFR 85.35) or other Federal laws, statutes, codes, ordinances, regulations or rules, at any time during the term of this AGREEMENT.

(c) CONSULTANT shall not discriminate, in any way, against any person on the basis of race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy, childbirth or related medical conditions, veteran status, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, sex, age over 40 years, or any other basis protected by applicable federal, state, or local law, including association with individuals with one or more of these protected characteristics or perception that an individual has one or more of these protected characteristics in connection with or related to the performance of this AGREEMENT.

(d) CONSULTANT affirms and agrees that for purposes of all statutory and regulatory requirements for employee leaves of absence, including the Family and Medical Leave Act and any similar state or local law, CONSULTANT shall comply with any such requirements and CITY shall cooperate with CONSULTANT's compliance.

(e) CONSULTANT has sole responsibility for providing, and will provide, the necessary health coverage to ASSIGNED EMPLOYEES under the ACA employer mandate and

its implementing regulations. CONSULTANT represents and warrants that it will comply with all laws, including the ACA, in doing so.

(f) Upon reasonable written notice to CONSULTANT, CITY may inspect CONSULTANT's records to verify CONSULTANT's compliance with this AGREEMENT.

SECTION 11. CONFLICTS OF INTEREST.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, official, employee, agent, or subcontractor without the express written consent of the City Manager of CITY or his or her designee. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 12. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager of CITY or his or her designee, except as may be required by law.

(b) CONSULTANT, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager of CITY or his or her designee or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

(c) If CONSULTANT, or any officer, employee, agent or subcontractor of CONSULTANT, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from CONSULTANT for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of

CONSULTANT's conduct.

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, officials, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT or the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing, or similar proceeding. CONSULTANT agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

SECTION 13. INDEMNIFICATION.

(a) CITY and its respective elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of the CONSULTANT's performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT, including without limitation CONSULTANT's breach of any representation, warranty or obligations of CONSULTANT set for in this AGREEMENT, including but not limited to those set forth in SECTIONS 8, 9 and 10.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT's expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under SECTION 14 "INSURANCE" of this AGREEMENT shall insure CONSULTANT's obligations under this section, but the limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY's sole negligence or willful acts or omissions.

SECTION 14. INSURANCE.

CONSULTANT agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "C" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager of CITY or his or her designee. CONSULTANT agrees to provide CITY with copies of required policies upon request.

SECTION 15. ASSIGNMENT.

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties or obligations under this AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors. CONSULTANT shall be solely liable and responsible for the actions, conduct, and performance of subcontractors, including but not limited to ensuring their compliance with SECTION 10 "COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES" of this AGREEMENT.

SECTION 16. CONTINUITY OF ASSIGNED EMPLOYEES.

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's ASSIGNED EMPLOYEES. CONSULTANT shall obtain approval, in writing, from CITY of any changes in CONSULTANT's ASSIGNED EMPLOYEES, prior to any such performance.

SECTION 17. TERMINATION OF AGREEMENT.

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to CONSULTANT. In the event such notice is given, CITY may require CONSULTANT to cease immediately all work in progress.

(b) CONSULTANT may terminate this AGREEMENT at any time upon sixty (60) days written notice of termination to CITY. In the event such notice is given, CITY may require CONSULTANT to cease immediately all work in progress.

(c) If CONSULTANT fails to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, CITY may terminate this

AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY immediately upon demand by CITY, notwithstanding any billing disputes that may then exist under this AGREEMENT. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 "COMPENSATION AND METHOD OF PAYMENT" of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

SECTION 18. DEFAULT.

In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

SECTION 19. EXCUSABLE DELAYS.

CONSULTANT shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of CONSULTANT. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state, or local governments, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

SECTION 20. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", shall be furnished to CONSULTANT in a reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

SECTION 21. NOTICES.

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopy or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY:	City of Laguna Woods
	Attn: City Manager
	24264 El Toro Road
	Laguna Woods, CA 92637

To CONSULTANT: United Storm Water, Inc.
ATTN: President
14000 E. Valley Blvd.
City of Industry, CA 91746

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 22. AUTHORITY TO EXECUTE.

The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

SECTION 23. BINDING EFFECT.

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

SECTION 24. MODIFICATION OF AGREEMENT.

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the City Council or City Manager of CITY. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 25. WAIVER.

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

SECTION 26. LAW TO GOVERN; VENUE.

This AGREEMENT shall be interpreted, construed, and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Orange. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the District of California in which CITY is located.

SECTION 27. ATTORNEYS FEES, COSTS, AND EXPENSES.

ITEM 6.8

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorneys' fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 28. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBITS "A" through "D", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which is not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 29. SEVERABILITY.

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

SECTION 30. NO THIRD-PARTY BENEFICIARIES.

This AGREEMENT, its provisions, and its covenants, are for the sole and exclusive benefit of CITY and CONSULTANT. No other parties or entities are intended to be, nor shall be considered, beneficiaries of the performance by either party of any of the obligations under this AGREEMENT.

SECTION 31. COUNTERPARTS.

This AGREEMENT may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same agreement. The parties may also deliver executed copies of this AGREEMENT to each other by electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. No party may raise the use of any image transmission device or method or the fact that any signature was transmitted as an image as a defense to the enforcement of this AGREEMENT. At the request of either party, the parties will confirm signatures by signing and delivering an original AGREEMENT.

[SIGNATURES ON NEXT PAGE]

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

CITY OF LAGUNA WOODS:

CONSULTANT:

Christopher Macon, City Manager

Eduardo C. Perry Jr., President

Approved as to Form:

Alisha Patterson, City Attorney

EXHIBIT "A"
SCOPE OF SERVICES

CONSULTANT shall perform and complete catch basin maintenance services by providing all labor, tools, equipment, materials, and supplies 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 catch basin maintenance services only as requested by CITY. This AGREEMENT does not state, convey, imply or infer a specific, minimum or expected amount of work or compensation for catch basin maintenance services.

“Regular Service” is scheduled at least 10 business days in advance and includes inspection, cleaning, and removal of waste from specified catch basins. Regular Service may be scheduled Monday through Friday (excluding Federal holidays) between the hours of 9 a.m. and 4 p.m.

“Emergency Service” is scheduled less than 10 business days in advance and includes inspection, cleaning, and removal of waste from specified catch basins. Emergency Service may be required at any time, Monday through Friday (including Federal holidays). CONSULTANT shall be able to provide Emergency Service with 24-hours’ notice.

CONSULTANT may also be required to remove and replace, and/or install, thermoplastic catch basin stencils.

Prevailing Wage Notice

PLEASE NOTE THAT THIS WORK IS SUBJECT TO PREVAILING WAGE. In accordance with the provisions of Section 1770 et seq., of the Labor Code, the Director of Industrial Relations of the State of California has determined the general prevailing rate of wages applicable to the work to be done. The selected firm shall be required to pay to all persons employed for this work by the selected firm sums not less than the sums set forth in the documents entitled “General Prevailing Wage Determination made by the Director of Industrial Relations pursuant to California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770,1773,17733.1”

California Department of Industrial Relations Registration Requirement – No contractor or subcontractor may be listed on a proposal for this work unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)]. No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

California Contractors State License Board (“CSLB”)

CONSULTANT shall maintain an A – General Engineering Contractor License from the CSLB in good standing in full force and effect at all times during the term of the Agreement.

General Requirements

- *Encroachment Permit.* At all times during services, CONSULTANT shall hold, in full force and effect, an encroachment permit from CITY (CITY shall waive fees). Issuance of the encroachment permit shall include submittals required by CITY including, at a minimum, a traffic control plan. CITY will not allow more than one lane of vehicle traffic per street direction to be closed or impeded at a time.
- *Traffic Control.* CONSULTANT shall provide all traffic control services and devices (e.g., cones, delineators, signage, and flaggers) as required by CITY’s encroachment permit and otherwise deemed necessary for the safe conduct of services.
- *Water Quality Best Management Practices (“BMPs”).* To the extent that water quality BMPs exist for all or a portion of the services provided, CONSULTANT shall implement them to the maximum extent practical and necessary, and as required by the City. CITY’s Water Quality BMP Fact Sheets are available at www.ocwatersheds.com and may change, from time-to-time, at CITY’s sole discretion.
- *Confined Space Entry.* CONSULTANT shall comply with all applicable laws regarding the entry of any person into any confined space including, but not limited to, regulations and other requirements set forth by the California Division of Occupational Safety and Health.
- *Field Inspections and Laboratory Analysis.* CITY reserves the right to inspect service activities to verify that CONSULTANT is performing in full compliance with the terms of the agreement, CITY encroachment permit, and water quality BMPs, or for any other purpose at CITY’s sole discretion. CITY shall also reserve the right to sample sediment (less debris) or any other material from catch basins during service activities by the selected firm to verify that the sediment does not meet the U.S. Environmental Protection Agency’s hazardous waste criteria, or for any other purpose at CITY’s sole discretion.
- *Reporting – Immediate.* CONSULTANT’s field crews shall immediately report evidence of illegal discharges (e.g., dumping, spills, abandoned oil containers, etc.) or illicit connections (e.g., pipes, hoses, etc.) to any catch basin to CITY via telephone and a subsequent follow-up email.
- *Reporting – Routine.* CONSULTANT shall complete CITY’s Catch Basin Maintenance Form (EXHIBIT “D”) for each service date and photograph the interior and exterior of each catch basin before and after each service (collectively, “records”). Exterior photographs must clearly show each catch basin’s thermoplastic stencil and catch basin ID number. Records

ITEM 6.8

shall be submitted to CITY no later than 30 days following the date of each service, both electronically and with wet-signed original catch basin maintenance forms. CITY will not make payments until all required records are received. **All photographs must contain a camera-embedded date stamp (not a manually added date stamp).**

- *Reporting – Stencil.* CONSULTANT shall photograph each catch basin's thermoplastic stencil before and after each replacement (collectively, "images"). Images shall be submitted to CITY, electronically, no later than 30 days following the date of each replacement. CITY will not make payments until all required images are received. **All photographs must contain a camera-embedded date stamp (not a manually added date stamp).**
- CONSULTANT acknowledges and agrees that CITY reserves the right to modify, replace (like-for-like or otherwise), or remove catch basin filter inserts at any time during the term of this AGREEMENT, at its sole discretion.
- *Waste Disposal.* CONSULTANT may dispose of waste extracted from catch basins during Regular Service or Emergency Service at landfills or other disposal facilities that accept such waste, subject to any laws, rules, and regulations applicable thereto including, but not limited to, laboratory analysis. CONSULTANT shall provide CITY with all laboratory analysis, waste profiles, shipping documents, and weight tickets as may be generated no later than 30 days from the date of disposal. CITY will not make payments until all required records are received. The city of origin for all waste transported for disposal shall be identified as the City of Laguna Woods and not comingled with other jurisdictions' waste.

EXHIBIT "B"
COMPENSATION

CONSULTANT shall be compensated as follows:

Table B-1: Compensation Schedule

CONSULTANT Service	Rate
Catch Basin Maintenance (“Regular Service”)	\$178 each
Catch Basin Maintenance (“Emergency Service”)	\$178 each
Thermoplastic Stencil Application	\$75 each
Laboratory Analysis (CAM-17) (Five-day turnaround)	\$375 each

EXHIBIT "C"
INSURANCE

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Manager of CITY or his or her designee or City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

(1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).

(2) Insurance Services Office form number CA 0001 (Ed. 03/10) covering Automobile Liability. The auto liability policy must cover all non-owned autos, scheduled autos, and hired autos subject to the written approval of CITY.

(3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the CONSULTANT and all risks to such persons under this AGREEMENT.

(4) Errors and omissions liability insurance appropriate to the CONSULTANT's profession.

2. Minimum Limits of Insurance. CONSULTANT shall maintain limits of insurance no less than:

(1) General Liability: \$5,000,000 per occurrence for all covered losses and no less than \$5,000,000 general aggregate for bodily injury, personal injury, and property damage.

(2) Automobile Liability: \$5,000,000 per accident for bodily injury and property damage.

(3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

ITEM 6.8

1. All Policies. Each insurance policy required by this AGREEMENT shall be endorsed and state that the coverage shall not be suspended, voided, cancelled by the insurer or either party to this AGREEMENT, reduced in coverage or in limits except after 30 days' prior written notice by Certified mail, return receipt requested, has been given to the City Manager of CITY or his or her designee.

2. General Liability and Automobile Liability Coverages.

(1) CITY, and its respective elected and appointed officers, officials, and employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities CONSULTANT performs; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) CONSULTANT's insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and volunteers. Any insurance or self insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, CONSULTANT's insurance.

(3) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager of CITY or his or her designee otherwise agrees in writing, the insurer shall agree to waive all rights of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by CONSULTANT.

C. Other Requirements. CONSULTANT agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that CONSULTANT furnish CITY with copies of original endorsements effecting coverage required by this section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. CONSULTANT shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

ITEM 6.8

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and volunteers or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

EXHIBIT "D"
CITY'S CATCH BASIN MAINTENANCE FORM

[SEE NEXT PAGE]

**CITY OF LAGUNA WOODS
CATCH BASIN MAINTENANCE FORM**

Date of Service:

IF MAINTENANCE OCCURS OVER MORE THAN ONE DAY, COMPLETE A SEPARATE FORM FOR EACH DAY.

Type of Service: Regular Emergency

Catch Basin ID Number	Thermoplastic Stencil Requires Repair? (Yes or No)	Catch Basin ID Painted Stencil Requires Repair? (Yes or No)	Filter Insert(s) Requires Repair? (Yes or No)	Cleaning Method (vacuum, manual, or sweeper)	Waste Removal				
					Total Volume Removed during Cleaning (cu ft)	% Sediment	% Organic	% Trash & Debris	% Other (specify)

INTERIOR AND EXTERIOR PHOTOGRAPHS OF EACH CATCH BASIN BEFORE AND AFTER EACH SERVICE MUST BE ATTACHED TO THIS FORM. EXTERIOR PHOTOGRAPHS MUST CLEARLY SHOW THE THERMOPLASTIC STENCIL AND CATCH BASIN ID NUMBER. ALL PHOTOGRAPHS MUST CONTAIN A CAMERA-EMBEDDED DATE STAMP (NOT A MANUALLY ADDED DATE STAMP).

CERTIFICATION

I certify under penalty of law that the report was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. I further certify that I am authorized to execute this document on behalf of the company.

Print Name:

Title:

Company Name:

Address:

Telephone Number:

Signature:

Date:

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6.9

**EL TORO ROAD AND MOULTON PARKWAY
WATER QUALITY TREATMENT PROJECT
(NO REPORT)**

For additional information on this item,
please refer to Item 6.0 (Consent Calendar Summary).

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7.1
CANNABIS STOREFRONT RETAILER FEES

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 20, 2023 Regular Meeting
SUBJECT: Cannabis Storefront Retailer Fees

Recommendation

1. Receive staff report.

AND
2. Open public hearing.

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, ADOPTING A NEW ANNUAL APPLICATION AND ROUTINE INSPECTION FEE FOR CANNABIS STOREFRONT RETAILERS APPLYING FOR A COMMERCIAL CANNABIS PERMIT; AND DETERMINING AND CERTIFYING THAT THE RESOLUTION IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

At the regular meeting on August 16, 2023, the City Council voted 3-2 with Mayor Pro Tem Hatch and Councilmember Moore opposed, to adopt an ordinance that – among other things – established a regulatory framework for cannabis storefront retailers. The ordinance includes a provision for the City Council to establish an Annual Application and Routine Inspection Fee for those pursuing the issuance of commercial cannabis permits from the City. The ordinance will become effective 10 calendar days after the effective date of that fee.

Discussion

At today’s meeting, the City Council will conduct a public hearing regarding the proposed Cannabis Storefront Retailer Fee Schedule (Attachment A), after which adoption will be considered. Staff recommends an effective date of October 11, 2023, which will provide sufficient time for staff to prepare for the acceptance and processing of applications for commercial cannabis permits. Applications would be accepted beginning on October 23, 2023.

The proposed Annual Application and Routine Inspection Fee is \$6,802, of which \$4,064 is related to application processing and \$2,738 is related to the six routine inspections the City will conduct to verify compliance with cannabis storefront retailer regulations. If an application is denied, \$2,738 would be refundable as there would no need to conduct routine inspections.

A cost of service analysis/technical memorandum from ClearSource Financial Consulting is included as Attachment B.

If the proposed fee schedule is adopted today, staff plans to evaluate the adequacy and rationality of the fee, including reasonable costs of providing services, after 12 months of application and inspection data is available, or earlier, if necessary.

Environmental Review

The City Council is asked to find 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.

The City Council is also asked to find that, 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 cannabis storefront retailer fees.

Finally, the City Council is asked to find that 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.

Fiscal Impact

The proposed Cannabis Storefront Retailer Fee Schedule is intended to promote full cost recovery of costs to the City associated with processing applications for, and conducting routine inspections of, cannabis storefront retailers.

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

- Attachments: A – Proposed Resolution
Exhibit A – Proposed Cannabis Storefront Retailer Fee Schedule
B – Cost of Service Analysis/Technical Memorandum from ClearSource Financial Consulting (dated September 1, 2023)

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RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A NEW ANNUAL APPLICATION AND ROUTINE INSPECTION FEE FOR CANNABIS STOREFRONT RETAILERS APPLYING FOR A COMMERCIAL CANNABIS PERMIT; AND DETERMINING AND CERTIFYING THAT THE RESOLUTION 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 City Council conducted a duly noticed public hearing at its regular meeting on September 20, 2023 regarding the proposed adoption of a new annual application and routine inspection fee for cannabis storefront retailers applying for a commercial cannabis permit; and

WHEREAS, public noticing for the aforementioned public hearing included publication in the *Laguna Woods Globe* on September 7, 2023 and September 14, 2023; and

WHEREAS, the fee that is included on the Cannabis Storefront Retailer Fee Schedule attached hereto as Exhibit A was made available to the public at and from Laguna Woods City Hall, and on the City’s website, beginning on September 7, 2023; and

WHEREAS, after consideration of the information provided by City staff, the City’s costs to provide cannabis storefront retailer services, and all public comments and testimony received, the City Council finds that it is in the best interest of the City to adopt the Cannabis Storefront Retailer Fee Schedule attached hereto as Exhibit A.

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

SECTION 1. The Cannabis Storefront Retailer Fee Schedule attached hereto

as Exhibit A is hereby adopted to be effective beginning on October 11, 2023. In adopting such fees, the City Council finds that the amounts of the fees do not exceed the reasonable costs of providing the services for which the fees are charged.

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 cannabis storefront retailer fees. 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. 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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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**CITY OF LAGUNA WOODS
CANNABIS STOREFRONT RETAILER FEES**

Fee Schedule

Effective beginning on XX, 2023

Commercial Cannabis Permit – Cannabis Storefront Retailer Fees	
DESCRIPTION	FEE
Annual Application and Routine Inspection Fee	\$6,802*

* This fee is comprised of two components – Application Fee Component (\$4,064) and Routine Inspection Fee Component (\$2,738). If the application is denied, the Routine Inspection Fee Component is refundable.

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ITEM 7.1
Attachment B

Cost of Service Analysis/Technical Memorandum from ClearSource Financial
Consulting (dated September 1, 2023)

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MEMORANDUM

DATE: September 1, 2023

TO: Chris Macon, City Manager | City of Laguna Woods

FROM: Terry Madsen, Principal Consultant | ClearSource Financial Consulting
Email: tmadsen@clearsourcefinancial.com | Phone: 831.288.0608

SUBJECT: Cost of Service Analysis and Proposed Fee Structure for the City of Laguna Woods' Commercial Cannabis Permit – Cannabis Storefront Retailer

On August 16, 2023, the Laguna Woods City Council adopted an ordinance that included, but was not limited to, establishment of a regulatory framework for cannabis storefront retailers.

The regulatory framework includes the establishment of commercial cannabis permitting requirements. As part of the permitting requirements, an application and routine inspection fee, as approved by resolution of the City Council, is payable annually by cannabis storefront retailers. The City of Laguna Woods does not have an existing fee for the review and issuance of cannabis storefront retail permits.

ClearSource Financial Consulting (“ClearSource”) has assisted with the calculation of the City’s anticipated cost of permitting and routine inspection services. ClearSource provides cost of service analysis for municipalities throughout the State and assists the City with the establishment of various user and regulatory fees.

The following fee structure is intended to fully compensate the City for commercial cannabis permit processing-related costs.

Description	Fee
Commercial Cannabis Permit – Cannabis Storefront Retailer	
a. Application and Routine Inspection Fee	
i. Application Fee Component (Annual Fee)	\$4,064
ii. Routine Inspection Fee Component (Annual Fee; refundable if application is denied)	\$2,738

The proposed fee is intended to comply with applicable state, and local laws including providing confirmation that the proposed fee/charge is not a tax as defined in Article 13C of the California Constitution and that the proposed fee/charge is no more than necessary to cover the reasonable costs of the City’s activities and services addressed in the fee. Additionally, the manner in which the costs are allocated to a payor bear a fair and reasonable relationship to the payor’s burdens on, or benefits received from the activities and services provided by the City.

MEMORANDUM

Findings from the ClearSource analysis are included in the appendices of this memorandum.

- **Appendix A** identifies the City's anticipated cost of service
- **Appendix B** includes a proposed schedule of fees for adoption by the City Council

COST OF SERVICE ANALYSIS

City of Laguna Woods
 Cost of Service Study for Analyzing User and Regulatory Fees
 Calculation of the Estimated Cost of Service
 Commercial Cannabis Permit - Cannabis Storefront Retailer

Service Time

Service Description		Dev / PW Administrator / Admin	GIS Consultant	Planning	Building	Code Enforcement Officer	City Engineer	Total
1	Commercial Cannabis Permit - Cannabis Storefront Retailer: a) Application and Routine Inspection Fee i) Application Fee Component (Annual Fee) ii) Routine Inspection Fee Component (Annual Fee; refundable if application is denied)	12.00 7.50	4.00	3.00	2.75 6.00	1.25 6.00	1.25	24.25 19.50

Fully-Burdened Hourly Rate

Service Description		Dev / PW Administrator / Admin	GIS Consultant	Planning	Building	Code Enforcement Officer	City Engineer	Note
1	Fully-Burdened Hourly Rate	\$161	\$205	\$161	\$167	\$88	\$208	[a],[b]

Cost of Service

Service Description		Dev / PW Administrator / Admin	GIS Consultant	Planning	Building	Code Enforcement Officer	City Engineer	Total
1	Commercial Cannabis Permit - Cannabis Storefront Retailer: a) Application and Routine Inspection Fee i) Application Fee Component (Annual Fee) ii) Routine Inspection Fee Component (Annual Fee; refundable if application is denied)	\$1,932 \$1,208	\$820	\$483	\$459 \$1,002	\$110 \$528	\$260	\$4,064 \$2,738

[a] Hourly rates for Dev / PW Administrator / Admin, Planning and Building based on user and regulatory fee study completed in 2023.

[b] Hourly rates for GIS Consultant, Code Enforcement Officer, and City Engineer based on current contract service agreements. Amounts include allocable citywide overhead based on the City's Central Service Cost Allocation Plan and Indirect Cost Rate Calculation - Full Cost Plan for use in Fiscal Year 2023-24.

PROPOSED FEES

City of Laguna Woods
Commercial Cannabis Permit - Cannabis Storefront Retailer

Description		Fee
1	Commercial Cannabis Permit - Cannabis Storefront Retailer: a) Application and Routine Inspection Fee i) Application Fee Component (Annual Fee) ii) Routine Inspection Fee Component (Annual Fee; refundable if application is denied)	 \$4,064 \$2,738

7.2 ELECTRIC VEHICLE CHARGING STATION FEES

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City of Laguna Woods

Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: September 20, 2023 Regular Meeting
SUBJECT: Electric Vehicle Charging Fees

Recommendation

1. Receive staff report.

AND
2. Open public hearing.

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, ADOPTING NEW ELECTRIC VEHICLE CHARGING FEES FOR USE OF CITY-OWNED ELECTRIC VEHICLE CHARGING STATIONS LOCATED AT LAGUNA WOODS CITY HALL, 24264 EL TORO ROAD, LAGUNA WOODS, CA 92637; AND DETERMINING AND CERTIFYING THAT THE RESOLUTION IS

EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Background

The City has constructed two Level 2 electric vehicle charging stations at City Hall, but has not yet established fees for use of the charging stations.

Discussion

At today's meeting, the City Council will conduct a public hearing regarding the proposed Electric Vehicle Charging Fee Schedule (Attachment A), after which adoption will be considered. Staff recommends an effective date of September 20, 2023, although the charging stations will not be publicly accessible until after the City Hall/Public Library Project is completed.

The proposed fees take into account the reasonably anticipated costs of electricity, administrative support, and future replacement of the charging stations. Initial construction costs are not factored into the fees due to those costs being funded by Mobile Source Reduction Fund – not General Fund – monies.

In addition to an energy rate (\$0.30 per kilowatt hour (“kWh”)), a parking rate of \$2 per hour, up to a maximum of \$30 per day, is proposed to be charged after four hours of use by a single user to encourage efficient use of the charging stations and free up the charging stations for others to use. The four hour timeframe was derived based on the U.S. Department of Transportation's assertion that “Level 2 chargers can charge a [Battery Electric Vehicle (“BEV”)] to 80 percent from empty in 4-10 hours and a [Plug-in Hybrid Electric Vehicle (“PHEV”)] in 1-2 hours¹.”

A cost of service analysis/technical memorandum from ClearSource Financial Consulting is included as Attachment B.

On September 5, 2023, subsequent to the preparation of the cost of service analysis/technical memorandum, the Golden Rain Foundation of Laguna Woods' Board of Directors voted to modify their electric vehicle charging fees. Their fees increased from \$0.17 to \$0.31 per kWh for members and employees, and from \$0.30 to \$0.34 per kWh for the general public. Their parking rate continues to be

¹ <https://www.transportation.gov/rural/ev/toolkit/ev-basics/charging-speeds> [Retrieved August 18, 2023]

\$2 per hour after four hours of use by a single user. By comparison, as proposed, the City’s electric vehicle charging fees would be \$0.01 per kWh less expensive for Laguna Woods Village residents and Golden Rain Foundation employees, and \$0.04 per kWh less expensive for all other persons.

If the proposed fee schedule is adopted today, staff plans to evaluate the adequacy and rationality of the fees, including reasonable costs of providing services, after 12 months of usage data is available, or earlier, if necessary.

Environmental Review

The City Council is asked to find 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.

The City Council is also asked to find that, 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, (2) purchasing or leasing supplies, equipment, or materials, and (3) obtaining funds for capital projects, necessary to maintain service within existing service areas – as is the case with the electric vehicle charging fees.

Finally, the City Council is asked to find that 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.

Fiscal Impact

The proposed Electric Vehicle Charging Fee Schedule is intended to promote full

cost recovery of both electricity and non-electricity costs to the City associated with operating the Level 2 electric vehicle charging stations at City Hall.

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

- Attachments: A – Proposed Resolution
 Exhibit A – Proposed Electric Vehicle Charging Fee Schedule
 B – Cost of Service Analysis/Technical Memorandum from ClearSource Financial Consulting (dated August 18, 2023)

RESOLUTION NO. 23-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING NEW ELECTRIC VEHICLE CHARGING FEES FOR USE OF CITY-OWNED ELECTRIC VEHICLE CHARGING STATIONS LOCATED AT LAGUNA WOODS CITY HALL, 24264 EL TORO ROAD, LAGUNA WOODS, CA 92637; AND DETERMINING AND CERTIFYING THAT THE RESOLUTION 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 City Council conducted a duly noticed public hearing at its regular meeting on September 20, 2023 regarding the proposed adoption of new electric vehicle charging fees for use of City-owned electric vehicle charging stations located at Laguna Woods City Hall, 24264 El Toro Road, Laguna Woods, CA 92637; and

WHEREAS, public noticing for the aforementioned public hearing included publication in the *Laguna Woods Globe* on September 7, 2023 and September 14, 2023; and

WHEREAS, the fees that are included on the Electric Vehicle Charging Fee Schedule attached hereto as Exhibit A were made available to the public at and from Laguna Woods City Hall, and on the City’s website, beginning on September 7, 2023; and

WHEREAS, after consideration of the information provided by City staff, the City’s costs to provide electric vehicle charging, and all public comments and testimony received, the City Council finds that it is in the best interest of the City to adopt the Electric Vehicle Charging Fee Schedule attached hereto as Exhibit A.

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

SECTION 1. The Electric Vehicle Charging Fee Schedule attached hereto as Exhibit A is hereby adopted to be effective beginning on September 20, 2023. In adopting such fees, the City Council finds that the amounts of the fees do not exceed the reasonable costs of providing the services for which the fees are charged.

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, (2) purchasing or leasing supplies, equipment, or materials, and (3) obtaining funds for capital projects, necessary to maintain service within existing service areas – as is the case with the electric vehicle charging fees. 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. 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:
ABSTAIN: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, CMC, City Clerk

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**CITY OF LAGUNA WOODS
ELECTRIC VEHICLE CHARGING FEES**

Fee Schedule

Effective beginning on XX, 2023

Electric Vehicle Charging – City-Owned Electric Vehicle Charging Stations Located at City Hall	
DESCRIPTION	FEE
Electric vehicle charging up to four hours (Level 2)	Energy Rate: \$0.30 per kilowatt hour (“kWh”)
Electric vehicle charging after four hours (Level 2)	<i>Energy Rate + Parking Rate</i> Energy Rate: \$0.30 per kWh Parking Rate: \$2.00 per hour; \$30.00 maximum per day

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ITEM 7.2
Attachment B

Cost of Service Analysis/Technical Memorandum from ClearSource Financial
Consulting (dated August 18, 2023)

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MEMORANDUM

DATE: August 18, 2023

TO: Chris Macon, City Manager | City of Laguna Woods

FROM: Terry Madsen, Principal Consultant | ClearSource Financial Consulting
Email: tmadsen@clearsourcefinancial.com | Phone: 831.288.0608

SUBJECT: Cost of Service Analysis and Proposed Rate Structure for the City of Laguna Woods' Level 2 Electrical Vehicle Charging Stations

OVERVIEW

As the use of electric vehicles becomes more prevalent, California municipalities are seeking to offer access to charging facilities. Accordingly, the City of Laguna Woods has recently completed the installation of two Level 2 charging stations that will be available for use outside City Hall.

The City has two primary objectives, as it develops a structure for electrical vehicle charging rates:

- 1) Recover the cost of electricity
- 2) Encourage efficient use of limited charging stations by implementing a parking rate that applies after reasonable use of the system

Electric vehicle charging practices are required to comply with California Senate Bill 454 ("Electric Vehicle Charging Stations Open Access Act") (Corbett, Chapter 418, Statutes of 2013) and implementing regulations established by the California Air Resources Board.

Recovery of the cost of electricity

Electric costs may vary by season and time of use; however, a reasonable estimate of electrical cost recovery has been determined via information provided by ChargePoint and Southern California Edison rate schedules. ChargePoint provides ongoing support of the City's electrical vehicle charging system and is the world's largest network of electric vehicle (EV) charging stations in North America and Europe. Southern California Edison is the City's electric service provider.

Encourage efficient use of limited charging stations

The U.S. Department of Transportation indicates that using a Level 2 charger, a vehicle should be able to receive a significant charge within 4 hours. Adding a parking rate that applies after at least 4 hours encourages efficient use of charging stations and is intended to free up charging stations for others to use. To avoid being overly burdensome, a maximum daily parking charge is proposed. Maximum daily parking charges are not anticipated to be collected since users receive no benefit from the use of charging stations once a vehicle's battery is fully charged and, therefore, have no reason aside from convenience to continue to occupy charging station parking. In the case of City Hall, a substantial amount of other parking exists around the charging station for users to move their fully charged vehicles.

RECOMMENDATION

The following rate structure is intended to meet the City's primary objectives for use of vehicle charging stations.

- Rates for Level 2 Stations
 - Up to 4 hours:
 - Energy Rate = \$0.30 per kWh
 - Parking Rate = No charge
 - After 4 hours:
 - Energy Rate = \$0.30 per kWh
 - Parking Rate = \$2 per hour; \$30 maximum per day

Rate structure alignment to cost of service, regional municipal agencies, and Laguna Woods Village

- The proposed rate structure is primarily intended to offset the City's cost of electricity.
- Although rates for use of City property are not subject to the same cost of service limitations as user and regulatory fees, the City has prepared an analysis that indicates the City may collect parking rates assuming unlimited use of parking spots without exceeding the City's annual cost of service associated with providing electrical vehicle charging stations (non-electricity costs). Please refer to [Appendix A](#) of this memorandum to view the cost of service analysis.
- The proposed rate structure aligns to the rate structure currently used by Laguna Woods Village for Level 2 charging stations by the general public and aligns well to rates for charging and station use throughout the region. Please refer to [Appendix B](#) of this memorandum to view a sample of regional rates for use of electrical vehicle charging stations as of August 18, 2023.

COST OF SERVICE ANALYSIS

City of Laguna Woods
 Cost of Service Analysis for Electrical Vehicle Charging Stations

Statistical Information

Description	Per kW	Note
Break-Even Electricity Cost	\$0.30	[a]

City Administrative Support Costs for EV Charging (Non-Electricity Costs)

Description	Hours	Rate	Cost	Note
Annual Labor Effort	78	\$167	\$13,026	[b]

EV Charging Capital Replacement Costs (Non-Electricity Costs)

Description	Total Cost	Useful Life	Annual Cost	Note
EV Charging Stations and Installation	\$105,795	10	\$10,579	[c]

Annual Costs of Service (Non-Electricity Costs)

Description	Total Cost	Note
Total	\$23,605	

Proposed Non-Electricity Rates Associated with Vehicle Charging at City Stations

Description	Parking Rate Per Hour	Max Daily Charge	Note
Up to 4 hours	No Charge	No Charge	[d]
After 4 hours	\$2	\$30	[d]

Annual Parking Rates Generated Assuming Maximum Daily Parking Charge by One Vehicle per Station per Day

Description	Max Daily Rate	# of Stations	Total	Days Per Year	Total	Note
Parking Charges Assuming Constant Use of Stations (Non-Electricity Costs)	\$30	2	\$60	365	\$21,900	[d]

Cost Recovery Analysis Assuming Daily Maximum Parking Rates Charged

Description	Total	Note
Parking Charges Assuming Constant Use of Stations (Non-Electricity Costs)	\$21,900	[d]
Annual Costs (Non-Electricity)	\$23,605	
Cost Recovery	93%	[e]

[a] Source: Amount intended to serve as reasonable estimate. Amount will vary based on time of use. Per ChargePoint, Statewide average is \$0.26 per kW.

[b] Assumes 1.5 hours per week of administrative support associated with facilitating vehicle charging at City Hall (e.g., fielding questions regarding charging procedures, administration of vendor contract, financial administration, etc.).

[c] Estimated initial costs of charging stations, design, and installation equal to \$75,000 adjusted for annual inflation of 3% and 10-year useful life. Amount is intended to serve as reasonable estimate. Although initial system costs were covered in part by grant funding, amount shown assumes future replacement of the system. Original system costs are not intended to be recovered from charges.

[d] The U.S. Department of Transportation indicates that using a Level 2 charger, a vehicle should be able to receive a significant charge within 4 hours. Adding a parking rate that applies after at least 4 hours encourages efficient use of charging stations and is intended to free up charging stations for others to use. To avoid being overly burdensome, a maximum daily use charge is proposed. Maximum daily use charges are not anticipated to be collected since users receive no benefit from the use of charging stations once a vehicle's battery is fully charged and, therefore, have no reason aside from convenience to continue to occupy charging station parking. In the case of City Hall, a substantial amount of other parking exists around the charging station for users to move their fully charged vehicles.

[e] Although rates for use of City property are not subject to the same cost of service limitations as user and regulatory fees, this analysis indicates the City may collect parking rates assuming unlimited use of parking spaces without exceeding the City's annual cost of service associated with providing electrical vehicle charging stations (non-electricity costs).

APPENDIX B

REGIONAL RATE COMPARISON AS OF AUGUST 18, 2023

Laguna Woods Village (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=56938>
- Rates for Level 2 Stations
 - Up to 4 hours:
 - Energy Rate = \$0.30 per kWh for general public
(\$0.17 per kWh for members and employees; \$0.00 per kWh for Golden Rain Foundation of Laguna Woods fleet vehicles)
 - Parking Rate = No charge
 - After 4 hours:
 - Energy Rate = \$0.30 per kWh for general public
(\$0.17 per kWh for members and employees; \$0.00 per kWh for Golden Rain Foundation of Laguna Woods fleet vehicles)
 - Parking Rate = \$2 per hour; \$30 maximum per day

City of Aliso Viejo (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=90430>
- Rates for Level 2 Stations
 - Up to 4 hours:
 - Energy Rate = No Charge
 - Rate for Parking Without Charging = \$5 per hour; billed in 15-minute increments
 - Between 4 hours and 5 hours:
 - Energy Rate = No Charge
 - \$25 per hour; billed in 15-minute increments
 - More than 5 hours:
 - Energy Rate = \$0.42 per kWh
 - \$25 per hour; billed in 15-minute increments

City of Laguna Beach (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=50654>
- Rates for Level 2 Stations
 - Energy Rate = No Charge
 - Parking Rate = \$3 per hour

City of Laguna Hills (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=102615>
- Rates for Level 2 Stations
 - Up to 30 minutes:
 - Energy Rate = \$0.21 per kWh
 - Rate for Parking Without Charging = No charge
 - More than 30 minutes:
 - Energy Rate = \$0.21 per kWh
 - \$10 per hour

City of Laguna Niguel (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=116393>
- Rates for Level 2 Stations
 - Energy Rate = No Charge
 - Parking Rate = No Charge

City of Lake Forest (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=85454>
- Rates for Level 2 Stations
 - Up to 5 minutes:
 - Energy Rate = \$0.30 per kWh
 - Rate for Parking Without Charging = No charge
 - After 5 minutes:
 - Energy Rate = \$0.30 per kWh
 - \$6 per hour

Saddleback College (Level 2 Stations)

- Details: <https://chargehub.com/en/full-details-page.html?locId=112344>
- Rates for Level 2 Stations
 - Up to 45 minutes:
 - Energy Rate = \$0.25 per kWh
 - Rate for Parking Without Charging = No charge
 - More than 45 minutes:
 - Energy Rate = \$0.25 per kWh
 - \$3 per hour

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8.1

**BUSINESS REGISTRATION ORDINANCE
(AGENDIZED BY COUNCILMEMBER MOORE)**

(NO REPORT)

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8.2

**STREET RACING AND EXCESSIVE VEHICLE-
RELATED NOISE ORDINANCE
(AGENDIZED BY COUNCILMEMBER MOORE)**

(NO REPORT)