

CITIZENS' AUDIT REVIEW AND MEASURE LL OVERSIGHT COMMITTEE ANNUAL MEASURE LL REPORT FISCAL YEAR 2018-2019

**Report Presented October 13, 2020
To the Laguna Beach City Council**

Mayor Bob Whalen
Mayor Pro Tem Steve Dicterow
Councilmember Peter Blake
Councilmember Toni Iseman
Councilmember Sue Kempf

**Report Prepared by
The Citizens' Audit Review and Measure LL Oversight Committee**

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Contents

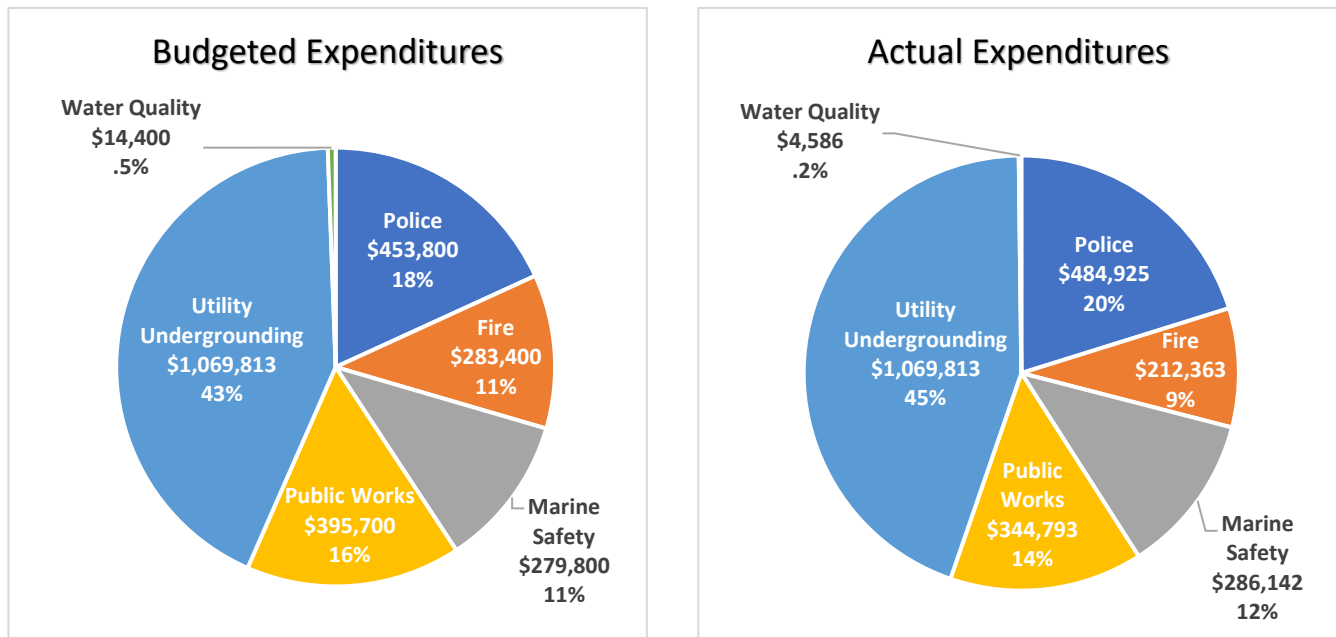
- I. Executive Summary
- II. Purpose of this Report
- III. Purpose of the Committee and Scope of the Review
- IV. Methodology
- V. Description of Programs and Services Funded by Measure LL
- VI. Examination of Measure LL Budget
- VII. Actual Revenue and Actual Expenditures
- VIII. Review & Discussion of Performance Criteria
- IX. Essential Findings
- X. Conclusions
- XI. Recommendations

Addendum

- 1 Background
 - 1.1 Measure LL Informational Flyers
 - 1.2 Resolutions 16.063, 16.068, 16.102, 17.011, 18.009
 - 1.3 Staff Report: March 22, 2016 Item 1
 - 1.4 Staff Report: March 22, 2016 Item 2
 - 1.5 Staff Report: May 10, 2016
 - 1.6 Staff Report: June 28, 2016 with Survey Questions and Results
 - 1.7 Staff Report: July 26, 2016
 - 1.8 Staff Report: December 13, 2016 Measure LL Recommended Service Enhancements, Accounting, And Oversight Committee
- 2 Financial Documents
 - 2.1 Revenue Report, Source City Finance Division
 - 2.2 Expenditure Report, Source City Finance Division
 - 2.3 Staff Report: June 12, 2018 Modifications to FY 18-19 Budget & December 18, 2018 Heisler Park
 - 2.4 Staff Report: June 18, 2019 FY 2019-20 and 2020-21 Adopted Budget
 - 2.5 Measure LL Fund Year over Year Summary Spreadsheet
- 3 Attachments
 - Attachment A Budget and Revisions to The FY 18-19 Budget
 - Attachment B Police Department Information
 - Attachment C Fire Department Information
 - Attachment D Marine Safety Department Information
 - Attachment E Public Works Information
 - Attachment F Water Quality Information
 - Attachment G Minutes of City Council meetings June 28, 2016; July 26, 2016

I. Executive Summary

This Measure LL (LL) Annual Report includes the financial information of the LL Fund and the accomplishments of the programs funded by LL for the fiscal year (FY) ended June 30, 2019. LL revenues and expenditures for FY 2018-2019 are typically audited and made available to the Committee in December or January following the end of the fiscal year. Therefore, the Measure LL Annual Report produced by the Measure LL Citizens Audit Oversight Committee is typically presented to the City Council near the end of the first quarter of the following calendar year. The coronavirus pandemic prevented the Committee from meeting for several months in the first half of the calendar year 2020, and therefore the submittal of this report is correspondingly delayed.



Measure LL revenues and corresponding budgeted expenditures for FY 18-19 were approximately \$2.5 million, representing a 1.6% year over year increase from FY 17-18. Actual revenue collected during FY 18-19 was \$2,501,576, which exceeded budgeted revenue projections of \$2,288,000 by \$213,576. Thus, actual funds available for FY 18-19, including funding for carryovers from FY 17-18 was 2,985,268 plus \$212,005 set aside in the Reserve Fund¹ and available as a recessionary contingency.

Actual expenditures were \$2,402,622 which was \$94,291 lower than the budgeted \$2,496,913. The difference was comprised of a one-time savings of \$44,491 and \$49,800 unspent during the period but carried over to FY 19-20. The available balance in the Measure LL fund as of 06/30/2019 was \$532,846 plus an additional \$212,005 for the contingency reserve. This balance includes the \$213,576 of actual revenue collected beyond budgeted expectations and \$49,800 in encumbrances that were carried over to FY19-20. Actual expenditures and share of LL funds by the department for 2018-2019:

¹ Reserve Fund: At the conclusion of FY 2016-2017, the committee recommended that a portion of the unspent funds for that fiscal year, which were not rolled over to the following FY, be set aside as a reserve. The Reserve Fund serves as a resource during periods when unforeseen decreases in LL revenue result in a budget imbalance with planned expenditures.

Department/ Project	Budgeted	%	Actual	%
Police	\$ 453,800	20%	\$ 484,925	20%
Fire	283,400	11%	212,363	9%
Marine Safety	279,800	11%	286,142	12%
Public Works	395,700	16%	344,793	14%
Undergrounding	1,069,813	43%	1,069,813	45%
Water Quality	14,400	0.60%	4,586	0.20%

Total Expenditures \$ 2,496,913 100% \$ 2,402,622 100 %

Essential Findings

1. Expenditures of Measure LL funds are consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and Comprehensive Annual Financial Report.
2. In terms of data provided, the departments receiving Measure LL funds not only track "inputs" of resources but also track "outputs" in terms of improved service deliverables.
 - a. The Committee found that the data provided by the departments receiving Measure LL funds indicated that Measure LL funds were used effectively and as intended.
 - b. Similar to FY 17-'18, the Committee has identified a continuing challenge in terms of the performance data in light of the ballot measure language: the general inability to distinguish between additional costs or impacts on the relevant departments attributable to visitors versus those attributable to residents.
3. In addition to reviewing whether Measure LL funds were spent according to the ballot measure and the approved city budget, the Committee exercised due diligence in carefully examining the level of value brought to the residents of Laguna Beach by use of LL funds. Through this process, the Committee found the departmental performance data useful for insight into the most cost-effective uses of public funds. The Committee has verified that primarily through augmented service delivery, the use of LL funds has resulted in a positive impact in the community through enhanced public safety and cleaner public spaces (beaches, public sidewalks, and restrooms).
4. Since the ballot language included the words "and other services and improvements," and considering that use and apportionment of Measure LL funds are within the discretion of the City Council, the Committee concluded that the City's use of LL funds complies with the "letter" of the ballot measure and ballot measure material. As similarly pointed out in the Committee's FY 17-18 report, however, clarity from the City as to what qualifies as "other services and improvements" within the intent of the ballot measure would prove beneficial moving forward.
5. The Committee found that the use of Measure LL funding was for enhanced or additional services rather than for providing alternate sources of funding for existing services.

6. Partnership with Orange County: Since the previous report published by the Committee covering FY '17-'18, the County of Orange has committed additional resources in the form of funding for security guards to augment the security and safety of County beaches located in South Laguna. Further, the County has expanded its deployment of Mental Health Care workers ("Blue Shirts") who now work independently in the City to address mental health issues of the chronically homeless. These focused county resources resulted directly from the collaborations developed through the additional LL funded Community Service Officer and additional Beach Patrol personnel. In short, without the supplemental LL revenue, it is likely these essential county resources would not have materialized.
7. In terms of adherence to budget, the Committee found that although LL revenues were sufficient to fund the additional expenditures, both the Police and Marine Safety Departments exceeded their LL budgets. While minimal (\$31,125 and \$6,342 respectively), Mid-year budget adjustments could have avoided this but were not exercised.
8. If the retirement contributions for employees paid from Measure LL were eventually to result in unfunded pension liability, the Committee found there could be a possibility that any such shortage could become an obligation of the general fund.
9. As a follow-up to the report filed by the Committee for the fiscal year ended June 30, 2018, the Committee found that aside from a continued lack of clarity on the terms "other services and improvements," and "Vital Services," the recommendations of the Committee in that report have been adopted by the City. Those recommendations were:
 - a. For city departments to continue their efforts to develop performance measurements to help recognize success and identify problem areas in the services funded by Measure LL.
 - b. To the extent practicable, the departments attempt to identify additional services and improvements needed, and additional costs to accommodate Laguna's millions of visitors.
 - c. Inclusion of the words "and other services and improvements" in the ballot measure contributed to the conclusion that the use of Measure LL funds is consistent with the ballot measure material. However, based on questions of whether the allocation of Measure LL funds for purposes such as beautification and cleaning of sidewalks and bathrooms truly meet the definition of "Vital Services," the Committee recommends that the City better define the meaning of the term "Vital Services."
 - d. The Committee recommends that the City formalize the Measure LL Reserve Fund at 10% of expenditures budgeted for the coming fiscal year, or some other number, and use a portion of the currently "available funds" to "top off" the current reserve at that number. 10% of projected expenditures of \$2,427,100 for the 2018-2019 fiscal year would add \$42,705 to the existing reserve.

Recommendations

Recommendations: Based on its review of Measure LL revenue and expenditures, the Committee recommends the following:

1. Understanding that FY '18-'19 closed well before the arrival of the novel coronavirus, the magnitude of the pandemic's current fiscal impacts highlight and reinforce the necessity and benefits of well-thought reserve funds. With the current crisis in sharp focus as the quintessential

“rainy day,” the Committee recommends the establishment of factors to be considered prior to the future tapping of Measure LL reserve funds.

2. While the primary purpose of this report is a “look back” review of the use of LL revenue during FY ’18-’19, the recent precipitous collapse in Measure LL revenue coupled with its inherent volatility presents the opportunity to leverage current conditions to better prepare for future downturns. Toward that end, the Committee recommends the City conduct a Sensitivity Analysis focusing on the variability of Measure LL revenue and identify a hierarchy of LL priorities (e.g.: (I) full-time public safety positions, (II) Utility Undergrounding, (III) Beach clean-up/kelp removal, (IV) full-time porter position, (V) contracted pressure washing of sidewalks. While non-binding, an institutional understanding of and agreement on the primary functions to be funded based on need will aid in the budgeting and decision-making processes.
3. To address a continued lack of clarity surrounding a specific component of the Measure LL ballot measure, also referred to as the “Vital Services” Measure, the Committee recommends the City provide clarity as to what qualifies as “other services and improvements” within the intent of the ballot measure.

Conclusions

The Committee has verified that the use of Measure LL funds during Fiscal Year (FY) 2018-2019 was consistent with the ballot measure material and related ballot measure resolutions. Further, analysis of both the approved city budget, the Comprehensive Annual Financial Report, and the external financial audit has demonstrated the LL funds were properly budgeted and accounted for. Lastly, it is the Committee’s position that the revenue from Measure LL resulted in enhanced service delivery and thereby positively impacted the community during FY 18-19.

II. Purpose of this Report

The purpose of this report is to convey to the City Council the results of the review by the Citizens' Audit Review and Measure LL Oversight Committee of the annual year-end expenditures report for the fiscal year ended June 30, 2019, produced by the City.

As specified in Resolution 16.102², the public report to the City Council shall address whether the Measure LL funds have been expended on items of the type described in Resolution 16.068 or the other items described in the Measure LL ballot measure. (See Addendum 1, Attachment 1.2.)

In Resolution 16.068, the City Council expressed its intent to prioritize spending options for future Measure LL revenue for the following purposes:

- Protect beaches from pollution
- Provide fire and police protection, and emergency response services
- Utility undergrounding to prevent fires and power outages
- Improve the cleanliness of public areas such as sidewalks and streets; and
- Provide other services and improvements.

² See Addendum, Item

III. Purpose of the Committee and Scope of this Review

As specified under “Qualifications of Appointed Public Member” in Resolution 18.009 (See Addendum 1, Attachment 1.2) of the City of Laguna Beach adopted February 27, 2018, this Audit Review and Measure LL Oversight committee is comprised of residents of the City of Laguna Beach and the purpose of the Committee shall include, as specified in the adopted resolution:

1. Participating in the selection of the City's external financial auditors;
2. Reviewing the results of the annual financial audit;
3. Review any internal control weaknesses and legal compliance issues identified in the course of the annual financial audit and provide any necessary recommendations to the City Council.
4. Reviewing the expenditures of the Measure LL Fund annually and providing a subsequent public report for distribution to the City Council

The Committee is comprised of residents living in the community who have volunteered their time and who have been selected by the City Council from a pool of applicants in a public process, based on their respective qualifications to serve on the Committee.

An audit review committee is a practical means for a governing body to provide much needed independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. An audit review committee also provides a forum separate from management in which auditors and other interested parties can candidly discuss concerns. By effectively carrying out its functions and responsibilities, an audit review committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices, and that the independent auditors, through their own review, objectively assess the government's financial reporting practices.

It is the responsibility of the audit review committee to provide independent review and oversight of a government's financial reporting processes, internal controls and independent auditors.

This is consistent with the purpose, as specified in the adopted ordinance.

Item #1 above, selection of the City's external auditors was completed prior to expansion of the role of this Committee, and items #2 and #3 are addressed annually in a separate report pertaining to the City's audited annual financial report known as the Comprehensive Annual Financial Report.

- This report addresses duty #4 above: Reviewing the expenditures of the Measure LL Fund annually and providing a subsequent public report for distribution to the City Council

IV. Methodology

The Committee relies on the accounting policies and procedures of the City Finance Department and independently reviews the adopted budgets and internal financial reports of the City, and compares this financial information to the ballot measure and to the Comprehensive Annual Financial Report (CAFR) audited by an independent external auditor.

The full Committee met a number of times and a sub-committee was formed to draft this report.

The Committee met on:

- January 15, 2020
- February 12, 2020
- March 11, 2020
- July 1, 2020
- July 29, 2020
- August 12, 2020

The meetings are open to the public, with a dedicated, ongoing agenda item for the Committee to hear comments from the public. The members of the Committee:

- Reviewed and referred to ballot measure material outlining the intended uses of the funds generated by Measure LL
- Reviewed the initial fiscal year 2018-2019 budget approved by the City Council for the use of Measure LL funds
- Reviewed subsequent changes to the budget as approved by the City Council
- Reviewed internal accounting reports prepared by staff
- Reviewed the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019, for compliance with the internal accounting reports pertaining to Measure LL.
- Met with the heads of the Police, Fire, Marine Safety, and Public Works Departments
- Received and reviewed data and other information provided by the Police, Fire, Marine Safety, Water Quality and Public Works Departments.
- Reviewed and discussed performance criteria and measures with the departments to assess effectiveness of the Measure LL budget allocations and expenditures.
- Met with staff and had conversations with the City Council liaison to the Committee.
- Through staff, solicited feedback from the City Manager and City Council regarding feedback from the prior year's Measure LL report, and suggestions for this year's report.
- Reviewed the external financial audit of the City's financial statements for the fiscal year ended June 30, 2019.
- Discussed the results of the external financial audit and the Comprehensive Annual Financial Report in terms of compliance with the internal accounting reports pertaining to Measure LL with members of the audit firm without city staff being present.
- Discussed, considered and assessed the City's uses of Measure LL funds against their intended purpose

V. Description of Programs and Services Funded by Measure LL

Police Department:

The approved programs for the Police Department are shown below. Additional information is included in Addendum 3: Attachment B.

- Two (2) additional Beach Patrol Officers, hired in March 2017, assigned to address public nuisance issues, Laguna Beach Municipal Code violations, incident-related traffic control, and community outreach in addition to work in conjunction with OC Parks & OC Lifeguards.
- Includes Equipment and Uniforms for Beach Patrol Officers
- One (1) additional Community Outreach Officer, hired May 2017, to work with the homeless and mentally ill populations by connecting them to necessary services, resources, and long-term solutions with the assistance of the County of Orange.
- Includes Equipment and Uniforms for Community Outreach officer
- Two (2) full-time jailer positions beginning in FY 2017-18. This program has a total cost of \$135,000 with \$39,400 funded by Measure LL.
- Main Beach / Heisler Park directed patrol to reduce and prevent crime and prevent and reduce public nuisance conduct. This focused effort directly improves conditions for residents in the area and ensures an enjoyable and positive experience for visitors.

Fire Department:

The approved programs for the Fire Department are shown below. Additional information is included in Addendum 3: Attachment C.

- One (1) Civilian Fire Marshal, hired June 2017, to oversee the department's Fire Prevention, Community Education, and Vegetation Management programs in addition to providing improved turnaround time and customer interactions for plan checks and inspections. Measure LL funds cover 70% of the cost of the Fire Marshal adjusting for time spent performing plan check functions paid from the General Fund
- Includes Vehicle for Fire Marshall
- Funding to upgrade three (3) firefighter positions to paramedic status. This provides for paramedic coverage at all four fire stations within the City.

Marine Safety Department:

The approved programs for the Marine Safety Department are shown below. Additional information is included in Addendum 3: Attachment D.

- Two (2) additional Marine Safety Officers hired February 2017 to provide additional 200 days of lifeguard tower service, focus on high-impacted beaches year-round and allow for a second rescue patrol unit, thus reducing response time.
- Additional 100 tower lifeguard days for coverage at Crescent Bay, Main Beach, and Treasure Island area for non-summer lifeguard towers in high demand areas. Beginning FY 2017-18.
- Enhanced lifeguard coverage for heavily impacted Main Beach.

Public Works Expenditures, including Utility Undergrounding:

The approved programs for the Public Works Department are shown below. Additional information is included in Addendum 3: Attachment E.

- Summer Main Beach Restroom Cleaning and Kelp Cleaning
 - Increase Main Beach & Heisler Park Restroom cleaning by five times its current service level during the peak period only (June through September)
 - Enhanced Beach Cleaning & Kelp Removal. Lead Worker for Enhanced Cleaning
- Downtown Beautification (Detailed treatment of heavily stained sidewalks as well as other beautification treatments and special planting areas.)
- Improve the cleanliness of public areas such as sidewalks and streets:
 - Increase Downtown & Pacific Coast Highway (PCH) Steam Cleaning by four times its current service level;
 - Increase Downtown & PCH Daily Cleaning by three times its current service level;
 - Vehicle and Equipment for Lead Worker for Enhanced Cleaning
 - Sidewalk Steam Cleaning
 - Sidewalk Detailed Cleaning and Daily Maintenance
- Utility Undergrounding, Incentive and funding for Construction along major evacuation routes

Water Quality:

The Water Quality Department's allocation of \$14,400 represented only 0.6% of the overall approved LL budget. Their actual expenditures in FY 2018-2019 totaled \$4,586, consisting of an annual software purchase, public education supplies for the Sawdust Festival, and expenses related to Character Development and Logo Design for public education campaign for children. The remaining balance of approximately \$9,800 was carried over into the Water Quality Department's FY 2019-2020 budget. Additional information is included in Addendum 3: Attachment F.

VI. Examination of Measure LL Budget:

Approved Measure LL Budget

The Measure LL FY 2018-19 budget was approved June 12, 2018 (see Addendum 2: Attachment 2.3). The City's overall budget, including items related to Measure LL, is reviewed at regular intervals by the City Council. Those reviews included:

- December 11, 2018, after the budget was adopted, the City Council approved additional FY 2018-19 LL appropriations including \$110,500 to the police department for augmented and enhanced outreach and enforcement at Main Beach and Heisler Park, \$44,500 to Marine Safety for augmented and enhanced lifeguard coverage for Main Beach and Heisler Park, and \$69,813 to Public Works for Rule 20A utility undergrounding credits.³ Also after the FY 18-19 budget was adopted and upon being identified and questioned by the LL Committee, \$62,000 was reimbursed to the LL Fund for that portion of the Fire Marshal's time spent on non LL activities.⁴

³ Rule 20A Credits allow cities to purchase unused undergrounding credits from other municipalities at a discount. Currently, the discount allows Laguna Beach to purchase \$1.00 of value (to be paid in the future to Socal Edison to offset costs of undergrounding power lines) for approximately \$0.55.

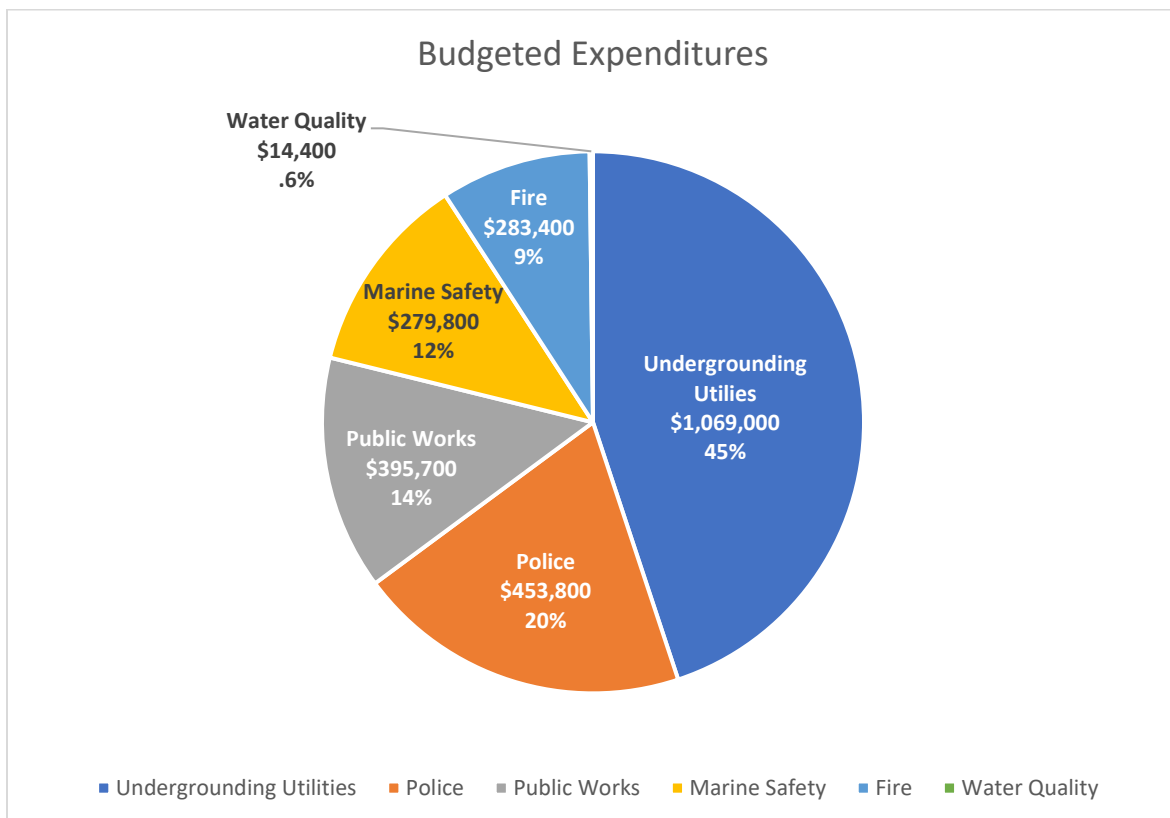
⁴ See Section Six-Two in the Citizens' Audit Review and Measure LL Oversight Committee Annual Report for FY 17-18

- March 5, 2019, with the Mid-year budget update. No changes were made to the Measure LL budget at that time.

The revenues and expenditures for the fiscal year 2018-2019 were budgeted to be \$2,288,000, with budgeted expenditures by the department for 2018-2019 as follows:

• Police Department	\$ 453,800
• Fire Department	\$ 283,400
• Marine Safety Department	\$ 279,800
• Public Works Department	\$ 395,700
• Water Quality	\$ 14,400
• Undergrounding	\$1,069,813

Total Budgeted Expenditures: \$2,496,913



Discussion with Auditors

The City's financial statements were audited by the accounting firm White, Nelson, Diehl and Evans LLP. A subcommittee comprised of members of the LL Committee interviewed the designated auditor without the presence or involvement of city staff. The auditor explained that while the Measure LL Fund was not specifically examined since it is part of the General Fund, their firm provided "reasonable assurance that the financial statements are not materially misstated." The auditor added that while the Measure LL Fund was not audited separately, the audit of the City's financial statements as a whole

revealed no “material weaknesses,” but did identify “significant deficiencies” which were outlined in the Government Accounting Standards (GAS) letter provided as a component of the financial audit. As part of its audit review function, the Citizens’ Audit Review and Measure LL Oversight Committee will prepare a separate report on its examination and assessment of the external audit of the City’s financial statements for FY 2018-2019.

VII. Actual Revenue and Expenditures

<u>Measure LL Summary - FY 2018-19</u>					
Department	Adjusted Budget*	Revenue	Expenditures	Carryover	Variance
Measure LL Revenue	2,288,000	2,501,576			213,576
Police Department	453,800		(484,925)	-	(31,125)
Fire Department	283,400		(212,363)	(40,000)	31,037
Marine Safety	279,800		(286,142)	-	(6,342)
Public Works	1,465,513		(1,414,606)	-	50,907
Water Quality	14,400		(4,586)	(9,800)	14
	<u>2,496,913</u>	<u>2,501,576</u>	<u>(2,402,622)</u>	<u>(49,800)</u>	<u>258,067</u>
Available Beginnig Balance					<u>274,779</u>
Ending 'Available Balance					<u>532,846</u> **

* Adopted Budget for FY 2018-19 including budget adjustments and Carryovers

** To Measure LL Available Fund Balance for future programs. This is in addition to the \$212,005 set aside as a reserve

Measure LL Revenue for the Fiscal Year Ended June 30, 2019

According to the budget, adjusted as described above, fiscal year 2018-2019 Measure LL revenues were projected to be \$2,288,000 for FY 18-19. Actual revenue was \$2,501,576, exceeding projections by \$213,576

Actual revenue includes \$2,482,736 collected as detailed in the table of Measure LL Revenue by Quarter below plus interest income of \$18,840 for a total of \$2,501,576.

Measure LL revenues by quarter are included in the following Table 2.

TABLE 2: MEASURE LL REVENUE BY QUARTER		
QUARTER	FY 2018-19 Actuals	FY 2019-20 Estimate*
July through September	875,196	
October through December	534,228	
January through March	454,530	
April through June	618,782	
Total	<u>\$2,482,736</u>	<u>\$2,694,800</u>
* Actuals are added at the end of the Fiscal Year		

The FY 2018-19 Finance Division revenue reports are included as Addendum 2: Attachment 2.1 & 2.2. Additional financial information is also available in the FY 2018-19 Comprehensive Annual Financial Report (CAFR).

Measure LL Expenditures for the Fiscal Year Ended June 30, 2018 and Available Funds:

On top of a beginning balance of \$695,697⁵, the actual revenues for fiscal year 2018-2019 were \$2,501,576⁶. Corresponding LL expenditures were budgeted at \$2,256,400. This brought the total funds available for expenditure in 2018-2019 to \$3,197,273.

Actual expenditures during 2018-2019 of \$2,402,622 plus \$49,800 carried over to 2018-2019 left an available balance on 6/30/2019 of \$532,846 plus a reserve of \$212,005.

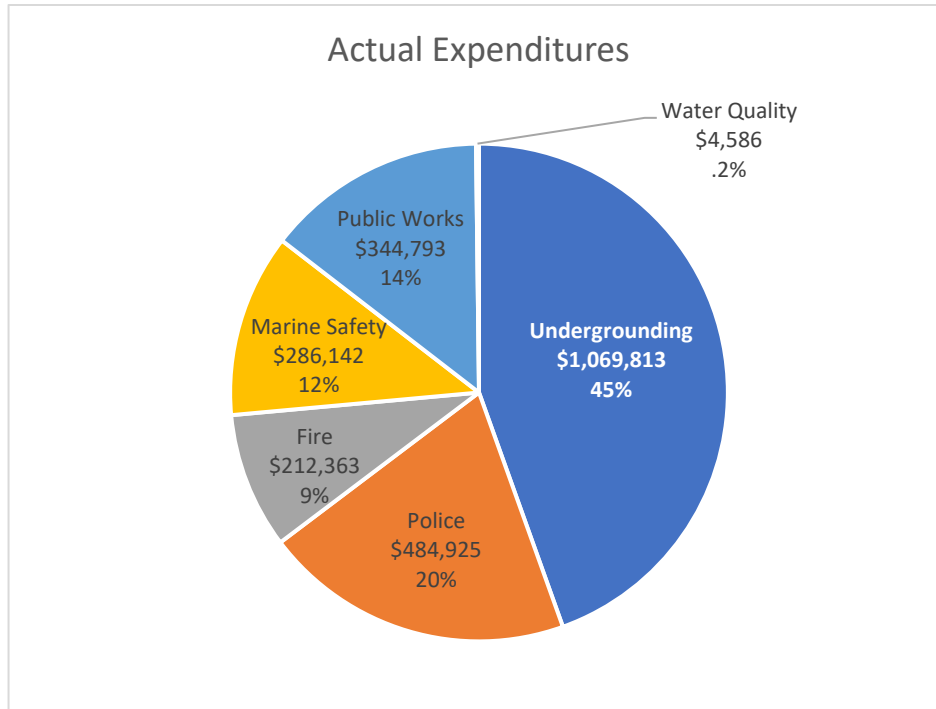
As the chart shows, actual expenditures by department for FY 2018-2019 were:

- Police Department \$ 484,925
- Fire Department \$ 212,363
- Marine Safety Department \$ 286,142
- Public Works Department \$ 344,793
- Undergrounding \$1,069,813
- Water Quality Department \$ 4,586

Total Expenditures: \$2,402,622

⁵ Beginning Fund Balance includes a Reserve of \$212,005 and funding for carryovers from FY 2017-2018 (\$483,692)

⁶ Actual Revenue Received = Collected Revenue (\$2,482,736) + Interest (\$18,840)



Measure LL Available Funds Balance June 30, 2019:

At the culmination of FY 2018-2019, the LL fund had an available balance of \$532,846, described in the calculations below and in greater detail on the spreadsheet on the following page.⁷

Beginning Fund Balance July 1, 2018	\$695,697
Revenue Received (TOT)	\$2,482,736
Interest Earned	\$18,840
Total Available FY18-19	\$3,197,273
Less Expenditures	\$2,402,622
Less Reserve	\$212,005
Less Carryover into FY 19-20	\$49,800
Total Expenditures & Reserves FY18-19	\$2,664,427
Available Balance June 30, 2019	\$532,846

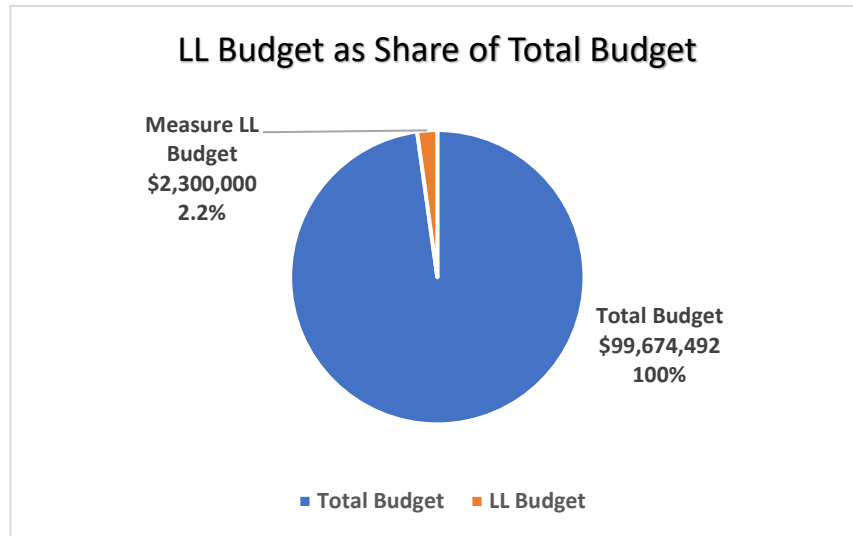
⁷ See Addendum II(e)

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***** Budgetary Reserve lowered due to a reduction in estimated revenue for Fiscal Year 2017-18 of \$12,000

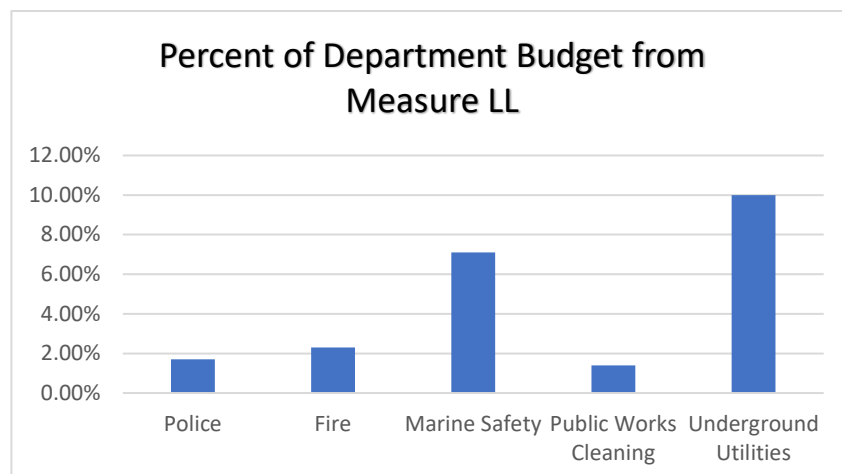
VIII. Review and Discussion of Performance Criteria

For perspective, fiscal year 2018-2019 budgeted revenue attributable to Measure LL of \$2,288,000 is equivalent to 3.3% of General Fund Revenue of \$68,837,452 (excluding Measure LL funds) and 2.2% of the city's total budget of \$99,674,492 (including Measure LL funds).



And the portion of each department's budget that is provided by the Measure LL budget is described in the table and chart below.

Portion of Department Budgets from Measure LL		
Department	Measure LL Budget	% of Dept Budget
Police	\$453,800	18.2%
Fire	\$283,400	11.4%
Marine Safety	\$279,800	11.2%
Public Works	\$395,700	15.8%
Undergrounding	\$1,069,813	42.8%
Water Quality	\$14,400	0.6%



Departmental use of performance metrics

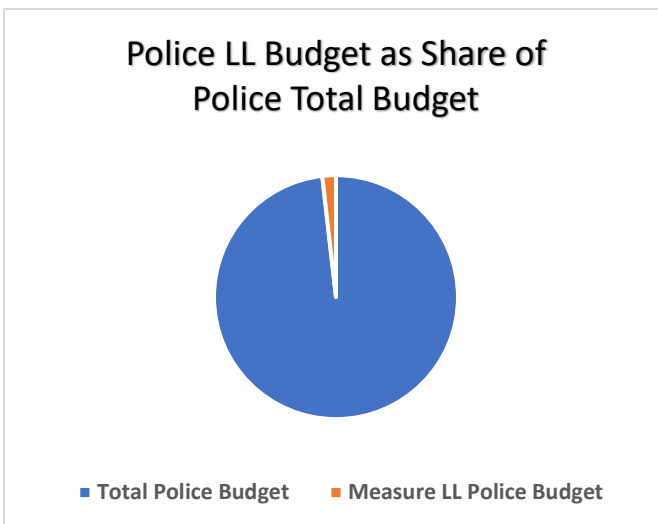
In performing oversight duties with respect to the funds raised and spent under Measure LL, the Committee sought not only to ascertain whether those resources had been allocated to City activities in accordance with the language of the ballot measure, but also whether these additional expenditures had actually achieved measurable improvements in City “vital services,” particularly with respect to public safety. Accordingly, the Committee met with the Chiefs of Police Department, Fire Department, Marine Safety and representatives from Public Works Department including the Acting Director of Public Works to review metrics they had created to determine not just where the money had been spent but also what their respective departments had actually been able to accomplish with those incremental funds. The Committee learned that these City departments appeared mindful of tracking not only taxpayer “inputs” of resources but also “outputs” in terms of improved service deliverables.

Since Measure LL revenue is intended as supplementary funding, the Committee recommended the operating departments in receipt of LL funds develop performance measures to identify and highlight how the funding has served to enhance service delivery. In Resolution 16.068, the City Council expressed its intent to prioritize spending of Measure LL revenue for the following purposes:

- Protect beaches from pollution;
- Provide fire and police protection, and emergency response services;
- Utility undergrounding to prevent fires and power outages;
- Improve the cleanliness of public areas such as sidewalks and streets; and
- To provide other services and improvements

Following the development of these measures, the department heads from Police, Fire, Marine Safety and Public Works provided an overview of each of their department’s allocation of the funds. Presented during regular public sessions of the Citizens’ Audit Review and Measure LL Oversight Committee, the reports from each department provided a detailed account of how the supplementary funding had been used during the period in question, any measurable impacts to the community, and a glimpse at how future Measure LL allocations would possibly be expended. The following summary broken down by department includes the respective performance criteria and outcomes:

Police – Assessment of Measurable Enhanced Service Delivery



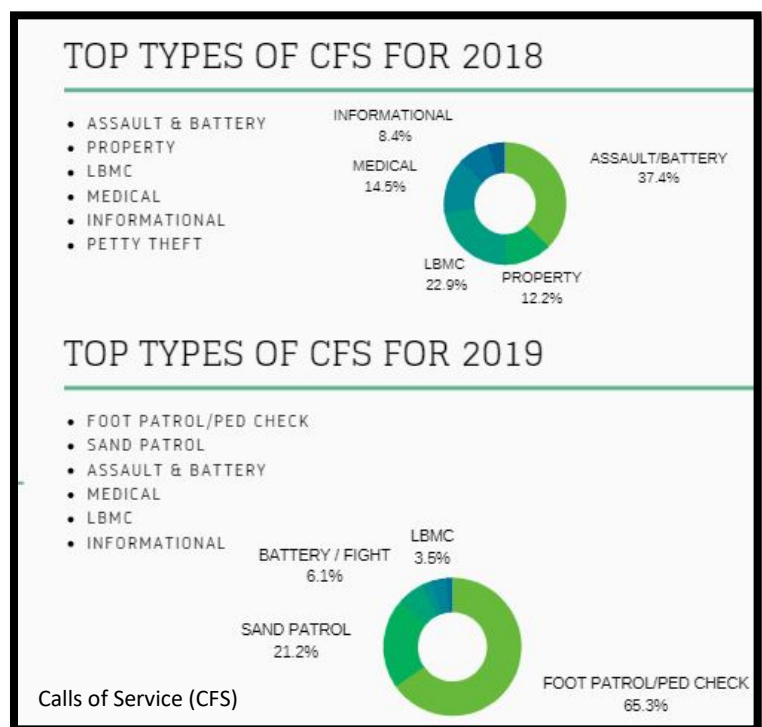
For perspective: Fiscal Year 2018-2019 Measure LL fund allocation of \$343,300 (excluding carryovers) to the Police Department represents 1.7% of the Police department budget of \$20,252,287 (including Measure LL Funds).

Hired initially to primarily address public nuisance issues in South Laguna, the allocation of LL funding for two (2) Beach Patrol Officers (BPO's) has proven effective upon examination of the police department's performance measures. Foot patrols, community engagement and education and citations have contributed to a continued reduction in overall crime and improvement in conditions for residents and visitors through the mitigation and prevention of problems in impacted areas (Main

Beach, Heisler Park, South Laguna). While the number of citations continues to decline year over year, it is important to note that the two (2) additional BPO's were hired in 2017 to specifically address significant nuisance and criminal activity in and around South Laguna's beaches. Chief Farinella commented during her public presentation to the Committee that due to targeted enforcement of Laguna Beach Municipal Code violations coupled with greater visibility and engagement, illegal conduct (Open container, alcohol, smoking, dog violations) and nuisance behavior have continued to decline. The Committee has also identified that Measure LL funding has afforded the police department a greater ability to deploy resources where the greatest needs are. An example of this followed an increase in unwanted activity in the Main Beach and Heisler Park areas beginning in 2018. Measure LL funds allowed the department to staff an information canopy at Main Beach Thursday – Sunday, providing a consistent police presence as both a deterrent and engagement opportunity whereby officers can engage with and educate the public in an informal setting. In December 2019, an additional police canopy was deployed in Heisler Park to address an increase in nuisance conduct and criminal behavior. It will remain in place as needed through the use of LL funds.

The data provided by the police department related to activity demonstrate the effectiveness of this strategic use of supplemental LL funding. Notably, from 2018 to 2019 police activity at Main Beach shifted from responding to reports of crime (assault & battery, theft), to proactive high-visibility foot patrol. The results are significant: assault & battery incidents have declined considerably, and theft has been reduced to the point it no longer accounts as a source of activity.

The Measure LL funded Community Outreach Officer (COO) allows for focused outreach and engagement with the vulnerable homeless and challenging mentally ill population, allowing for more direct connections with service providers and resources. This supplementary position has greatly improved the police department's capacity and capabilities in reducing homelessness and its impacts citywide. Specifically, the LL funded position has allowed for seven (7) day a week coverage, with one Community Outreach Officer focusing on Main Beach and the other at the Alternative Sleeping Location (ASL). The COO's work at the ASL has directly resulted in a reduction in unwanted activity and resultant calls for service to the ASL. Through a partnership with the Orange County Health Care Agency (OCHCA), an outreach and engagement team is in place Fridays and Saturdays, availing the homeless population with additional resources with the ultimate goal of getting them off the streets and into long-term, supportive housing. Community Outreach Officer position resulted in twenty (20) referrals to case management and five (5) homeless individuals who moved off the street into long-term, supportive housing. It is critical to note that in addition to the outreach and engagement work which would otherwise not be performed, by addressing the issues generated by homelessness this position allows Patrol officers to remain available in the field for emergency response and proactive crime prevention.



The partial funding of two (2) full-time jailer positions with Measure LL revenue has also resulted in greater availability of Patrol resources where and when most needed and most effective. These mobile jailers perform the essential functions of transporting, processing and booking of suspected offenders. Without the burden of performing these functions, Patrol resources remain in the field and available for emergency response, to perform proactive crime prevention and address quality of life concerns.

An assessment of annual crime rate reductions from 2018 to 2019 reveals a 4% decrease in reported crime year over year. Ample research and evidence support the premise that by addressing unlawful/nuisance activity and addressing quality of life issues citywide, crime is reduced commensurately. Through the direct funding of additional/supplemental positions in the police department, it is reasonable to infer that Measure LL funding played a significant role in that reduction. As pointed out earlier, the year over year reduction in larceny (theft) is significant. Often a crime of opportunity, the continued marked decline supports the premise that the department's efforts in the form of uniformed presence and community education have been particularly effective.

Overall Crime Reduction – 2018-2019

VIOLENT CRIMES	2016	2017	2018	2019	Change '18 to '19
Murder	0	0	0	1	+1
Sexual Assault	12	7	5	16	+11
Robbery	15	13	6	5	-1
Aggravated Assaults	25	21	21	16	-5
Simple Assaults	153	149	158	191	+33
Totals	205	190	190	229	+39 = +21%

PROPERTY CRIMES	2016	2017	2018	2019	Change '18 to '19
Burglary	82	90	42	46	+4
Larceny	436	358	316	257	-59
Auto Theft	36	30	25	23	-2
Arson	7	1	3	1	-2
Totals	561	479	386	327	-59 = -15%

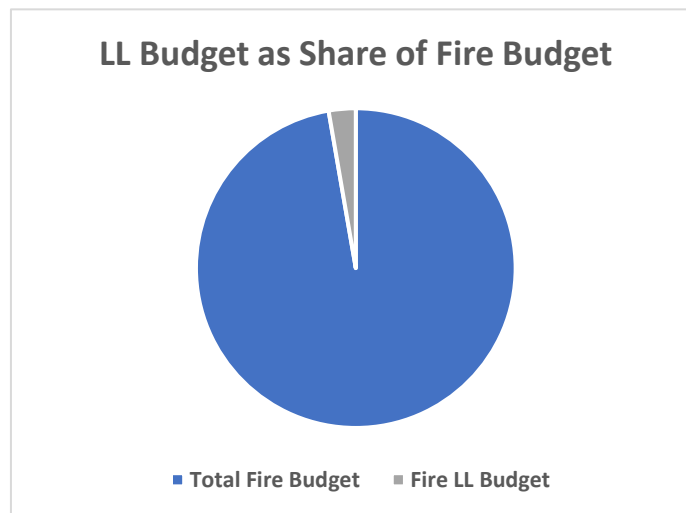
Provided by the Laguna Beach Police Department

Fire – Assessment of Measurable Enhanced Service Delivery

For perspective: Fiscal Year 2018-2019 Measure LL fund allocation of \$283,400 (excluding carryovers) to the Fire Department represents 2.3% of the Fire department budget of \$12,352,200 (including Measure LL funds). The hiring of a civilian Fire Marshal in July 2017 has greatly increased the Fire Department's ability to conduct fire prevention work. With the primary mission to oversee the City's fire prevention efforts, the allocation of Measure LL funding for this position has resulted in increased public education and increased field inspections with the goal of identifying potentially hazardous conditions. The following data points for 2019 illustrate the volume of the work being done and its impact to the overall safety of the City, its residents, businesses and visitors:

- i. Inspections: 28 per month / 332 annually
- ii. Plan Reviews: 34 per month / 411 annually
- iii. Pre-Build Consultations: 29 per month / 352 annually

As impactful as the above statistics, the full-time Fire Marshal has reduced the timelines for many critical review periods. The average turn-around time for assessment of fire prevention systems, building & concept plans is ten (10) days (including weekends and holidays); Plan reviews are conducted within two (2) weeks 85% of the time, and within one (1) week 33% of the time. Inspections are conducted within one (1) week of request 95% of the time, and consultations within two (2) days 90% of the time.



While the above clearly indicate vastly improved customer service delivery for applicants and homeowners, the byproduct of enhanced safety through rigorous review and inspection cannot be overlooked. Furthermore, the LL funded position has produced tangible results which represent broad and marked improvements to fire safety citywide through:

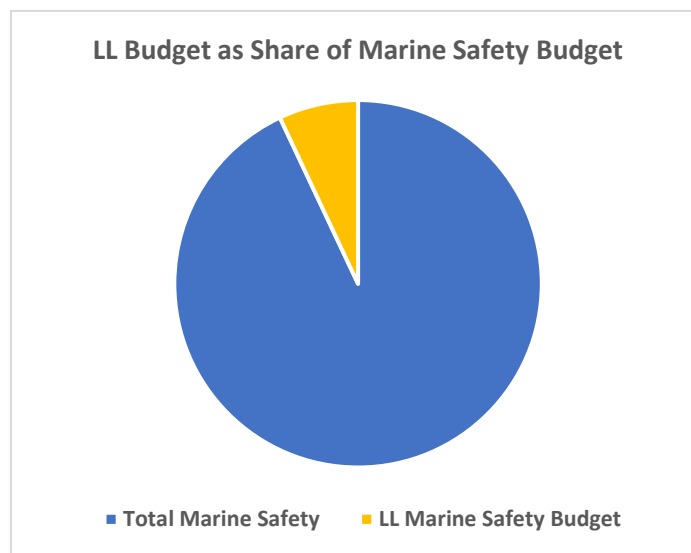
- Creation of fire prevention and fire code guidelines, checklists and other documents for wildland fire prevention
- Close coordination with both the Laguna Beach County Water District and South Coast Water District for better communication concerning hydrant location and water flow reports (includes update of report)
- Major update of municipal fire code amendments and fuel modification guidelines
- Close coordination with City contracted Wildland Program Defense Manager to expand fuel modification zones

- Management of weed abatement program
- Supervision and coordination of duties of part-time Wildland Fire Inspector
- Management of goat and hand crew contracts in all existing fuel modification zones

The use of Measure LL funding to provide an additional three (3) paramedic trained positions has resulted in the ability to deploy paramedic personnel from all four (4) fire stations, reducing the response time for providing qualified personnel to begin administering Advanced Life Support (ALS). Further, LL funds allow for the ability to surge staff two (2) additional Advanced Life Support units during holidays, storm and Red Flag staffing, and other peak events.

Marine Safety - Assessment of Measurable Enhanced Service Delivery

For perspective: Fiscal Year 2018-2019 Measure LL fund allocation of \$235,300 (excluding carryovers) to the Marine Safety Department represents 7.1% of the Marine Safety Department budget of \$3,299,800 (including Measure LL funds).



Charged with delivering lifeguard services along six (6) miles of Laguna Beach's world-famous shoreline, the Marine Safety Department received Measure LL funding to enhance safety in the marine environment. A year-round destination, Laguna Beach draws millions of visitors throughout the year⁸ – the majority of whom come to enjoy its great beaches. To maximize the impact of its portion of Measure LL funding, Marine Safety hired two (2) full-time Marine Safety Officers (MSO's) and also allocated a portion of its Measure LL budget toward part-time salaries to staff additional tower days – notably at heavily used and impacted Main Beach.

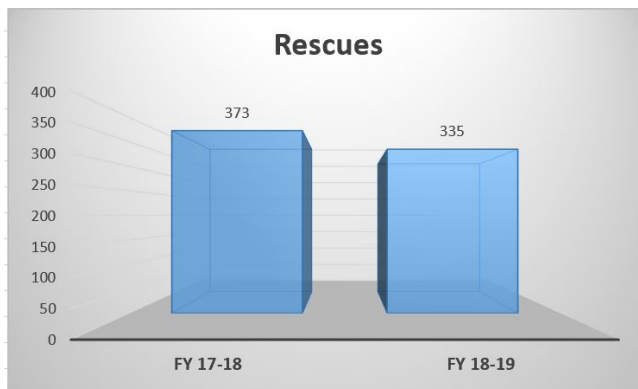
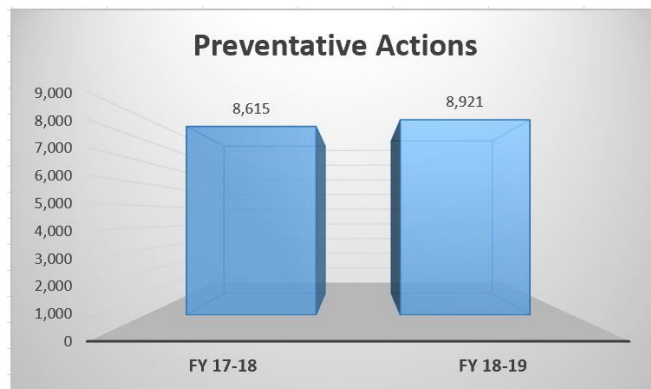
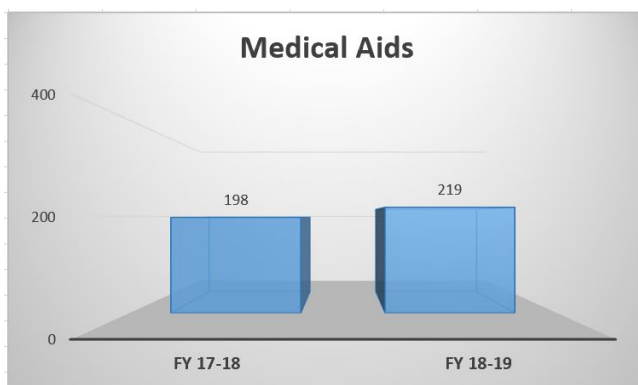
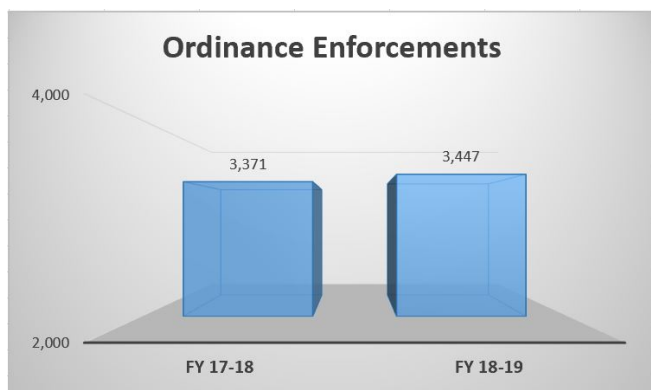
An examination of the impacts of the Marine Safety Officers hired with Measure LL funding reveals they delivered a direct and significant public safety enhancement to the City's marine environment. The chart below demonstrates the impact the two LL funded Marine Safety Officers have had since being added to the department. They were responsible for over 18,000 public contacts, 335 rescues, 219 medical aids and 3,447 ordinance enforcement contacts in FY 18-19. Its important to highlight the 8,921 preventive actions, which are advisements made to individuals engaged in potentially dangerous behavior which could result in injury, the need for a water rescue, or death. Without these added positions funded through Measure LL, these contacts, rescues, medical aids, ordinance enforcement and preventive actions would

⁸ Marine Safety statistics estimate annual beach visitors in 2019 at over 6,000,000.

not have been made. The unique topography of Laguna's coastline demands regular and frequent visits by Marine Safety personnel to isolated coves to promote a safe environment, and to their credit, Marine Safety has also committed to leveraging technology in the form of remote cameras and drones as helpful tools to gain situational awareness of activity at beaches which are difficult to reach and observe.

Another notable data point from the chart below is in the "Ordinance" category. The enforcement by Marine Safety staff of local ordinances which are enacted to promote safety and minimize nuisance and criminal behavior complements the efforts of the Beach Patrol Officers and other police employees. The combined efforts result in a greater impact toward resolving trends long term while enhancing safety and enjoyment for all in the marine environment.

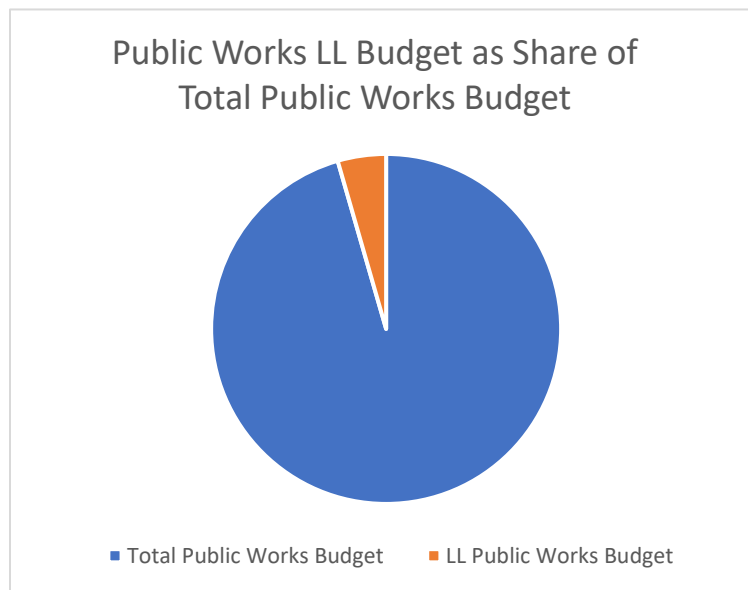
Measure LL Marine Safety Statistics



Provided by the Laguna Beach Marine Safety Department

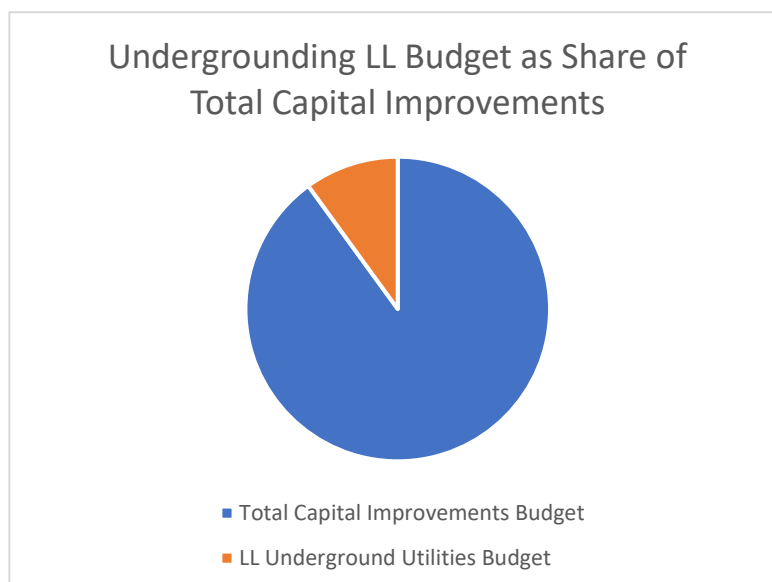
Similarly, the additional Measure LL funded tower days for the fiscal year provided direct enhancement to public safety service at some of the most popular and crowded beaches. Without lifeguards in these towers on these days, beachgoers are at far greater risk of injury, drowning and death. Moreover, there is a significantly greater likelihood for unwanted and/or nuisance behavior on unguarded beaches. A compelling example of the impact of Measure LL funds was at Main Beach, with an additional 187 ten (10) hour tower days staffed using the funding.

Public Works - Assessment of Measurable Enhanced Service Delivery



For perspective: On the surface, Fiscal Year 2018-2019 Measure LL fund allocation of \$1,381,700 (excluding carryovers) to the Public Works Department represents 4.7% of the total Public Works department budget of \$29,572,300.

It is important to note, however, that Public Works is responsible for Capital Improvements throughout the City and accordingly, its department budget includes \$10,490,000 for Capital Improvements which includes undergrounding of utilities budgeted at \$1,069,813. Therefore, the share of Measure LL funds allocated to Public Works excluding Undergrounding is \$344,793 which represents 1.8 % of the Public Works budget excluding Capital Improvements. The \$1,069,813 of Measure LL funds (excluding carryovers) allocated to Undergrounding represents 10% of Capital Improvements.



The Public Works Department is using Measure LL funding in three (3) broad categories: utility undergrounding; cleanliness of public sidewalks, restrooms and public spaces; and downtown enhancements. In terms of undergrounding, Measure LL funds are strategically being used to purchase undergrounding “credits” from other municipalities for a discount. These “Rule 20A” credits are being purchased by the City at a price of approximately 55% of face value, and the credits can be used to pay certain costs associated with undergrounding utilities. This effective leveraging of the Measure LL funds will likely result in a far greater ability to eventually complete the undergrounding on key routes throughout the City.

In terms of cleanliness and sanitation, Measure LL funds have resulted in eighty (80) additional hours per week dedicated to the cleaning of downtown and PCH sidewalks. Additionally, forty-two (42) additional hours of public restroom cleaning during summer months have been realized through the funding, and a Lead Maintenance Worker has been dedicated to the downtown area to oversee the cleaning contractors and serve as quality control. Finally, approximately 700 tons of kelp, paid mostly by Measure LL, were removed from beaches through mid-September.

Subjective measures of success in 2018 included a near absence of public complaints, and positive comments from local hotels regarding the general cleanliness of both the beaches and public spaces/sidewalks.

Water Quality - Assessment of Measurable Enhanced Service Delivery

Representing less than 0.6% of Measure LL expenditures (excluding carryovers), the Water Quality Department was not requested to provide an assessment of the measured service enhancements resulting from supplemental LL revenue. Still, the Committee’s examination of the \$4,586 in expenditures for software and public education verified their use of LL funds was consistent with the Resolution and intent of the ballot measure.

IX. Essential Findings

In the exercise of its Measure LL oversight function, the Committee identified “essential findings,” deemed noteworthy by the Committee not only in terms of relevance but as specific and instructive elements for residents to gain a broader understanding of the positive impacts and the evolution of this program.

1. Expenditures of Measure LL funds are consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and Comprehensive Annual Financial Report.
2. In terms of data provided, the departments receiving Measure LL funds not only track "inputs" of resources but also track "outputs" in terms of improved service deliverables.
 - a. The Committee found that the data provided by the departments receiving Measure LL funds indicated that Measure LL funds were used effectively and as intended.
 - b. Similar to FY ‘17-’18, the Committee has identified a continuing challenge in terms of the performance data in light of the ballot measure language: the general inability to distinguish between additional costs or impacts on the relevant departments attributable to visitors versus those attributable to residents.
3. In addition to reviewing whether Measure LL funds were spent according to the ballot measure and the approved city budget, the Committee exercised due diligence in carefully examining the

level of value brought to the residents of Laguna Beach by use of LL funds. Through this process, the Committee found the departmental performance data useful for insight into the most cost-effective uses of public funds. The Committee has verified that primarily through augmented service delivery, the use of LL funds has resulted in a positive impact in the community through enhanced public safety and cleaner public spaces (beaches, public sidewalks, and restrooms).

4. Since the ballot language included the words “and other services and improvements,” and considering that use and apportionment of Measure LL funds are within the discretion of the City Council, the Committee concluded that the City’s use of LL funds complies with the “letter” of the ballot measure and ballot measure material. As similarly pointed out in the Committee’s FY 17-18 report, however, clarity from the City as to what qualifies as “other services and improvements” within the intent of the ballot measure would prove beneficial moving forward.
5. The Committee found that the use of Measure LL funding was for enhanced or additional services rather than for providing alternate sources of funding for existing services.
6. Partnership with Orange County: Since the previous report published by the Committee covering FY ’17-’18, the County of Orange has committed additional resources in the form of funding for security guards to augment the security and safety of County beaches located in South Laguna. Further, the County has expanded its deployment of Mental Health Care workers (“Blue Shirts”) who now work independently in the City to address mental health issues of the chronically homeless. These focused county resources resulted directly from the collaborations developed through the additional LL funded Community Service Officer and additional Beach Patrol personnel. In short, without the supplemental LL revenue, it is likely these essential county resources would not have materialized.
7. In terms of adherence to budget, the Committee found that although LL revenues were sufficient to fund the additional expenditures, both the Police and Marine Safety Departments exceeded their LL budgets. While minimal (\$31,125 and \$6,342 respectively), Mid-year budget adjustments could have avoided this but were not exercised.
8. If the retirement contributions for employees paid from Measure LL were eventually to result in unfunded pension liability, the Committee found there could be a possibility that any such shortage could become an obligation of the general fund.
9. As a follow-up to the report filed by the Committee for the fiscal year ended June 30, 2018, the Committee found that aside from a continued lack of clarity on the terms “other services and improvements,” and “Vital Services,” the recommendations of the Committee in that report have been adopted by the City. Those recommendations were:
 - e. For city departments to continue their efforts to develop performance measurements to help recognize success and identify problem areas in the services funded by Measure LL.
 - f. To the extent practicable, the departments attempt to identify additional services and improvements needed, and additional costs to accommodate Laguna’s millions of visitors.
 - g. Inclusion of the words “and other services and improvements” in the ballot measure contributed to the conclusion that the use of Measure LL funds is consistent with the ballot measure material. However, based on questions of whether the allocation of Measure LL funds for purposes such as beautification and cleaning of sidewalks and bathrooms truly meet the definition of “Vital Services,” the Committee recommends that the City better define the meaning of the term “Vital Services.”

- h. The Committee recommends that the City formalize the Measure LL Reserve Fund at 10% of expenditures budgeted for the coming fiscal year, or some other number, and use a portion of the currently “available funds” to “top off” the current reserve at that number. 10% of projected expenditures of \$2,427,100 for the 2018-2019 fiscal year would add \$42,705 to the existing reserve.

X. Conclusions

Based on its review, and consistent with its findings below, the Committee concludes that use of Measure LL funds is consistent with the intent of the ballot measure material, resolutions related to the ballot measure, the approved budget, and the audited Comprehensive Annual Financial Report. Further, the Committee concludes that the strategic and thoughtful use of these critical funds by the relevant departments is having a positive impact on the community in the form of enhanced public safety, and improved cleanliness and aesthetics throughout high-use public spaces including beaches, public restrooms and downtown sidewalks.

XI. Recommendations

As stated earlier in the Executive Summary, based on its review of Measure LL revenue and expenditures, the Committee recommends the following:

1. Understanding that FY 18-19 closed well before the arrival of the novel coronavirus, the magnitude of the pandemic’s current fiscal impacts highlight and reinforce the necessity and benefits of well-thought reserve funds. With the current crisis in sharp focus as the quintessential “rainy day,” the Committee recommends the establishment of factors to be considered prior to the future tapping of Measure LL reserve funds.
2. While the primary purpose of this report is a “look back” review of the use of LL revenue during FY 18-19, the precipitous collapse in Measure LL revenue coupled with its inherent volatility present the opportunity to leverage current conditions to better prepare for future downturns. Toward that end, the Committee recommends the City conduct a Sensitivity Analysis focusing on the variability of Measure LL revenue and identify a hierarchy of LL priorities (e.g.: (I) full-time public safety positions, (II) Utility Undergrounding, (III) Beach clean-up / kelp removal, (IV) full-time porter position, (V) contracted pressure washing of sidewalks. While non-binding, an institutional understanding of, and agreement on the primary functions to be funded based on need will aid in the budgeting and decision-making processes.
3. To address a continued lack of clarity surrounding a specific component of the Measure LL ballot measure, also referred to as the “Vital Services” Measure, the Committee recommends the City provide clarity as to what qualifies as “other services and improvements” within the intent of the ballot measure.

The members of The Citizens' Audit Review and Measure LL Oversight Committee thank the City for its efforts in keeping the citizens of Laguna Beach informed of the financial condition of the City and we hope the City Council and the residents of Laguna will benefit from the work of this Committee. We look forward to continuing to serve the interests of the community of Laguna Beach in the coming year.

ADDENDUM

1 Background

- 1.1 Measure LL Informational Flyers
- 1.2 Resolutions 16.063, 16.068, 16.102, 17.011, 18.009
- 1.3 Staff Report: March 22, 2016 Item 1
- 1.4 Staff Report: March 22, 2016 Item 2
- 1.5 Staff Report: May 10, 2016
- 1.6 Staff Report: June 28, 2016 with Survey Questions and Results
- 1.7 Staff Report: July 26, 2016
- 1.8 Staff Report: December 13, 2016 Measure LL Recommended Service Enhancements, Accounting, And Oversight Committee

2 Financial Documents

- 2.1 Revenue Report, Source City Finance Division
- 2.2 Expenditure Report, Source City Finance Division
- 2.3 Staff Report: June 12, 2018 Modifications to FY 18-19 Budget & December 18, 2018 Heisler Park
- 2.4 Staff Report: June 18, 2019 FY 2019-20 and 2020-21 Adopted Budget
- 2.5 Measure LL Fund Year over Year Summary Spreadsheet

3 Attachments

- Attachment A Budget and Revisions to The FY 18-19 Budget
- Attachment B Police Department Information
- Attachment C Fire Department Information
- Attachment D Marine Safety Department Information
- Attachment E Public Works Information
- Attachment F Water Quality Information
- Attachment G Minutes of City Council meetings June 28, 2016; July 26, 2016

1 Background: What is Measure LL?

- On November 8, 2016, Laguna Beach voters overwhelmingly approved Measure LL. 85.48% of Laguna's 16,868 registered voters turned out, and Measure LL was approved by 72.9% of those voting. The measure increased the City's transient occupancy tax, commonly known as the "hotel tax" or "TOT," from 10% to 12%, resulting in approximately \$2,000,000 per year in additional General Fund revenue.
- Prior to the ballot measure, a community survey commissioned by the City indicated substantial respondent support for an increase in TOT of 4%, or approximately \$4,000,000 per year.
- The June 28, 2016, staff report (Addendum 1, Attachment 1.6 & 1.7) that included results of the community survey, also included information that TOT rates of Orange County cities were as high as 15% while Laguna's TOT rate was 10% - though Laguna also has a Business Improvement District fee of 2% that is typically assessed on hotel room receipts separate from the TOT.
- After the results of the survey were provided, a sub-committee of two City Council members met with the hotels and Visit Laguna and following that meeting the City Council agreed to a ballot measure increasing transient occupancy tax to 12%.
- By resolution 16.063, the measure was titled: "Laguna Beach Vital Services Measure." (See Addendum 1: Background – 1.2)
- The premise for the increase in TOT was that costs attributed to visitors added to the City's costs of providing necessary services, though no estimate of the amount of additional costs was included in ballot materials.
- The ballot measure was a general tax, rather than a special tax which would have further restricted use of the funds, though the City Council adopted a non-binding resolution expressing the intent to prioritize Measure LL spending for specified purposes.
- And while ballot material does not so state, the initial budget approved after the measure was passed by the voters referenced "enhanced services" to distinguish from funds being used for existing services.
- Revenues received from Measure LL are tracked by the City in a Special Revenue Fund. The intent of a Special Revenue Fund is to provide an extra level of accountability and transparency to taxpayers that their Measure LL dollars are going toward the intended purpose.

How did the City choose the increase in TOT from 10% to 12%?

Ballot material stated that millions of visitors come to Laguna Beach every year, increasing congestion and demand for city services and resources. This results in higher costs for the City. At its March 22, 2016 meeting the City Council directed the City Manager to work with the utility undergrounding sub-committee to obtain proposals for a community survey to gauge community support for various options for funding the undergrounding of utilities (Addendum 1: Background–1.3 & 1.4).

At its May 10, 2016 meeting the City Council authorized the City manager to execute an agreement with consulting firm FM3 to develop and implement a community survey which would include one or

more questions about new revenue feasibility including from transient occupancy (Addendum 1: Background – 1.5).

Item 14 of the June 28, 2016 City Council meeting is a staff report (Addendum 1, Attachment 1.6) with the survey question about increasing the transient occupancy tax and the result of the survey.

What TOT do other Orange County cities charge?

In addition to the question asked in the survey about an increase intransient occupancy tax, and the responses, the staff report also included the following:

The survey results indicate potential support for an increase in transient occupancy tax (TOT) and sales tax rates to fund a variety of community projects and unmet community needs. Revenue from TOT and sales tax are used for general operating expenses to fund public safety services such as police, fire, and marine safety in addition to other city services such as public works, water quality, and community services.

The City of Laguna Beach has a 10% TOT rate that is paid by hotel and motel guests for stays of thirty days or less. Three Orange County cities, La Habra, Rancho Santa Margarita, and Villa Park, have a 0% TOT rate while cities such as Anaheim and Garden Grove have a 15% TOT rate. A 4% TOT increase could provide the City with an additional \$4 million annually.

It is important to note that the City also has a 2% Business Improvement District (BID) fee that is typically assessed on hotel room receipts separate from the TOT. The BID funds activities that promote tourism and related tourist events in the City such as Visit Laguna Beach, Arts Commission and Cultural Arts, Laguna Art Museum, Laguna Playhouse, and Laguna College of Art and Design.

The complete list of Orange County city TOT rates is shown below.

TOT Breakdown by City
As of January 1, 2016
Sorted highest to lowest

City	Rate	City	Rate
Anaheim	15.00%	San Clemente	10.00%
Garden Grove	15.00%	San Juan Capistrano	10.00%
Buena Park	12.00%	Tustin	10.00%
Seal Beach	12.00%	Yorba Linda	10.00%
Santa Ana	11.00%	Fountain Valley	9.00%
Aliso Viejo	10.00%	Newport Beach	9.00%
Brea	10.00%	Costa Mesa	8.00%
Cypress	10.00%	Irvine	8.00%
Dana Point	10.00%	La Palma	8.00%
Fullerton	10.00%	Laguna Niguel	8.00%
Huntington Beach	10.00%	Los Alamitos	8.00%
Laguna Beach	10.00%*	Mission Viejo	8.00%
Laguna Hills	10.00%	Stanton	8.00%
Laguna Woods	10.00%	Westminster	8.00%
Lake Forest	10.00%	La Habra	0.00%
Orange	10.00%	Rancho Santa Margarita	0.00%
Placentia	10.00%	Villa Park	0.00%

* Laguna Beach has a 2% Business Improvement District (BID) that is assessed on hotel/motel room receipts approved annually by the hotels/motels in Laguna Beach, which is separate from TOT. Other cities may have BID's as well with rates varying from city to city.

What increase in TOT were residents willing to support?

The survey included the question to the right asking if residents would support an increase in the transient occupancy tax of 4% from the current 10% to 14% providing approximately \$4 million annually.

Hypothetical Transient Occupancy Tax Measure

Laguna Beach Vital Community Services Measure

To fund city services, infrastructure and improvements required to accommodate millions of annual visitors, including public safety, streets, sidewalks and parking, utility undergrounding, community facilities and other general services, shall the City of Laguna Beach adopt an ordinance to increase transient occupancy taxes paid only by hotel/short-term rental guests from 10% to 14% until lawfully terminated, providing approximately \$4 million annually with audits, public disclosure of expenditures, all funds only for Laguna Beach?



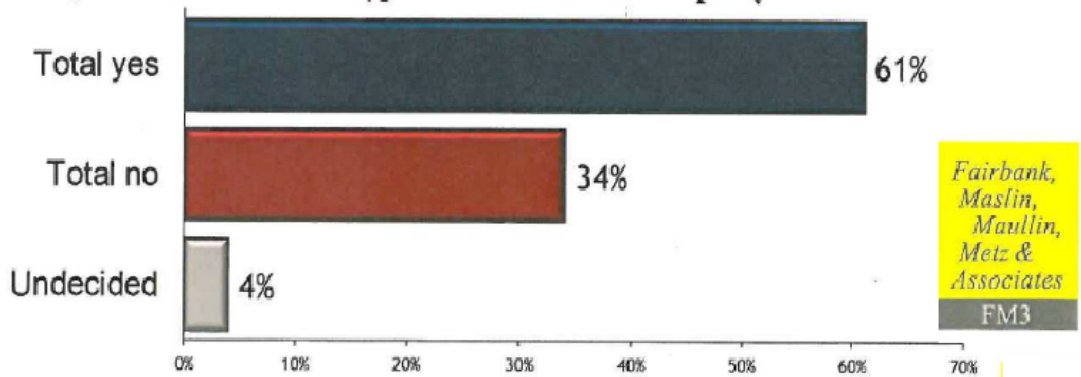
Q6. If this measure were on the ballot and there was an election today, do you think you would vote "yes" in favor of this measure or "no" to oppose it?

14

The survey found that more than 60% of respondents said they would support a transient occupancy tax increase from 10% to 14%, projected to provide approximately \$4 million annually.

More than six-in-ten respondents (61 percent) said they would support a hypothetical ballot measure to fund city services, infrastructure and improvements required to accommodate the millions of visitors that come to Laguna Beach annually (Figure 6). The measure would provide approximately \$4 million annually for public safety, street and sidewalk improvements, and removing utility poles and moving wires underground, among other services, by increasing the Transient Occupancy Tax (TOT), paid by guests in hotels and short-term rentals from ten percent to fourteen percent. Similar to the sales tax measure, the hypothetical Transient Occupancy Tax measure would be in effect until ended by voters and includes several provisions to ensure fiscal accountability including annual audits, public disclosure of expenditures, and requires that all funds generated by the measure only be used to support local services in Laguna Beach.

Figure 6: Initial Vote on Hypothetical Transient Occupancy Tax Measure



The minutes of the City Council meeting of June 28, 2016 (Addendum 1, Attachment 1.6), reflect:

- Councilmember Bob Whalen and Councilmember Kelly Boyd were appointed to a subcommittee to consult with the hotels regarding the proposed Transit Occupancy Tax (TOT) increase.
- Mayor Steve Dicterow said he did not support any ballot measure
- Councilmember Whalen said he supported pursuing an increase in the TOT from 10 to 13%.
- Councilmember Kelly Boyd said he would support an increase in the TOT from 10 to 11 or 12%, and the money could go towards public safety and additional patrol in the downtown area.
- The subcommittee was directed to bring back their recommendations regarding the percentage increase and proposed ballot language to the City Council on July 26, 2016.

The minutes of the June 28, 2016, City Council meeting are included in Addendum 1, Attachment 1.6.

The minutes of the July 26, 2016, City Council meeting (Addendum 1, Attachment 1.6) reflect:

- After meeting with hotels and the visitors bureau Visit Laguna Beach the subcommittee believed that a two percent increase in the transient occupancy tax from 10% to 12% in addition to the previously assessed two percent Business Improvement District tax would be a reasonable increase.
- Councilmember Bob Whalen said the City did have additional first-responder needs from the impact of increased visitors and added that the utility poles were a massive safety issue for the City. He said that two percent was a valid amount, but there needed to be other revenue sources.
- Councilmember Rob Zur Schmiede said he believed the TOT could be raised three percent; however, he said there was a balance to maintain.
- Councilmember Kelly Boyd said the two areas that he believed were vital to the safety of the community were an increase in the City's emergency services, including police, fire and marine safety and the undergrounding of the utility poles. He said a two percent TOT increase was a good start.

The minutes of the July 26, 2016, City Council meeting are included herein (Addendum 1, Attachment 1.7)

Resolution No. 16.068, (See Addendum 1: 1.2) adopted August 30, 2016, stated that:

- Millions of visitors visit Laguna Beach annually
- The millions of visitors increase demand on public safety services such as police, fire, and marine safety, which significantly increases costs to the City to provide those services
- The visitors also increase the cost to the City of providing other services; and
- A Transient Occupancy Tax is paid only by visitors who stay in hotels and other lodging establishments for a period of thirty days or less

The Resolution further explains that Measure LL would be a general tax which would raise revenue for general government purposes and that all proceeds would be placed in the City's General Fund.

The Measure was entitled "Laguna Beach Vital Services Measure":

An excerpt from Resolution 16.063 refers to the measure's title as "Laguna Beach Vital Services Measure" and specifies the wording of the ballot measure. (Addendum 1: 1.2)

RESOLUTION NO. 16.063

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 FOR THE SUBMISSION TO THE VOTERS OF A QUESTION RELATING TO A BALLOT MEASURE TO INCREASE THE TRANSIENT OCCUPANCY TAX, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

SECTION 1. Pursuant to the requirements of the laws of the State of California relating to General Law cities, there is called and ordered to be held in the City of Laguna Beach, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of submitting to the voters of a question, bearing the title “Laguna Beach Vital Services Measure,” relating to a proposed ballot measure to increase the transient occupancy tax levied by the City of Laguna Beach.

SECTION 2. The City Council, pursuant to its right and authority, does order the following question to be submitted to the voters at the General Municipal Election:

Laguna Beach Vital Services Measure	YES
To provide services and improvements needed to accommodate millions of annual visitors, protect beaches from pollution and provide fire, police protection and emergency response, parking, utility undergrounding to prevent fires and power outages, and other services and improvements, shall City of Laguna Beach adopt an ordinance increasing transient occupancy taxes paid only by hotel and other rental guests from 10% to 12% until ended by voters, providing approximately \$2,000,000 annually, with audits, all funds only for Laguna Beach?	NO

CERTIFIED COPY

-1-

Materials available on the city website at the time including a fact sheet and informational mailings also refer to the measure as “Measure LL: Laguna Beach Vital Services Measure.”



Measure LL:
Laguna Beach Vital Services Measure

What was the justification for increasing TOT?

Examples of explanations for the need for the measure include: (Excerpt from ballot material follows:)

Keeping Laguna Beach Beautiful

Millions of tourists come to Laguna Beach every year, which increases traffic and demand for city services and resources. This results in higher costs to: 1) maintain our clean beaches and streets; 2) provide quality public safety services such as police, fire and marine safety; 3) provide quality paramedic and 9-1-1 emergency response services; and 4) maintain other services that are utilized by tourists.

And from a Notice mailed to voters:

What Is Measure LL?

Millions of tourists visit Laguna Beach every year and use city services, creating higher costs to maintain our beaches, public safety services, streets, public spaces and other services.

Measure LL educational flyers are included in Addendum 1: 1.1, and Measure LL resolutions are included in Addendum 1: 1.2.

Why have an Oversight committee?

The ballot measure increased the Transient Occupancy Tax ("TOT") rate paid by visitors who stay in hotels and other lodging establishments from 10% to 12%. In FY 2018-19, this additional TOT generated approximately \$2.5 million.

Being a general tax, rather than a special tax, the City Council adopted non-binding Resolution 16.068 regarding how funds would be used and created the Measure LL Audit Oversight Committee. (See Addendum 1: 1.2)

The ballot measure was a general tax which required a majority of voters to approve the measure. Funds raised by the City attributable to a general tax can be used for general government purposes. The alternative to a general tax is a special tax, which requires approval of 2/3 of voters to be adopted. Proceeds of a special tax can only be used for the purposes specified in the ballot initiative material, while proceeds from a general tax, such as Measure LL, can be used for general government purposes. Therefore, by approving Resolution 16.068, the City expressed its intent to prioritize spending options for Measure LL revenue for the following purposes:

- Protect beaches from pollution;
- Provide fire and police protection, and emergency response services;
- Utility undergrounding to prevent fires and power outages;
- Improve the cleanliness of public areas such as sidewalks and streets; and
- To provide other services and improvements.

After stating these prioritized spending options, the Resolution stated that the City intends to establish a Citizens Measure LL Audit Oversight Committee to review the annual year end expenditure reports

produced by the City for the next five years and to provide a subsequent public report to the City Council. The Resolution further stated that “Although this Resolution expresses the intent of the current City Council to prioritize spending options for future Measure LL revenues for certain purposes, this Resolution is non-binding on this or any future or subsequently constituted City Council, and the TOT is and shall remain a general tax as defined in Article XIIC § 1 (a) of the California Constitution.”

Therefore, since the tax is a general tax, the Resolution could not be binding, and could be changed in the future by the City Council. In an effort to show that the intent was that the funds would be used as specified in the resolution, the City created what is now referred to as The Citizens' Audit Review and Measure LL Oversight Committee whose purpose is to report to the City and the citizens how the funds have been used. In essence, the purpose of the Committee and the report is to provide a vehicle to provide information to the public which would enable the public to understand if the funds are being used for purposes other than what was specified in the ballot material and/or budgets approved by the City Council pursuant to the ballot measure.

After the ballot measure was approved on November 8, 2016, on December 13, 2016 the City adopted Resolution 16.102, (Addendum 1: 1.2) which stated:

1. A Measure LL Fund shall be established, which fund shall be used exclusively for the accounting and tracking of (a) revenue generated by the 2% increase in TOT and (b) expenditures approved by the City Council for the purpose of protecting of beaches from pollution; providing fire and police protection, and emergency response services; utility undergrounding to prevent fires and power outages; improving the cleanliness of public areas such as sidewalks and streets; and to provide other services and improvement. The City Council shall appropriate money from the fund in conjunction with the budget process.”
2. A Citizens' Measure LL Audit Oversight Committee shall be established for five years consisting of five members appointed by the City Council that will review annually the expenditures of the Measure LL Fund and provide a subsequent public report to the City Council as to whether the Measure LL funds have been expended on items of the type described in Resolution 16.068 or the other items described in the Measure LL ballot measure.

Will the funds be used for additional services or for existing services?

While ballot material does not so state, the initial budget approved at the December 13, 2016, City Council meeting, referenced “enhanced services” to distinguish from funds being used for existing services.

By Resolution 17.011 (Addendum 1: 1.2) adopted on February 28, 2017, the City Council changed the number of members and established a 7 (seven) - member Citizens' Measure LL Audit Oversight Committee (“Committee”). The Committee is required to meet once a year following the completion of the City annual audit, to review and opine whether the Measure LL funds were used as approved, with additional meetings scheduled, as necessary.

At the December 13, 2016, City Council meeting, the City Council also approved the service enhancements funded by Measure LL and directed the City Manager to incorporate the Measure LL revenue and recommended program costs into the two-year budget for FY 2017-18 and FY 2018-19. Measure LL appropriations are listed by line item detail in the adopted budget.

Consistent with the language in the ballot measure, the Committee recognizes and acknowledges that visitors to the City draw on its services. Since the inception of the Measure LL committee, its members have discussed the potential benefits of quantifying the impacts of visitors in terms of vital service demands. To the extent that the departments can collect data providing better insight into the impacts

of visitors on city resources, that information could prove helpful, though the Committee realizes there is a practical limit to how much time and effort it is reasonable to expend in data collection. Therefore, the Committee agreed that, to the extent practical, it would be useful for the departments to attempt to identify the additional impacts and additional costs on the departments attributable to visitors, but only if this effort does not represent a significant draw on resources. Further, although this concern was also highlighted during the public comment portion of the LL meetings, the Committee also determined this assessment and evaluation is beyond its purview.

In summary, based on the premise that tourists increase the cost of providing city services, the intent of Measure LL is to increase revenue from tourists in an effort to generate sources of city funds that apply to those increased uses of city funds, or, in other words, to better link the sources and uses of city funds. While the ballot measure was a general tax, and not a special tax, the City expressed its intent to use the funds for specified purposes and the Citizens' Measure LL Audit Oversight Committee was established to produce a public report to the City Council regarding use of the funds attributable to Measure LL.

Addendum 1.1

Measure LL Informational Flyers



Measure LL: Laguna Beach Vital Services Measure

Laguna Beach Is a Great Place to Live

Laguna Beach has a long tradition of having safe neighborhoods, good schools and a vibrant business community, in addition to being an artists' colony. We are proud that a recent survey of Laguna Beach residents indicated that our community feels our city is moving in the right direction and that residents enjoy living here.

Keeping Laguna Beach Beautiful

Millions of tourists come to Laguna Beach every year, which increases traffic and demand for city services and resources. This results in higher costs to: 1) maintain our clean beaches and streets; 2) provide quality public safety services such as police, fire and marine safety; 3) provide quality paramedic and 9-1-1 emergency response services; and 4) maintain other services that are utilized by tourists.



Local Funding for Local Services

Our city's first priority is to protect the safety of our citizens and preserve the quality of life that we all expect in Laguna Beach. To address these needs, the Laguna Beach City Council has placed Measure LL on the November 8, 2016 ballot to provide stable, locally-controlled funding for city services.

Measure LL would enact a 2% increase in the transient occupancy tax ("TOT"), which is a fee assessed to tourists who stay in local hotels and other lodging establishments. This would generate approximately \$2 million/year, which could be used to:

- ▶ Protect beaches from pollution
- ▶ Provide fire and police protection and emergency response services
- ▶ Promote utility undergrounding to prevent fires and power outages
- ▶ Improve the cleanliness of public areas such as sidewalks and streets
- ▶ Provide other services and improvements in Laguna Beach

Strict Fiscal Accountability

By law, all Measure LL funds must stay here in Laguna Beach under local control and cannot be taken away by the State.

Additionally, the City Council will create a Measure LL Citizens' Oversight Committee to conduct annual audits, review expenditures and provide public reports.



For More Information

Please visit our website at www.lagunabeachcity.net/MeasureLL.htm



505 Forest Avenue
Laguna Beach, CA 92651

Post. Std.
U.S. Postage
PAID
TBW



Measure LL: Laguna Beach Vital Services Measure

Frequently Asked Questions About Measure LL

What Is Measure LL?

Millions of tourists visit Laguna Beach every year and use city services, creating higher costs to maintain our beaches, public safety services, streets, public spaces and other services.

The City Council placed Measure LL, a 2% increase to the City's transient occupancy tax ("TOT"), on the November 8, 2016 ballot. Measure LL will provide approximately \$2 million per year in locally-controlled funds to maintain city services in Laguna Beach.

Would Measure LL increase taxes for local residents?

No. The cost of Measure LL would fall exclusively on tourists who stay in hotels and other lodging establishments in Laguna Beach.

Measure LL would increase the TOT from 10% to 12%. Tourists use local services and increase demand for maintenance of our beaches, streets, public safety services, public spaces and other resources that make our city great. Measure LL would generate revenues that could be used to pay for the costs of these services.

What is a transient occupancy tax?

A transient occupancy tax is a fee charged only to Laguna Beach tourists that stay in hotels and other lodging establishments. The TOT gathers revenue to help maintain the public resources and services that millions of tourists use every year when they come to Laguna Beach to enjoy our beautiful beaches and city.

When will Measure LL appear on the ballot? Who can vote on it?

Measure LL will appear on the November 8, 2016 ballot. All registered voters in the City of Laguna Beach will be eligible to vote on it.

How many votes does

Measure LL need to pass?

In order to pass, Measure LL needs the support of over 50% of those who vote on it.

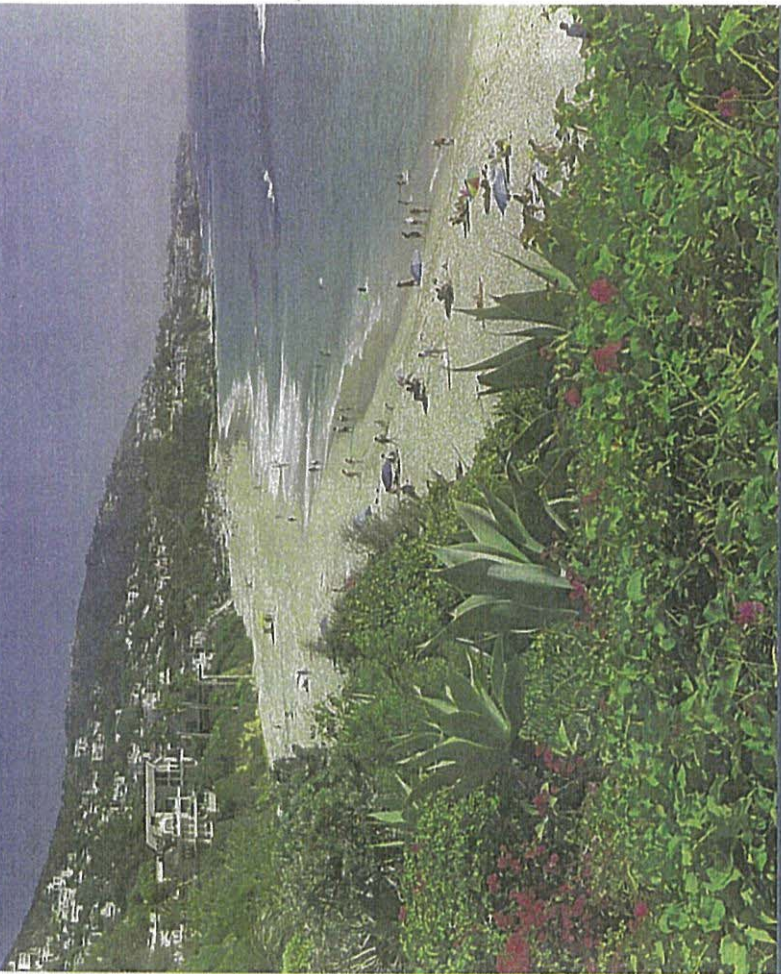
Where can I learn more about voting?

For information about voting, registering to vote or finding your polling place, contact the Orange County Registrar of Voters at (714) 567-7600 or online at www.OCCVote.com.

How can I learn more about

Measure LL and our City's needs?

For more information about local funding and maintenance of Laguna Beach, please visit our website at www.lagunabeachcity.net/MeasureLL.htm



Notice to Voters: Information About Measure LL in Laguna Beach

Information about Measure LL — Laguna Beach Vital Services Measure

Maintaining the Beauty of Laguna Beach

In Laguna Beach, we are lucky to live in one of the most beautiful places in the world. Our picturesque beaches, vibrant business community and art festivals attract millions of tourists every single year.

Because our city attracts so many tourists, our local services and resources are strained to meet the needs of heavy use. Laguna Beach's popularity as a tourist location means a higher need for maintenance of our streets, public safety protection, upkeep of public spaces and other services.

In the last five years:

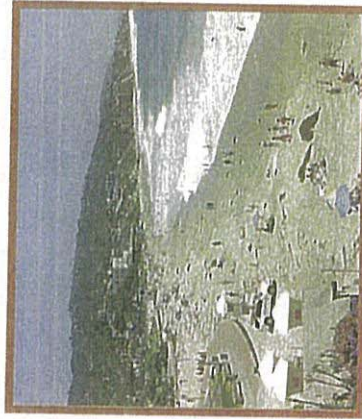
- ▶ Police service calls have increased by 12%;
- ▶ Public disturbances, traffic accidents and other events that require public safety services have increased;
- ▶ The Fire Department has responded to 26% more emergency calls; and
- ▶ Marine Safety services have responded to increased numbers of ocean, diver and cliff rescues, including increased offshore responses and a nearly 400% increase in aquatic rescues.

Measure LL: Upcoming Ballot Measure to Address City Needs

The Laguna Beach City Council voted to place Measure LL on the November 8, 2016 ballot, which would increase our city's transient occupancy tax ("TOT") by 2%. Paid only by tourists who stay at hotels and other lodging establishments in Laguna Beach, this would generate approximately \$2 million per year.

Voting on Measure LL

Election Date: November 8, 2016
 Look for Your Vote-by-Mail Ballot: Week of October 10
 Last Day to Register to Vote in this Election: October 24
 Find Your Polling Place: Visit www.OCVote.com and select the "Find a Polling Place" link
 Not Registered to Vote? Register Here: www.registertovote.ca.gov or call (800) 345-6683



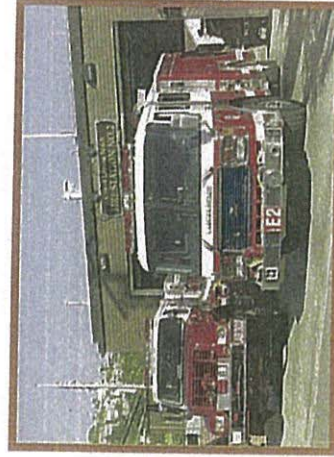
Maintaining Safety and Services in Laguna Beach
 If approved by voters, Measure LL would make funding available to:

- ▶ Protect beaches from pollution
- ▶ Provide fire and police protection and emergency response services
- ▶ Promote utility undergrounding to prevent fires and power outages
- ▶ Improve the cleanliness of public areas such as sidewalks and streets
- ▶ Provide other services and improvements in Laguna Beach



Local Funding for Local Needs

By law, all funds must stay here in Laguna Beach under local control and cannot be taken away by the State. Additionally, the City Council will create a Measure LL Citizens' Oversight Committee to conduct annual audits, review expenditures and provide public reports.



SAMPLE BALLOT

Laguna Beach Vital Services Measure MEASURE LL

To provide services and improvements needed to accommodate millions of annual tourists, protect beaches from pollution and provide fire, police protection and emergency response, parking, utility undergrounding to prevent fires and power outages, and other services and improvements, shall City of Laguna Beach adopt an ordinance increasing transient occupancy taxes paid only by hotel and other rental guests from 10% to 12% until ended by voters, providing approximately \$2,000,000 annually with audits, all funds only for Laguna Beach?

YES ☐ NO ☐

For more information, visit www.lagunabeachcity.net/MeasureLL.htm

Measure LL: Laguna Beach Vital Services Measure



Measure LL: Measure on the November Ballot

The Laguna Beach City Council voted to place Measure LL, the Laguna Beach Vital Services Measure, on the November 8, 2016 ballot. Measure LL would enact a 2% increase in room taxes paid by tourists who stay in local hotels and other lodging establishments and would generate approximately \$2 million/year, which could be used to:



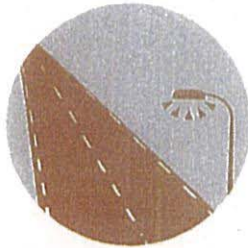
Protect beaches from pollution



Provide fire and police protection
and emergency response services



Promote utility undergrounding to
prevent fires and power outages



Improve the cleanliness of public
areas such as sidewalks and streets



Provide other services and
improvements in Laguna Beach

Funds Would Stay in Laguna Beach – Not Sacramento

By law, all funds must stay in Laguna Beach under local control and cannot be taken away by the State.

Additionally, the City Council will create a Measure LL Citizens' Oversight Committee to conduct annual audits, review expenditures and provide public reports.



More Information about Voting on Measure LL :

Election Day: November 8

Vote-by-Mail Ballots Sent Out: Week of October 10

Last Day to Register to Vote in this Election: October 24

Last Day to Request a Vote-by-Mail Ballot: November 1

Find Your Polling Place: Visit www.OCVote.com

Register to Vote: Visit www.registertovote.ca.gov

Please visit our website at www.lagunabeachcity.net/MeasureLL.htm



Addendum 1.2

Resolution 16.063, 16.068, 16.102, 17.011, 18.009

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RESOLUTION NO. 16.063

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF
THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 8, 2016 FOR THE SUBMISSION TO THE VOTERS OF A
QUESTION RELATING TO A BALLOT MEASURE TO INCREASE THE
TRANSIENT OCCUPANCY TAX, AS REQUIRED BY THE PROVISIONS OF THE
LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES**

WHEREAS, under and as required by the provisions of the laws of the State of California relating to General Law cities, a General Municipal Election shall be held on Tuesday, November 8, 2016, for the submission to the voters of a question relating to a proposed ballot measure to increase the transient occupancy tax imposed by the City of Laguna Beach;

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

SECTION 1. Pursuant to the requirements of the laws of the State of California relating to General Law cities, there is called and ordered to be held in the City of Laguna Beach, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of submitting to the voters of a question, bearing the title "Laguna Beach Vital Services Measure," relating to a proposed ballot measure to increase the transient occupancy tax levied by the City of Laguna Beach.

SECTION 2. The City Council, pursuant to its right and authority, does order the following question to be submitted to the voters at the General Municipal Election:

Laguna Beach Vital Services Measure	YES
To provide services and improvements needed to accommodate millions of annual visitors, protect beaches from pollution and provide fire, police protection and emergency response, parking, utility undergrounding to prevent fires and power outages, and other services and improvements, shall City of Laguna Beach adopt an ordinance increasing transient occupancy taxes paid only by hotel and other rental guests from 10% to 12% until ended by voters, providing approximately \$2,000,000 annually, with audits, all funds only for Laguna Beach?	NO

1 **SECTION 3.** The proposed complete text of the Ordinance submitted to the City's voters as a
2 ballot measure is attached hereto at Exhibit A and incorporated herein by this reference.

3 **SECTION 4.** The City Clerk is directed to submit a copy of the above described ballot
4 measure to the City Attorney, after which, the City Attorney is directed to prepare an impartial
5 analysis of the proposed ballot measure pursuant to Elections Code section 9280. The impartial
6 analysis of the measure shall show the effect of the measure on the existing law and the operation
7 of the measure. The impartial analysis shall not exceed five hundred (500) words in length and
8 shall be filed with the City Clerk by 5:30 p.m. on August 5, 2016.

9 **SECTION 5.** The City Clerk is directed to submit a copy of the above described ballot
10 measure to the City Manager, after which, the City Manager is authorized to prepare a fiscal
11 analysis of the proposed ballot measure. The fiscal analysis of the measure shall show the
12 estimated amount of any increase or decrease in revenue or cost to the City as a result of the
13 measure. The fiscal analysis shall not exceed five hundred (500) words in length and shall be filed
14 with the City Clerk by 5:30 p.m. on August 5, 2016.

15 **SECTION 6.** In accordance with Section 9282(b) of the Elections Code, relating to measures
16 placed on the ballot by the City Council, the City Council hereby authorizes any City Council
17 member or members to prepare and file a written argument for the ballot measure with the City
18 Clerk on or before August 9, 2016, by 5:30 p.m., which argument shall not exceed 300 words in
19 length.

20 **SECTION 7.** Any person wishing to submit a direct argument for or against the ballot
21 measure shall file such argument with the City Clerk on or before August 9, 2016, by 5:30 p.m.,
22 which argument shall not exceed 300 words in length. Any rebuttal arguments for or against the
23 ballot measure shall be filed with the City Clerk on or before August 19, 2016, by 5:30 p.m. and
24 shall not exceed 250 words in length. Arguments that are selected for printing and distribution to
25 the voters shall be selected in accordance with Sections 9282 and 9287 of the Elections Code.

26 **SECTION 8.** The ballots to be used at the election shall be in form and content as required by
27 law.

28

1 **SECTION 9.** The City Clerk is authorized, instructed, and directed to procure and furnish any
2 and all official ballots, notices, printed matter and all supplies, equipment, and paraphernalia that
3 may be necessary in order to properly and lawfully conduct the election.

4 **SECTION 10.** The polls for the election shall be open at seven o'clock a.m. of the day of the
5 election and shall remain open continuously from that time until eight o'clock p.m. of the same
6 day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of
7 the State of California.

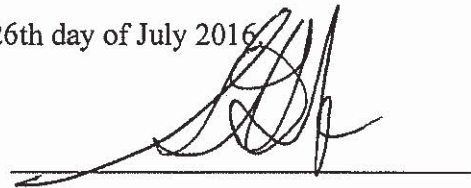
8 **SECTION 11.** In all particulars not recited in this Resolution, the election shall be held and
9 conducted as provided by law for holding municipal elections.

10 **SECTION 12.** Notice of the time and place of holding the election is given and the City Clerk
11 is authorized, instructed, and directed to give further or additional notice of the election in the
12 time, form, and manner as required by law.

13 **SECTION 13.** The proposed Ordinance is exempt from review under the California
14 Environmental Quality Act pursuant to Section 15061(b)(3) of the State CEQA Guidelines, in that
15 the proposed Ordinance is covered by the general rule that CEQA applies only to project that have
16 the potential for causing a significant effect on the environment. In this instance, it can be seen
17 with certainty that there is no possibility that the proposed Ordinance may have a significant effect
18 on the environmental and is therefore not subject to CEQA.

19 **SECTION 14.** The City Clerk shall certify to the passage and adoption of this Resolution and
20 enter it into the book of original Resolutions.

21 PASSED, APPROVED AND ADOPTED this 26th day of July 2016.



Steve Dictorow, Mayor

25 ATTEST:



28 Lisette Chel-Walker, City Clerk

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1 WHEREAS, the TOT is paid only by tourists who stay in hotels and other lodging
2 establishments for a period of thirty (30) days or less;

3 WHEREAS, it is estimated that a 2% increase in the TOT will generate approximately
4 \$2,000,000 annually;

5 WHEREAS, the TOT is a general tax enacted solely to raise revenue for the general
6 governmental purposes of the City and all of the proceeds from the tax shall be placed in the
7 City's General Fund;

8 WHEREAS, the General Fund pays for vital City services such as police, fire, and marine
9 safety services; clean beaches; street, park, and building maintenance; recreation services; and
10 other general municipal services to the public;

11 WHEREAS, the County of Orange has officially designated the question relating to a
12 ballot measure to increase the TOT from 10% to 12% as Measure LL;

13 WHEREAS, the City Council desires to adopt this resolution expressing its support for
14 Measure LL, which would provide additional revenues to enable the City to fund services and
15 improvements needed to as a result of the millions of annual visitors to the City;

16 WHEREAS, the City Council desires to adopt this resolution expressing its intent, if
17 Measure LL is enacted by voters, to prioritize spending options for future Measure LL revenue for
18 various purposes, as identified herein;

19 WHEREAS, the City Council desires to adopt this resolution expressing its intent, if
20 Measure LL is enacted by voters, to establish a Citizens Measure LL Audit Oversight Committee;

21 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH**
22 **HEREBY RESOLVES AS FOLLOWS:**

23 **SECTION 1.** The City Council supports passage of Measure LL.

24 **SECTION 2.** The City Council hereby expresses its intent, if Measure LL is enacted by
25 voters, to prioritize spending options for future Measure LL revenue for the following purposes:

- 26 • Protect beaches from pollution;
- 27 • Provide fire and police protection, and emergency response services;
- 28 • Utility undergrounding to prevent fires and power outages;

- Improve the cleanliness of public areas such as sidewalks and streets; and
- To provide other services and improvements.

SECTION 3. The City Council hereby expresses its intent, if Measure LL is enacted by voters, to establish a Citizens Measure LL Audit Oversight Committee of no more than five members to review the annual year end expenditure reports produced by the City for the next five years and provide a subsequent public report to the City Council.

SECTION 4. Although this Resolution expresses the intent of the current City Council to prioritize spending options for future Measure LL revenues for certain purposes, this Resolution is non-binding on this or any future or subsequently constituted City Council, and the TOT is and shall remain a general tax as defined in Article XIIC §1(a) of the California Constitution.

SECTION 5. No City funds or resources shall be expended on campaigning with regard to Measure LL or be used to implement this Resolution.

SECTION 6. The City Council finds and determines that this Resolution is not a project for purposes of the California Environmental Quality Act.

1 PASSED, APPROVED AND ADOPTED this 30th day of August 2016

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Steve Dicterow, Mayor

5 ATTEST:

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8 Lisette Chel-Walker, City Clerk

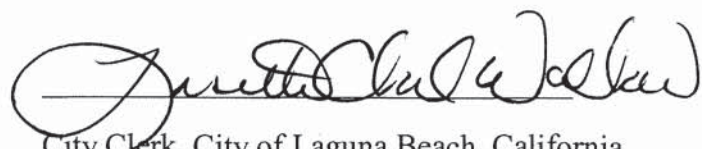
9
10 I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the
11 foregoing **Resolution No. 16.068** was duly adopted at a regular meeting of the City Council of
12 said City held on August 30, 2016, by the following vote:

13 AYES: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow

14 NOES: COUNCILMEMBERS: None

15 ABSTAIN: COUNCILMEMBERS: None

16 ABSENT: COUNCILMEMBERS: None

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19 City Clerk, City of Laguna Beach, California
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RESOLUTION NO. 16.102

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA BEACH, CALIFORNIA ESTABLISHING A MEASURE
LL FUND AND A CITIZENS' MEASURE LL OVERSIGHT
COMMITTEE**

WHEREAS, On November 8, 2016, Laguna Beach residents voted to approve Measure LL to increase the Transient Occupancy Tax ("TOT") rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%; and


WHEREAS, on August 30, 2016, the City Council passed Resolution No. 16.068 to express its intent, if Measure LL was enacted by voters, to prioritize spending options for future Measure LL revenue and to establish a Citizens' Measure LL Oversight Audit Committee for a five-year period;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH
HEREBY RESOLVES AS FOLLOW:

1. A Measure LL Fund shall be established, which fund shall be used exclusively for the accounting and tracking of (a) revenue generated by the 2% increase in TOT and (b) expenditures approved by the City Council for the purpose of protecting of beaches from pollution; providing fire and police protection, and emergency response services; utility undergrounding to prevent fires and power outages; improving the cleanliness of public areas such as sidewalks and streets; and to provide other services and improvement. The City Council shall appropriate money from the fund in conjunction with the budget process.
2. A Citizens' Measure LL Audit Oversight Committee shall be established for five years consisting of five members appointed by the City Council that will review annually the expenditures of the Measure LL Fund and provide a subsequent public report to the

1 City Council as to whether the Measure LL funds have been expended on items of the
2 type described in Resolution 16.068 or the other items described in the Measure LL
3 ballot measure.

4 ADOPTED this 13th day of December, 2016.

5 
6

Toni Iseman, Mayor

7 ATTEST:

8 
9 City Clerk

10 I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby
11 certify that the foregoing Resolution No. 16.102 was duly adopted at a Regular Meeting of the
12 City Council of said City held on December 13, 2016, by the following vote:

13 AYES: COUNCILMEMBER(S): Dicterow, Whalen, Zur Schmiede, Boyd, Iseman

14 NOES: COUNCILMEMBER(S):

15 ABSENT: COUNCILMEMBER(S):


16 
17 City Clerk of the City of Laguna Beach, CA

1 I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the
2 foregoing Resolution No. 17.011 was duly adopted at a regular meeting of the City Council of said
City held on February 28, 2017, by the following vote:

3 AYES: COUNCILMEMBERS: Dieterow, Whalen, Zur Schmiede, Boyd, Iseman

4 NOES: COUNCILMEMBERS: None

5 ABSENT: COUNCILMEMBERS: None

6 
7 City Clerk, City of Laguna Beach, California
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responsibilities will include:

- a) Participating in the selection of the City's external financial auditors; reviewing the results of the annual financial audit; reviewing any internal control weaknesses and legal compliance issues identified in the course of the annual financial audit and provide any necessary recommendations to the City Council.
- b) Reviewing annually the expenditures of the Measure LL Fund and providing a subsequent public report for distribution to the City Council

3. MEMBERSHIP AND APPOINTMENT

The Citizens' Audit Review and Measure LL Oversight Committee shall consist of up to seven members, initially to be composed of the current seven members of the Citizens' Measure LL Oversight Committee. The City Council will appoint members in the same manner provided for all other City commissions, boards, and committees.

4. QUALIFICATIONS OF APPOINTED PUBLIC MEMBER

Must be a resident of the City of Laguna Beach.

5. COMPENSATION

Members of the Citizens' Audit Review and Measure LL Oversight Committee shall serve without compensation.

6. TERM OF MEMBERSHIP

Each member of the Citizens' Audit Review and Measure LL Oversight Committee shall be appointed for the remainder of the current Citizens' Measure LL Oversight Committee terms. Thereafter, three positions will be appointed for two-year terms, and four positions will be appointed for three-year terms.

7. TIME AND PLACE OF MEETINGS

The Citizens' Audit Review and Measure LL Oversight Committee will meet at least

twice annually and shall hold other meetings on an as-needed basis. Meetings of the Citizens' Audit Review and Measure LL Oversight Committee shall comply with applicable requirements of the Brown Act.


8. CONFLICT OF INTEREST

Current members of Citizens' Audit Review and Measure LL Oversight Committee terms, are not designated filers for the Statement of Economic Interests form (Form 700) for the remainder of their current terms. Thereafter, all new and existing members of the Citizens' Audit Review and Measure LL Oversight Committee are subject to the requirements of the Conflict of Interest provisions of the Laguna Beach Municipal Code and the conflict of interest laws of the State of California. All members shall be designated filers for the Statement of Economic Interests form (Form 700) required by the California Fair Political Practices Commission.

9. SUPERSEDE AND REPLACE RESOLUTION 18.006

This resolution is intended to supersede and replace Resolution 18.006 adopted by the City Council on January 23, 2018.

ADOPTED this 27th day of February 2018.



Kelly Boyd, Mayor

ATTEST:


City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 18.009 was duly adopted at a Regular Meeting of the City Council of said City held on February 27, 2018, by the following vote:

AYES: COUNCILMEMBER(S): Dictorow, Iseman, Whalen, Zur Schmiede, Boyd
NOES: COUNCILMEMBER(S): None
ABSENT: COUNCILMEMBER(S): None


City Clerk of the City of Laguna Beach, CA

Addendum 1.3

Staff Report: March 22, 2016, Item 1

City of Laguna Beach
AGENDA BILL

No. **1**

Meeting Date: 3/22/16

SUBJECT: UTILITY UNDERGROUNDING

SUMMARY OF THE MATTER:

Over the last year, the City Council subcommittee of Councilmembers Bob Whalen and Robert Zur Schmiede have been meeting with city staff, various experts, officials from Southern California Edison and San Diego Gas and Electric companies, public utility commissioners, and state legislators to explore the options to underground utilities in the City and reduce the risk of fires related to utilities. The attached presentation will provide an overview of the history, risks and considerations thus far in the process. The presentation will be made by a team that has been working on this matter. Given the amount of information and complexity of this matter, the presentation will take at least 30 minutes.

Some of the recommendations involve the appropriation of funding the Street Lighting Fund. The Street Lighting Fund has a current balance of \$3.9 million and generates about \$900,000 in revenues above expenditures on an annual basis.

Recommendations are listed below and on the last three pages of the attached presentation.

RECOMMENDATION: It is recommended that the City Council:

- 1) Ask questions and provide input regarding undergrounding, safety and financing options;
- 2) Direct the City Manager to obtain proposals from experts to clarify the costs of utility undergrounding and potential acquisition of the electrical system through a study costing an estimated \$300,000 and appropriate this amount from the Street Lighting Fund;
- 3) Direct the City Manager to work with the utility undergrounding subcommittee to obtain proposals for a community survey to gauge community support for various funding options;
- 4) Authorize the utility undergrounding subcommittee to continue working on this matter and support SB 1463 and related legislation;
- 5) Direct the City Attorney to prepare an ordinance for City Council consideration to require utility undergrounding for any new, replaced, or relocated utility infrastructure;
- 6) Consider appropriating \$350,000 for a right-of-way survey for Laguna Canyon Road; and
- 7) Direct the City Manager to hire a full-time employee to manage and expedite the undergrounding projects in residential neighborhoods and the Laguna Canyon Road undergrounding and to pursue pedestrian, bicycle and roadway safety improvements outlined by the Laguna Canyon Road Taskforce and previously adopted by the City Council. Funding for the position will be provided from the Street Lighting Fund.

Appropriations Requested: \$650,000

Submitted by: Councilmembers Whalen and
Zur Schmiede

Fund: Street Lighting Fund

Coordinated with: _____

Attachments: Presentation

Approved: _____


City Manager

Utility Undergrounding Discussion



March 22, 2016

March 22, 2016

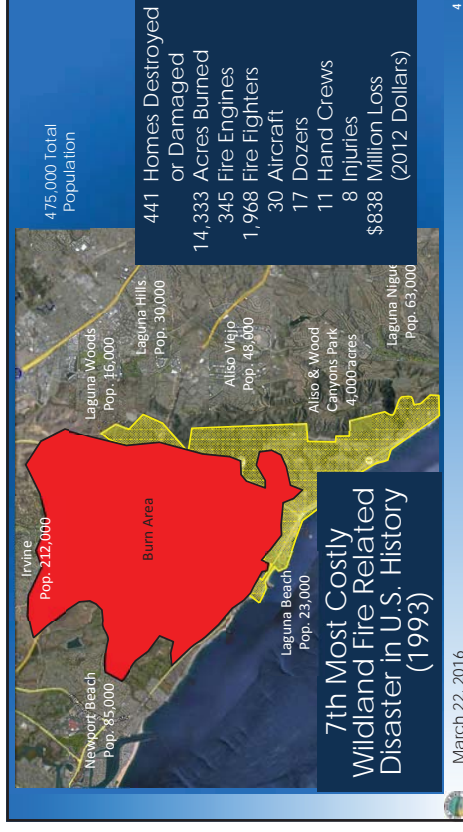
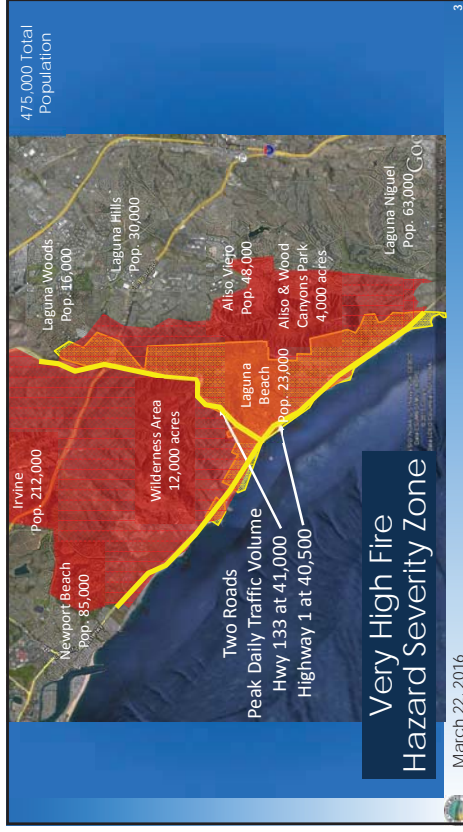
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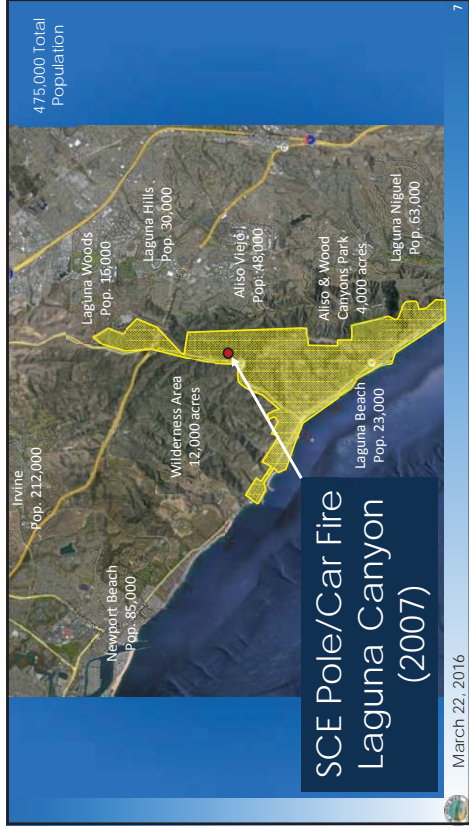
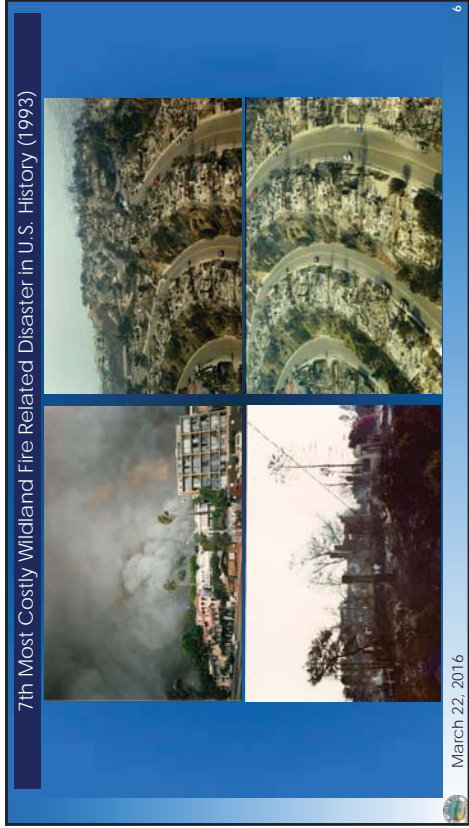
Exploration Team

- Councilmembers Bob Whalen & Rob Zur Schmiede
- City Staff
 - City Manager John Pietig
 - City Attorney Phil Kohn
 - Interim Director of Public Works Steve May
 - Director of Finance and IT Gavin Curran
 - Fire Chief Jeff LaTendresse
 - Project Director Wade Brown
- Special Legal Counsel David Huard &
- Consultant Dennis Eastman



March 22, 2016

2





SCE Pole/Car Fire Laguna Cyn. (2007)



March 22, 2016



9



Arcing SCE Pole Fire (2011)

Sept. 8, 2011 "Great Southwest Blackout"

Small fire adjacent to open space caused by molten metal falling from above



March 22, 2016

11



SCE Transformer/Idle Pole Fire (2012)

Note the missing cross-arm section

Pole from Google - Image date: February 2011

Pole the day of the fire

March 22, 2016

13

SCE Transformer/Idle Pole Fire (2012)

March 22, 2016

14

July 3rd SCE Pole/Tree Fire (2015)

475,000 Total Population

Irvine Pop. 212,000

Newport Beach Pop. 85,000

Wilderness Area 12,000 acres

Laguna Beach Pop. 23,000

Laguna Woods Pop. 16,000

Laguna Hills Pop. 30,000

Aliso Viejo Pop. 48,000

Aliso & Wood Canyons Park 4,000 acres

Laguna Niguel Pop. 63,000

July 3rd SCE Pole/Tree Fire (2015)

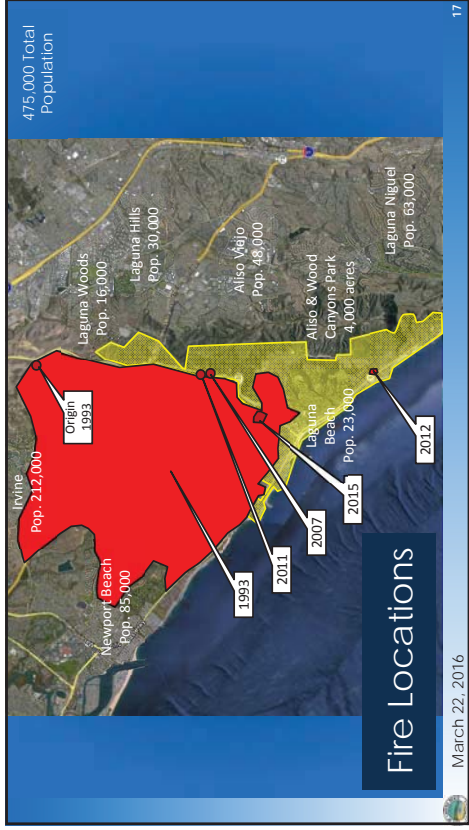
March 22, 2016

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July 3rd SCE Pole/Tree Fire (2015)

March 22, 2016

16



Terminology

- CPUC – California Public Utilities Commission
- LCR – Laguna Canyon Road
- Transmission – power plants to substations
- Distribution – substations to residential and commercial
- Rule 20A – Utility contributes funds to underground projects that provide a general public benefit
- Rule 20B – Property owners pay for the cost of the new underground system minus the cost of a new overhead equivalent system

March 22, 2016

Laguna Canyon Road

- Peak Daily Traffic Volume --- 41,000 Vehicles
- Maximum 2,000 vehicles per hour per lane
- 46 vehicle collisions with poles on LCR since 2007

March 22, 2016

Laguna Canyon Road Utility Poles

- Transmission
- Guy Wires (Bracing)
- Communications
- Distribution
- Cell Phone Antenna

March 22, 2016

Laguna Canyon Road Utility Poles

- 181 Poles on LCR from Substation to El Toro Road:
 - 99 westerly side
 - 82 easterly side
- 68 Transmission Poles
 - 57 of those carry distribution
- What If? Underground everything but transmission:
 - 40 of 99 poles remain on the westerly side due to guy wires (steel poles would not need guy wires)
 - 68 of 82 poles remain on the easterly side due to transmission poles
- What If? Underground distribution and transmission:
 - At least 41 street light poles would be needed



March 22, 2016

21

El Toro Road Utility Poles

- 24 Poles on El Toro Road from LCR to Toll Road:
 - 21 easterly side (distribution and communications)
 - 2 westerly side (guy poles)
- All poles could be removed by a project that would underground distribution and communications



March 22, 2016

22

Electrical Systems

Approximately 13,000 customers served by:

- SCE (11,000 customers)
- SDG&E (2,000 customers)

6,000 customers (roughly half) served by overhead services:

- 5,000 (45%) by SCE
- 1,000 (50%) by SDG&E (210 undergrounding in progress)



March 22, 2016

23

Franchise Agreements

- Franchise agreements have no termination date
- Franchise continues until abandoned, purchased, or acquired through eminent domain
- Non-Exclusive Franchise
- City can acquire system (never been done in CA)
- Utility has a responsibility to provide safe system
- Utility earns a return on its franchise assets



March 22, 2016

24

Meetings

- Three meetings with SCE - President Pizarro attended the first meeting
- Two meetings with SDG&E
- Met with CPUC staff in October
- Fire Chief and Special Legal Counsel participating in CPUC Fire Risk Assessment Workshops and ongoing review
- Meetings with state legislators regarding CPUC



March 22, 2016

25

Current Actions – SB 1463 (Moorlach)

- Legislature considering the safety of public utility operations due to recent disasters
- CPUC mapping state for areas with a significant risk of wildfire damage
- First draft map does not identify the City as high risk
- At the request of the City, Sen. Moorlach introduced Senate Bill 1463
 - Amend the Public Utilities Code to direct the CPUC to prioritize communities at risk from wildfires
 - Define eligibility for such prioritization
 - Compels undergrounding of new/replaced utilities in communities at risk
 - Require costs to be recovered by the utilities in general system rates
- SB 1463 is currently being considered and will be subject to amendment at the behest of the City or by potential new sponsors

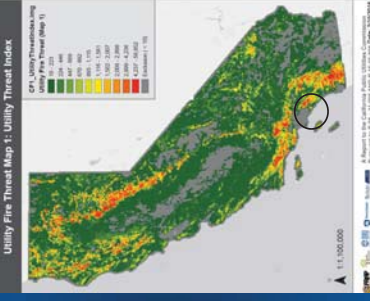
March 22, 2016

26

Current Actions continued

Pressing for changes in Fire Risk Assessment Map at CPUC

- Current methodology does not consider local conditions
 - Topography
 - Significant fire history
 - Access concerns
- Current State Fire Marshal Fire Hazard Severity Zones Map



March 22, 2016

27

Options (and Obstacles) So Far


- Design and build an underground system to replace remaining overhead utilities
 - Lease or sell it to SCE and/or SDG&E
- City purchase of electrical system
 - City buildout of underground system for remaining overhead system
 - Never been done before in CA
 - Purchase price and debt service capability unknown
- SCE is not interested



March 22, 2016

28

Initial Challenges




- Undergrounding:
 - Transmission costs will be expensive
 - Other utilities have to be undergrounded at the same time
 - May need to underground in areas outside ROW & adjacent to LCR
- Laguna Canyon Road:
 - Pedestrian and bike improvements designed and constructed with undergrounding utilities & street lights
 - Construction in ROW means significant traffic impacts
 - Night work may be required

March 22, 2016 29

Initial Challenges continued

- SCE unwilling to spend money on undergrounding in Laguna Beach - except Rule 20A
- CPUC fire map process:
 - Could take another 2-3 years
 - Funding is uncertain
- Pursuing legislative solutions - SB 1463



March 22, 2016 30

Possible Solutions




- City finance undergrounding citywide
- City finance undergrounding along LCR
- City attempt to incentivize residential assessment district formation
- City acquisition of existing electrical system
- Utility companies harden existing overhead system

Laguna Canyon Road Considerations - design, construction and funding must be coordinated with undergrounding

March 22, 2016 31

Citywide Undergrounding



- Timeline: 10-15 years
- Replaces remaining above ground distribution
- Significant costs with wide range of estimates
- Voter approved tax/assessment/fee increase & bonds
- Citywide design and build more efficient and cost effective than assessment district process

March 22, 2016 32

LCR Undergrounding and Road Improvements

- Timeline: Not sure – 5 to 6 years after funding secured?
- Distribution and other utilities included; transmission-?
- Advantages/Disadvantages:
 - Reduces fire risk
 - Maximum safety improvement
 - Significant cost and will require financing from toolbox
 - Traffic impacts and probable night work



March 22, 2016

33

Residential Assessment Districts

- Timeline: varies (30 years to underground remaining 50%)
- Requires assessment formation and district vote
- May be possible to offer some incentives for future formation costs
- Savings from economies of scale may be possible



March 22, 2016

34

City Acquisition of Electrical System

- Utilities make money
- Electric franchise agreements provide for acquisition
- Citizens invest in own utility
- City acquisition of an existing system has not been completed in California
- Investment of several million required to pursue
- Costs and debt unknown



March 22, 2016

35

Harden Existing Utilities System

- Timeline: 2-4 years depending on scope
- Third party expert assessment essential
- Upgrade to modern equipment and improve maintenance and line clearance
- Advantages/Disadvantages:
 - Lowest cost & quickest implementation
 - Not as safe as undergrounding
 - Could impact trees
 - Would likely increase pole and wire size




March 22, 2016

36

Range of Cost Estimates

- Citywide undergrounding based on \$30,000 per parcel average - \$180M
- Above figure does not include LCR undergrounding or road improvements - \$50M to \$90M
- Cost to acquire street light system unknown



Conclusion: Cost study necessary to proceed - \$300K



March 22, 2016 37

Project Funding Introduction

Councilmember
Bob Whalen

March 22, 2016 38

Project Funding "Tool Box"

- Objective of the Tool Box is to lower costs
- Current average neighborhood Assessment District
 - \$30,000 per parcel
 - \$37,500 if financed (15 yrs at 2.2%)
 - This costs doesn't include major thoroughfares like LCR
- Financial tools can:
 - Share costs with visitors and businesses
 - Lower costs per resident
 - Accumulate funding for project (prefund)
 - Allow large projects to be paid for over time (borrowing)




March 22, 2016 39

Project Funding "Tool Box"

- Sales tax*
- Transient Occupancy Tax*
- Utility Users Tax or surcharge*
- General Obligation Bond*
- Special Tax (CFD)*
- Street Lighting Fund
- Rule 20A and Rule 20B
- Funding through CPUC Fire Risk Assessment
- Direct funding from utilities

*would require voter approval




March 22, 2016 40

Project Funding "Tool Box"




- Sales Tax:
 - Paid by visitors, residents and businesses
 - 1% could generate \$5 million annually
 - requires majority vote
- Transient Occupancy Tax:
 - Paid by visitors
 - 2% could generate \$2 million annually
 - requires majority vote
- Special Tax (CFD):
 - Paid by parcels not currently undergrounded
 - \$600 per household per year could generate \$3.6 million
 - requires 2/3 vote

March 22, 2016

41

Project Funding "Tool Box"



- Utility Users Tax:
 - Paid by users of the electrical system
 - 10% could generate \$1.5 million a year (all users)
 - Requires majority vote
- General Obligation Bond:
 - Paid by residents (90%) and businesses (10%)
 - \$10 per \$100,000 assessed value could generate \$1.3M/yr
 - Majority of households would pay \$55 per year
 - Requires 2/3 vote

March 22, 2016

42

Project Funding "Tool Box" (Summary)


Funding Source (All require voter approval)	Increase in Annual Revenue	Possible Borrowing Capacity-30 yrs
Sales Tax (1/2% to 1%)	\$2.5 - \$5.0M	\$45 - \$90M
Transient Occupancy Tax (1%-2%)	\$1.0 - \$2.0M	\$18 - \$36M
Special Tax (CFD)(\$600-\$800 annual)	\$3.6 - \$4.8M	\$64 - \$85M
Utility Tax (5% to 10%)	\$0.8 - \$1.5M	\$13 - \$26M
GO Bond(\$10-\$20 per \$100,000 in AV)	\$1.3 - \$2.6M	\$23 - \$46M
Total	\$9.2 - \$15.9M	\$163 - \$283M

Borrowing capacity will increase as economy grows

March 22, 2016

43

Project Funding "Tool Box"



- Project will:
 - Require more than one of the items in the tool box
 - Likely require the issuance of City debt
 - Require a vote to increase taxes or issue GO Bond
 - Require increasing taxes sooner than later to reduce borrowing
 - All borrowing will allow prepayment from future contributions from utilities

March 22, 2016

44

Policy Considerations

- Safety – fire, vehicles and pedestrians
- Accuracy of cost information
- Funding - raising taxes & payer equity
- Construction and traffic impacts
- Legal and consulting costs
- Survey to gauge public support



March 22, 2016 45

Recommendations

- 1) City Council should ask questions and provide input regarding utility undergrounding, safety and financing options;
- 2) Direct the City Manager to obtain proposals from experts to clarify the costs of utility undergrounding and potential acquisition of the electrical system through a study costing an estimated \$300,000 and appropriate this amount from the Street Lighting Fund;
- 3) Direct the City Manager to work with the utility undergrounding subcommittee to obtain proposals for a community survey to gauge community support for various funding options;



March 22, 2016 46

Recommendations - con't.

- 4) Authorize the utility undergrounding subcommittee to continue working on this matter and support SB 1463 and related legislation;
- 5) Direct the City Attorney to prepare an ordinance for City Council consideration to require utility undergrounding for any new, replaced, or relocated utility infrastructure;
- 6) Consider appropriating \$350,000 for a right-of-way survey for Laguna Canyon Road; and
- 7) Direct the City Manager to hire a full-time employee to manage and expedite the undergrounding projects in residential neighborhoods and the Laguna Canyon Road undergrounding and to pursue pedestrian, bicycle and roadway safety improvements outlined by the Laguna Canyon Road Taskforce and previously adopted by the City Council. Funding for the position will be provided from the Street Lighting Fund.

March 22, 2016 47

Utility Undergrounding Discussion Q&A



- Subcommittee Comments
- City Council Q&A
- Public Comments

March 22, 2016 48

Addenda 1.4

Staff Report: March 22, 2016, Item 2

City of Laguna Beach
AGENDA BILL

No. 2

Meeting Date: 3/22/16

SUBJECT: 2016 COMMUNITY SURVEY

SUMMARY OF THE MATTER: The City Council included funding in the FY 2015-16 budget for a community survey to identify projects that are a priority for the community. A survey would enable the City Council to acquire statistically valid and reliable data of public opinions in order to make strategic decisions based upon the consensus of a broad representative sampling of the community.

Citizen prioritization of community projects, resident satisfaction of local government services, and ballot measure feasibility are types of surveys utilized by local governments. Local governments survey various topics, however, potential survey topics specific to Laguna Beach might include:


ACT V Parking Structure
Additional Lanes on Laguna Canyon Road
Affordable and Assisted Living Housing
Artist Live/Work Housing
Citywide Open Space
Citywide Smoking Ban
Community Pool

Cultural Arts Facility
Parking Meters in South Laguna
Pedestrian Bridge over Laguna Canyon Road
Permanent Lifeguard Towers
Funding for Utility Undergrounding & Traffic Impacts

There are various ways to conduct surveys such as mailed letters, phone calls to landline and cell phone users, and email invitations to a website-based survey. In the end, a survey that utilizes a mixed-method survey design that would increase participation rates, reduce response bias, and increase the overall accuracy and reliability of the survey results is recommended. After reviewing surveys conducted by other cities, a survey is estimated to cost no more than \$35,000.

RECOMMENDATION: It is recommended that the City Council: 1) authorize the City Manager to negotiate and execute a professional services agreement with FM3 in an amount not to exceed \$35,000 to develop and implement a community survey, and to report its results at a future meeting of the City Council; 2) appoint a subcommittee to collaborate with the consultant and staff to develop survey objectives, a survey instrument, and survey topics; 3) provide direction to the subcommittee regarding topics to be placed on the survey; and 4) authorize the City Manager to expend up to \$15,000 for additional consulting services related to a potential ballot measure as directed by the subcommittee.

Appropriations Requested: None

Submitted by: 
Christa Johnson, Assistant City Manager

Fund: N/A

Coordinated with: _____

Attachments: _____

Approved: 
John Pietig, City Manager

Typically, a public opinion research firm would be selected through a Request for Proposals (RFP) process; however, given the time constraints and to allow for a potential ballot measure should the City Council decide to pursue that, staff recommends selecting a firm now. With the City Council's approval, Fairbank, Maslin, Maullin, Metz & Associates (FM3), a public opinion research firm based in Los Angeles, would conduct the survey. FM3 is a recognized leader in conducting research for local governments, and has conducted surveys in more than 120 California cities including Huntington Beach, Seal Beach, San Juan Capistrano, and Santa Ana. In 2005, FM3 conducted a survey for both the City of Laguna Beach and South Coast Medical Center that evaluated Laguna Beach residents' perceptions and satisfaction with local healthcare services.

FM3 would approach the survey in the following manner: ask the City Council for conceptual approval of topics; meet with a City Council subcommittee and staff to discuss research objectives, topics, and potential challenges and issues; develop and pre-test a survey instrument to ensure integrity; conduct the survey as well as process, analyze, and present data and results; and coordinate with City Council and staff on recommendations of survey findings. A City Council subcommittee is recommended to work with FM3 and city staff to discuss research objectives and topics in addition to develop a survey instrument.

It is important to note that FM3's proposed scope of work is to complete a baseline opinion survey. Should the City Council decide to explore a potential ballot measure, then this survey would be considered part of an assessment phase to determine if a ballot measure is feasible. There are other prospective firms that specialize in ballot measure feasibility and could further assist the City. It is recommended that the City Council authorize the City Manager to work with the subcommittee to consider the merits of retaining additional consulting services on a potential ballot measure should it become necessary.

Furthermore, a proposed timeline for the survey, from beginning to end, would be as follows:

Event	Date
Agenda Bill authorizing City Manager to negotiate and execute contract with FM3	March 22, 2016
Meet with City Council Subcommittee to discuss objectives, survey instrument, and topics;	April 2016
Administer survey; Data entry and analysis; Preparation of results	May 2016
Present results to City Council	June 14, 2016

If the decision is made to pursue a measure on the November 2016 ballot, the deadline to submit a City Council resolution along with a title and summary of the measure to the County of Orange's Registrar of Voters Office is August 12, 2016.

Addenda 1.5
Staff Report: May 10, 2016

City of Laguna Beach
AGENDA BILL

No. **16**

Meeting Date: 5/10/16

SUBJECT: 2016 COMMUNITY SURVEY TOPICS

SUMMARY OF THE MATTER: On March 22, 2016, the City Council received an oral report from staff regarding a possible survey to identify projects that are a priority for the community. A survey would enable the City Council to acquire statistically valid and reliable data in order to make strategic decisions based upon the consensus of a broad representative sampling on the community. At that meeting, the City Council authorized four actions: 1) authorized the City Manager to negotiate and execute a professional services agreement with Fairbank, Maslin, Maullin, Metz & Associates (FM3) in an amount not to exceed \$35,000 to develop and implement a community survey, and to report its results at a future meeting of the City Council; 2) appointed a Subcommittee consisting of Mayor Pro Tem Iseman and Councilmember Whalen to collaborate with the consultant and staff to develop survey objectives, survey topics, and a survey instrument; 3) directed the Subcommittee to make a recommendation to the City Council regarding survey topics; and 4) authorized the City Manager to expend up to \$15,000 for additional consulting services related to a potential ballot measure as directed by the Subcommittee.

As authorized by the City Council, the City Manager executed an agreement with FM3 to develop and implement a community opinion survey. The Subcommittee researched firms specializing in ballot measure feasibility and voter education on potential ballot measures and requested the City Manager to enter into a contract with TBWB Strategies for these consulting services.

The Subcommittee has developed the list of topics set forth below to be addressed in the community survey. The Subcommittee is requesting that the City Council review the list of topics and either approve the list as submitted or modify the list of topics at this evening's meeting. After the list of topics has been approved by the City Council, the Subcommittee will work with FM3 and staff to develop and implement a survey instrument. It is important to note that to preserve the City Council's option of placing a measure on the November 2016 ballot, the community survey must be conducted during the month of June and its results presented to the City Council soon afterwards. This will provide the City Council with time to consider the drafting of any potential ballot measure or measures, which must be submitted

RECOMMENDATION: Mayor Pro Tem Iseman and Councilmember Whalen recommend that the City Council approve their recommendations regarding topics to be placed on the 2016 Community Survey as listed on Page 2 of the agenda bill.

Appropriations Requested: (none)

Submitted by: Mayor Pro Tem Iseman and
Councilmember Whalen

Fund: N/A

Coordinated with: Christa Johnson
Christa Johnson, Assistant City Manager

Attachments: _____

Approved: John Pietig
John Pietig, City Manager

to the County of Orange Registrar of Voters' office by August 12, 2016.

Mayor Pro Tem Iseman and Councilmember Whalen recommend that the following topics be included on the 2016 Community Survey. Topics have been arranged alphabetically and the order of the list is not meant to convey an order of importance. Examples of the areas to be addressed within each topic are the primary areas to be addressed but others may be covered as the survey instrument is finalized.

Prioritization of Community Needs & Issues

Affordable Housing – e.g. senior, artist, permanent supportive

Community Facilities - e.g. pool, cultural arts, recreation

Laguna Canyon Road – e.g. pedestrian and bicycle facilities, lane configurations, open space impacts, speed limits

Land Use Plans—e.g. Downtown and Laguna Canyon

Neighborhood Preservation – e.g. historic elements, mansionization

New Revenue Feasibility – e.g. transient occupancy, sales and utility user taxes, general obligation bonds

Parking – e.g. neighborhood, commercial, peripheral

Short-Term Lodging – e.g. length of stay, permitted and prohibited locations, regulation

Traffic – e.g. neighborhood, Coast Highway, speed limits, Forest Avenue

Utility Undergrounding – e.g. Laguna Canyon, arterials, neighborhoods, open space; City owned utility

Addendum 1.6

Staff Report: June 28, 2016 with Survey Questions
and Results

City of Laguna Beach
AGENDA BILL

No. **14**

Meeting Date: 6/28/16

SUBJECT: RESULTS OF THE 2016 COMMUNITY SURVEY

SUMMARY OF THE MATTER:

Background

On March 22, 2016, the City Council: 1) authorized the City Manager to negotiate and execute a professional services agreement with Fairbank, Maslin, Metz & Associates (FM3), a public opinion research firm, in an amount not to exceed \$35,000 to develop and implement a community survey, and to report its results at a future City Council meeting; 2) appointed Mayor Pro Tem Iseman and Councilmember Whalen to a subcommittee to collaborate with FM3 and staff to develop survey objectives, a survey instrument, and survey topics; 3) provided direction to the subcommittee regarding topics to be placed on the survey; and 4) authorized the City Manager to expend up to \$15,000 for additional consulting services related to a potential ballot measure as directed by the subcommittee.


As authorized, the City Manager executed an agreement with FM3 for their survey services. Additionally, the subcommittee researched firms specializing in ballot measure feasibility and voter education on potential ballot measures, which ultimately led the subcommittee to request that the City Manager enter into a contract with TBWB Strategies for the above-referenced consulting services. The subcommittee has met multiple times with FM3, TBWB Strategies, and city staff to develop survey objectives, a survey instrument, and survey topics.

At the May 10, 2016 City Council meeting, the City Council approved a list of topics to include on the survey. Since then, the subcommittee continued to meet with FM3, TBWB Strategies, and city staff to develop survey objectives and finalize a survey instrument, which was completed on June 1.

(continued)

RECOMMENDATION: It is recommended that the City Council: 1) Receive a presentation of the results of the 2016 Community Survey from FM3 and TBWB Strategies staff; 2) Provide direction to staff regarding any ballot measures the City Council would like to see placed on the November 2016 ballot; and, 3) If ballot measures are desired, appoint a City Council subcommittee to work with staff and the consultants to draft language for consideration by the City Council at its July 26 City Council meeting.

Appropriations Requested: (none)

Submitted by: 
Christa Johnson, Assistant City Manager

Fund: N/A

Coordinated with: _____

Attachments: Attachment A: Memorandum from FM3
Re: Summary of Survey Results

Approved: 
John Pietig, City Manager

Attachment B: Orange County Cities' TOT Rates

Survey Information and Presentation of Survey Results

FM3 administered the 20-minute community survey, which was conducted by both telephone and email between the dates of June 2 – June 12, 2016. The survey was first launched online with email invitations sent to approximately 6,000 residents whose email addresses were available from the voter registration database and commercial lists. After the initial online response, phone interviews commenced in order to obtain a sample that is representative of the demographics of Laguna Beach. A total of 543 completed surveys were received by FM3, which allows for an overall margin of error of $\pm 4.2\%$ at the 95% confidence interval.

A presentation of results from the 2016 Community Survey will be provided by FM3 and TBWB Strategies staff. Additionally, a summary of the survey results is attached as Attachment A.

Transient Occupancy Tax and Sales Tax Information

The survey results indicate potential support for an increase in transient occupancy tax (TOT) and sales tax rates to fund a variety of community projects and unmet community needs. Revenue from TOT and sales tax are used for general operating expenses to fund public safety services such as police, fire, and marine safety in addition to other city services such as public works, water quality, and community services.

The City of Laguna Beach has a 10% TOT rate that is paid by hotel and motel guests for stays of thirty days or less. Three Orange County cities, La Habra, Rancho Santa Margarita, and Villa Park, have a 0% TOT rate while cities such as Anaheim and Garden Grove have a 15% TOT rate. A complete list of TOT rates in Orange County cities can be found on Attachment B. A 4% TOT increase could provide the City with an additional \$4 million annually.

The sales tax rate in Laguna Beach is 8%, which is similar to 32 out of 34 Orange County cities. The City's share of the sales tax is equal to 1% of the 8% sales tax rate. The 7% balance of the sales tax is distributed to the County of Orange, the State of California, and the Orange County Transportation Authority. Cities such as La Habra and Stanton have added voter-approved local sales tax increases to be used only within their respective cities. Sales tax rates for La Habra and Stanton are 8.5% and 9.0%, respectively. A 1% sales tax increase could provide the City with an additional \$5 million annually.

It is important to note that the City also has a 2% Business Improvement District (BID) fee that is typically assessed on hotel room receipts separate from the TOT. The BID funds activities that promote tourism and related tourist events in the City such as Visit Laguna Beach, Arts Commission and Cultural Arts, Laguna Art Museum, Laguna Playhouse, and Laguna College of Art and Design.

Possible Revenue Measures

The survey results show that Laguna Beach voters value the programs and services provided by the City, and support one or more revenue measures that would provide additional funding. On the agenda this evening, the City Council will be discussing changes to the two-year budget. Notably, there are many programs and services that cannot be funded at this time. Those services include policing and fire prevention programs among other requests. There are also unmet needs for additional facilities, which are referenced

in the survey results. If additional funds were provided, those programs, services, and facilities could be improved.

Therefore, it is recommended that the City Council provide direction to staff regarding any ballot measures the City Council would like to see placed on the November 2016 ballot. Additionally, if ballot measures are desired, it is recommended that the City Council appoint a City Council subcommittee to work with staff and the consultants to draft language for consideration by the City Council at its July 26 City Council meeting.

Should the City Council place one or more revenue measures on the November 2016 ballot, the following timeline would provide the community and city staff with an understanding of necessary preparation of events and deadlines pertaining to a revenue measure.

BALLOT MEASURE PREPARATION	
Event	Scheduled Date
Resolution adoption to include: 1. Ballot language 2. Proposed ordinance 3. Instruct City Attorney to prepare impartial analysis 4. Authorize City Manager to prepare fiscal impact 5. Establish deadlines to receive arguments for and against as well as rebuttal arguments (legal noticing) 6. Authorize City Council member(s) to author arguments	July 26, 2016
Resolution to County of Orange Registrar with title, summary for ballot measure, City Attorney's impartial analysis, and City Manager's fiscal analysis	Must be submitted no later than August 12, 2016
ELECTION DAY	November 8, 2016

ATTACHMENT A

TO: John Pietig, City Manager

FROM: John Fairbank & Adam Sonenshein
Fairbank, Maslin, Maullin, Metz & Associates (FM3)

RE: Summary of Survey Results

DATE: June 22, 2016

Fairbank, Maslin, Maullin, Metz & Associates (FM3) recently completed a survey of Laguna Beach residents to provide the City with feedback on its residents' priorities and assess interest in possible local community revenue options. The topics of the survey were discussed and approved by the Laguna Beach City Council at its meeting on May 10th, 2016. The survey was conducted from June 2nd – 12th, 2016, using a dual-mode telephone and online methodology to collect responses from 543 Laguna Beach residents. The survey sample was a randomly drawn from voter registration lists matched to available commercial databases. The margin of error for questions asked of the full sample is plus or minus 4.2 percent.

Key Findings:

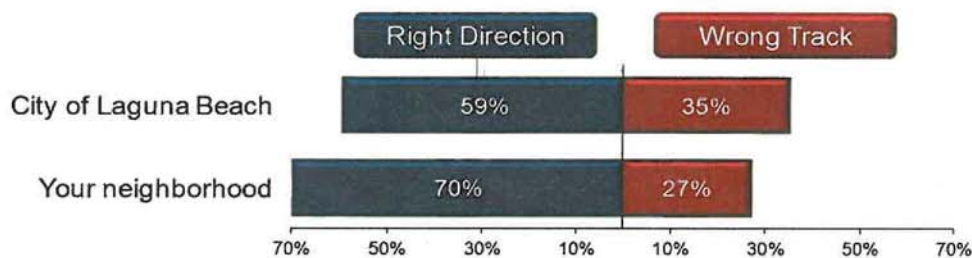
- 1) **Survey respondents were generally positive about the direction of Laguna Beach overall and even more so for their own neighborhood.** Nearly six-in-ten (59 percent) said things in the City are generally headed in the right direction. Opinions about respondents' own neighborhoods were even more positive, with seventy percent saying things are headed in the right direction.
- 2) **The survey tested opinions on several local issues.** A strong majority (75 percent) indicated support for a city-wide smoking ban in all public places. Respondents were more closely split on making the first block of Forest Avenue into a pedestrian-only street (49 percent indicating support and 42 percent opposing) and allowing medical marijuana dispensaries in Laguna Beach (49 percent support and 45 percent opposed).
- 3) **The top priorities for the uses of local funds include protecting beaches and the ocean from runoff and pollution (84 percent extremely or very important), local fire protection (83 percent), maintaining 911 emergency response times (79 percent), preparing for natural disasters (72 percent) and removing utility poles and moving wires underground to protect neighborhoods from fires and prevent blackouts (65 percent).** Several other funding priorities were rated as either extremely or very important by at least half of respondents.

- 4) **Nearly six-in-ten respondents (59 percent) indicated that they would support establishing a voter-approved sales tax to maintain necessary local services such as public safety protection, 911 emergency response times, removing utility poles and moving wires underground to protect neighborhoods from fires and prevent blackouts, and improving parking among other general services.** This is above the 50 percent threshold necessary to pass the measure and outside the survey's margin of error.
- 5) **The survey also found that six-in-ten respondents (61 percent) would support an increase of the tax on hotel or short-term rental guests to fund city services, infrastructure and improvements required to accommodate Laguna Beach's millions of annual visitors including public safety, streets, sidewalks and parking, and removing utility poles and moving wires underground to protect neighborhoods from fires and prevent blackouts, among other services.** This is also above the 50 percent threshold necessary to pass the measure and outside the survey's margin of error.

Local Policy Issues:

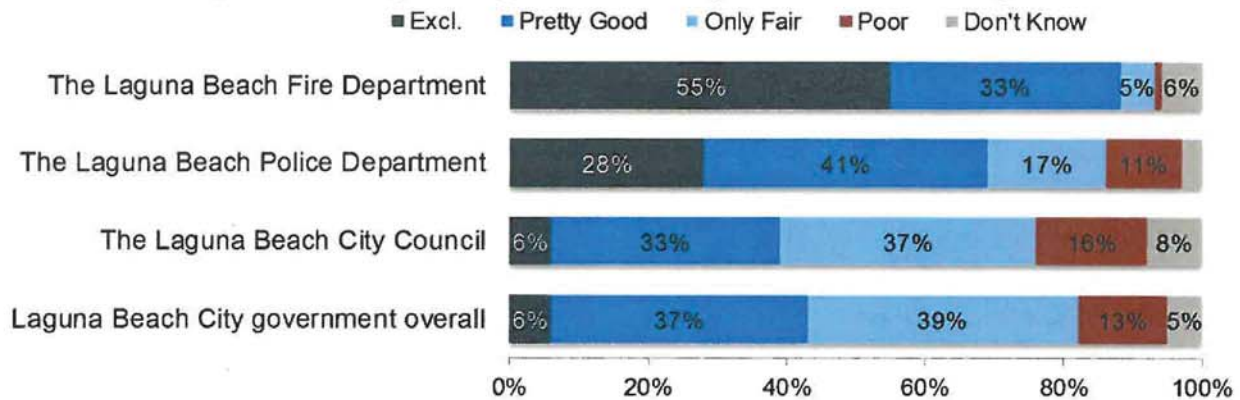
Nearly six-in-ten (59 percent) said things in the City are generally headed in the right direction (Figure 1). Thirty-five percent of respondents felt that things are off on the wrong track, while six percent were unsure. **Opinions about respondents' own neighborhoods were even more positive, with seventy percent saying things in their neighborhood are headed in the right direction.** Just over a quarter of respondents (27 percent) said things in their neighborhood are off on the wrong track, with 3 percent unsure.

Figure 1: Assessment of the Direction of the City and Neighborhoods



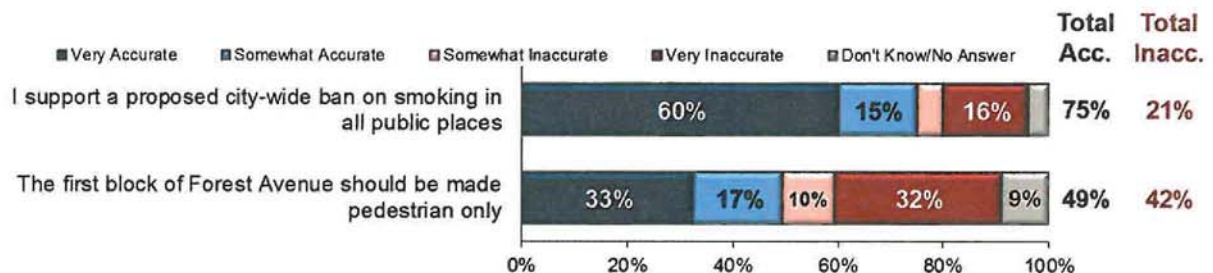
Agencies of the Laguna Beach government were also rated well in the survey (see Figure 2 below). Respondents were overwhelmingly positive about the performance of the City's fire department and police department. The Laguna Beach Fire Department received the most positive ratings of the entities tested in the survey with 93 percent of respondents describing its performance as either "excellent," "pretty good," or "fair." Just one percent of respondents described the Fire Department's performance as poor. Ratings of the performance of the Laguna Beach Police Department were also strong with 86 percent of respondents calling it "fair" or above. Eighty-two percent of respondents said the performance of "the Laguna Beach city government overall" is "fair" or above. Seventy-six percent described the performance of the City Council this way. As is typical in community surveys, ratings for the City Council and city government, while positive, were less enthusiastic than those for the public safety agencies.

Figure 2: Ratings of Laguna Beach City Government and Agencies



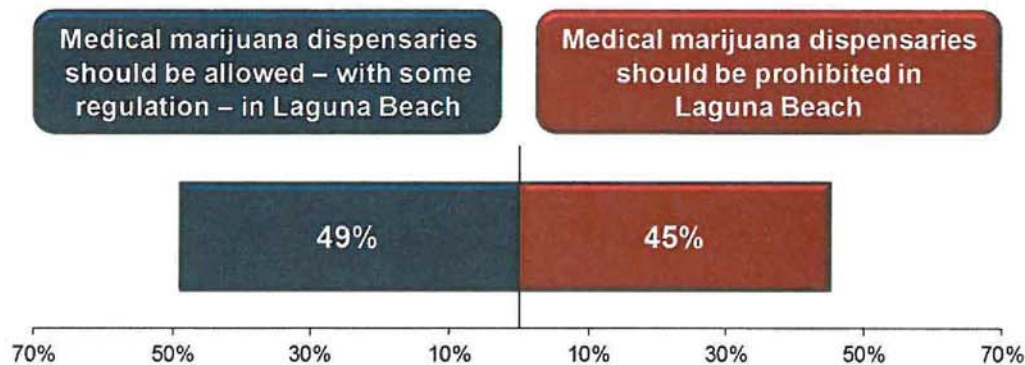
The survey tested opinions on local issues, including the proposed smoking ban in public places, potentially making the first block of Forest Avenue into a pedestrian-only street, and allowing medical marijuana dispensaries in Laguna Beach. **A strong majority of respondents (75 percent) indicated support for a city-wide smoking ban in all public places (Figure 3).** Twenty-one percent of respondents indicated that they would not support the proposed smoking ban and four percent were unsure. Respondents were more split on the other issues tested in the survey. **Forty-nine percent of respondents said the first block of Forest Avenue should be made pedestrian only, while 42 percent disagreed.** Nine percent were unsure.

Figure 3: Opinions on Proposed Smoking Ban and Usage of Forest Avenue



Respondents were closely divided on the question of medical marijuana dispensaries (Figure 4). Forty-nine percent of respondents agreed with the statement, “Medical marijuana dispensaries should be allowed – with some regulation – in Laguna Beach.” On the other hand, forty-five percent agreed that “Medical marijuana dispensaries should be prohibited in Laguna Beach.” Nine percent of respondents were unsure.

Figure 4: Opinions on Medical Marijuana Dispensaries



The survey also tested opinions on perceived local problems, including traffic congestion, parking, and utility poles and wires. A strong majority of respondents (73 percent) indicated that traffic congestion on Coast Highway and Laguna Canyon Road is the most serious problem in Laguna Beach followed by traffic congestion of local streets at roads (66 percent) and the number of homeless people (59%). A list of perceived local problems can be found in Table 1 below.

Table 1: Ratings of Seriousness of Problems in Laguna Beach

	Extremely Serious	Very Serious	Somewhat Serious	Not too Serious	Don't Know / No Answer	Total Extr. / Very Serious
Traffic Congestion on Coast Highway and Laguna Canyon Road	45%	28%	23%	3%	0%	73%
Traffic Congestion on local streets and roads	44%	23%	26%	7%	1%	66%
The number of homeless people	30%	29%	27%	12%	2%	59%
Not enough public parking	27%	24%	31%	17%	1%	51%
Impact on neighborhood streets of employee and visitor parking	25%	24%	32%	17%	3%	48%
Utility poles and wires <u>along Laguna Canyon Road</u>	23%	16%	31%	27%	3%	39%
Utility poles and wires <u>throughout the City</u>	18%	21%	36%	24%	1%	39%

	Extremely Serious	Very Serious	Somewhat Serious	Not too Serious	Don't Know / No Answer	Total Extr. / Very Serious
Mansionization of local homes	18%	21%	22%	34%	6%	39%
The lack of safe bike lanes	21%	16%	31%	30%	3%	37%
Waste and inefficiency in local government	14%	22%	25%	19%	19%	37%
Too many tourists	21%	15%	24%	39%	2%	36%
A lack of affordable housing	18%	15%	26%	35%	5%	33%
The loss of cottages and historic homes	14%	17%	28%	31%	11%	30%
The change of the character of Laguna Beach neighborhoods	14%	16%	28%	39%	3%	30%
Inadequate sidewalks	11%	15%	33%	39%	1%	26%
The amount we pay in local taxes	10%	13%	31%	39%	6%	24%
The City's readiness for natural disasters	10%	12%	32%	22%	23%	22%
The lack of senior housing and assisted living	7%	15%	28%	35%	15%	22%
Crime and public safety	5%	14%	33%	45%	2%	19%
Lack of recreation facilities	3%	6%	22%	63%	5%	10%
911 emergency response times	2%	2%	7%	48%	42%	3%

Local Priorities:

There are several high-priority uses of funds that were identified by Laguna Beach residents, including protecting beaches and the ocean from runoff and pollution (84 percent extremely or very important), local fire protection (83 percent), maintaining 911 emergency response times (79 percent), preparing for natural disasters (72 percent) and removing utility poles and moving wires underground to protect neighborhoods from fires and prevent blackouts (65 percent). A list of the potential uses of funds can be found in **Table 2** below.

Table 2: Importance of Potential Uses of Funds Generated by Local Ballot Measures

	Extremely Impt.	Very Impt.	Somewhat Impt.	Not too Impt.	Don't Know / No Answer	Total Extr. / Very Impt.
Protecting beaches and the ocean from runoff and pollution	49%	35%	12%	3%	1%	84%
Local fire protection	47%	36%	8%	6%	2%	83%
Maintaining 9-1-1 emergency response times	39%	40%	11%	8%	3%	79%
Preparing for natural disasters	32%	39%	20%	7%	1%	72%
Removing utility poles and moving wires underground to protect neighborhoods from fires and prevent blackouts	35%	31%	21%	10%	4%	65%
Improving parking in downtown and commercial areas	30%	33%	20%	15%	2%	63%
Local paramedic services	23%	39%	21%	12%	5%	62%
Increasing public parking away from downtown, including at Act Five	26%	33%	24%	12%	5%	59%
Local police services	25%	33%	23%	15%	5%	58%
Open space maintenance and upkeep	26%	32%	31%	10%	2%	58%
City bus and trolley service	21%	37%	24%	17%	1%	58%
Street and pothole repairs	22%	36%	31%	11%	1%	57%
Marine safety services	25%	31%	33%	8%	3%	56%
Removing utility poles and moving wires underground	28%	27%	24%	20%	1%	55%
Expanding the outbound side of Laguna Canyon Road to include an additional lane for cars	27%	27%	19%	23%	4%	54%
Improving 9-1-1 emergency response times	22%	28%	17%	18%	14%	50%
Maintenance of street trees	17%	34%	37%	12%	1%	50%
Restoring the local movie theater	25%	21%	27%	25%	2%	47%
Youth sports and after-school education activities	16%	30%	27%	23%	5%	46%
Parks and recreation programs	18%	26%	34%	19%	3%	44%
Senior services	18%	24%	37%	18%	3%	42%
Adding pedestrian improvements and sidewalks	17%	26%	33%	24%	1%	42%

	Extremely Impt.	Very Impt.	Somewhat Impt.	Not too Impt.	Don't Know / No Answer	Total Extr. / Very Impt.
Adding bicycle lanes to Laguna Canyon Road	20%	19%	24%	34%	3%	39%
Senior assisted living	17%	21%	32%	24%	7%	37%
A parking structure at Village Entrance	17%	19%	23%	35%	5%	37%
Affordable housing	16%	21%	22%	38%	3%	37%
Expanding community arts and recreation opportunities	13%	20%	28%	37%	2%	32%
Affordable <u>senior</u> housing	14%	17%	32%	35%	3%	30%
Adding pedestrian paths to Laguna Canyon Road	14%	15%	23%	43%	4%	29%
Affordable work/live housing for artists	12%	15%	31%	39%	3%	27%
A community arts and event center	11%	15%	29%	42%	3%	26%
A city-run community swimming pool	11%	15%	21%	51%	2%	26%
Permanent housing for the chronically homeless	9%	16%	28%	44%	3%	26%
Improving and expanding public art	8%	15%	31%	44%	1%	23%
A local skateboard park	10%	12%	19%	57%	2%	22%
Building a community arts and events center at Village Entrance	7%	8%	26%	53%	6%	15%
Increasing the number of playing fields	6%	9%	22%	56%	7%	15%
Replacing the South Laguna fire station	5%	10%	18%	36%	31%	15%

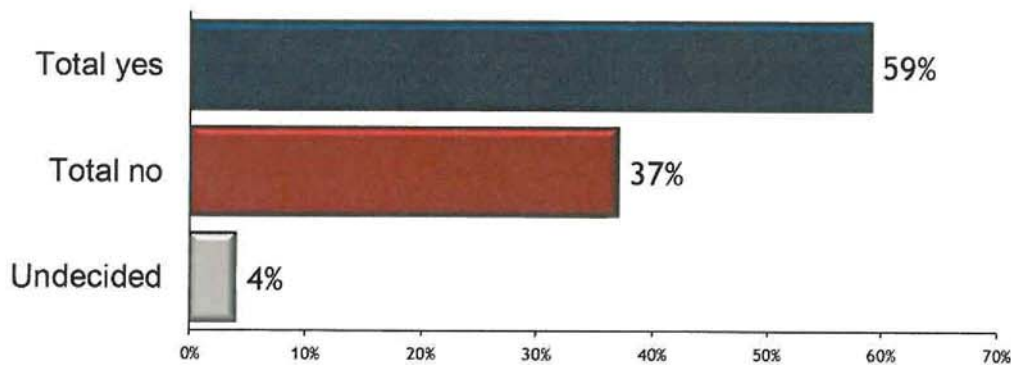
Local Funding:

Among the topics requested for inclusion by the City Council on May 10th, 2016 was an exploration of options to increase local revenues for high-priority services.

Nearly six-in-ten respondents indicated support for a voter-approved one-cent sales tax measure. After hearing a description, 59 percent of respondents said they would support a possible revenue measure called the Laguna Beach Public Safety and Essential Services Protection Measure (see Figure 5 below) to maintain and improve local services, above the fifty percent threshold for passage and outside the survey's margin of error. The hypothetical measure would provide funding for police, fire, paramedics, and 911 emergency response, marine safety services, improve safety, remove utility poles and move wires underground to protect neighborhoods from fires and prevent blackouts, improve parking, and expand community arts and recreation opportunities among other services. The measure

would provide \$5 million annually and be in effect until ended by voters. The hypothetical measure includes several provisions to ensure fiscal accountability including annual audits, public disclosure of expenditures and requires that all funds generated by the measure only be used to support local services in Laguna Beach.

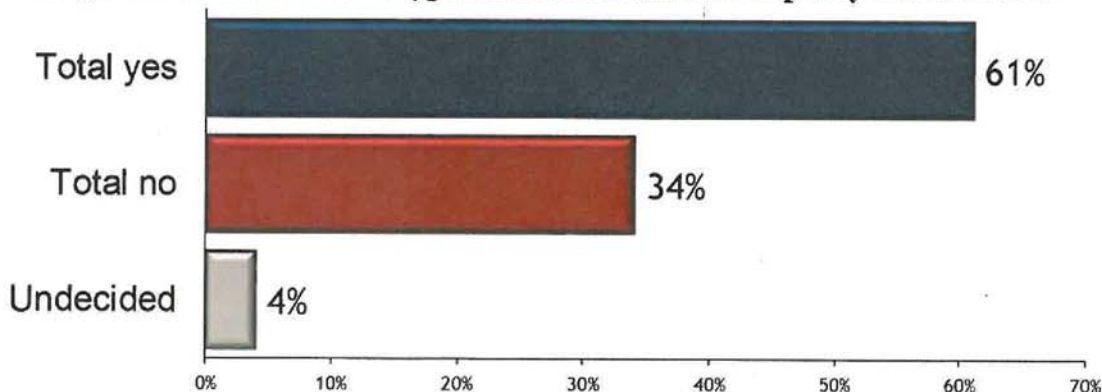
Figure 5: Initial Vote on Hypothetical Local Sales Tax Measure



A slightly larger number of the respondents indicated that they would support a local ballot measure to establish a half-cent sales tax for the same purposes. Sixty-two percent of respondents would support a half-cent sales tax measure, 34 percent would oppose such a measure and four percent were undecided. Such a measure would generate \$2.5 million.

More than six-in-ten respondents (61 percent) said they would support a hypothetical ballot measure to fund city services, infrastructure and improvements required to accommodate the millions of visitors that come to Laguna Beach annually (Figure 6). The measure would provide approximately \$4 million annually for public safety, street and sidewalk improvements, and removing utility poles and moving wires underground, among other services, by increasing the Transient Occupancy Tax (TOT), paid by guests in hotels and short-term rentals from ten percent to fourteen percent. Similar to the sales tax measure, the hypothetical Transient Occupancy Tax measure would be in effect until ended by voters and includes several provisions to ensure fiscal accountability including annual audits, public disclosure of expenditures, and requires that all funds generated by the measure only be used to support local services in Laguna Beach.

Figure 6: Initial Vote on Hypothetical Transient Occupancy Tax Measure



Attachment B

TOT Breakdown by City

As of January 1, 2016

Sorted highest to lowest

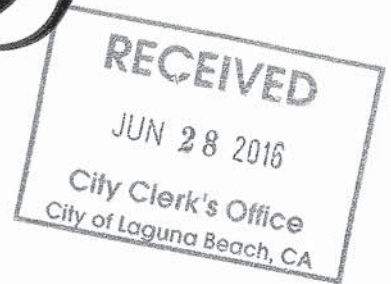
City	Rate
Anaheim	15.00%
Garden Grove	15.00%
Buena Park	12.00%
Seal Beach	12.00%
Santa Ana	11.00%
Aliso Viejo	10.00%
Brea	10.00%
Cypress	10.00%
Dana Point	10.00%
Fullerton	10.00%
Huntington Beach	10.00%
Laguna Beach	10.00%*
Laguna Hills	10.00%
Laguna Woods	10.00%
Lake Forest	10.00%
Orange	10.00%
Placentia	10.00%
San Clemente	10.00%
San Juan Capistrano	10.00%
Tustin	10.00%
Yorba Linda	10.00%
Fountain Valley	9.00%
Newport Beach	9.00%
Costa Mesa	8.00%
Irvine	8.00%
La Palma	8.00%
Laguna Niguel	8.00%
Los Alamitos	8.00%
Mission Viejo	8.00%
Stanton	8.00%
Westminster	8.00%
La Habra	0.00%
Rancho Santa Margarita	0.00%
Villa Park	0.00%

* Laguna Beach has a 2% Business Improvement District (BID) that is assessed on hotel/motel room receipts approved annually by the hotels/motels in Laguna Beach, which is separate from TOT. Other cities may have BID's as well with rates varying from city to city.



June 28, 2016

14



Good Morning Mayor Dicterow,

Based on tonight's agenda item #14, the Visit Laguna Beach Board of Directors believes that a combination of increased sales, property, and bed taxes may be a sufficient way to garner the necessary funds for revenue generation to the City of Laguna Beach. Should these taxes be increased, Visit Laguna Beach would like to express the importance of community initiatives that need attention in order to continually enhance the guest experience.

Specific items of importance include, but are not limited to:

1. Beautification of Laguna Beach through clean sidewalks, landscaped pathways/planters, clean buildings and awnings.
2. Exploring the possibility of allowing pop-up businesses in vacant retail spaces to ensure a vibrant and thriving downtown.
3. The installation of sidewalks with specificity on Laguna Canyon Road and south Laguna down to Montage Laguna Beach.

Visit Laguna Beach believes that based on the current market, tax increases can occur without too much pushback, however it is recommended from the tourism standpoint, and, in order to be palatable, that the bed tax/BID total should cap at 13% at this time (allowing for a 1% maximum increase in TOT).

The community survey report includes mention of Anaheim and Garden Grove with a 15% TOT, however one must also take into consideration the hotel average daily rates in order to remain competitive among our neighboring cities.

Increasing the occupancy tax beyond the recommended level would potentially have a negative impact on occupancy rates, resulting in a loss of business and tax revenues. In addition, the Visit Laguna Beach Board feels strongly that the increased TOT should be directed to certain projects with a direct positive impact on tourism, rather than going to the city's general fund.

As always, we appreciate you bringing Visit Laguna Beach into the conversation and we look forward to continuing our partnership with the City of Laguna Beach.

Best Regards,

Visit Laguna Beach Board of Directors — Joanna Bear, Sharbie Higuchi, Christopher Keller, Thomas Lee, Debbie MacDonald, Bob Mitchell, Mark Orgill, Karyn Philippsen & Deanne Thompson

Visit Laguna Beach Board of Directors

Joanna Bear

General Manager, Surf & Sand Resort
Chairman – Visit Laguna Beach Board of Directors

Mark Orgill

COO, Sunset Cove Villas/Seven Degrees
Vice Chairman – Visit Laguna Beach Board of Directors

Thomas Lee

General Manager, Pacific Edge Hotel
Treasurer – Visit Laguna Beach Board of Directors

Karyn Philippsen, CMP

K.P. Company
Secretary – Visit Laguna Beach Board of Directors

Sharbie Higuchi

Marketing & Public Relations Director
Festival of Arts/Pageant of the Masters
Visit Laguna Beach Board Member At-Large

Christopher Keller

Owner, Casa Resorts Inc.
Visit Laguna Beach Board Member At-Large

Debbie MacDonald

West Coast Manager
Tommy Bahama
Visit Laguna Beach Board Member At-Large

Bob Mitchell

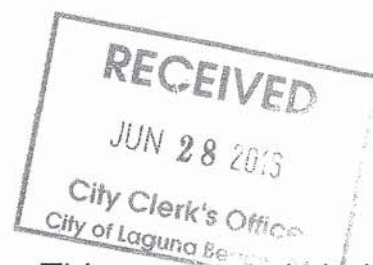
Director of Sales
Montage Laguna Beach
Visit Laguna Beach Board Member At-Large

Deanne Thompson

Public Relations Manager, Public Affairs
John Wayne Airport Orange County
Visit Laguna Beach Board Member At-Large

Chel, Lisette CC

From: Hall, Ligia (Leah) CM
Sent: Tuesday, June 28, 2016 10:22 AM
To: 'Terri Benson'
Cc: City Council; Chel, Lisette CC
Subject: RE: Increase sales tax



Good morning, City Manager John Pietig has received your message. This message is being forwarded to City Clerk Lisette Chel who manages all communication related to council meeting items.

Thank you,

*Ligia "Leah" Hall
Executive Assistant to the City Manager
City of Laguna Beach | City Manager's Department
505 Forest Avenue | Laguna Beach | CA | 92651
(949) 497-0308 | lhall@lagunabeachcity.net*

Please note our new City Hall Office Hours

Mon – Thurs 7:30 a.m. – 5:30 p.m.

Every other Friday 7:30 a.m. – 4:30 p.m.

Closed alternating Fridays

Use the **Ask Laguna** feature on the City's website to find answers to frequently asked questions 24/7 or submit requests for information.

-----Original Message-----

From: Terri Benson [mailto:terriwhatever@gmail.com]
Sent: Tuesday, June 28, 2016 10:01 AM
To: City Council <CityCouncil@lagunabeachcity.net>
Subject: Increase sales tax

City council,

We are writing to express our opposition to the 1% sales tax increase that is being proposed.

Chuck and Terri Benson
43 So. La Senda Dr.
Laguna Beach, Ca. 92651

Sent from my iPad

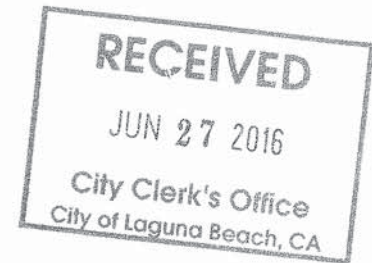
Chel, Lisette CC

From: Hall, Ligia (Leah) CM
Sent: Monday, June 27, 2016 1:49 PM
To: 'sheila bushard'
Cc: City Council; Chel, Lisette CC
Subject: RE: Possible Tax Increase

Good afternoon Ms. Bushard, City Manager John Pietig has received your message. I am also copying City Clerk Lisette Chel as she maintains the communication received for council meetings.

Thank you,

Ligia "Leah" Hall
Executive Assistant to the City Manager
City of Laguna Beach | City Manager's Department
505 Forest Avenue | Laguna Beach | CA | 92651
(949) 497-0308 | lhall@lagunabeachcity.net



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-----Original Message-----

From: sheila bushard [mailto:sheilabushard@yahoo.com]
Sent: Monday, June 27, 2016 1:28 PM
To: City Council <CityCouncil@lagunabeachcity.net>
Subject: Possible Tax Increase

City Council,

I am currently in New York and won't be able to attend the Council meeting tomorrow night but I just wanted to let you know some of my thoughts and feelings on the possible tax increase. As a downtown business owner for many years I have started to notice the decline in shoppers because of online shopping and its convenience. As a service oriented business I struggle with trying to get our locals to shop with me instead of going to a bigger chain, and I think raising the tax is only going to keep them out of the downtown even more. Local shoppers are the backbone of the business's here in town and we need to keep them.

As far as tourists they already think and complain that Laguna Beach "is so expensive and overpriced" so raising taxes even higher is only going to deter them from vacationing

and visiting our town. The influx of visitors who shop in the summer provides for a nice cushion for business's when winter comes around the sales slow down. We need to promote Laguna and have people wanting to come back instead of deterring them away because they are scared of the cost.

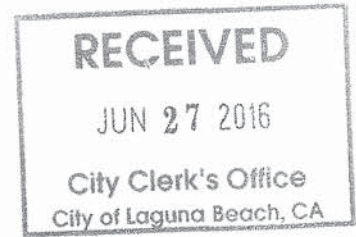
Another question I have is what exactly is the extra money generated from the tax raise going towards?

In saying all this I strongly oppose raising the sales tax. It is only going to hurt the business' that give this town its appeal and charm.

Thank you,
Sheila Bushard

Chel, Lisette CC

From: Cindy Stalnaker <cindy@lagunabeachchamber.org>
Sent: Monday, June 27, 2016 11:47 AM
To: Chel, Lisette CC
Subject: Sales Tax Increase in Laguna Beach? Just Say NO!



Dear Chamber Members and Friends,

This Tuesday, June 28, the City Council will consider a 1% increase in the sales tax. After careful consideration, the Chamber Board opposes this increase. Our objection is simple – an increase in sales tax makes our retailers' goods more expensive to the consumer at a time when brick and mortar stores are seeing sharp declines due to online shopping and consumer demand shifts to experience-based entertainment. A sales tax increase simply makes the retailer less competitive at a time when most retailers are struggling to keep their doors open. To stay competitive, retailers are forced to reduce their already low margins to accommodate the tax and maintain their pricing in an already treacherous retail climate.

The Chamber Board urges you to attend the Council Meeting on Tuesday and voice your opposition to the increase in sales tax. If you cannot attend, please email the Mayor and the Council members and tell them how you feel. This is just the wrong tax at the wrong time.

For the past year, the Chamber has worked tirelessly to help its retail members navigate the new retail landscape through the *Think Laguna First* shop local program, *Small Business Saturday*, Mother's Day promotion, Father's Day promotion and *Concierge Expo* - all designed to promote local retail. The Chamber has also championed a pedestrian wayfinding signage program, for which bids are currently being solicited, to bring foot traffic to merchants throughout the city. All of these efforts are aimed at stimulating local retail sales, which are hit hard by online shopping and other modern consumer trends. The Chamber is at the absolute cutting edge of proposing new legislation to amend the municipal code to change parking regulation in the city but these take time and coordinated effort by the business community. In the coming weeks and months, we ask you to partner with us in demanding change to make it possible for merchants to navigate the new consumer demand landscape. Let's begin by letting the City Council know that a 1% sales tax increase will be detrimental at this time. See you on Tuesday – the meeting starts at 6PM.

Think Laguna First. Shop Local.

Respectfully,
Laurence P. Nokes
President

Laguna Beach Chamber of Commerce 

This email was sent on behalf of Laguna Beach Chamber of Commerce by ChamberMaster, 24400 Smiley RD Ste. 4, Nisswa, MN 56468. To unsubscribe [click here](#). If you have questions or comments concerning this email or ChamberMaster services in general, please contact us by email at support@chambermaster.com.

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2016 Community Survey Laguna Beach

Summary of Results

*Survey Conducted:
June 2-12, 2016*

*Fairbank,
Maslin,
Maulin,
Metz &
Associates*

FM3



Methodology

- 543 interviews
- Random sample of Laguna Beach voters
- Survey sample drawn from voter registration lists matched to available commercial databases
- Conducted June 2-12, 2016
- Interviews conducted online and via phone (landlines and cell phones)
- Overall Margin of Error: $\pm 4.2\%$

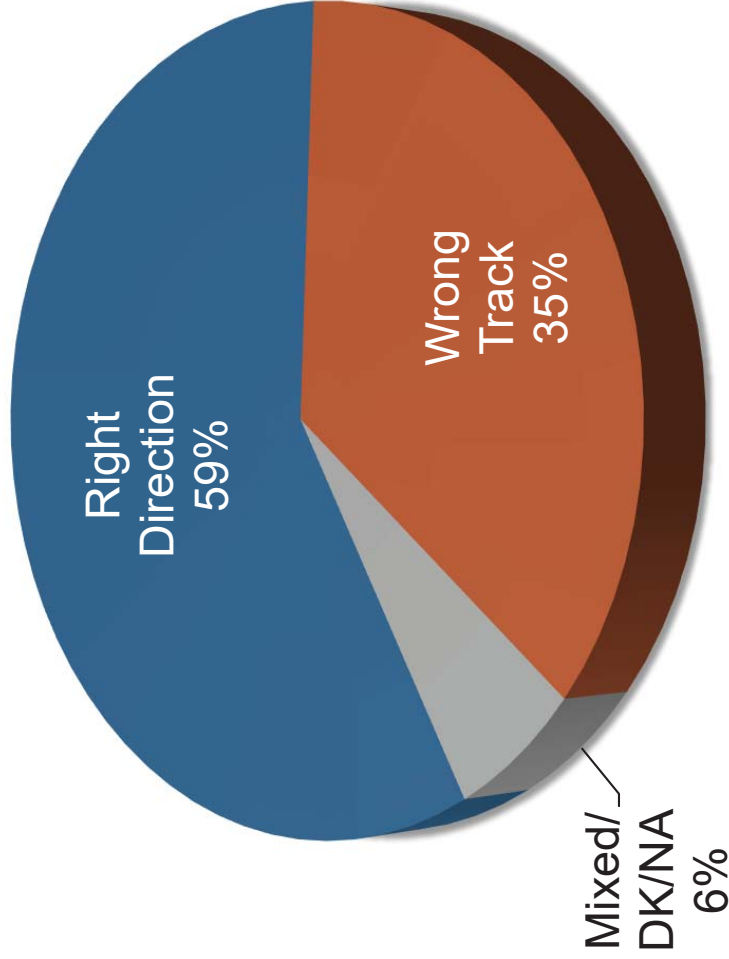
Key Findings

- Respondents have favorable views of life in Laguna Beach and perceive few serious problems.
- Public safety agencies, the City Council, and city government all receive positive performance ratings.
- There is clear support for the citywide smoking ban.
- Views are more evenly divided on making the first block of Forest Avenue into a pedestrian-only street and removing the prohibition on medical marijuana dispensaries in Laguna Beach.
- A local sales tax measure and a Transient Occupancy Tax (TOT) measure are each viable for further planning.

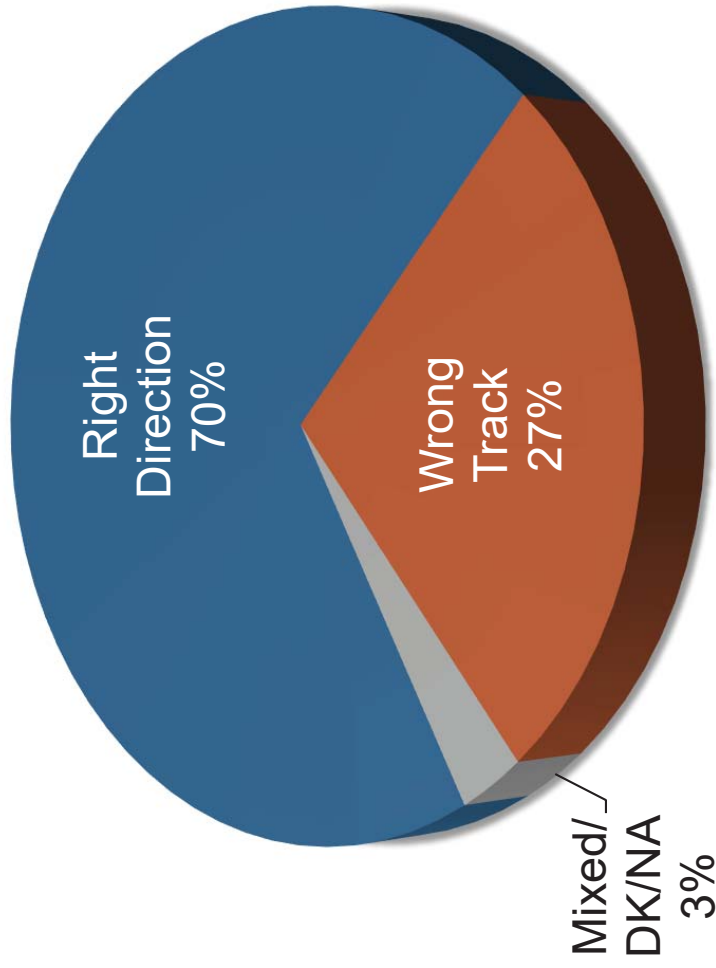
Residents are mostly optimistic about the direction of the City and even more so about their own neighborhood.

Would you say that things in _____ are generally headed in the right direction or do you feel that things are pretty seriously off on the wrong track?

The City of Laguna Beach



Your neighborhood

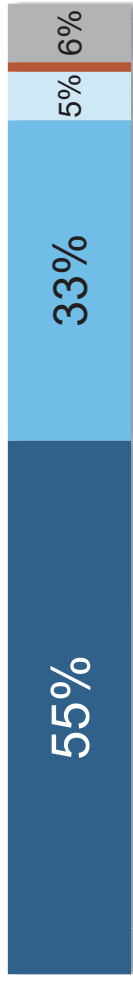


Residents give positive overall ratings to their public safety agencies, the City Council, and City government. Similar to findings in other communities, enthusiasm is stronger for public safety agencies.

I'm going to mention a list of organizations. Please tell me if you feel that organization is doing an excellent job, a pretty good job, only a fair job or a poor job.

■ Excl. ■ Pretty Good ■ Only Fair ■ Poor ■ DK/NA

***The Laguna Beach Fire Department**



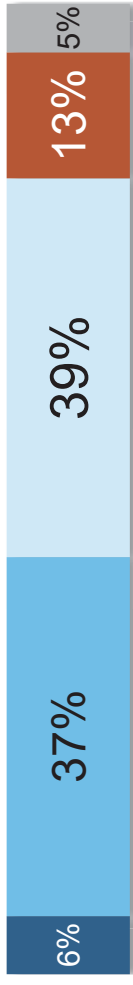
***The Laguna Beach Police Department**



The Laguna Beach City Council



Laguna Beach City government overall



0% 20% 40% 60% 80% 100%

By more than two-to-one, residents have concerns about the impact of visitors and positive feelings about the management of City finances.

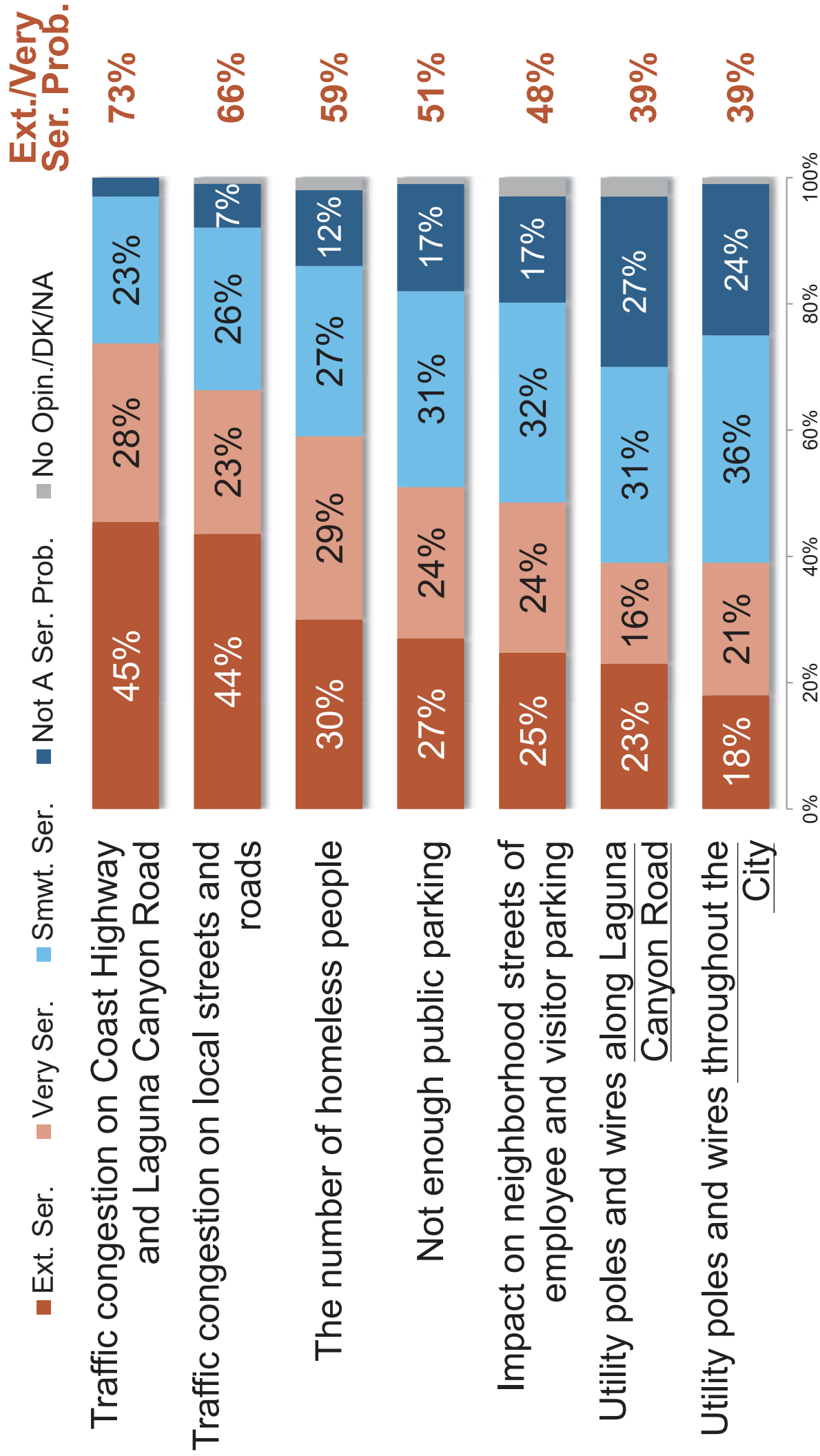


The Laguna Beach budget has been significantly impacted by the cost of providing services to visitors

Laguna Beach's city finances are generally well-managed



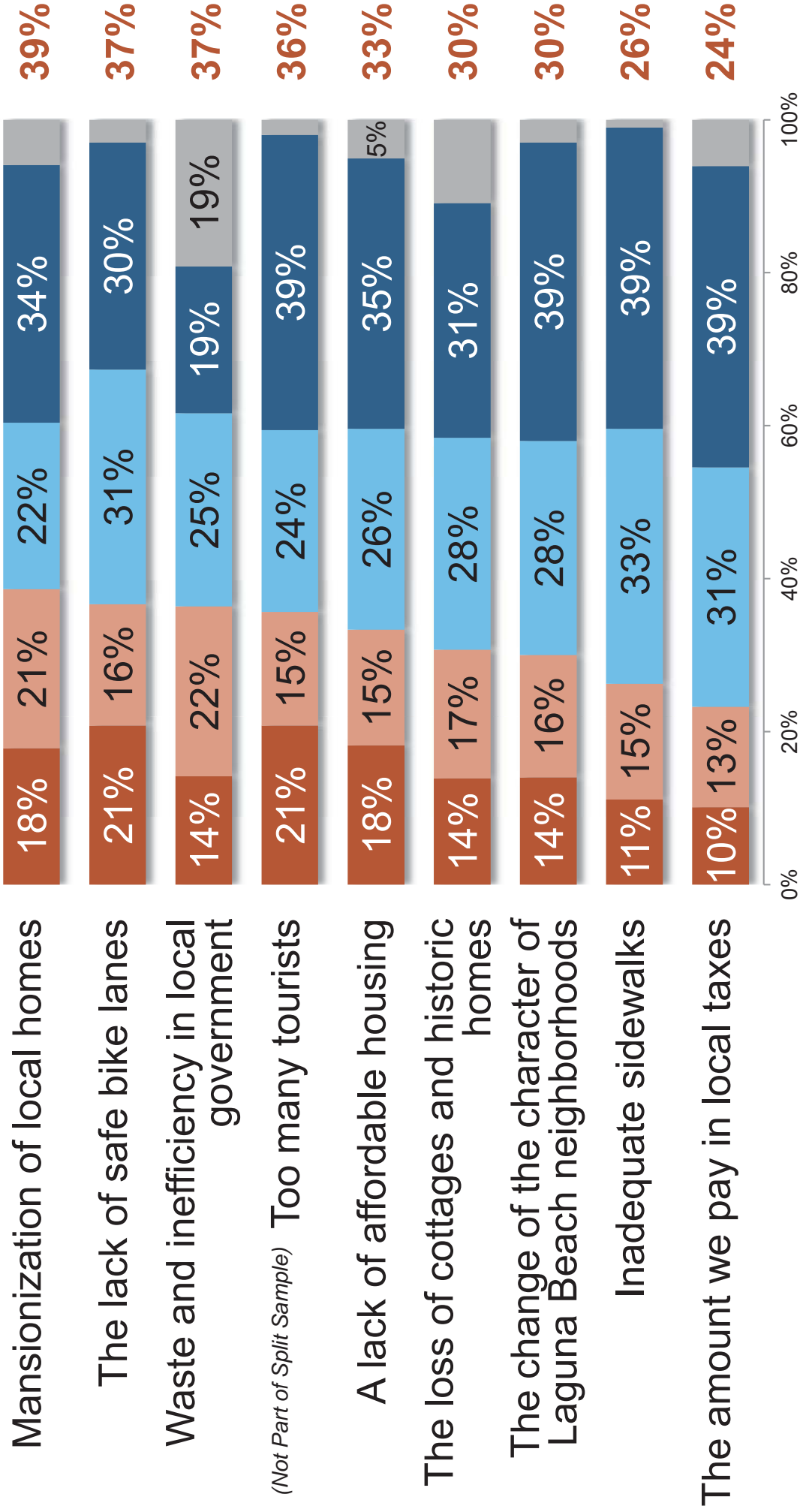
Traffic, homelessness and a lack of parking, are seen as the most serious problems in Laguna Beach.



Nearly four-in-ten respondents feel mansionization is at least a very serious problem.

Ext./Very Ser. Prob.

Ext. Ser. Very Ser. Smwt. Ser. Not A Ser. Prob. No Opin./DK/NA

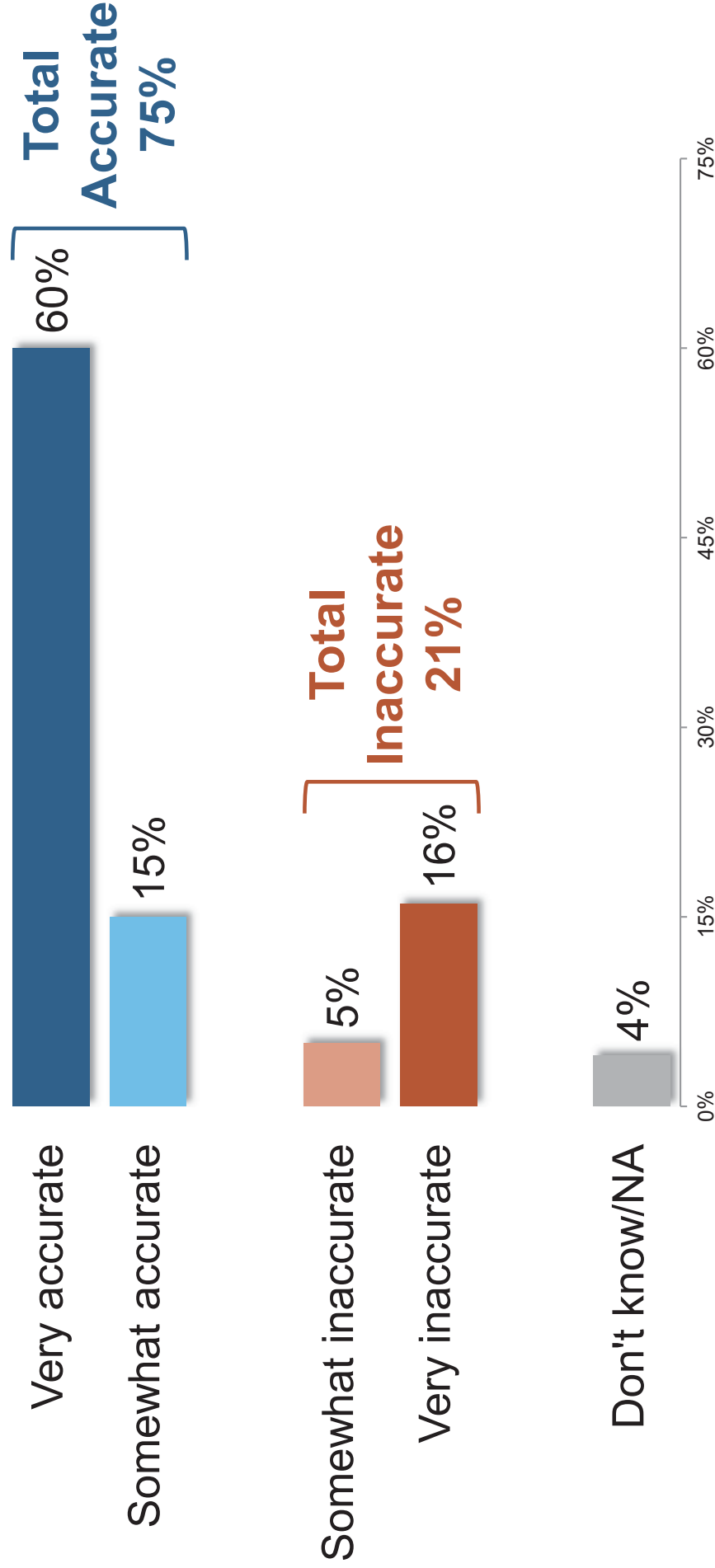




Local Policy Issues

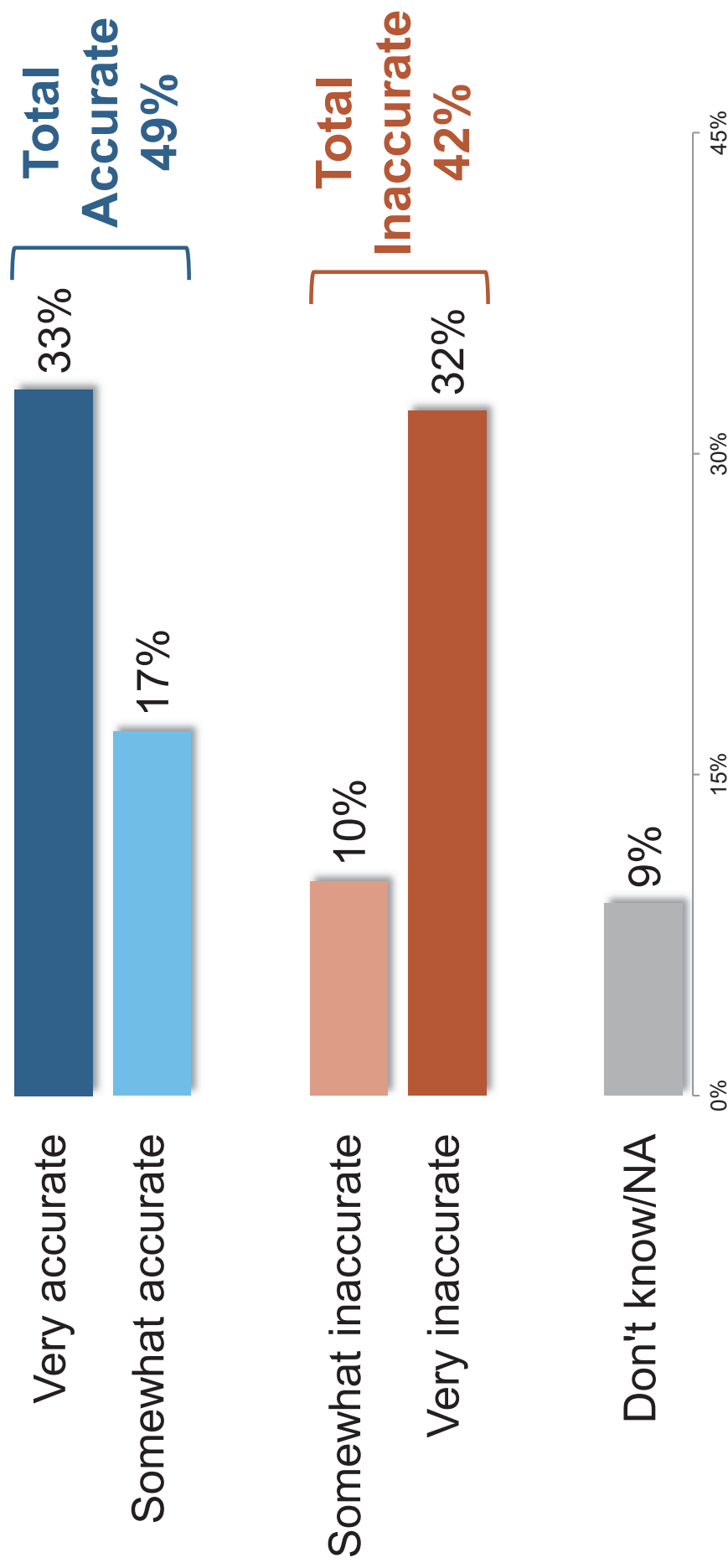
By a three-to-one margin, voters support a city-wide ban on smoking in all public places

I support a proposed city-wide ban on smoking in all public places



Respondents are more split on the usage of Forest Avenue

The first block of Forest Avenue should be made pedestrian only



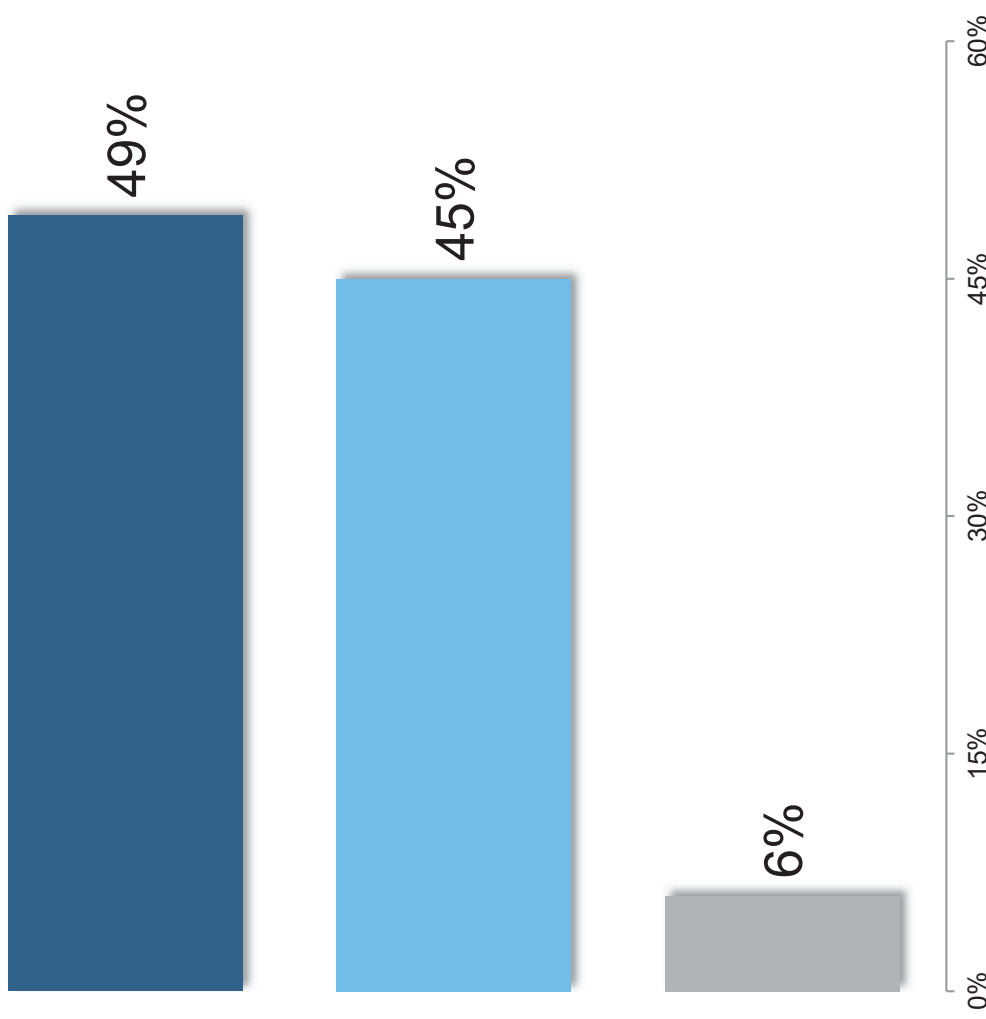
Voters are nearly evenly split on allowing medical marijuana dispensaries in the City.

Medical marijuana dispensaries should be allowed - with some regulation - in Laguna Beach

OR

Medical marijuana dispensaries should be prohibited in Laguna Beach

Both/Neither/DK/NA

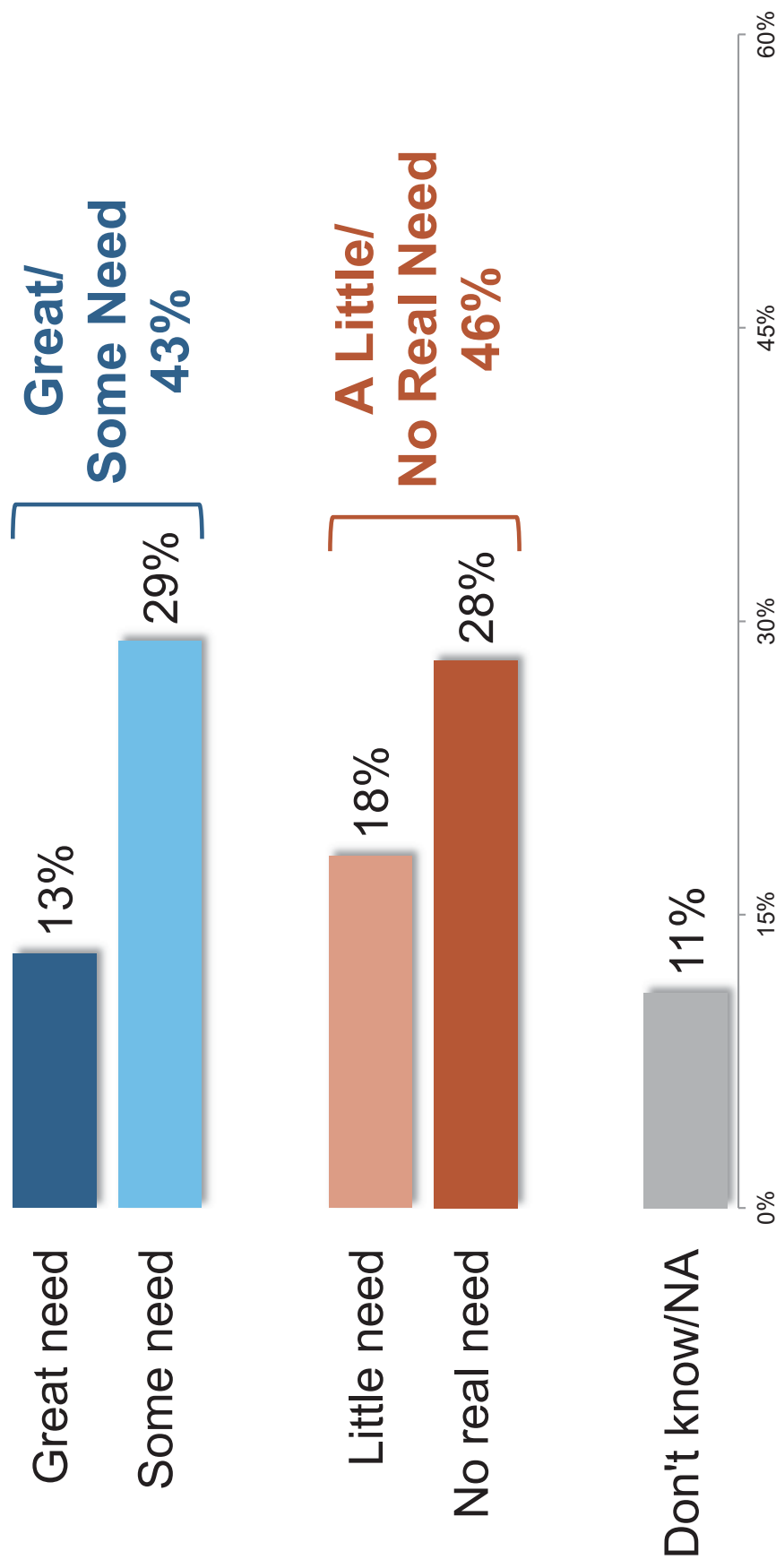




Attitudes on Public Finance Measures

Voters are divided on the need for additional funding to provide City services.

In your personal opinion, do you think there is a great need, some need, a little need, or no real need for additional funds to provide the level of city services that Laguna Beach residents need and want?

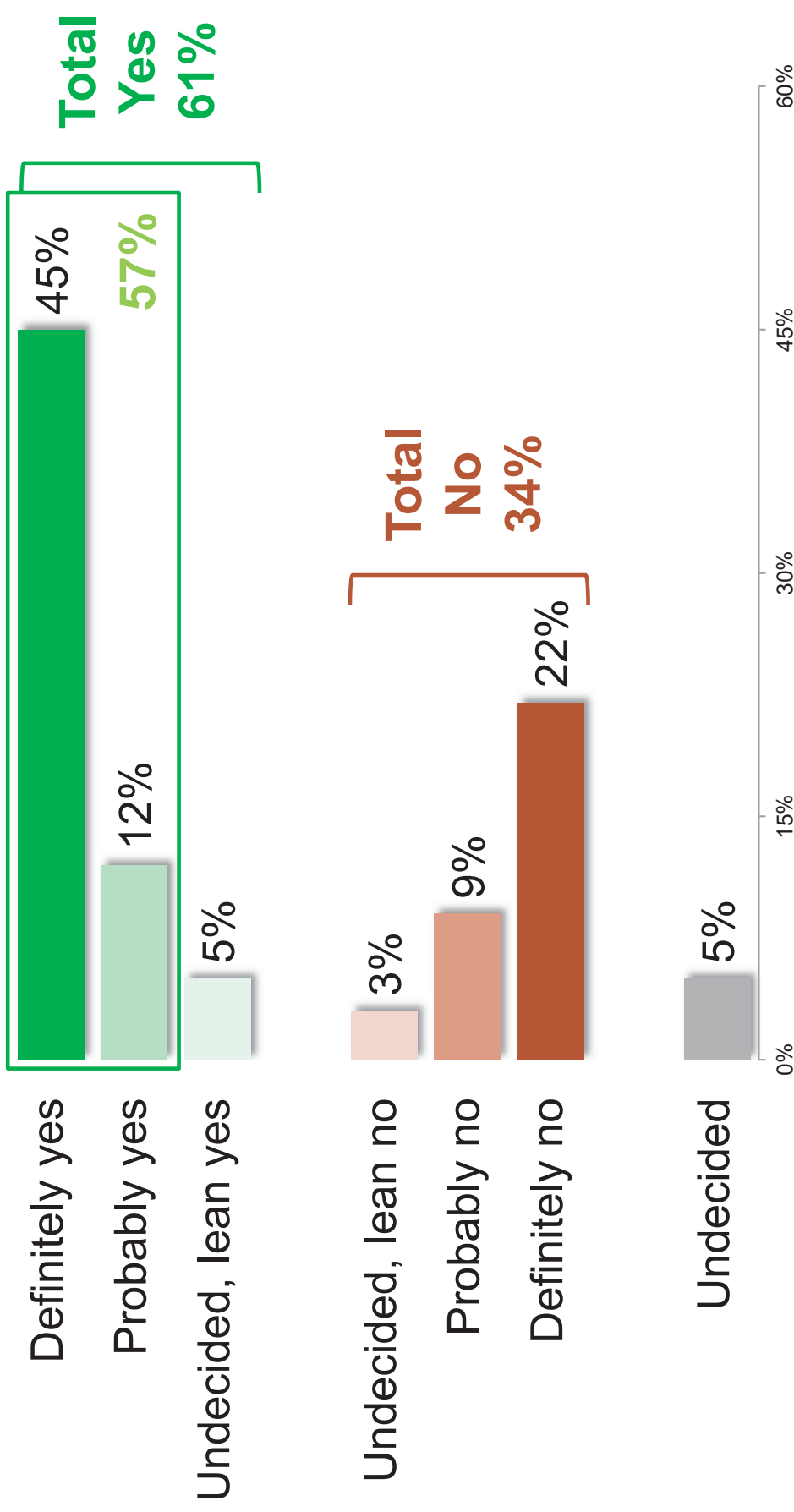


Hypothetical Transient Occupancy Tax Measure

Laguna Beach Vital Community Services Measure

To fund city services, infrastructure and improvements required to accommodate millions of annual visitors, including public safety, streets, sidewalks and parking, utility undergrounding, community facilities and other general services, shall the City of Laguna Beach adopt an ordinance to increase transient occupancy taxes paid only by hotel/short-term rental guests from 10% to 14% until lawfully terminated, providing approximately \$4 million annually with audits, public disclosure of expenditures, all funds only for Laguna Beach?

More than six-in-ten residents support the TOT measure.

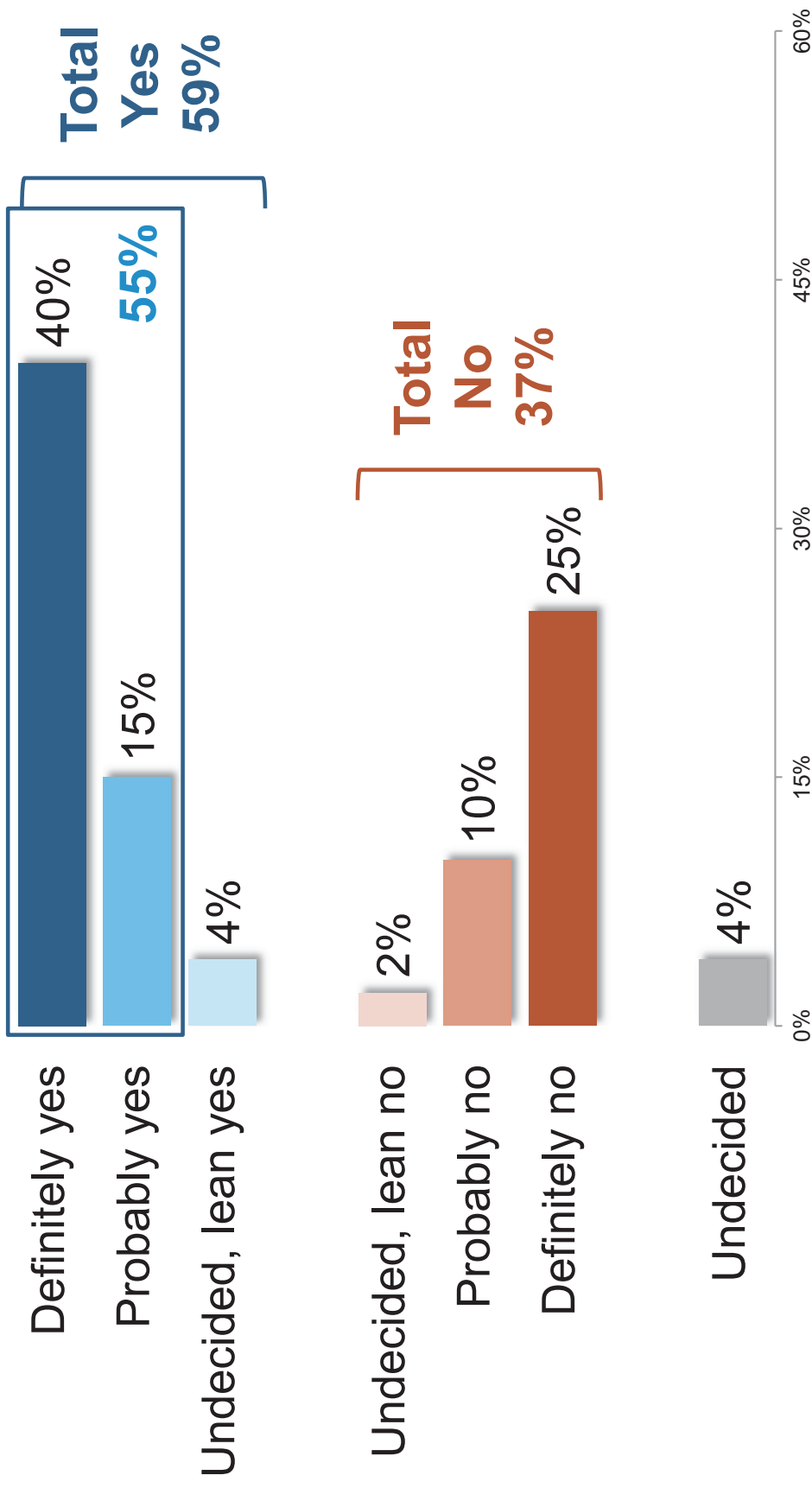


Hypothetical Sales Tax Measure

Laguna Beach Public Safety and Essential Services Protection Measure

To maintain and improve police, fire, paramedics, 911 emergency response, marine safety services; improve safety, remove utility poles, move wires underground; add pedestrian improvements/sidewalks/parking; expand community arts/recreation opportunities; provide other general services, shall the City of Laguna Beach adopt an ordinance establishing a one-cent sales tax until ended by voters, providing approximately \$5 million annually, and requiring annual audits, public disclosure of expenditures, all funds only for Laguna Beach?

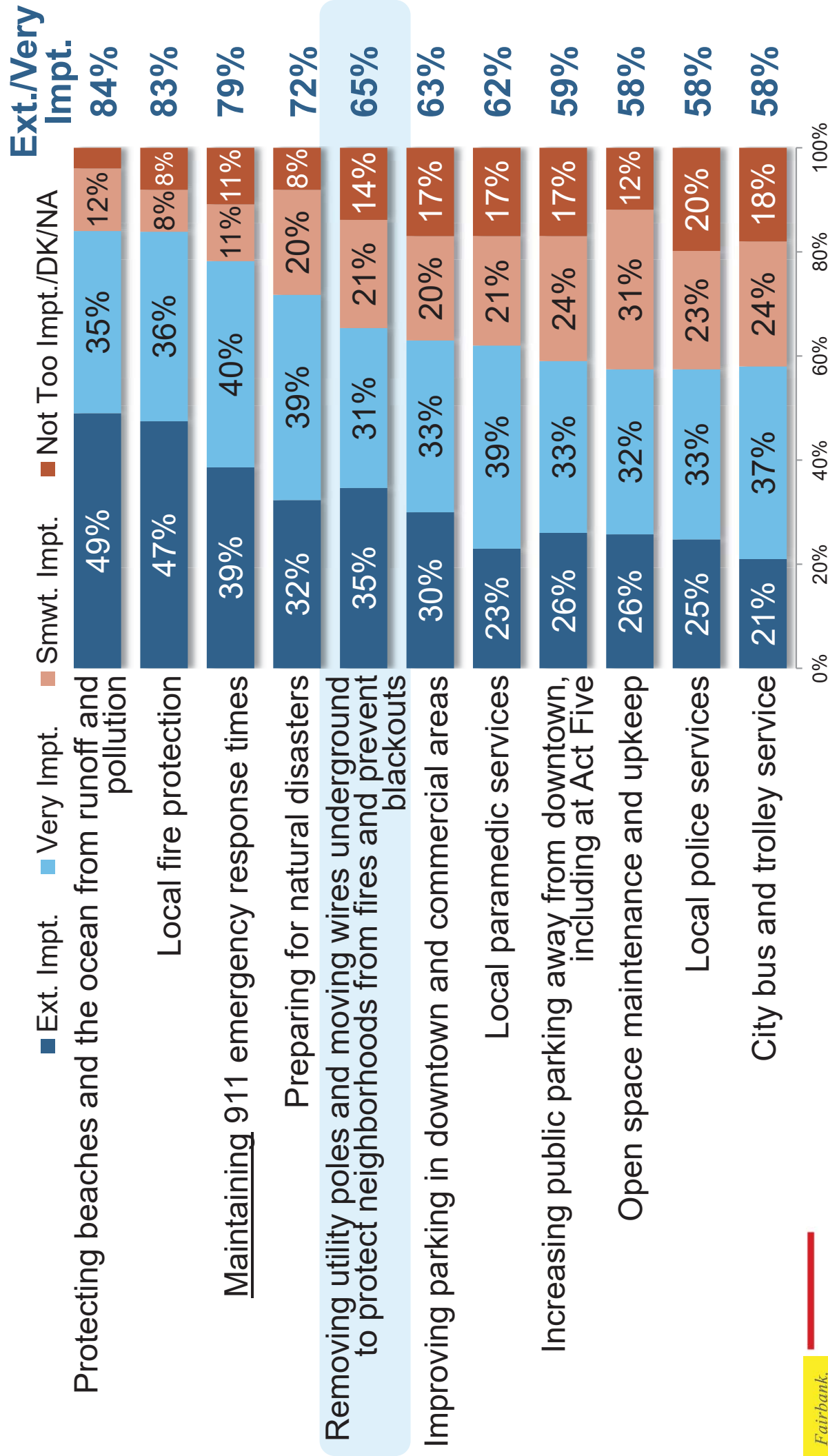
The one-cent measure is above the threshold for passage on the initial reading.



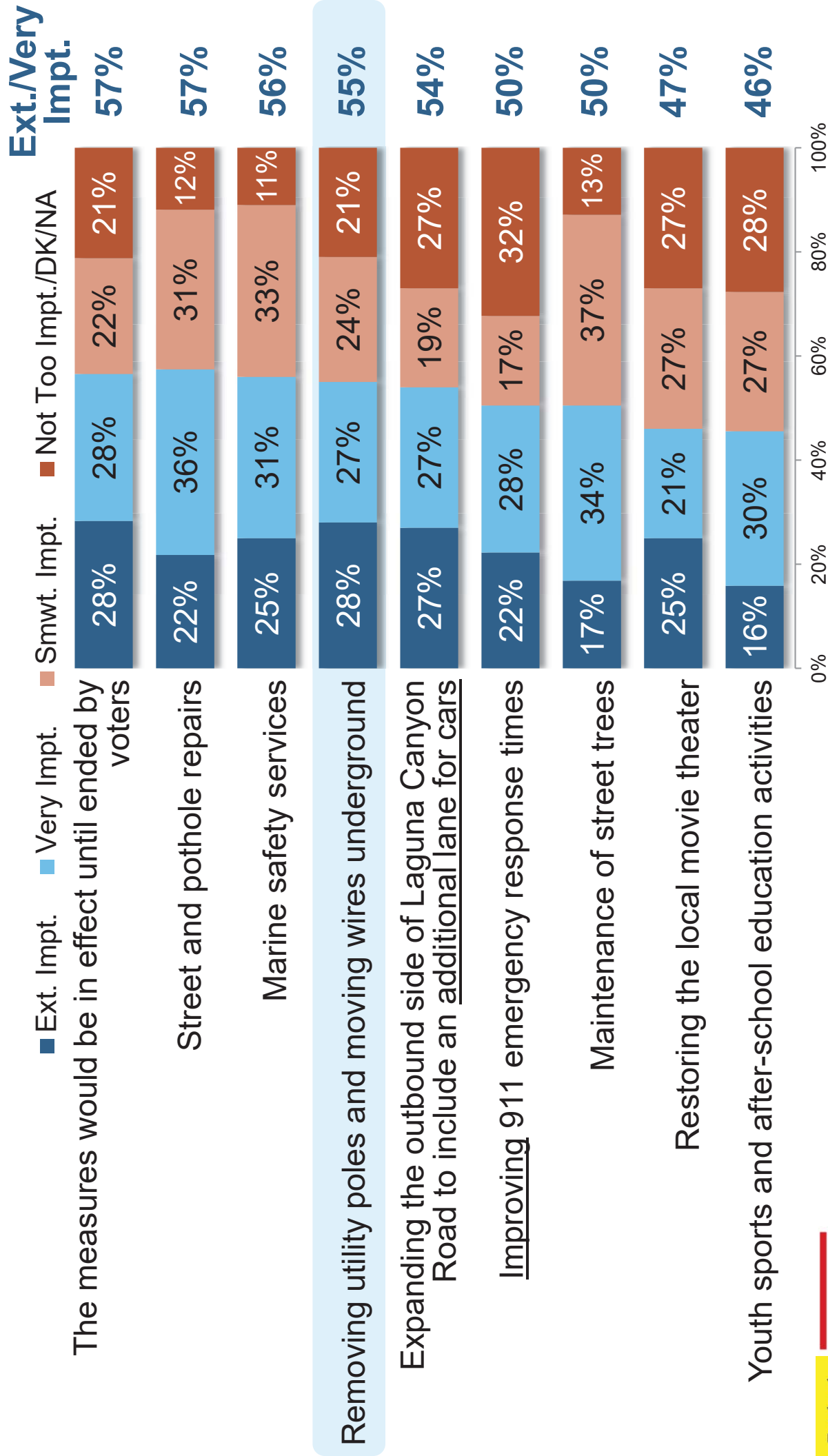


Local Priorities

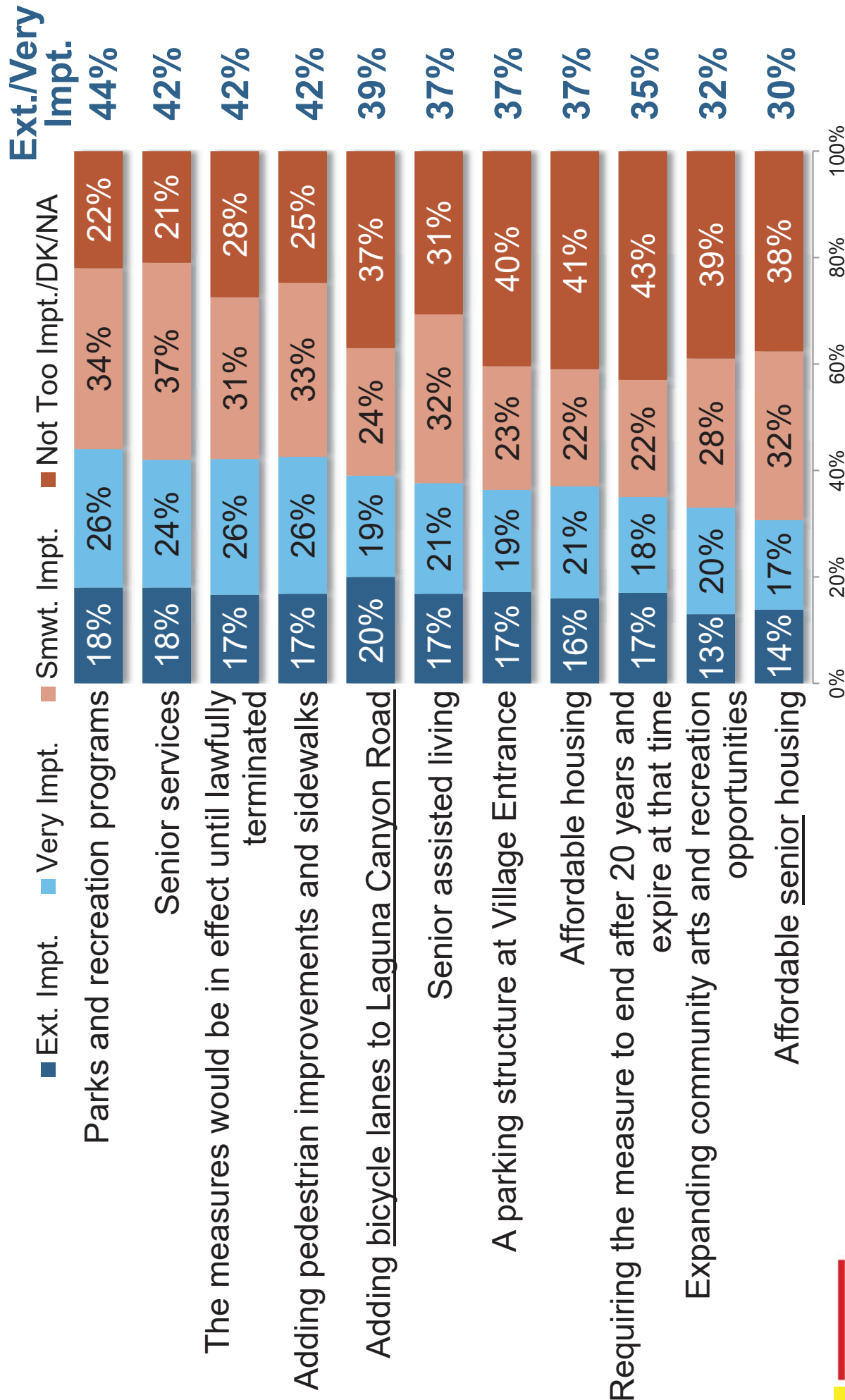
Protecting beaches and the ocean, fire protection and maintaining 911 emergency response times are the highest priorities.



The level of priority for removing utility poles is lower without the justification.



Nearly half of respondents think it is at least very important to use funds for parks and recreation programs.



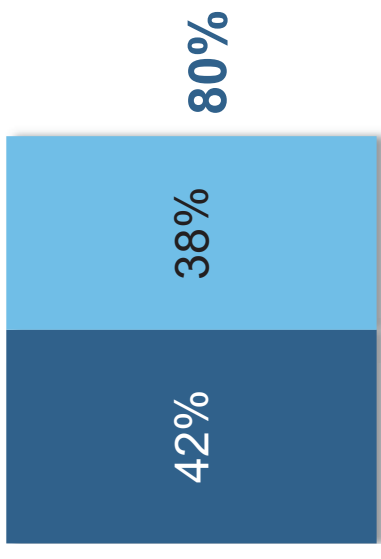


Impact of Information

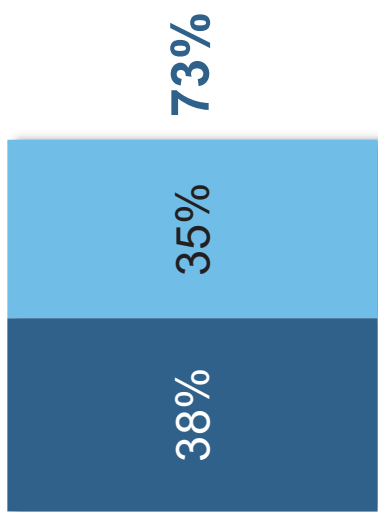
Informational statements about the sales tax measure – including the impact of tourism and fiscal accountability – resonate strongly.

■ Very Conv. ■ Smwt. Conv.

(TOURISM) Six million visitors come to our City each year. Approximately two-thirds of the sales tax dollars collected in Laguna Beach come from residents of other cities, states and countries. This ballot measures will ensure that visitors pay their fair share for the maintenance of streets, public safety protection, upkeep of public buildings, parking, trolleys and other services they enjoy when they come to our city.



(ACCOUNTABILITY) This measure contains tough fiscal accountability by requiring annual independent financial audits, public review of expenditures and ensures that all funds remain in the City of Laguna Beach and cannot be taken by Sacramento. These fiscal safeguards will ensure funds will be used efficiently, effectively and as promised.

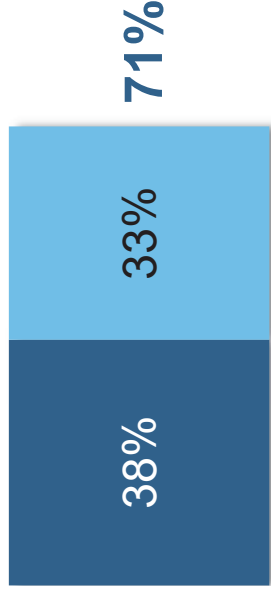


0% 20% 40% 60% 80% 100%

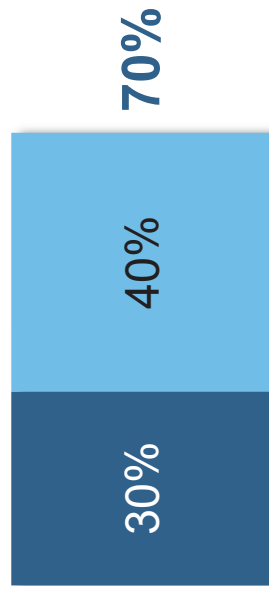
A statement about utility undergrounding resonates with a nearly equal number of respondents.

Very Conv. Smwt. Conv.

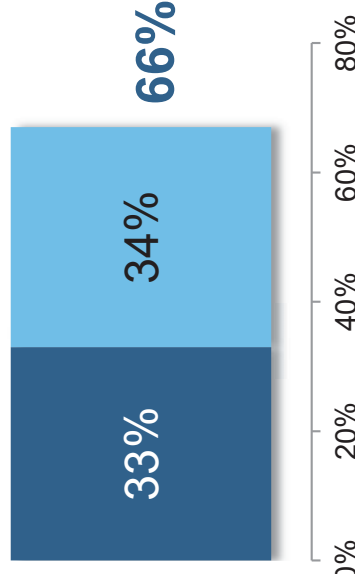
***(UNDERGROUNDING)** One of the most primary goals of this ballot measure is to address the safety of Laguna Beach and its residents by removing utility poles and moving wiring underground. This crucial project will help to greatly reduce the risk of catastrophic fires and will allow for faster emergency evacuation in the event of a natural disaster.



(QUALITY OF LIFE) People live in Laguna Beach because it offers a better quality of life and better services than some other cities in the area. Passing this ballot measure will make sure Laguna Beach can maintain our public safety and 911 emergency response services, improve our roads, maintain our open space, support local arts and artists and provide other services and programs that make Laguna Beach a desirable place to live, visit and do business.

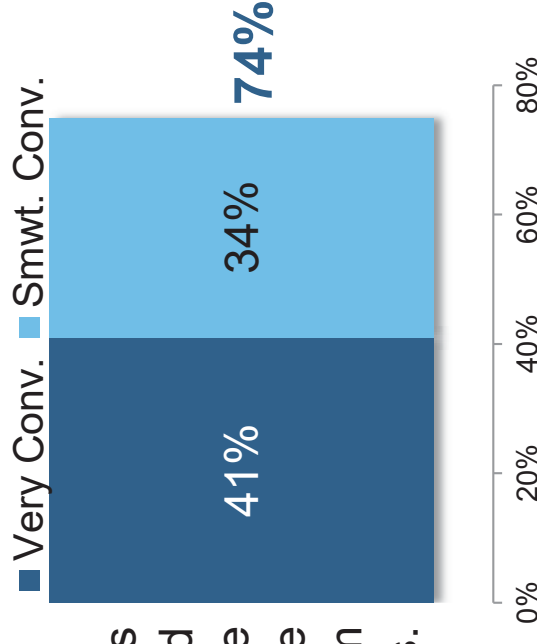


***(PUBLIC SAFETY)** Our police, fire and marine safety departments have seen a dramatic increase in calls for service in the past few years. At the same time, the cost of providing public safety services is increasing every year with more and more tourists coming to our community. The City needs additional resources to maintain our level of police officers, firefighters, paramedics and ensure that the City is prepared for a natural disaster.



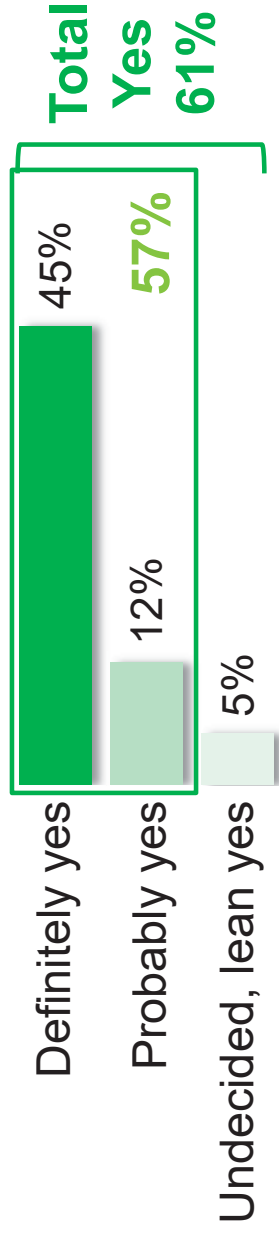
The lone statement about the TOT measure was seen as convincing by nearly three-quarters of respondents.

(TOT STATEMENT) Supporters of the measure say that it allows the City to make substantial improvements to local services and invest in maintaining our local quality of life. And, since the measure is paid only by guests at hotels and short-term rentals like Air BNB, virtually all of the dollars for city services will come from tourists and other visitors to our city, not local residents.

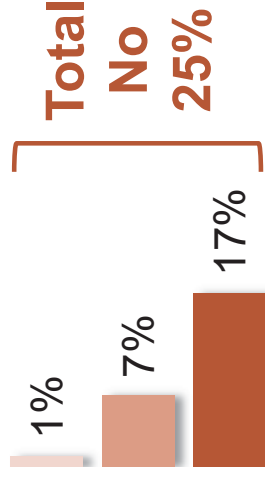
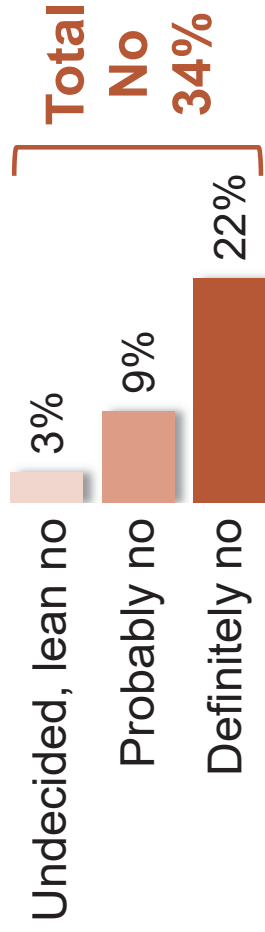


Support for the TOT measure grows significantly after information.

Initial Vote

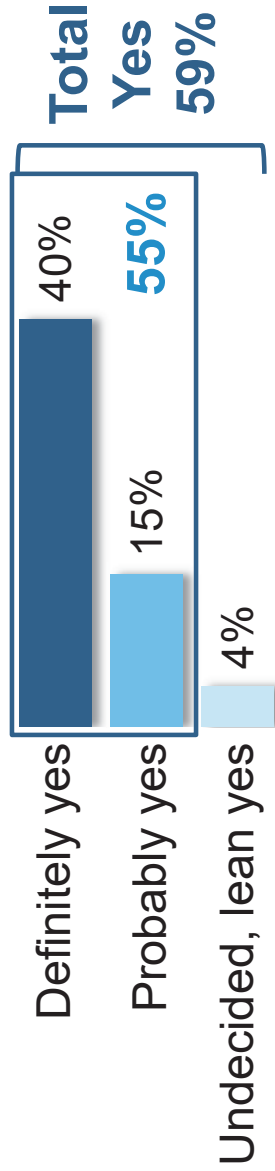


After Information

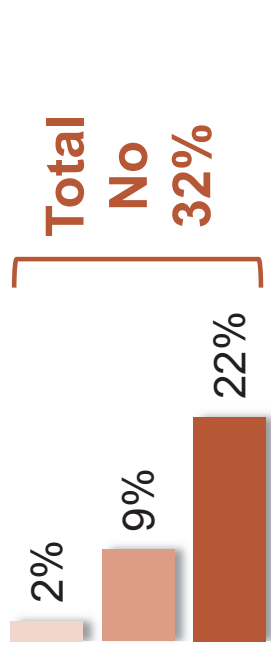
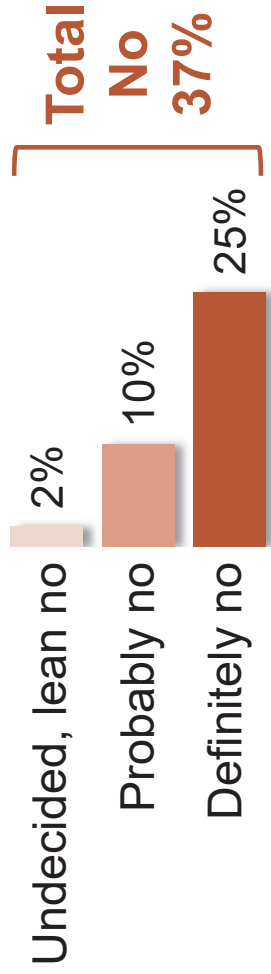
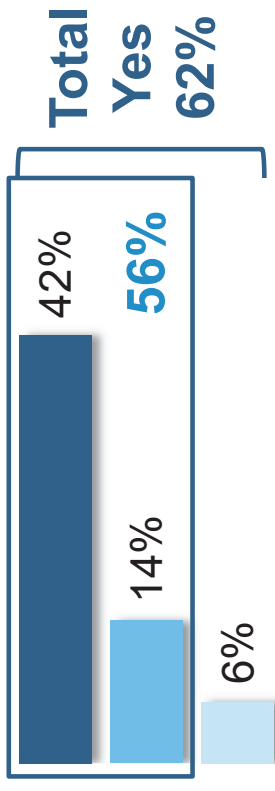


Support for sales tax also grows somewhat after information.

Initial Vote



After Information



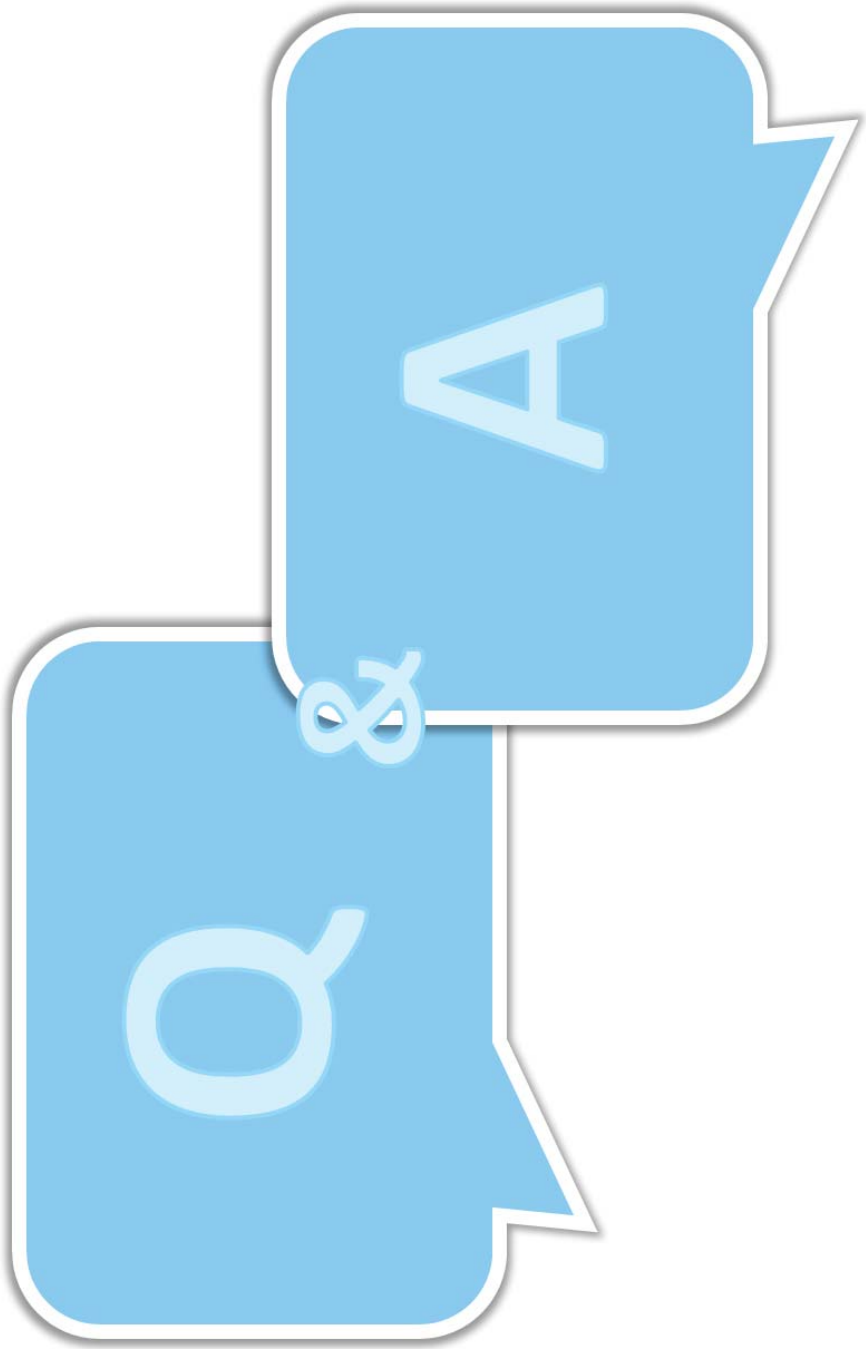
Action Items

It is recommended that the City Council:

- 1) Receive a presentation of the results of the 2016 Community Survey from FM3 and TBWB Strategies staff;
- 2) Provide direction to staff regarding any ballot measures the City Council would like to see placed on the November 2016 ballot;
- 3) If ballot measures are desired, appoint a City Council subcommittee to work with staff and the consultants to draft language for consideration by the City Council at its July 26 City Council meeting; and,
 - a) Enter into contract amendment with TBWB Strategies for ballot measure preparation services through July 2016 in an amount not to exceed \$6,500.

Ballot Measure Preparation

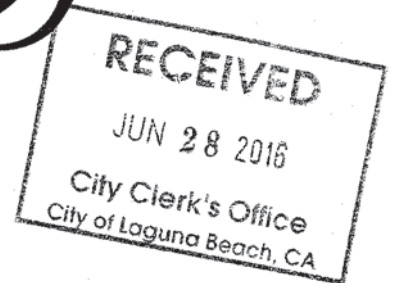
Event	Scheduled Date
<p>1) Resolution adoption to include:</p> <ul style="list-style-type: none"> a) Ballot language b) Proposed ordinance c) Instruct City Attorney to prepare impartial analysis d) Authorize City Manager to prepare fiscal impact e) Establish deadlines to receive arguments for and against as well as rebuttal arguments (legal noticing) f) Authorize City Council member(s) to author arguments 	<p>July 26, 2016</p>
<p>Resolution to County of Orange Registrar with title, summary for ballot measure, City Attorney's impartial analysis, and City Manager's fiscal analysis</p>	<p>Must be submitted no later than August 12, 2016</p>
<p>ELECTION DAY</p>	<p>November 8, 2016</p>





June 28, 2016

14



Good Morning Mayor Dicterow,

Based on tonight's agenda item #14, the Visit Laguna Beach Board of Directors believes that a combination of increased sales, property, and bed taxes may be a sufficient way to garner the necessary funds for revenue generation to the City of Laguna Beach. Should these taxes be increased, Visit Laguna Beach would like to express the importance of community initiatives that need attention in order to continually enhance the guest experience.

Specific items of importance include, but are not limited to:

1. Beautification of Laguna Beach through clean sidewalks, landscaped pathways/planters, clean buildings and awnings.
2. Exploring the possibility of allowing pop-up businesses in vacant retail spaces to ensure a vibrant and thriving downtown.
3. The installation of sidewalks with specificity on Laguna Canyon Road and south Laguna down to Montage Laguna Beach.

Visit Laguna Beach believes that based on the current market, tax increases can occur without too much pushback, however it is recommended from the tourism standpoint, and, in order to be palatable, that the bed tax/BID total should cap at 13% at this time (allowing for a 1% maximum increase in TOT).

The community survey report includes mention of Anaheim and Garden Grove with a 15% TOT, however one must also take into consideration the hotel average daily rates in order to remain competitive among our neighboring cities.

Increasing the occupancy tax beyond the recommended level would potentially have a negative impact on occupancy rates, resulting in a loss of business and tax revenues. In addition, the Visit Laguna Beach Board feels strongly that the increased TOT should be directed to certain projects with a direct positive impact on tourism, rather than going to the city's general fund.

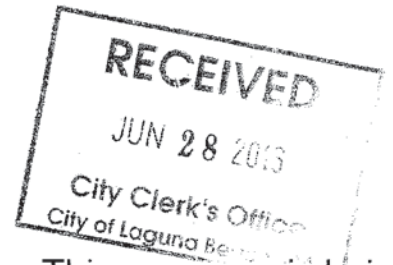
As always, we appreciate you bringing Visit Laguna Beach into the conversation and we look forward to continuing our partnership with the City of Laguna Beach.

Best Regards,

Visit Laguna Beach Board of Directors — Joanna Bear, Sharbie Higuchi, Christopher Keller, Thomas Lee, Debbie MacDonald, Bob Mitchell, Mark Orgill, Karyn Philippsen & Deanne Thompson

Chel, Lisette CC

From: Hall, Ligia (Leah) CM
Sent: Tuesday, June 28, 2016 10:22 AM
To: 'Terri Benson'
Cc: City Council; Chel, Lisette CC
Subject: RE: Increase sales tax



Good morning, City Manager John Pietig has received your message. This message is being forwarded to City Clerk Lisette Chel who manages all communication related to council meeting items.

Thank you,

*Ligia "Leah" Hall
Executive Assistant to the City Manager
City of Laguna Beach | City Manager's Department
505 Forest Avenue | Laguna Beach | CA | 92651
(949) 497-0308 | lhall@lagunabeachcity.net*

Please note our new City Hall Office Hours

Mon – Thurs 7:30 a.m. – 5:30 p.m.

Every other Friday 7:30 a.m. – 4:30 p.m.

Closed alternating Fridays

Use the **Ask Laguna** feature on the City's website to find answers to frequently asked questions 24/7 or submit requests for information.

-----Original Message-----

From: Terri Benson [mailto:terriwhatever@gmail.com]
Sent: Tuesday, June 28, 2016 10:01 AM
To: City Council <CityCouncil@lagunabeachcity.net>
Subject: Increase sales tax

City council,

We are writing to express our opposition to the 1% sales tax increase that is being proposed.

Chuck and Terri Benson
43 So. La Senda Dr.
Laguna Beach, Ca. 92651

Sent from my iPad

and visiting our town. The influx of visitors who shop in the summer provides for a nice cushion for business's when winter comes around the sales slow down. We need to promote Laguna and have people wanting to come back instead of deterring them away because they are scared of the cost.

Another question I have is what exactly is the extra money generated from the tax raise going towards?

In saying all this I strongly oppose raising the sales tax. It is only going to hurt the business' that give this town its appeal and charm.

Thank you,
Sheila Bushard

[illegible]



Community
Survey
#14

6-28-16

John
Thomas

Beachgoers clogging the neighborhood 20 Jun

Melisa Magiera from South Laguna Village

Apparently West St beach has become the new teen hangout. The number of cars parking on West St, Eagle Rock and all around has become unbearable. They're parking in every legal and illegal spot up to Scenic. Is there anything we can do about this other than the city ticketing illegal parkers?

Shared with South Laguna Village in Crime & Safety

Thank 5 **Reply 56**

Send private message

Add bookmark

Change category

Flag

Mute discussion

56

April, John, Sharon, and 2 others thanked Melisa

Loading...



Jeannie Richardson from South Laguna Village 20 Jun

Hi Melissa, it's me, Sam's Mom! I'm the person who makes the fun and creative NO PARKING SIGNS that was featured in the laguna Beach Indy 4 weeks ago. The article was all about the parking problem ... View more in LB because there are too many people and not enough parking so they are creeping into our residential areas. This has been going on for years. If you would like to see my signs, I will email my postcards to you - I have 17 designs. I also have 2 signs that just say SLOW DOWN in different versions. What is your email address? They are \$25 each and measure 20 x 30. I think you would like them!

Thank Flag

Melisa thanked Jeannie



Lenny Vincent from South Laguna Village 20 Jun

Not only West St. Beach, thanks to social media they know the short cut to Aliso Beach. Tickets mean nothing, since they get passed on to parents. Some park in extremely dangerous places e.g. by ... View more narrow, sharp curves. On Monterey St. they actually park adjacent to No Parking Tow Away signs. They get a ticket for this but the vehicle remains unless you call the police for additional action. This is not about being cranky home owners; the situation is ripe for a serious pedestrian accident.

Thank Flag

Melisa and Pamela thanked Lenny



Melisa Magiera from South Laguna Village 20 Jun

Hi Jeannie! How great! Do the signs actually work? I would think if they ignore city signs why would they heed a resident's sign.

Thank Flag



Melisa Magiera from South Laguna Village 20 Jun

My email is vgoat@netscape.net

Thank Flag



Jeannie Richardson from South Laguna Village 20 Jun

The City signs are few and far between and they are just like the crappy No parking signs that you buy from the hardware store - they don't catch the eye. My signs are specifically designed to give ... View more people a

"heads up" on parking in front of a mailbox, etc. They are colorful and friendly. I will email you the postcards. Any other resident who would like to seem sign designs, please send me your email address. Thanks.

Thank Flag



Jim Stiso from South Laguna Village 20 Jun

S. Laguna used to be so quiet and peaceful. Not anymore and summer has just started. The city and police have little to do with S. Laguna as they are tied up from Victoria Beach to N. Laguna where the ... View more moneys at. We live by 1,000 steps and right now it's ground zero for tourists. It gets worse every year. my experience with signs is hit or miss. As the day goes by people get desperate and will park anywhere they can squeeze their car in....

Edited on 20 Jun

Thank Flag

Melisa, Cindy, Malena, and 2 others thanked Jim



Jeannie Richardson from South Laguna Village 20 Jun

There is no "off season" anymore. And with the climate change, people are desperate to escape the heat. I call the police all the time to report inebriated beach goers getting into their cars, ready ... View more to drive home. Last year a trio of young, foul-mouthed girls were hammered and got into a fight like I have never seen before. Their car was parked on my private street (Fairview). Before they got into the card, one of them pulled down her bikini and peed in the street. That's when I lost it and called the cops. I see people urinating all the time in our neighbor's bushes; it is disgusting. When I called her out on it, she got in my face and started up with the potty mouth. That's when I told them that they were all going to jail if they got into the car and the police were waiting for them. And then I told her that she was way too fat to wear a bikini, better stick to the one piece. True story. They drove away.

Thank Flag

April, Sharon, and Adam thanked Jeannie



Jeannie Richardson from South Laguna Village 20 Jun

Two years ago when that young man from Las Vegas was swept off the rocks at 1,000 Steps, it was discovered that they were trying to make their way to "the Secret Pools" which are actually on private ... View more property in 3 Arch Bay. I called the OC Lifeguard HQ and asked them why they couldn't keep people out of there. He said they have tried everything, even a security guard and people still go there. I saw photos of those pools on the City of Laguna Beach website! And that my friends is why 1,000 Steps Beach is a mess of teenagers and 20 somethings - they want to go to those pools. The lifeguard was so upset about that boy dying because it happened in February, 2015 but it was a smokin' hot day and the surf was HUGE! He said that they are still on a Winter guard schedule from after Labor Day to Memorial Day and they just can't keep up with it. He also said that there is no off season anymore here and by the time we hung up, we were both crying. I felt so bad for him - all of that responsibility and literally overwhelmed by tourists.

Thank Flag

April, Melisa, Pamela, and 1 other thanked Jeannie



Jeannie Richardson from South Laguna Village 20 Jun

Here's an idea: Let's post Traffic Control on PCH in North Laguna and South Laguna and one in the Canyon and use the "one out, one in" rule that is used in nightclubs.

Edited on 20 Jun

Thank Flag

April, Melisa, Krista, and 1 other thanked Jeannie



Melisa Magiera from South Laguna Village 20 Jun

Ha! Priceless Jeannie. Seems like the city cannot keep up w the problems. And they keep trying to find ways to bring more people in!

Thank Flag

Jim thanked Melisa



Jeannie Richardson from South Laguna Village 20 Jun

Oh yeah, but while the merchants and the City are counting the almighty tourist dollars, WE are taking the brunt of the parking situation and that's why I made my signs. Did you receive them? The ... View more City never solved their Village Entrance problem and now it's too late. But when I tried to offer some solutions using businesses that were closed on the weekends to absorb some of the "parkers", they blew me off. I think they need a few fresh sets of eyes from people who live here and have ideas. And btw, if I was a tourist with a couple of kids and a shitload of beach towels, toys, chairs, etc. I would NOT want to take a shuttle to the beach. Can you imagine?

Thank Flag



Melisa Magiera from South Laguna Village 20 Jun

We need to have neighborhoods be resident parking only. What if they built a couple of parking structures at the city entrances and then made residential streets (without businesses) for residents only? They want to built parking structures anyway...

Thank Flag

April thanked Melisa



Jeannie Richardson from South Laguna Village 20 Jun

They have no place to build them! They missed that window about 30 years ago. But I like your idea about the resident parking only permits. If the neighborhoods behind Mozambique can restrict ... View more parking, why can't we? My hope is that as people find that there are just no more places to park, they will give up and leave. Melissa, let's go to City Hall and ask about that but gal, you're gonna ruin my sign biz! Ha Ha! Oh well, I would rather live in a peaceful neighborhood instead of Disneyland.

Thank Flag

Pamela thanked Jeannie



Melisa Magiera from South Laguna Village 20 Jun

We should find out front the Solag Civic Assoc. if they have tried that before. Can't imagine the city would go for it if there's not an alternative parking solution.

Thank Flag

April thanked Melisa



Jeannie Richardson from South Laguna Village 20 Jun

Well, the City has set a precedent by issuing the permit parking only to the neighborhoods behind and around Mozambique. Even though their restrictive parking is at night, it doesn't matter. The ... View more residents asked for it because of the noise and trash and shenanigans (peeing in the bushes) of the Mozambique patrons. It may have been tit for tat so that Ivan Spears could still have music and his keep his bar opened later. Don't think it will be 100% successful because people park there and get ticketed all the time and they aren't even going to Moz! I think we got a ticket there once because we didn't see the sign and man, at 10:01 PM, those parking cops are on those cars like vultures - they can't wait to write those tickets. I was unaware that they had this no parking permit so I wasn't looking for a sign.

Thank Flag



Malena Steris-Lyles from South Laguna Village 20 Jun

I believe the city owns the vacant lot on 4th and PCH they need to build a parking lot for all the people who want to come to the beach in South Laguna.

Today was out of control!

kids driving around like idiots with children walking home from school...

Parking permits could also help this situation☺

Thank Flag

MJ, April, Melisa, and 3 others thanked Malena



Jeannie Richardson from South Laguna Village 20 Jun

I heard it was nuts! My husband called me and said "don't get in your car and drive through town". 4th and PCH is where they will be doing that massive sewer pipe replacement.

Thank Flag



John Thomas from South Laguna Village 20 Jun

There were a number of posts today about beach goers clogging the neighborhoods. I encourage you to call the non-emergency police number 497-0701 (I hope that is correct) and encourage the parking ... View more folks to spend some time here, but even more, I encourage you to contact the City Council members and let them hear what you have to say. The City is "complaint driven" (which is a whole other story) but that's what it is, and the good news is that it's an election year so two Council members who are running for reelection should be interested in hearing what you have to say -- Bob Whalen and Steve Dicterow. So, we may as well take advantage of the election and see what they could do for the voters who live down here in South Laguna. By the way - someone asked -- the City in its Infinite Wisdom conceded to the California Coastal Commission after the Mozambique neighbors got resident permits that that was the end of resident permits. So even if South Laguna is being overrun by beach visitors parking all over the place, we are apparently out of luck unless we can get those City Council folks to look out for us in South Laguna and go back to the CCC and renegotiate. You've heard the term "throw under the Bus?" Sometimes, living in South Laguna, it's like we've been thrown under the trolley.

Edit Delete

April, Melisa, and Sharon thanked you



David Sobolewski from South Laguna Village 6d ago

There is a reason we all live here and guess what ? The rest of Orange County has figured it out as well. Wish there was some sort of easy solution but I'm afraid that's wishful thinking. Just be glad we have it to ourselves in the mornings and evenings. It has made property values go up !!!! Have to find something positive about this ???

Thank Flag

April, Pamela, and Jeannie thanked David



Tom Rotert from South Laguna Village 6d ago

Let's all just be as mean and unwelcoming as we can to beach and town visitors. After all, this is OUR town, not theirs. Maybe we can vandalize cars, beat up a few people, and let everyone who is not ... View more a local know that they are not welcome here, ever. Or, we could realize that people come here because it's beautiful, that we are lucky to live here, and that we should welcome anyone else who wants to enjoy, for a day, where we get to live for 365 days a year. Or, we could forget about that and go back to being all pissed off. We could walk out of our houses and rather than thanking God for our beautiful home, the one that none of us have any right to say we deserve as our birthright, we could instead be all pissed off and have a crappy sunny day. The problem is NOT the traffic or the number of people, it's your freakin attitude. The good thing is: your attitude is the ONLY thing in this world you have any control over. Adjust it accordingly.

Thank Flag

Pamela thanked Tom



Pamela Brennan from South Laguna Village 6d ago

Well said Tom, I totally agree!

Thank Flag

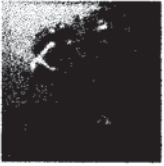


Emily Rolwing Gummow from South Laguna Village 6d ago

Tom thank you for your insight. I too wake up every day thankful for living here. I also wake up every morning worrying that my children are in danger for being in our front yard, or heaven forbid ... View more near the street. I'm so glad you welcome the visitors with welcome arms. I'd like to point out the people parking in south Laguna are not contributing to our town in any way. They are not shopping the small businesses, paying for parking etc. on top of that they pose a danger to the resident. They litter and urinate. They hassle and are rude. They drink and think it's okay to climb beach rocks or swim in a rip tide. Let me be clear, not all beach goers are horrible. Some are kind and wonderful. But when those visitors are a danger to our neighborhood I won't sit back and say have at it and do what you like. I could go on but hope I have made a small, but what I feel, important point.

Thank Flag

Michelle, April, Melisa, and 4 others thanked Emily

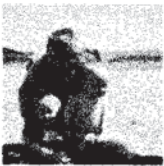


David Sobolewski from South Laguna Village 6d ago

Emily you have made a point and it's valid. Always the same, a few screw it up for the masses. But I really think it is the "few" so let's keep our hearts open to the masses. I'm sorry, I shouldn't ask you to do that. That is your call, not mine to make. Let's just say that's what I'm trying to do. Wish me luck - and I so hate those people that urinate.

Thank Flag

Melisa and Emily thanked David



Emily Roling Gummow from South Laguna Village 6d ago

David you are so right. Thank you for those words. I agree, share our beautiful town and beaches. I just don't feel it necessary to have them treat our neighborhood as their beach parking lot. I hope there is something that can be done on that front.

Thank Flag

April thanked Emily



Melisa Magiera from South Laguna Village 6d ago

Oh Tom. When we pay double for our homes to live here, it's for the proximity to the beach and, usually in Solag, the peacefulness. Of course we can't keep these beautiful beaches all to ourselves, ... View more but these visitors should learn to have respect for the fact that they are in a residential neighborhood. Our kids are walking home from the bus stop, playing in the yard, and they're driving like they're on the highway. They're parking illegally which is not only a nuisance but a fire hazard. Not to mention the trash leaving, obscenity yelling, and peeing. You're obviously not a parent, and maybe you don't own the home you live in. But you better believe, as both, I am going to be protective of my neighborhood!

Thank Flag

April, Malena, and Jim thanked Melisa



April McDonald from South Laguna Village 6d ago

Emily & Melissa,

I totally agree with you and all that's been said! I've had 2 little dogs, on leashes get RUN OVER BY TOURISTS! They have run me out of my home during the summer. The urinating and ... View more litter is soooo very true! I was so tired of people parking illegally, urinating regularly and throwing trash next to a gutter that clearly states STRAIT TO THE OCEAN. The traffic is a nightmare and I can't understand why Laguna Beach can't just understand Residential Parking Only idea?? I'm lucky I don't have little children, I would be very scared for their safety. AND what about the tourists complying with the speed limit??? I do! My husband lives in our home during the summer and visites me often BUT, I can't take the summer, WHAT ABOUT MY PROPERTY TAXES, they are sky high! Those idiot tourists don't pay for maintenance of our streets and BUSHES with urine and trash in them! Yes I'm angry, I'd like to enjoy my home in peace, that's why we moved to SL!

Thank Flag

Melisa, Sharon, and Jim thanked April



Jeannie Richardson from South Laguna Village 6d ago

I am printing some of these comments and sending them to the City council members. They know what's happening downtown but I can guarantee that they have no idea what is going on down here in ... View more SoLag.

That's why I made my No Parking and SLOW DOWN signs - we need to take back our right to park in front of our own home and bring awareness to the speeding. I'm not trying to pump my business but I made these as a reaction to what is and has been happening in South Laguna. We are sick of it. And April, touche on your comment about the property taxes. As a homeowner, I'm outraged that the City of Laguna Beach is not doing more to help their residents. Even the residents of North Laguna are furious about the Urthh Cafe patrons littering their yards with empty chai latte cups and to go containers. To the point that they are selling their homes. A neighbor of mine has a great suggestion, a message board on Crown Valley Pkwy, in North Laguna and way out in the canyon that reads PARKING IS FULL IN LAGUNA BEACH, PLEASE TURN AROUND AND GO SOMEPLACE ELSE. Brilliant. If you would like to see my signs, give me your email address - they are very creative, fun, colorful, and friendly because that's who we are. It's SOMETHING to prevent ignorant tourists from parking in the wrong place.

Thank Flag

Robin, Melisa, and John thanked Jeannie



John Schwartz from South Laguna Village 6d ago

I will probably get hate mail for this but I vote the city puts in parking space lines and time limit signs, with permits for local residents. It is out of control and they trash our front lawns and streets.

Thank Flag

Melisa and Jim thanked John



Robin Levinson from South Laguna Village 6d ago

City knows. Summertime is uncomfortable for everyone, it's only 8 to 10 weeks. It will be over soon.

Thank Flag



Robin Levinson from South Laguna Village 6d ago

And if you have issues with people illegally parking please call the police non emergency number at 497-0701 with your complaint, they will send parking services.

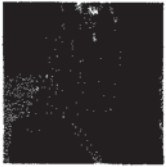
Thank Flag



Jeannie Richardson from South Laguna Village 6d ago

We do but boy do they drag their feet on response. Example: we have had a Mercedes SUV parked halfway into the public street and way too far past the corner of 2nd Ave and Fairview Road. After three weeks of complaining to the City, they came out and chalked the car and issued a warning ticket. I hope they tow the damn thing. There are cobwebs growing on the tires.

Thank Flag



Susan Madorsky from South Laguna Village 5d ago

Well Tablerock is bursting

Causing havoc on the enter tablerock bluff drive exit on west street

It is ridiculous

Back up drop off go the wrong way don't care. And considerate, does it matter how much signage there is. We almost big the city for some attention and solution to the problem, I do think parking meters would help

Thank Flag



Jim Stiso from South Laguna Village 5d ago

Robin, It's not 8 to 10 weeks for summer to be over. It's been an endless summer here on Sunset Ave for quite a few years with all the trash and other problems people have chatted about.

Thank Flag

Robin, MJ, Melisa, and 1 other thanked Jim



Jeannie Richardson from South Laguna Village 5d ago

There is no off season anymore. the day that young man from Las Vegas was swept off the rocks at 1,000 Steps, it was 90 degrees, huge surf and it was Monday, February 16th. They had two OC Lifeguards ... View more on duty that day because that is their Winter schematic and hey, it's Monday. I spoke with the head of OC Guards the next day and he said that there were hundreds of people down there, just a complete mob and they were not prepared for the overwhelming numbers plus the guarding on a big surf day. They need a full time crew every day of the week. That means more Lifeguards, which means more money from the County budget. And you know what that means, it will be years before they implement it. Poor guy was in tears, he felt so bad.

Thank Flag



Tom Rotert from South Laguna Village 5d ago

Melissa Magiera -- I do have kids -- three sons, two of whom I have already gotten through LBHS, and the last one who just graduated El Morro today and will be going on to Thurston. I don't know why ... View more you think I don't own my home or have children. I feel grateful to live in this town and always have. I know it wasn't your idea, but whomever was the one who said we should put up signs in the canyon and on Crown Valley telling everyone to turn around and go somewhere else, well, that was the kind of sentiment I was poking fun at with my previous, sarcastic comments. I get that people peeing in the yard is annoying. I get that many people act inconsiderately. There has also been a bunch of crime. I live above Tablerock and never go down to that beach because I think the patrons down there are generally urban posers (kids that like to dress like they are in gangs) from the 909, and they are super annoying. But I don't care. I just go to another one of the amazing beaches in Laguna. My only point was: don't let it bother you. We live in a beautiful place. We are lucky and blessed to be able to do that. Remember the "Welcome to Laguna. Now go Home" bumperstickers from the 70's / 80's? The people that put those kinds of bumperstickers on their cars are all miserable dolts. I could name names, but I won't. The people that have that attitude are pretty much the same -- some degree of generally unhappy. Whether you call her GOD, call it the Universe, pray to Jehovah, or believe in some unifying energy... if the Universe has brought you (not Melissa, but the general 'you') to this, the most gorgeous place around, and you can't embrace that with kindness and generosity towards others in a spirit of genuine gratitude for the amazing gift that you have been given, I think you are in peril of having it all taken away. We are so blessed to be here. Focus on that every day, not on people (who will only disappoint you). This may sound stupid to most of you, but I'm actually giving you the best and most helpful advice on here. You are not getting restricted parking (Coastal Commission controls that and they want more, not less, beach access). And you are not going to stop people, especially kids, from being jerks. You can try to have a polite conversation with them, but you will likely end up disappointed in the result. The one and only effective thing you CAN do is change your attitude towards the visitors. Don't let it bother you. Don't waste your gift. As far as owning your home, or paying twice as much for it... well, the truth is you own nothing, not even your next breath. So celebrate. Be happy. Enjoy.

Thank Flag

Christine and Pamela thanked Tom



Pamela Brennan from South Laguna Village 5d ago

The most effective comment so far, most appreciated. Thank you Tom for making the choice to see the bigger picture.

Thank Flag



Jeannie Richardson from South Laguna Village 5d ago

Actually Pam, the LED signs posted at the three entrances to Laguna was a suggestion from one of the City Council members. they simply don't know what to do. They are not intended to keep people out, ... View more it is a "heads up" that they are too late, there is no more parking and they have a choice to brave it or turn around and go someplace else. That's actually a very humane thing to do. The reason these tourists park inappropriately and sometimes illegally is because they are so frustrated by trying to obtain a parking place, they just basically abandon their car where ever they can, run the beach, give Mommy and Daddy the ticket and then do it again the next time they are here. And in the meantime, my postal carrier is unable to deliver our mail, our driveway is partially compromised, we have to listen to them whooping it up and acting like idiots when they come back from the beach inebriated and then when their day is done, they dump all of their trash on my private property - yes, private property because we live on a private street, and then they urinate in the bushes by our avocado tree. I actually had somebody ask me if it was okay if they did that in my bushes. I just looked him in the eyes and said "NO, it is not okay. My property is not your toilet. Go to a restaurant or wherever you want which is what civilized people do". And then I told him to never come back. You can have your llama approach to this because you are probably not experiencing this but I am, I live 3 blocks from PCH. the city of LB has not put one extra trash can up down here and there is no police presence. So go fuck yourself.

Thank Flag

MJ and Jim thanked Jeannie



Jeannie Richardson from South Laguna Village 5d ago

I apologize to you Pamela, my comment was supposed to be directed to Tom, please excuse me for the confusion. I am extremely embarrassed to make those comments to you. Tom, go fuck yourself.

Thank Flag

Tom, Melisa, and Jim thanked Jeannie



Susan Madorsky from South Laguna Village 5d ago

I called the city

Manager Bus assistant called back within hours

They are bringing down temporary trashcan, they have one ordered, they are having extra trash pick up for the summer months. I suggested parking meters, but what you all have to do is call the city manager

Thank Flag

Melisa thanked Susan



Melisa Magiera from South Laguna Village 5d ago

Tom, I appreciate your right to your perspective, but your sense of 'live and let live' is useless. I want everyone to know that an ugly incident went down today on West St. beach. My 7 year old ... View more daughter went down to the beach with friends this afternoon, and when I went to pick her up my friend was very shaken up. Some young people had been drinking heavily, and started harassing the lifeguard. The lifeguard then proceeded to pour out their beers. The biggest guy in the bunch confronted the guard and looked as if he was going to beat him up. The kids were throwing the beer bottles and yelling obscenities at him. One guy was so drunk he kept falling down. Meanwhile, my daughter and her little friends were witnessing it all. They all ended up leaving and the guard wasn't assaulted, the cops were called but hadn't shown up 30-40 min later. The drunk kids got in their car in front of my friend's house, drove around recklessly, and finally left....drunk. This used to be a lovely family, skimmer, gay beach. Last year it started to get seedy. It's obviously now the kids' choice because they know they can get away with drinking, smoking pot, and acting like a-holes. I want this stopped so I can take my kids there without them seeing this horrible behavior. So, if you want to just go to another beach Tom, then go ahead. But I want to go to the beach that I live near and can walk with my family to.

Thank Flag

April, Malena, Jim, and 1 other thanked Melisa



Jeannie Richardson from South Laguna Village 5d ago

Hi Susan, only one temporary trashcan? That cannot be true. I am so done with this blog and I will call the City Manager tomorrow and voice my specific needs as a long-time property owner in South ... View more Laguna "the red-headed step child" of LagunaBeach - trash and recycle receptacles EVERYWHERE in South Laguna especially at the top of the stairs at every beach and ON THE BEACH. For God's sake, there are no trash cans on there beach - WHY? More police presence; I was truly scared the other day, it looked like a riot on PCH. Resident parking only permits in South Laguna. As a homeowner and a tax payer, I DEMAND to enjoy my property. They make such a big stink about short-term rentals disrupting the neighborhood environment but then we are besieged by hooligans coming from all over to disrupt our peace and quiet, use our property as a toilet and act like idiots. Our neighborhood is now at war with these people. We will be closing off our private street with cones until the City decides to do something to help us.

Thank Flag



Susan Madorsky from South Laguna Village 5d ago

I m sorry they are going to be putting out trash cans two at the top of Tablerock stairs..and other locations , Im not sure, there are trails od litter behind the hoards!!!
she is calling me back ... View more regarding the parking...in a few days!!

People Call, I do not believe we against kids,,,Littering and totally stoned drunk kids yes
i had to help one young man whowas dazed and had no idea what was going on around him..

we asked for a gate at the top of table rock stairs , to be closed a dark , but that never happened..there are large amounts on kids on the beach at night and overnight....

sometime i have to open my slider at 3:00am to shout at them to stop yelling and screaming...

honestly I do not want to call the police..... but i should

its out of control

my new answer is call the city manager repeatedly!!!

Thank Flag

Melisa thanked Susan



Cindy Love from South Laguna Village 5d ago

All these frustrations are real and heartfelt. One thing for sure, it's time for Laguna Beach city, and the county at county-run beaches, to launch an anti-litter campaign with citations and heavy ... View more fines. Same goes for possession of alcohol on the beach. It's up to all of us to get it rolling, much like Jeannie's creative no parking signs campaign. The messages can be eco-friendly, playful interpretive reminders, for example a whale, Garibaldi, starfish, bird and/or flower saying something like "Please don't trash the beach/neighborhood. This is our home!" The LED arrow boards with trolley and bike messages along Coast Hwy can be used for these types of messages in their rotations too!

Thank Flag

MJ, Melisa, Malena, and 1 other thanked Cindy



Tom Rotert from South Laguna Village 5d ago

Jeannie Richardson-- go F myself? That made me laugh, from the belly. I admire your gumption. I hope you find productive ways to solve all the external issues. Peace. :)

Thank Flag



David Sobolewski from South Laguna Village 5d ago

There may be so internal/emotional issues that need solving as well.

Thank Flag



Jim Stiso from South Laguna Village 5d ago

Tom, Your earlier post was very kumbyya. Kinda reminds me of "Nero playing his fiddle while Rome burns". I to am over this post and calling the city and county. I also stand by me opinion of the city who should change their motto to "slow as molasses". Peace to you and out.

Thank Flag

MJ, Melisa, and Malena thanked Jim



MJ Abraham from South Laguna Village 5d ago

Thanks for sharing your concerns viewpoints. Shows the passion residents have for our lifestyles and our SOLAG village community. I wanted to share that most of these issues were brought to the ... View more City's attention formally in 2015.

In April, 2015 we sent a letter (let me know if you want a copy) to the City Council and City Manager expressing

concerns about how south Laguna neighborhoods and beaches were being impacted by the increase in beach visitors. We asked SOLAG residents to give input and we compiled a list of the most concerning issues. We got a response from only one council member; ROb Zurschmiede. We spoke with several City representatives delegated by the City Manager who pursued actions through City parking enforcement and the Orange County Beaches patrol and clean up to address the dogs, alcohol and loitering issues expressed by local residents. Our letter included photos of 1,000 Steps beach and neighborhood trashing. Some progress was made last summer with proactive parking enforcement in our area which made a little difference. Since that time however, parking enforcement has gone back to only if they get a call and I can't speak to the beaches as I don't go to 1,000 Steps much anymore. I know our neighborhood (8th St.) has a steady stream of cars day and night and we have more transients present than I have ever experienced in the 40+ years spent in South Laguna. No significant changes have occurred since the letter. In fact, the situation seems to have gotten worse. The City management has literally shifted their downtown parking problem to South Laguna (free street parking here and free trolley north or south-duh!). We asked for a meeting which was never acknowledged by the City Manager City Council members. Instead, they asked staff to give a progress report on the issues we outlined. Quite frankly, this was done without checking back with us to see if any relief was provided or real progress made. I suggest residents who are concerned bombard this City Council and City Manager with calls and emails and demand some attention and resolve for South Laguna residents. One only need to go on the City website and read the City Council Priorities April 2016 - Do you see anything in the document that addresses or supports the concerns and progress of South Laguna residents? This City Council and City Manager are either SELECTIVE or INEFFECTIVE - or maybe both. In any case, it's time again that SOLAG residents speak-up and directly to them if you have concerns and issues - you voted them in to represent you. Don't be reduced to tangling or lecturing each other over problems that have been brought on by the lack of visionaries, weak leadership and complete mismanagement of our City's tourism growth. Couple this with the homeless growth, our streets in dire need of clean up and repair (world class cities don't have potholes/filthy sidewalks), STL's and Rehab facilities taking over our neighborhoods, hospital releasing patients in record numbers in our community, and the list goes on.... We need only to look to our neighbors to the south (DP) to see what effective city vision and planning can accomplish in making a community work for its residents and visitors.

Laguna appears to be stagnant. Starting with its flip-flop style decision making leadership to its paralyzed management and paranoia over getting sued; they appear to be incapable of addressing and resolving the serious issues facing this tiny City. Let them know you do not accept this approach to our cities challenges.

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bobwhalen1@gmail.com / (949) 497-2407
rzurschmiede@lagunabeachcity.net / (949) 497-0725

Thank Flag

Melisa, Malena, and Jim thanked MJ



David Sobolewski from South Laguna Village 5d ago

Well said MJ - As they say, the squeaky wheel gets the grease . But I will go on record right now by saying I'm not in favor of parking meters on PCH. It would be a death sentence for a Meter Maid to ask them to patrol it.

Thank Flag



Susan Madorsky from South Laguna Village 5d ago

They can get another parking meter maid for south Laguna.

I just wrote our mayor as well.

South Laguna deserve the same treatment as downtown Laguna !!

Thank Flag

Jim thanked Susan



Jeannie Richardson from South Laguna Village 4d ago

The tourists seem to avoid getting hit and so can he/she. They usually use the curb side of the street. They should either meter the parking or paint the curbs red. In fact, the curbs that are red are so weathered that people park in the red and don't know it!

Thank Flag



Jeannie Richardson from South Laguna Village 4d ago

I just spoke with Mayor Steve Dictorow and ironically, he was driving through South Laguna during our conversation. He kept commenting on the hoards of people, he had never seen it like that before - ... View more he was truly stunned. I told him that it's been like this for at least 3 years and it's getting worse. I told him about the melee at West Street yesterday and the lifeguard being surrounded by drunk thugs threatening to beat him up. And also about the woman who had to assist a drunk or drugged beachgoer who didn't know where he was, etc. He was shocked. He told me that somebody had sent him a very articulate email about the situation down here and he forwarded it to the other council members and the City Manager. Perfect timing on that one whoever you are because those emails probably seem like hyperbole to these Council members until they see it with their own eyes. He told me that he was "blown away" by what he saw and he was just driving through! Our conversation was brief because he was expecting another call but I told him that the 2 things that we need RIGHT

NOW and are easy to accomplish are #1 We need trash cans and recycling bins and lots of them - tons of them on the beach, at the top of every access to the beaches and on the sidewalks in South Laguna. Call Waste Management, call whoever you want - screw the design aspect, just get us some trash and recycling bins. #2 We need Police full time at these beaches. The lifeguards and the general public need protection and there is lots of alcohol down there, it is not safe. Full time rob cops just patrolling the beaches all day. #3 More parking enforcement patrolling our streets looking for random park jobs on corners, fire hydrants. WE NEED THE CITY'S HELP NOW! He totally agreed. The parking situation on PCH and in the residential neighborhoods will be a long and drawn out process as is the nature of our City government. Jeez Louise, my dead Grandmother could get things accomplished faster than these boobs. I have met Mayor Dictorow several times and I like him, he's a level headed person. I'm confident that he will report back to the other members and the Manager about this situation. He told me that they will need an increase in employees to undertake all of these things. I told him that my husband has been unemployed for 7 months and will take any job the City has!! Trash duty, beach patrol, whatever - please hire him as a temp right now to help. He said they don't make those decisions. Anyway, the ball is rolling, the butter is soft but may get hard soon, the jello is kind of jiggling. We are making an impact on our situation and I thank God that we are all working on these issues in solidarity. As for you Mr. Sobolewski, the only internal/emotional issue I have is that I have to swallow several bitter pills every time my property is trashed, peed on, and disrespected. When I am yelled at and called a cunt because I don't want somebody pulling down their bikini and urinating on my street (true story). I am a longtime homeowner here and pay my taxes. I deserve what I pay for which is parking and police enforcement. Your snarky and mean spirited insinuation that I am emotionally disabled and need psychiatric help is not appreciated.

Thank Flag

Melisa and Jim thanked Jeannie



Susan Madorsky from South Laguna Village 4d ago

I wrote Steve this morning , I called both the city manager and his secretary.

The clean up crew came out today for the table rock stairs and entrance which graffiti vulgar or graffiti was written ... View more all over, the cleanup man said he had never seen so much trash and beer bottles and empty wine bottles on the beach he believes perhaps they should gate Tablerock the same way they gate 1000 stairs ! There is a cave as you probably no on the table rock beach where they make fires and have I'm not quite sure what kind of parties down there almost all night long quite frequently

Good work fellow south neighbors !!!

Susan

Thank Flag

Melisa, Jim, and Jeannie thanked Susan



Melisa Magiera from South Laguna Village 4d ago

Nice work Jeannie and Susan!! You two are on fire! Thank you so much for being a huge part of this conversation and for getting these things done. While a lot of us, hopefully, wrote letters, I think the calling is the key because it's more in their faces, more immediate. Let's keep it up!

Thank Flag



Kelly Vizsolay from South Laguna Village 4d ago

What about the possibility of South Laguna becoming a gated community. Just like 3 Arch ?

Thank Flag



Susan Madorsky from South Laguna Village 4d ago

I am asking for a gate on top of the Tablerock beach , they did it at 1000 steps... I know they can not do it at West because there are to many ways in... whoever unlookes 1000 steps can unlock ... View more Tablerock in the morning

I do think the city has got to come out and be aggressive in finding a way to make a statement.

tons of recycle bins , trash cans, parking meters and a gate on the top of Table rock stairs would be a physical statement. More Police day and night....

i hear the police dont want to walk down the stairs at night... so a gate would help otherwise everynight at unknown times at least during the summer....Police come on down !!!

word may get out among the beachgoers ????

im really not sure what to say about the behavior of these young adults,
I trruely think they should make them do community service, as well as
have mommy and daddy pay their tickets, their behavior is alarming !!

but then again we can not cure the world.... our Beach community would be a good start !!

Thank Flag

Melisa thanked Susan



Susan Madorsky from South Laguna Village 4d ago

Tablerock & Bluff Dr thought about doing that , Im sorry they did not .
we would have to reverse traffic flow , have a light , (west st.) which is why we would reverse traffic flow . we
would have to widen the street for a turnaround so people could turn around at the entrance . again West st.
to move this through for approval is just impossible!!

Thank Flag

Addendum 1.7

Staff Report: July 26, 2016

Meeting Date: 7/26/16

SUBJECT: TRANSIENT OCCUPANCY TAX BALLOT MEASURE

SUMMARY OF THE MATTER:

Background

On June 28, 2016, the City Council received a presentation from consultants with FM3 and TBWB regarding the results of the 2016 Community Survey. One of the survey's findings indicated potential support for an increase in the transient occupancy tax (TOT) rate to fund a variety of community projects and unmet community needs. At the same City Council meeting, the City Council directed staff to work with the consultants and a City Council subcommittee, comprised of Councilmembers Boyd and Whalen, to draft ballot measure language that proposes an increase in the TOT rate. The City of Laguna Beach currently has a 10% TOT rate that is paid by hotel and motel guests and other transient lodgers for stays of thirty days or less. An ordinance measure that proposes to increase the TOT rate will require four affirmative votes of the City Council to place the measure on the November 2016 ballot. Because proceeds from the tax are treated as general revenue, versus a special tax, a majority vote of the electorate would suffice to pass the measure.

Discussion

Proposed TOT Increase

As directed by the City Council, the City Council subcommittee met with various stakeholders, including hoteliers on the Visit Laguna Beach Board of Directors and Visit Laguna Beach staff, to discuss a potential increase of the TOT rate. After much thought and consideration, the City Council subcommittee recommends a 2% increase in the TOT rate – from 10% to 12% – to go before the voters in this year's General Election to be held on November 8, 2016. Given this direction from the City Council subcommittee, staff recommends all of the logistical actions listed on Page 3 of the Agenda Bill.

RECOMMENDATION: It is recommended that the City Council:

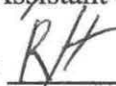
(See Page 3)

Appropriations Requested: (None)

Fund: N/A

Attachments: Attachment A: Draft Resolution

Submitted by: 
Christa Johnson, Assistant City Manager

Coordinated with: 
Ryan Hallett, Administrative Analyst

Coordinated with: 
Gavin Curran, Director of Finance & IT

Approved: 
John Pietig, City Manager

Ballot Measure Preparation

Should the City Council decide to place a TOT measure on the November 8 ballot, and given the deadline of August 12 set by the County of Orange to receive all necessary documents, the following schedule has been prepared to include action items that the City Council should approve on July 26, 2016:

1. Adopt a ballot measure resolution to include the following:
 - a. 75-word ballot question to appear on the November 8 ballot;
 - b. Proposed TOT ordinance increasing the TOT rate from 10% to 12%;
 - c. Instruct the City Attorney to prepare an impartial analysis;
 - d. Authorize the City Manager to prepare a fiscal impact;
 - e. Establish deadlines to receive arguments in favor and against the ballot measure as well as rebuttal arguments pursuant to the Elections Code;
 - f. Authorize the Mayor and/or City Council member(s) to prepare and file written arguments in favor of the ballot measure.
2. Adopt a resolution Calling and Consolidating Elections.
3. Authorize the City Manager to enter into a contract amendment with TBWB Strategies for community information and education services through November 2016.
4. Direct staff to process all other documents required to proceed with the proposed ballot measure.

The following calendar summarizes all action items between now and August 19 to place a TOT measure on the November 8 ballot.

BALLOT MEASURE PREPARATION	
Event	Scheduled Date
1. Ballot measure resolution adoption to include: <ol style="list-style-type: none"> a. Ballot question b. Proposed ordinance c. Direct City Attorney to prepare impartial analysis d. Authorize City Manager to prepare fiscal impact e. Establish deadlines to receive arguments for and against as well as rebuttal arguments f. Authorize City Council member(s) to author arguments 2. Calling and Consolidating election resolutions 3. Amending TBWB Strategies' Contract 4. City Council to direct staff to process all documents required for proposed ballot measure	July 26, 2016
City Clerk to post notice of deadlines for filing for, against, and rebuttal arguments	July 27, 2016
Last day to submit City Attorney's impartial analysis & City Manager's fiscal analysis to City Clerk	August 5, 2016
Last day to submit ballot and counter arguments to City Clerk	August 9, 2016
Public Review Period of Arguments	August 10-August 19, 2016
Resolutions to County of Orange Registrar of Voters	No later than August 12, 2016
Last day to submit rebuttal arguments to City Clerk	August 19, 2016
ELECTION DAY	November 8, 2016

Recommendations

It is recommended that the City Council:

1. Adopt a Resolution that is attached as Attachment A to:
 - a. Submit to the voters a ballot measure to increase the transient occupancy tax (TOT) from 10% to 12% in the General Election to be held on November 8, 2016;
 - b. Direct the City Attorney to prepare an impartial analysis to be filed with the City Clerk on or before August 5, 2016, at 5:30 p.m.;
 - c. Authorize the City Manager to prepare a fiscal analysis to be filed with the City Clerk on or before August 5, 2016, at 5:30 p.m.;
 - d. Authorize the Mayor and/or City Council member(s) to prepare and file written arguments in favor of the ballot measure;
 - e. Establish deadlines for direct arguments for and against the ballot measure to be filed with the City Clerk on or before August 9, 2016, at 5:30 p.m.;
 - f. Establish deadlines for rebuttal arguments for or against the ballot measure to be filed with the City Clerk on or before August 19, 2016, at 5:30 p.m.
2. Direct staff to process all other documents required to proceed with the proposed ballot measure.

ATTACHMENT A

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 FOR THE SUBMISSION TO THE VOTERS OF A QUESTION RELATING TO A BALLOT MEASURE TO INCREASE THE TRANSIENT OCCUPANCY TAX, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES

WHEREAS, under and as required by the provisions of the laws of the State of California relating to General Law cities, a General Municipal Election shall be held on Tuesday, November 8, 2016, for the submission to the voters of a question relating to a proposed ballot measure to increase the transient occupancy tax imposed by the City of Laguna Beach;

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

SECTION 1. Pursuant to the requirements of the laws of the State of California relating to General Law cities, there is called and ordered to be held in the City of Laguna Beach, California, on Tuesday, November 8, 2016, a General Municipal Election for the purpose of submitting to the voters of a question, bearing the title "Laguna Beach Vital Services Measure," relating to a proposed ballot measure to increase the transient occupancy tax levied by the City of Laguna Beach.

SECTION 2. The City Council, pursuant to its right and authority, does order the following question to be submitted to the voters at the General Municipal Election:

Laguna Beach Vital Services Measure To provide services and improvements needed to accommodate millions of annual visitors, protect beaches from pollution and provide fire, police protection and emergency response, parking, utility undergrounding to prevent fires and power outages, and other services and improvements, shall City of Laguna Beach adopt an ordinance increasing transient occupancy taxes paid only by hotel and other rental guests from 10% to 12% until ended by voters, providing approximately \$2,000,000 annually, with audits, all funds only for Laguna Beach?	YES <hr/> NO
--	-----------------

1 **SECTION 3.** The proposed complete text of the Ordinance submitted to the City's voters as a
2 ballot measure is attached hereto at Exhibit A and incorporated herein by this reference.

3 **SECTION 4.** The City Clerk is directed to submit a copy of the above described ballot
4 measure to the City Attorney, after which, the City Attorney is directed to prepare an impartial
5 analysis of the proposed ballot measure pursuant to Elections Code section 9280. The impartial
6 analysis of the measure shall show the effect of the measure on the existing law and the operation
7 of the measure. The impartial analysis shall not exceed five hundred (500) words in length and
8 shall be filed with the City Clerk by 5:30 p.m. on August 5, 2016.

9 **SECTION 5.** The City Clerk is directed to submit a copy of the above described ballot
10 measure to the City Manager, after which, the City Manager is authorized to prepare a fiscal
11 analysis of the proposed ballot measure. The fiscal analysis of the measure shall show the
12 estimated amount of any increase or decrease in revenue or cost to the City as a result of the
13 measure. The fiscal analysis shall not exceed five hundred (500) words in length and shall be filed
14 with the City Clerk by 5:30 p.m. on August 5, 2016.

15 **SECTION 6.** In accordance with Section 9282(b) of the Elections Code, relating to measures
16 placed on the ballot by the City Council, the City Council hereby authorizes any City Council
17 member or members to prepare and file a written argument for the ballot measure with the City
18 Clerk on or before August 9, 2016, by 5:30 p.m., which argument shall not exceed 300 words in
19 length.

20 **SECTION 7.** Any person wishing to submit a direct argument for or against the ballot
21 measure shall file such argument with the City Clerk on or before August 9, 2016, by 5:30 p.m.,
22 which argument shall not exceed 300 words in length. Any rebuttal arguments for or against the
23 ballot measure shall be filed with the City Clerk on or before August 19, 2016, by 5:30 p.m. and
24 shall not exceed 250 words in length. Arguments that are selected for printing and distribution to
25 the voters shall be selected in accordance with Sections 9282 and 9287 of the Elections Code.

26 **SECTION 8.** The ballots to be used at the election shall be in form and content as required by
27 law.

28 **SECTION 9.** The City Clerk is authorized, instructed, and directed to procure and furnish any

1 and all official ballots, notices, printed matter and all supplies, equipment, and paraphernalia that
2 may be necessary in order to properly and lawfully conduct the election.

3 **SECTION 10.** The polls for the election shall be open at seven o'clock a.m. of the day of the
4 election and shall remain open continuously from that time until eight o'clock p.m. of the same
5 day when the polls shall be closed, except as provided in Section 14401 of the Elections Code of
6 the State of California.

7 **SECTION 11.** In all particulars not recited in this Resolution, the election shall be held and
8 conducted as provided by law for holding municipal elections.

9 **SECTION 12.** Notice of the time and place of holding the election is given and the City Clerk
10 is authorized, instructed, and directed to give further or additional notice of the election in the
11 time, form, and manner as required by law.

12 **SECTION 13.** The proposed Ordinance is exempt from review under the California
13 Environmental Quality Act pursuant to Section 15061(b)(3) of the State CEQA Guidelines, in that
14 the proposed Ordinance is covered by the general rule that CEQA applies only to project that have
15 the potential for causing a significant effect on the environmental. In this instance, it can be seen
16 with certainty that there is no possibility that the proposed Ordinance may have a significant effect
17 on the environmental and is therefore not subject to CEQA.

18 **SECTION 14.** The City Clerk shall certify to the passage and adoption of this Resolution and
19 enter it into the book of original Resolutions.

20 PASSED, APPROVED AND ADOPTED this 26th day of July 2016.

21
22
23

Steve Dicterow, Mayor

24 ATTEST:

25
26

Lisette Chel-Walker, City Clerk
27
28

EXHIBIT A

ORDINANCE NO. ____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF LAGUNA BEACH, CALIFORNIA AMENDING SECTION 5.05.030 OF CHAPTER 5.05 OF TITLE 5 OF THE LAGUNA BEACH MUNICIPAL CODE TO INCREASE THE HOTEL-MOTEL ROOM TAX

THE PEOPLE OF THE CITY OF LAGUNA BEACH DO ORDAIN AS FOLLOWS:

SECTION 1: The People hereby amend Section 5.05.030 ("Tax Imposed") of Chapter 5.05 ("Hotel-Motel Room Tax") of Title 5 ("Business – Taxation, Licensing") of the Laguna Beach Municipal Code to read in its entirety as follows:

5.05.030 Tax imposed. For the privilege of occupancy in any hotel or other transient lodging, each transient as defined herein, except for those residents who are time-share unit owners, is subject to and shall pay a tax in the amount of twelve percent of the rent charged by the operator or in the case of a time-share in the amount payable by the transient as defined below. Transients who are time-share unit owners, or guests of owners using the owner's annual right to occupancy on a non-fee paying basis, are specifically exempted from the tax herein imposed. All other transient users of a time-share unit, including but not limited to exchange users, rental users, complimentary users and other non-owner users, are subject to the tax. This tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid, except that in the case of a time-share unit said tax shall be paid to the operator prior to the close of each calendar quarter. If the rent is paid in installments, a proportionate share of the tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the tax administrator may require that such tax be paid directly to the tax administrator. For purposes of this section, the rental value of a daily occupancy in a time-share unit is determined to be eighty-one dollars and twenty-five cents for the base year of 1990, for which the tax is in the amount of ten percent thereof; and this rental value shall be adjusted annually, beginning January 1, 1992, in accordance with the Consumer Price Index for all urban consumers published for the Los Angeles- Anaheim- Riverside area, or any successor index.

SECTION 2: City Council amendments. Notwithstanding Elections Code Section 9217, without a vote of the People, the City Council may further amend this Ordinance in a manner that does not impose, extend, or increase the rate of the Hotel-Motel Room Tax.

SECTION 3: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The People hereby declare that they would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or

more subsections, subdivisions, paragraphs sentences, clauses or phrases are declared unconstitutional, invalid or ineffective.

SECTION 4: Effect of Ordinance. If adopted, this Ordinance will increase the rate of the City's existing Hotel-Motel Room Tax by two percent (2%). This Ordinance was proposed by the City Council of the City of Laguna Beach through approval and introduction of the Ordinance and the adoption of Resolution No. _____ with the affirmative vote of at least 4 members of the City Council as required by Government Code Section 53724(b). Except as expressly amended by this Ordinance, all provision of Chapter 5.05 of Title 5 of the Laguna Beach Municipal Code shall remain in full force and effect.

SECTION 5: Appropriations limit. If necessary, pursuant to Article XIII B of the California Constitution, the appropriations limit for the City of Laguna Beach is increased to the maximum extent over the maximum period of time allowed under the law consistent with the revenues generated by the tax provisions of this Ordinance.

SECTION 6: Effective date. After its adoption by the voters, this Ordinance shall be in full force and effect ten (10) days after the vote is declared by the City Council, pursuant to the provisions of Elections Code Sections 9217 and 15400 and as provided by state law.

Addendum 1.8

December 13, 2016 Measure LL Recommended
Service Enhancements, Accounting, And Oversight
Committee

City of Laguna Beach
AGENDA BILL

No. **22**
Meeting Date: 12/13/2016

**SUBJECT: MEASURE LL RECOMMENDED SERVICE ENHANCEMENTS, ACCOUNTING,
AND OVERSIGHT COMMITTEE**

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

On November 8, 2016, nearly 79% of Laguna Beach residents voted to approve Measure LL, which would increase the Transient Occupancy Tax ("TOT") rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%. It is important to note that the City of Laguna Beach also has a 2% Business Improvement District fee that is typically assessed on hotel room receipts separate from the TOT. A two percent increase in the TOT rate would generate approximately \$2.2 million annually. Staff is returning to the City Council with recommendations concerning possible service enhancements using the two percent increase in TOT revenue.

II. EXECUTIVE SUMMARY

At its August 30, 2016 meeting, the City Council passed Resolution 16.068 expressing its intent, and among other things, to prioritize spending options for future Measure LL revenue. Prioritization of spending options included: protect beaches from pollution; provide fire and police protection, and emergency response services; utility undergrounding to prevent fire and power outages; improve the cleanliness of public areas such as sidewalks and streets; and to provide other services and improvements.

Using current revenue data, staff has revised its original revenue estimate of \$2 million annually associated with a 2% increase in the TOT rate to \$2.2 million annually. Additionally, since the increased TOT rate is expected to take effect on January 1, 2017, staff expects to receive an additional \$1 million in TOT revenue in FY 2016-17. However, it recommended the FY 2016-17 revenue be used toward one-time expenditures related to the service enhancements describe in Section III of this report and for operating costs associated with those programs expected to occur in FY 2016-17.

RECOMMENDATION: It is recommended that the City Council

(See Pages 5)

Appropriations Requested: _____

Coordinated with: Gavin Curran
Gavin Curran, Director of Finance and IT

Fund: _____

Coordinated with: Ryan Hallett
Ryan Hallett, Administrative Analyst

Attachments: _____

Attachment A: Summary of Program Costs by FY

Attachment B: PowerPoint presentation

Attachment C: Draft Resolution

Submitted by: John Pietig
John Pietig, City Manager

MEASURE LL RECOMMENDED SERVICE ENHANCEMENTS, ACCOUNTING, AND OVERSIGHT COMMITTEE

December 13, 2016

Page 2

Finally, this report provides recommendations for both the \$1 million in Measure LL TOT revenue expected in FY 2016-17 and \$2.2 million expected annually thereafter. The recommendations are separated into two categories: City Manager recommendations and “wish list” items. Wish list items are those requests that could not be accommodated within the expected ongoing revenue. City Manager recommendations are described in Section III of this report and wish list items are described in Section IV and associated costs for both are included in Attachment A.

III. RECOMMENDED SERVICE ENHANCEMENTS FROM MEASURE LL REVENUE

The City Manager is recommending that the City Council consider the following expenditures for service enhancements from Measure LL Revenue.

Police Department

- Two (2) additional Beach Patrol Officers assigned to South Laguna to handle issues related to public nuisance issues, incident-related traffic control, and community outreach in addition to work in conjunction with OC Parks & OC Lifeguards.
- One (1) additional Community Outreach Officer to work with the homeless and mentally ill populations by connecting them to necessary services, resources, and long-term solutions with the assistance of the County of Orange.

Fire Department

- One (1) Civilian Fire Marshal to oversee the department’s Fire Prevention, Community Education, and Vegetation Management programs in addition to provide improved turnaround time and customer interactions for plan checks and inspections.
- Upgrade the department’s last fire engine to paramedic status by enhancing three firefighter positions to include paramedic certification to allow paramedic coverage at all four fire stations within the City.

Marine Safety

- Two (2) additional Marine Safety Officers to provide additional 200 days of lifeguard tower service, focus on high-impacted beaches year-round, and allow for a second rescue patrol unit thus reducing response time.

Public Works

- Improve the cleanliness of public areas such as sidewalks and streets:
 - Downtown & Coast Highway Sidewalk Steam Cleaning by four times its current service level;
 - Downtown & Coast Highway Daily Cleaning by three times its current service level; and
 - Main Beach & Heisler Park Restroom cleaning by five times its current service level during the peak period only (June through September); and
 - Enhanced Beach Cleaning & Kelp Removal.

MEASURE LL RECOMMENDED SERVICE ENHANCEMENTS, ACCOUNTING, AND OVERSIGHT COMMITTEE

December 13, 2016

Page 3

Other

- Utility Undergrounding (See Page 4 for additional information).
- Downtown Beautification (Detailed treatment of heavily stained sidewalks as well as other beautification treatments and special planting areas.)
- Water Quality Education Video (A way to inform residents about various water quality programs)

If the City Council approves the recommended items, this would bring the available balance for ongoing programs to \$41,000 (See Attachment A). The City Council could use the remaining funds to address department "Wish List" items in Section IV below. However, funding items from the wish list may require the removal or reduction of an item(s) on the recommended list.

IV. ADDITIONAL REQUESTS FOR FUNDING THAT COULD NOT BE INCORPORATED (WISH LIST)

As described earlier in this report, departments had several request that could not be funded at this time. A brief summary of those wish list items has been provided below with a summary of associated costs included in Attachment A.

- One (1) Civilian Investigator to investigate traffic accidents and complete traffic incident reports. This position would stay on scene and complete necessary investigation, which would allow responding on-duty officers to continue to patrol and respond to calls.
- Two (2) Fire Prevention Inspectors to perform a variety of complex fire prevention, inspection, and code enforcement duties for residential, commercial, and industrial properties. Additional duties include vegetation inspections in wildfire risk areas; research, prepare, and issue fire and life safety notices, corrections, and permits; and conduct fire prevention-related education programs. These positions will be addressed after a Fire Department Strategic Planning session is completed.
- Steam clean sidewalks in the entire downtown area, not just high-traffic areas, on a more frequent basis. From monthly to weekly.
- Wayfinding Signage (to be discussed at mid-year)

V. CITIZENS' MEASURE LL AUDIT OVERSIGHT COMMITTEE

As part of Resolution 16.068 adopted on August 30, 2016, the City Council expressed its intent to establish a five-member Citizens' Measure LL Audit Oversight Committee, which would review the annual year end expenditure reports produced by the City for the next five years and provide a subsequent public report to the City Council.

In order to meet this intent, it is recommended that the City Council create a Citizens' Measure LL Audit Oversight Committee comprised of five Laguna Beach residents to serve for one, five-year term. Membership should be voluntary and without compensation. Also, it is recommended that the application and approval process for this Committee mirror that of the City Council's Commissions, Boards, and Committees. Therefore, it is recommended that the City Council set the date of January 31, 2017, as the

**MEASURE LL RECOMMENDED SERVICE ENHANCEMENTS, ACCOUNTING, AND
OVERSIGHT COMMITTEE**

December 13, 2016

Page 4

date to interview and appoint five residents to the Measure LL Audit Oversight Committee to each serve for one, five-year term through December 31, 2021, and set the date of Friday, January 13, 2017, at 4:00 p.m. as the deadline for submitting applications to the City Clerk.

VI. ACCOUNTING FOR MEASURE LL FUNDS

To assist the City Council, the Measure LL Audit Oversight Committee, and the residents of Laguna Beach in reviewing the spending related to Measure LL, staff is recommending establishing a Measure LL Fund. This will be used exclusively to record the annual revenue and expenditures related to Measure LL and assist the Measure LL Audit Oversight Committee, described in Section VI below, with its review and report to the City Council.

VII. UNDERGROUNDING

Undergrounding utilities in key areas of the City would reduce the risk of wildfires caused by downed electrical lines resulting from wind, equipment failure, or vehicle collisions. Additionally, undergrounding utilities along key roads where vehicle collisions with utility poles are most likely to occur would reduce the chance of wildfire and would reduce the number of road closures due to downed utility lines. Undergrounding projects and programs that reduce both the risk of wildfire and the number of road closures need to be investigated. Potential projects could include Laguna Canyon Road, Bluebird Canyon Drive, and Thalia Street. The City Council can also consider other programs to assist neighborhoods with forming assessment districts. Given the complexity of utility undergrounding, a special City Council meeting is scheduled for January 17, 2017, to focus on this topic in more detail.

To assist with future undergrounding projects and programs, staff is recommending that the City Council set aside \$450,000 of the FY 2016-17 revenue and \$1 million of Measure LL revenue annually thereafter. The specific expenditure of these funds will be determined following discussions about the options and best course of action.

**MEASURE LL RECOMMENDED SERVICE ENHANCEMENTS, ACCOUNTING, AND
OVERSIGHT COMMITTEE**

December 13, 2016

Page 5

VIII. RECOMMENDATIONS

It is recommended that the City Council:

1. Direct the City Manager to modify the FY 2016-17 Adopted Budget by increasing estimated TOT revenue for Measure LL by \$1 million and appropriate funding for the program costs shown in Attachment A and described in Section III of this report;
2. Direct the City Manager to incorporate the estimated Measure LL revenue of \$2.2 million annually and the recommended program cost shown in Attachment A and described in Section III of this report into the upcoming two-year budget, FY 2017-18 and FY 2018-19;
3. Authorize the City Manager to modify existing contracts for cleaning and services to enhance cleaning services as soon as practical;
4. Approve the attached Resolution establishing the Measure LL Fund & Creating the Citizens' Measure LL Audit Oversight Committee; and
5. Set the date of January 31, 2017, as the date for interviews and appointments of five residents to the Citizens' Measure LL Audit Oversight Committee to each serve for one, five-year term through December 31, 2021, and set the date of Friday, January 13, 2017, at 4:00 p.m. as the deadline for submitting applications to the City Clerk.

City of Laguna Beach
Measure LL
City Manager Recommendations

			Appropriate	
			FY 2016-17	FY 2017-18
			One-time	Ongoing
1		Increase in revenue estimate for Transient Occupancy Tax	1,000,000	2,200,000
2	Police	2 Additional Beach Patrol Officers	(5,000)	(54,800)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)
7	Marine Safety	Reduction of part-time salaries due to 2 new Marine Safety Officers		40,000
8	Marine Safety	200 Additional Lifeguard Days		(40,000)
9	Public Works	Lead Worker for enhanced cleaning	(33,200)	(21,600)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)
14	Public Works	Utility Undergrounding (Priorities TBD)	(450,000)	(1,000,000)
15	Other	Downtown Beautification (Priorities TBD)	(40,000)	
16	Other	Water Quality Education Video	(15,000)	
Total Requested			(711,000)	(289,000)
Ending Balance FY 2016-17			289,000	(289,000)
Ending Balance FY 2017-18				41,300

City of Laguna Beach
Measure LL
"Wish List"

			Appropriate	
			One-time	Ongoing
Beginning Balance				41,300
17	Police	Civilian Investigator	(5,000)	(82,500)
18	Fire	2 Fire Prevention Inspectors	(48,000)	(253,600)
19	Public Works	Sidewalk Steam Cleaning the entire Downtown		(100,000)
20	Other	Wayfinding Signage \$200,000 to \$250,000 (to be discussed at Mid-Year)	(250,000)	
Total Requested			(303,000)	(436,100)
Ending Balance			(303,000)	(394,800)



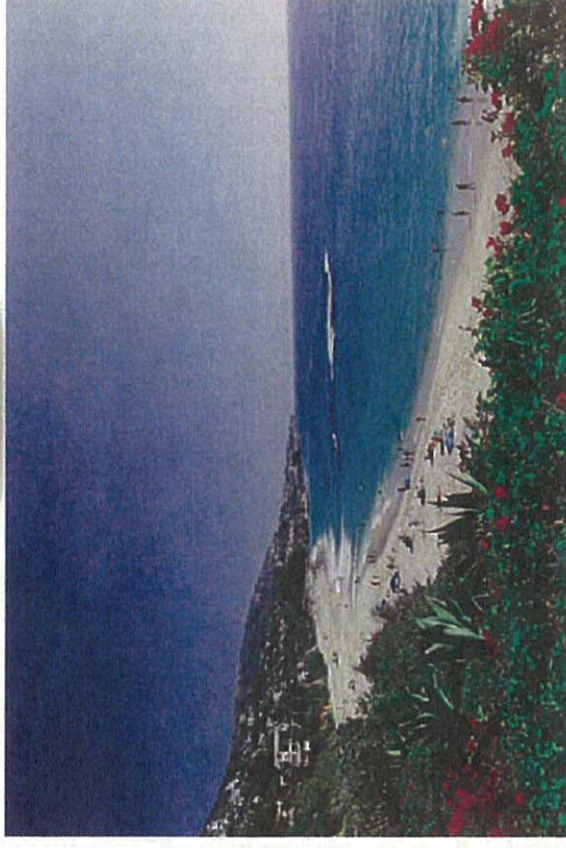
Measure LL

Laguna Beach Vital Services Measure

MEASURE LL



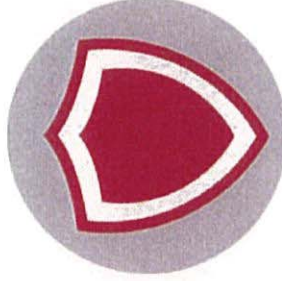
- Approved by voters on November 8, 2016
- Increased the transient occupancy tax ("TOT") from 10% to 12%
- Paid by visitors who stay in local hotels and other lodging establishments
- Generate approximately \$2.2 Million/year



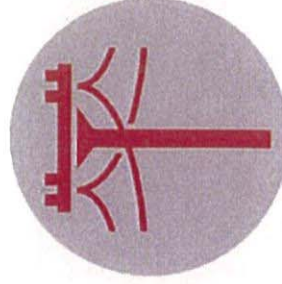
MEASURE LL FUNDS COULD BE USED TO:



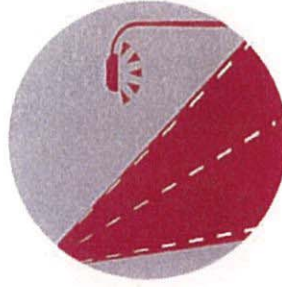
Protect beaches from pollution



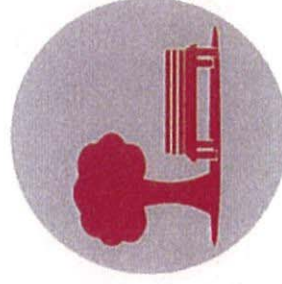
Provide fire and police protection
and emergency response services



Promote utility undergrounding to
prevent fires and power outages

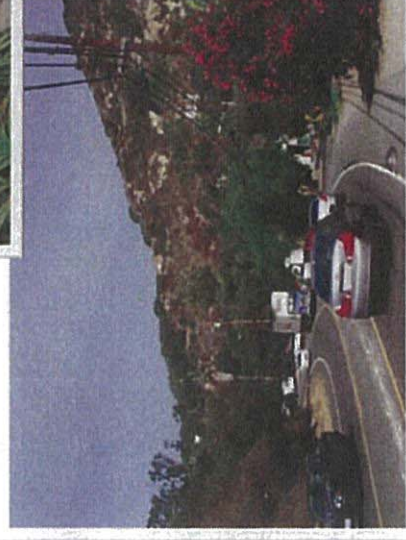


Improve the cleanliness of public
areas such as sidewalks and streets

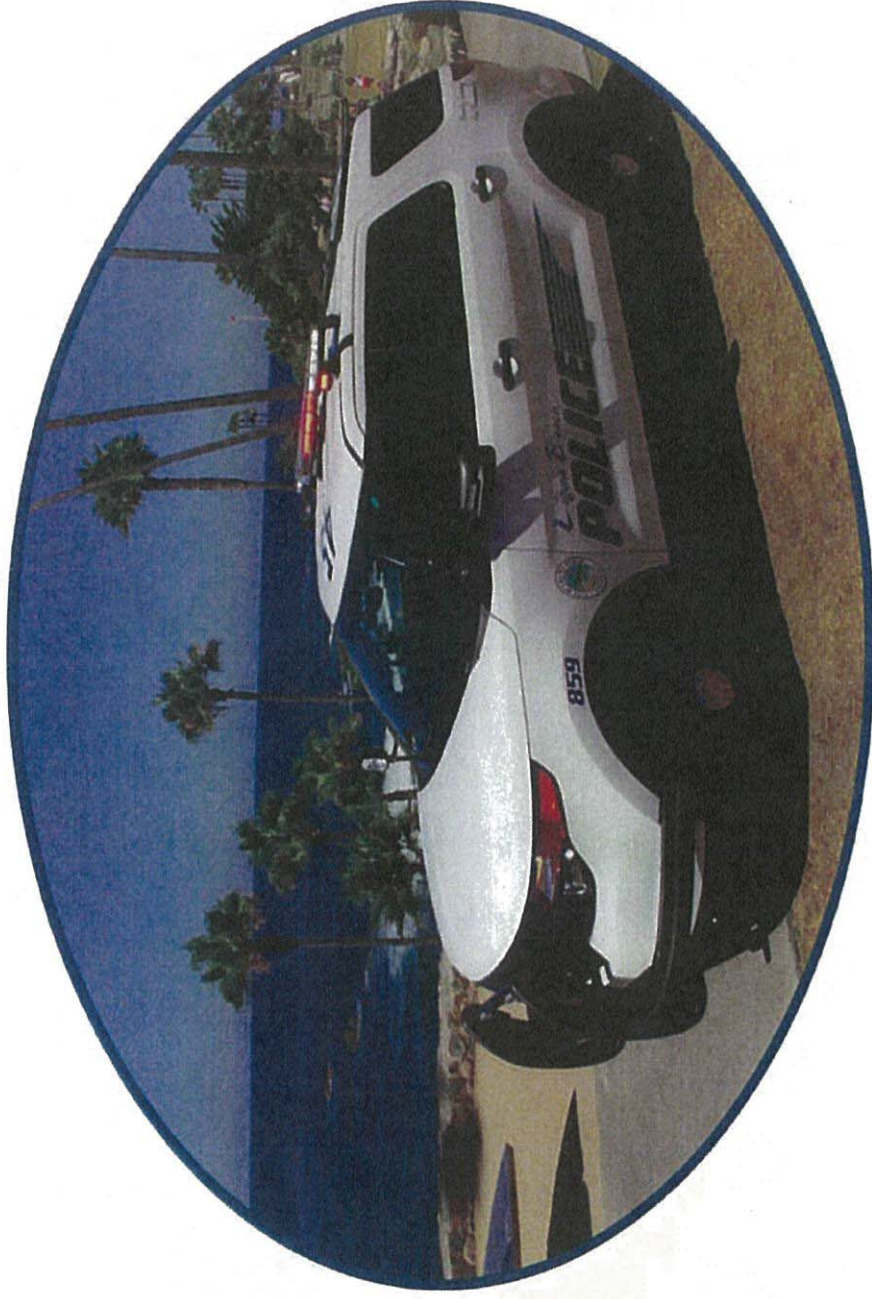


Provide other services and
improvements in Laguna Beach

Recommended Service Enhancements



Police Department

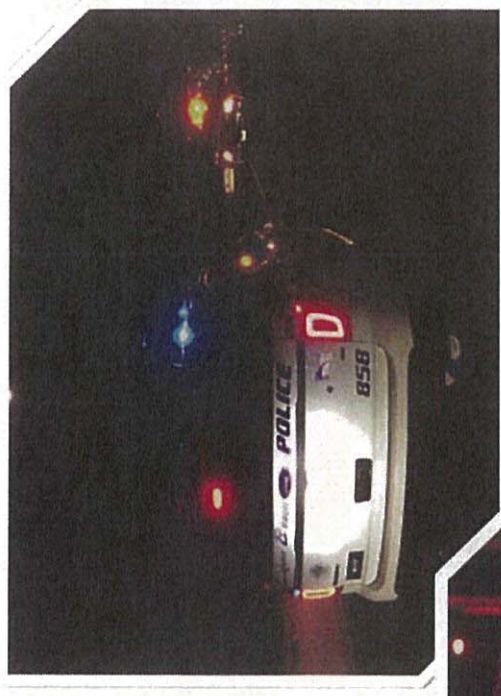




POLICE

Increased Demand for Services

- Calls for service up 12% over 5 years
- Public Disturbances
- Traffic Accidents
- South Laguna beaches
- Community Outreach
- Other events





POLICE

2 Additional Beach Patrol Officers

- Assigned to South Laguna
 - Additional 80 hours of beach patrol/week
- Generally Thursday-Sunday year-round
- Public nuisance issues
 - Smoking, alcohol, drugs, etc.
- Incident-related Traffic Control
- Community Outreach
- Work with OC Parks & OC Lifeguards

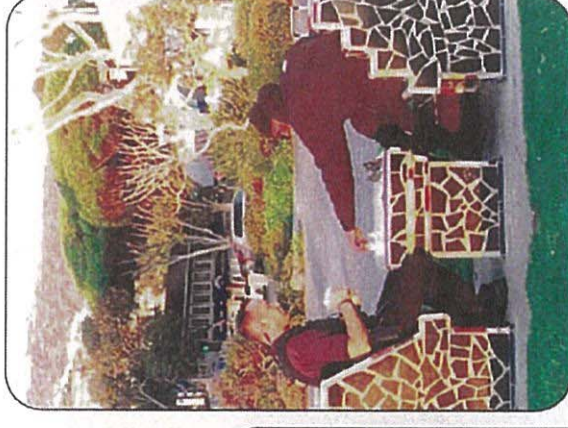




POLICE

1 Additional Community Outreach Officer

- Eliminate gap in service (40 hours/week)
- Works with homeless and mentally ill populations & case workers
- Connects population with necessary services
- Coordinates with County for proper resources and long-term solutions
- Free up officers for other matters



Fire Department

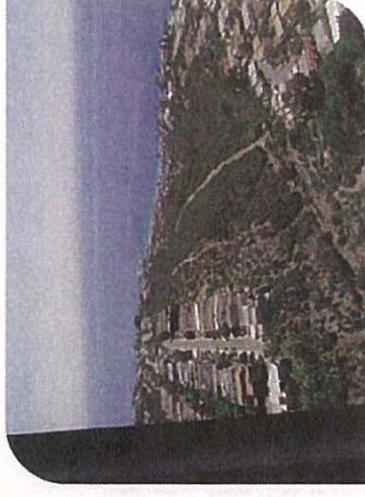
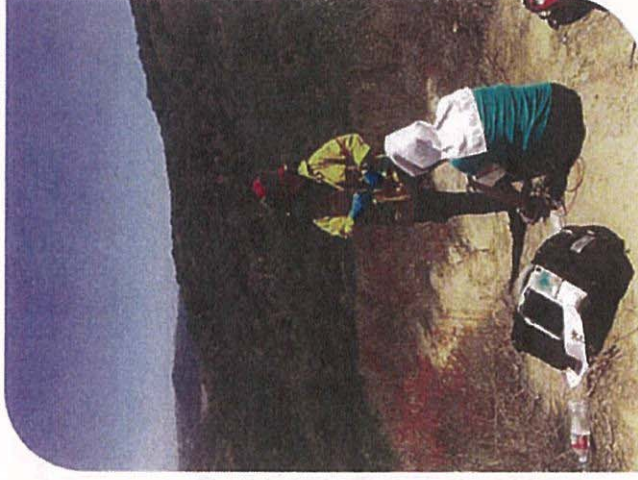
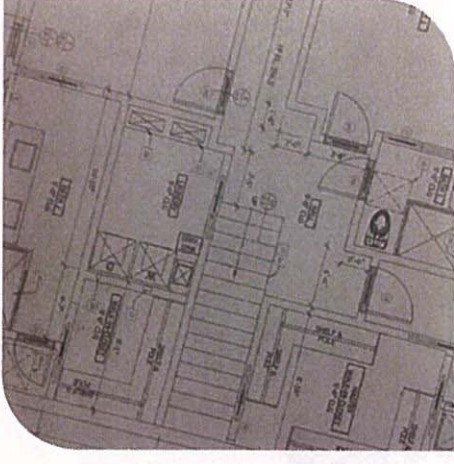




FIRE

Increased Demand for Services

- Emergency response calls (26% increase in last five years)
- Plan Check and Inspection requests
- Fuel Modification Expansion
 - Nyes/Oro Canyon – Completed
 - Hobo Canyon – In Progress
- Neighborhood fire engine access discussions





FIRE

Upgrade Fire Engine to Paramedic Status

- Enhance three firefighter positions to include paramedic certification

Expected Results

- Paramedic coverage at all four fire stations
- Decrease response time
- Greater flexibility with departmental operations

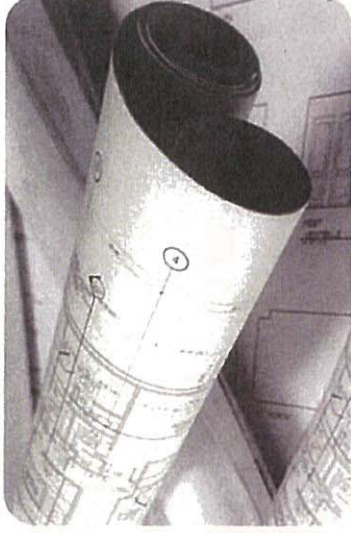




FIRE

Civilian Fire Marshal

- Oversee Fire Prevention
- Plan Checks and Inspections
- Community Education Programs
- Vegetation Management (Fuel Modification and Weed Abatement)

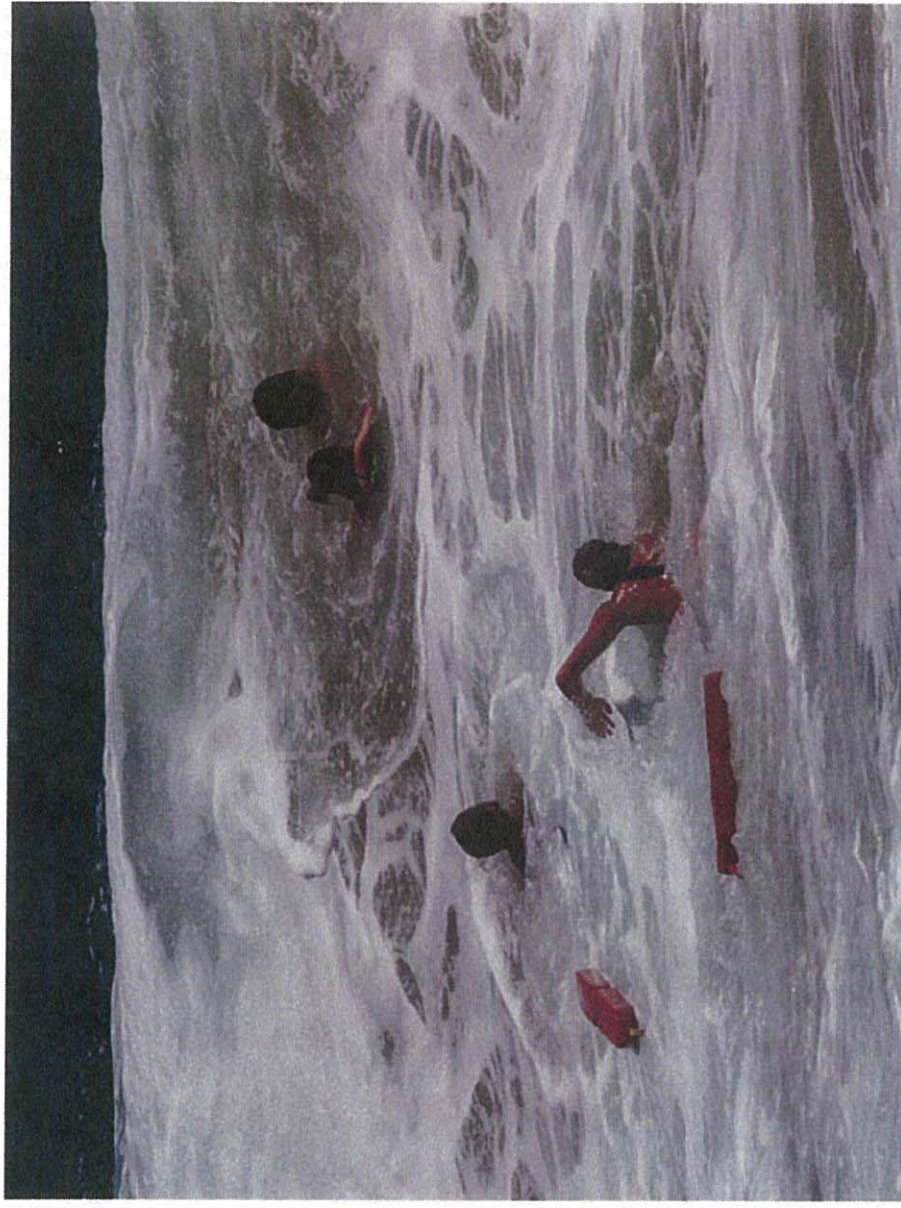


Expected Results

- Consistent point of contact
- Improve turnaround time for plan checks and inspections
- Early participation in construction projects
- Free up resources for other matters



Marine Safety Department



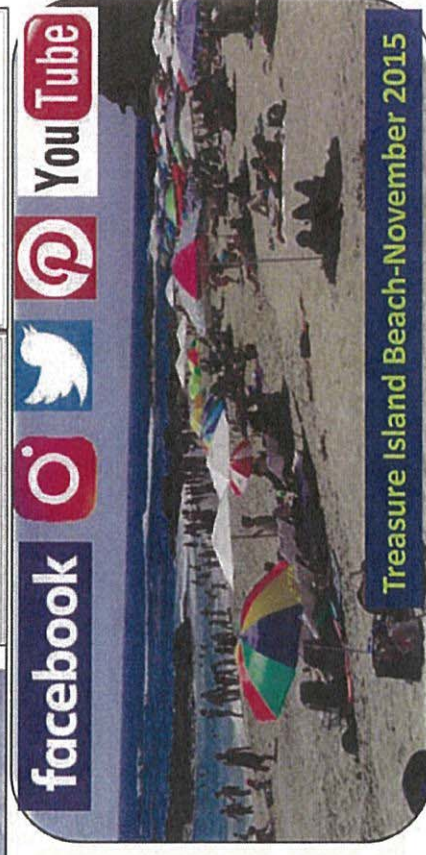
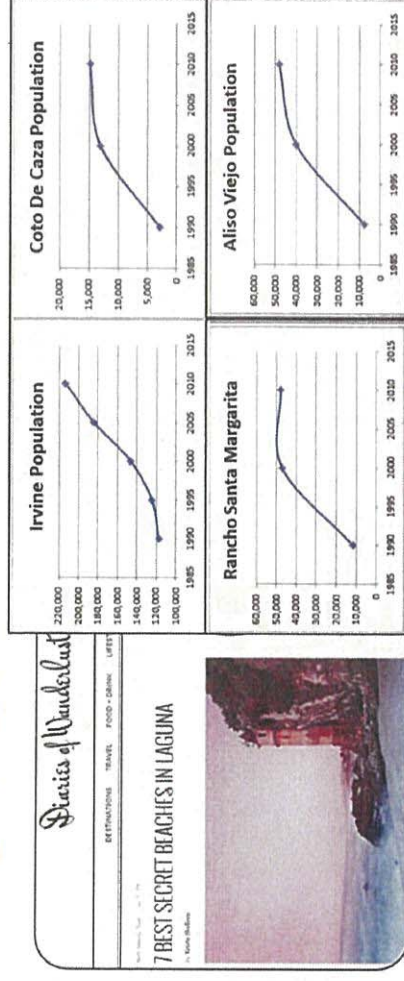
MARINE SAFETY

Increased Year-Round Demand

- Inland Population Growth
- Social Media Presence
- School Scheduling for Breaks

Lead to an Increase in:

- Beach Attendance
- Aquatic Rescues (nearly 400% in 5 years)
- Lifeguard activities
 - Diver & Cliff Rescues; Offshore Responses



MARINE SAFETY

Expected Results

- Additional 200 days of lifeguard tower coverage
- Focus on high-impacted beaches
- Allow for second rescue patrol unit
 - Reduces response time
- Allow staffing for large surf and emergency events



Public Works Department



DRAFT - ATTACHMENT B

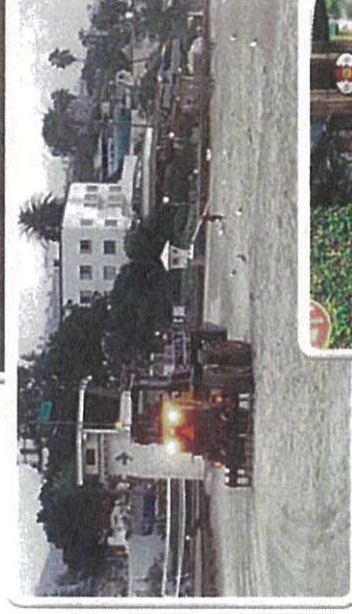
Levels of Service	Peak (June – Sept.)	Proposed (June – Sept.)	Off-Season (Oct.-May)	Proposed (Oct.- May)
Downtown Sidewalk Steam Cleaning	Monthly	5 times a week*	Monthly	2 times a week*
Coast Highway Sidewalk Steam Cleaning	Quarterly	Weekly North Laguna: Broadway to Ledriot South Laguna: Cleo to 5 th Avenue	Quarterly	Monthly North Laguna: Broadway to Ledriot South Laguna: Cleo to 5 th Avenue
Downtown & Coast Highway Daily Cleaning (Litter removal, trash can cleaning, sidewalk sweeping, etc.)	Once Daily in Downtown area	Thurs. – Mon.: All day Tue. – Thurs.: Once Daily	Once Daily in Downtown area	Thurs. – Mon.: All day Tue. – Thurs.: Once Daily
Main Beach and Heisler Park Restrooms	Twice Daily	Hourly cleaning (Dawn to Dusk)	Once Daily	No change

* Highly-traveled areas including Broadway, Ocean, Forest,
and Coast Highway (between Broadway & Ocean)

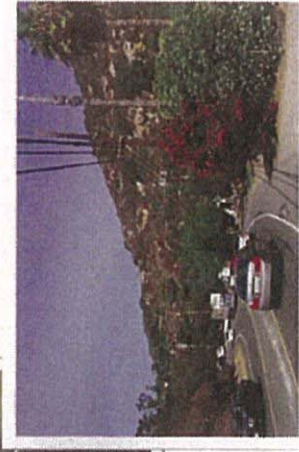
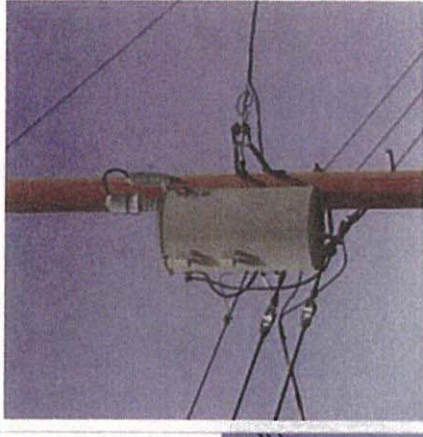
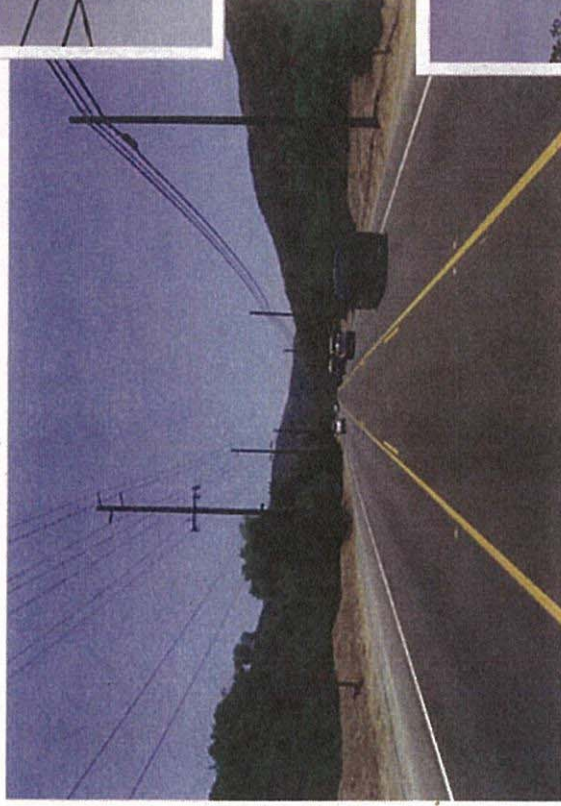
PUBLIC WORKS

Results of "Keepin' It Clean Laguna"

- 80 additional hours/week of cleaning downtown sidewalks, year round
- Coast Highway Sidewalk Steam Cleaning
 - More frequent cleaning between Ledroit & Broadway and Cleo & 5th Avenue
- Additional 42 hours/week of cleaning Main Beach and Heisler Park restrooms during summer months



Utility Undergrounding (\$1 Million/year

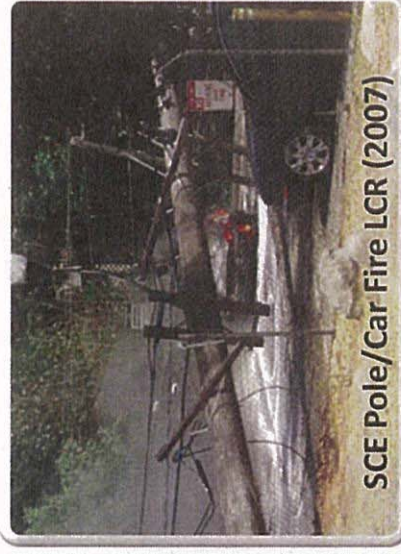
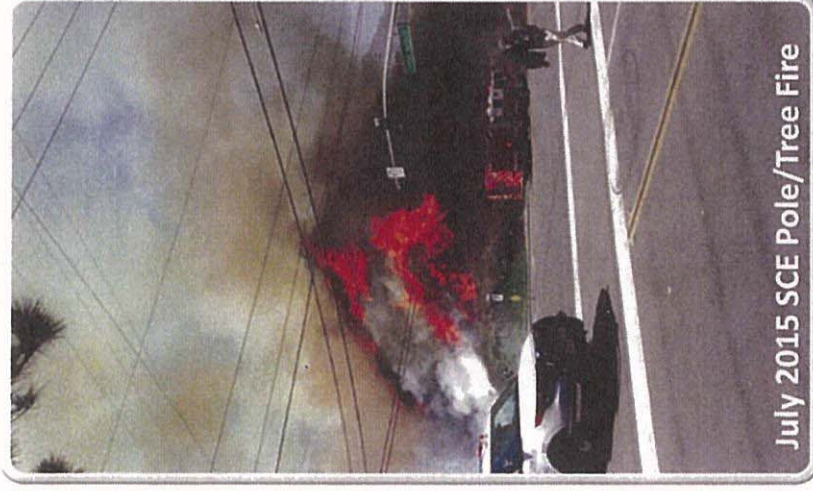


UTILITY UNDERGROUNDING

Benefits of Undergrounding

- Reduce risk of wildfires caused by downed utility lines
- Reduce number of road closures due to downed utility lines
- Reduce number of vehicle collisions with utility poles
- Improve safety to all residents

January 17, 2017 City Council meeting to discuss topic in detail and prioritize options



OTHER ONE-TIME FUNDING ITEMS

Downtown Beautification (\$40K)

- Detailed treatment of heavily stained sidewalks in the downtown area and along Coast Highway
- Beautification treatments and special planting areas

Water Quality Education Video (\$15K)

- Inform public about water quality programs



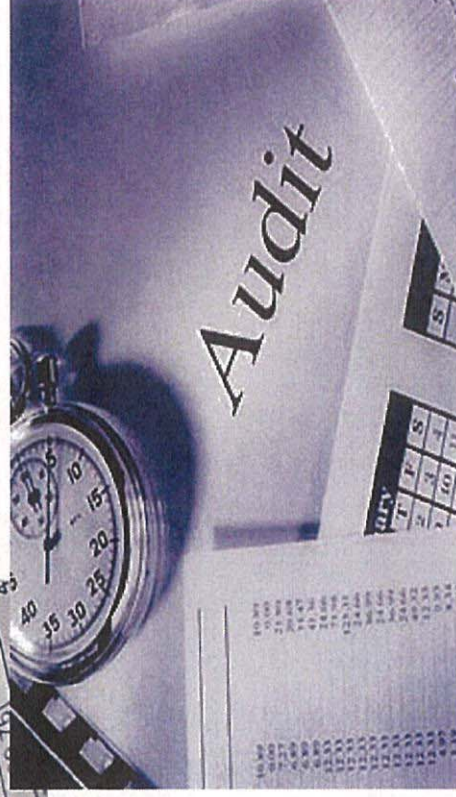
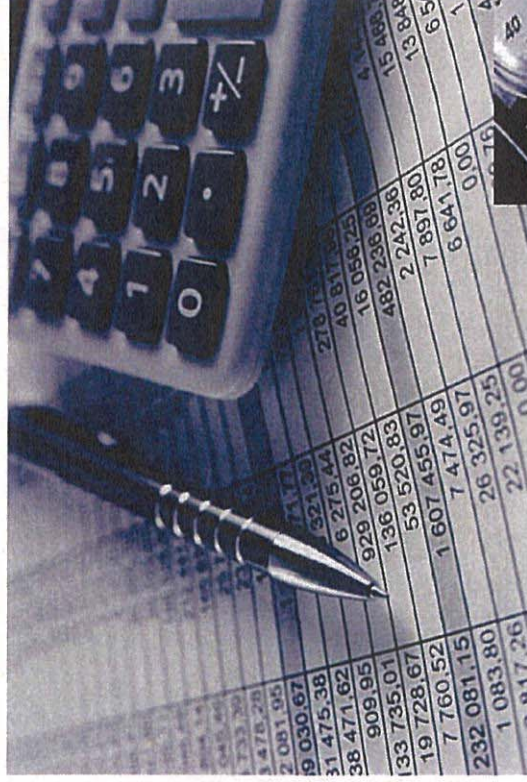
CITY MANAGER RECOMMENDATION

		Appropriate		
		FY 2016-17		FY 2017-18
		One-time	Ongoing	Ongoing
1	Increase in revenue estimate for Transient Occupancy Tax	1,000,000		2,200,000
2	Police	(5,000)	(54,800)	(170,400)
3	Police	(10,000)	(32,800)	(139,000)
4	Fire	(41,000)	(30,900)	(184,900)
5	Fire	(55,800)	0	(57,700)
6	Marine Safety	(1,000)	(60,200)	(191,500)
7	Marine Safety			40,000
8	Marine Safety			(40,000)
9	Public Works	(33,200)	(21,600)	(129,400)
10	Public Works		(16,700)	(50,000)
11	Public Works	(40,000)	(4,100)	(48,900)
12	Public Works	(20,000)	(27,900)	(66,900)
13	Public Works		(40,000)	(120,000)
14	Public Works	(450,000)		(1,000,000)
15	Other	(40,000)		
16	Other	(15,000)		
Total Requested		(711,000)	(289,000)	(2,158,700)
Ending Balance FY 2016-17		289,000	(289,000)	
Ending Balance FY 2017-18				41,300

WISH LIST

			Appropriate	
			One-time	Ongoing
		Beginning Balance		41,300
17	Police	Civilian Investigator	(5,000)	(82,500)
18	Fire	2 Fire Prevention Inspectors	(48,000)	(253,600)
19	Public Works	Sidewalk Steam Cleaning the entire Downtown		(100,000)
20	Other	Wayfinding Signage \$200,000 to \$250,000 (to be discussed at Mid-Year)	(250,000)	
Total Requested			(303,000)	(436,100)
Ending Balance			(303,000)	(394,800)

Accounting & Citizens' Measure LL Audit Oversight Committee



ACCOUNTABILITY AND OVERSIGHT

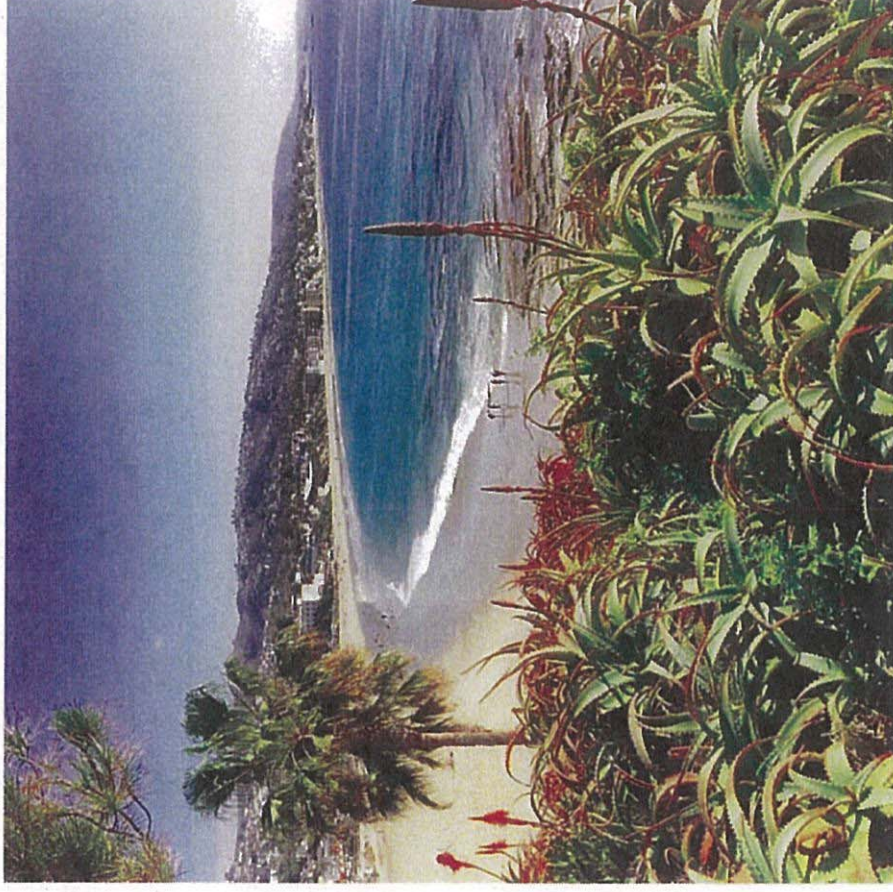
Accounting

- Establish Measure LL Fund
- To record annual revenue and expenditures related to Measure LL
- Purpose: Assist the audit committee in reviewing spending related to Measure LL

Citizens' Measure LL Audit Oversight Committee

- Five-member committee appointed by the City Council – Jan 31
- One five-year term
- Voluntary and without compensation
- Open to Laguna Beach residents
- Purpose: Review annual year end expenditure reports & provide public report to City Council

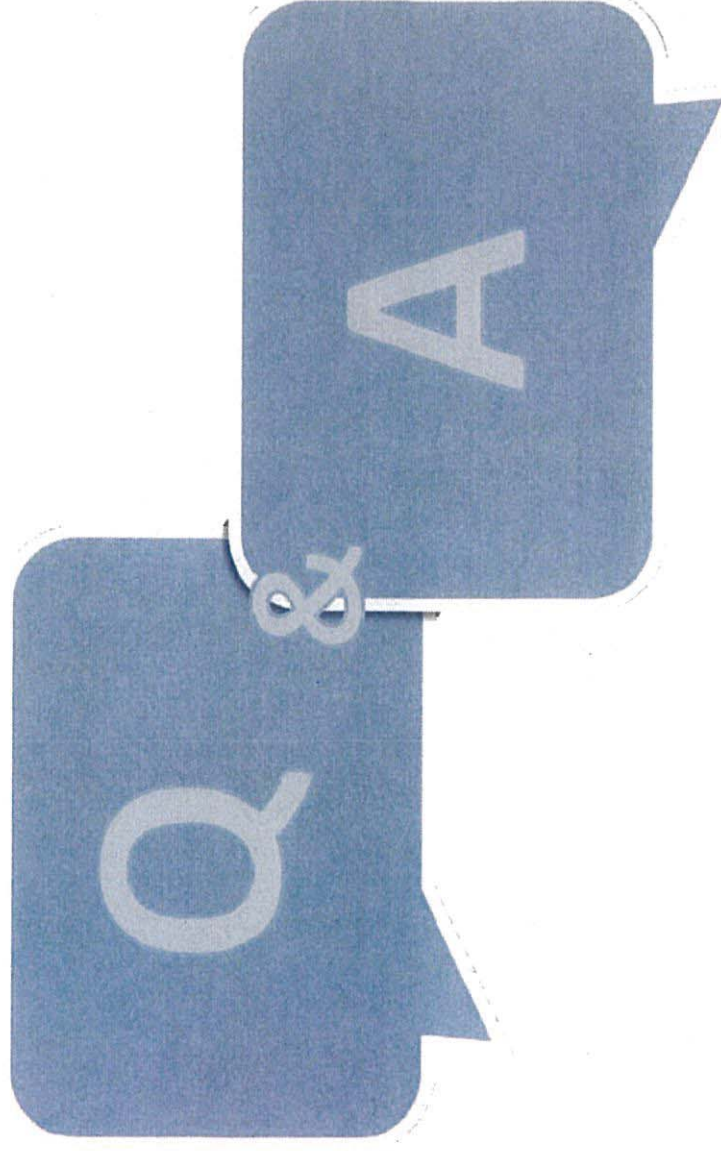
RECOMMENDATIONS



ACTION ITEMS

- Modify the FY 2016-17 Adopted Budget and upcoming FY 2017-18 and FY 2018-19 two-year budget to incorporate the Measure LL TOT Revenue and recommend program costs.
- Modify existing contracts for cleaning and services to enhance cleaning services as soon as practical.
- Approve the Resolution establishing the Measure LL Fund & Creating the Citizens' Measure LL Audit Oversight Committee; and
- Set the date of January 31, 2017, as the date for interviews and appointments of five residents to the Citizens' Measure LL Audit Oversight Committee and set the date of Friday, January 13, 2017, at 4:00 p.m. as the deadline for submitting applications to the City Clerk.

QUESTIONS AND ANSWERS



Addendum 2.1

Revenue Report, Source City Finance Division

General Ledger

00Revenue Budget vs Actual



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 Period 12 - 12
 Fiscal Year 2019

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Uncollected	% Bud vs Actual-Uncoll	One Year Prior Actual	Two Year Prior Actual	Three Year Prior Actual
113 0000	Measure LL Trans Occupancy Tax-Other Other Taxes									
113-00-0000-3112	Trans Occupancy Tax-Other	-2,288,000.00	-2,288,000.00	-587,190.11	-2,381,011.14	93,011.14	-4.07	-2,359,733.54	-1,029,946.68	0.00
113-00-0000-3114	TOT-Short Term Lodging	<u>0.00</u>	<u>0.00</u>	<u>-31,591.82</u>	<u>-101,724.76</u>	<u>101,724.76</u>	<u>0.00</u>	<u>-89,471.62</u>	<u>-34,773.60</u>	<u>0.00</u>
	Other Taxes	-2,288,000.00	-2,288,000.00	-618,781.93	-2,482,735.90	194,735.90	-8.51	-2,449,205.16	-1,064,720.28	0.00
	Use of Money and Property									
113-00-0000-3500	Investment Revenue	<u>0.00</u>	<u>0.00</u>	<u>-13,093.00</u>	<u>-18,840.00</u>	<u>18,840.00</u>	<u>0.00</u>	<u>-11,706.00</u>	<u>0.00</u>	<u>0.00</u>
	Use of Money and Property	<u>0.00</u>	<u>0.00</u>	<u>-13,093.00</u>	<u>-18,840.00</u>	<u>18,840.00</u>	<u>0.00</u>	<u>-11,706.00</u>	<u>0.00</u>	<u>0.00</u>
0000	Investment Revenue	<u>-2,288,000.00</u>	<u>-2,288,000.00</u>	<u>-631,874.93</u>	<u>-2,501,575.90</u>	<u>213,575.90</u>	<u>-9.33</u>	<u>-2,460,911.16</u>	<u>-1,064,720.28</u>	<u>0.00</u>

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Uncollected</u>	<u>% Bud vs Actual-Uncoll</u>	<u>One Year Prior Actual</u>	<u>Two Year Prior Actual</u>	<u>Three Year Prior Actual</u>
00	Revenues	<u>-2,288,000.00</u>	<u>-2,288,000.00</u>	<u>-631,874.93</u>	<u>-2,501,575.90</u>	<u>213,575.90</u>	<u>-9.33</u>	<u>-2,460,911.16</u>	<u>-1,064,720.28</u>	<u>0.00</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
113	Measure LL	-2,288,000.00	-2,288,000.00	-631,874.93	-2,501,575.90	213,575.90	-9.33	-2,460,911.16	-1,064,720.28	0.00

Addendum 2.2

Expenditure Report, Source City Finance Division

General Ledger

Expenditure Budget vs Actual



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 Period 12 - 12
 Fiscal Year 2019

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
113	Measure LL								
2102	Police Field Services								
	Salaries & Wages								
113-20-2102-1001	Salaries, Full Time	207,000.00	207,000.00	15,512.87	219,403.15	0.00	105.99	-12,403.15	216,442.05
113-20-2102-1006	Salaries, Overtime	0.00	0.00	585.22	9,280.83	0.00	0.00	-9,280.83	0.00
113-20-2102-1009	Salaries, Redistributed	39,400.00	39,400.00	3,281.00	39,372.00	0.00	99.93	28.00	39,400.00
113-20-2102-1038	New Sick Leave Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,000.00
113-20-2102-1040	Vacation Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,100.00
113-20-2102-1053	Holiday Allowance	0.00	0.00	2,473.45	3,895.62	0.00	0.00	-3,895.62	0.00
113-20-2102-1101	P.E.R.S. Retirement	24,800.00	24,800.00	2,789.99	34,739.83	0.00	140.08	-9,939.83	31,533.09
113-20-2102-1201	Workers' Compensation	3,200.00	3,200.00	267.00	3,204.00	0.00	100.13	-4.00	3,000.00
113-20-2102-1300	Employee Group Insurance	59,700.00	59,700.00	4,975.00	59,700.00	0.00	100.00	0.00	55,500.00
113-20-2102-1318	Medicare Insurance	3,000.00	3,000.00	269.27	3,376.23	0.00	112.54	-376.23	3,370.40
	Salaries & Wages	339,100.00	339,100.00	30,319.80	374,963.66	0.00	110.58	-35,863.66	351,345.54
	Maintenance & Operations								
113-20-2102-2001	Uniforms And Laundry	1,000.00	1,000.00	0.00	5,870.30	0.00	587.03	-4,870.30	1,066.44
113-20-2102-2031	Telephone	0.00	0.00	30.46	395.98	0.00	0.00	-395.98	395.98
113-20-2102-2170	General Insurance	3,200.00	3,200.00	267.00	3,204.00	0.00	100.13	-4.00	3,000.00
	Maintenance & Operations	4,200.00	4,200.00	297.46	9,470.28	0.00	225.48	-5,270.28	4,462.42
2102	Police Field Services	343,300.00	343,300.00	30,617.26	384,433.94	0.00	111.98	-41,133.94	355,807.96

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Encumber</u>	<u>100% Used</u>	<u>Unencum. Bal</u>	<u>Prior Actual</u>
2112	MBHeisler Park Patrol								
	Salaries & Wages								
113-20-2112-1003	Salaries, Part Time	0.00	20,000.00	2,803.10	15,837.02	0.00	79.19	4,162.98	0.00
113-20-2112-1006	Salaries, Overtime	0.00	87,000.00	7,108.50	82,712.52	0.00	95.07	4,287.48	0.00
113-20-2112-1101	P.E.R.S. Retirement	0.00	0.00	-6.46	-98.66	0.00	0.00	98.66	0.00
113-20-2112-1103	P.A.R.S. Retirement	0.00	2,000.00	147.20	690.33	0.00	34.52	1,309.67	0.00
113-20-2112-1318	Medicare Insurance	0.00	1,500.00	133.13	1,349.96	0.00	90.00	150.04	0.00
		<u>0.00</u>	<u>110,500.00</u>	<u>10,185.47</u>	<u>100,491.17</u>	<u>0.00</u>	<u>90.94</u>	<u>10,008.83</u>	<u>0.00</u>
	Salaries & Wages	<u>0.00</u>	<u>110,500.00</u>	<u>10,185.47</u>	<u>100,491.17</u>	<u>0.00</u>	<u>90.94</u>	<u>10,008.83</u>	<u>0.00</u>
2112	MBHeisler Park Patrol	<u>0.00</u>	<u>110,500.00</u>	<u>10,185.47</u>	<u>100,491.17</u>	<u>0.00</u>	<u>90.94</u>	<u>10,008.83</u>	<u>0.00</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
20	Police Department	343,300.00	453,800.00	40,802.73	484,925.11	0.00	106.86	-31,125.11	355,807.96
2401	Fire Operations								
	Salaries & Wages								
113-24-2401-1001	Salaries, Full Time	57,200.00	57,200.00	47,368.80	48,810.76	0.00	85.33	8,389.24	10,169.50
113-24-2401-1006	Salaries, Overtime	33,600.00	33,600.00	29,335.07	32,234.94	0.00	95.94	1,365.06	33,552.80
113-24-2401-1101	P.E.R.S. Retirement	9,600.00	9,600.00	5,447.41	5,618.28	0.00	58.52	3,981.72	1,594.40
113-24-2401-1318	Medicare Insurance	<u>1,300.00</u>	<u>1,300.00</u>	<u>1,112.21</u>	<u>1,175.16</u>	<u>0.00</u>	<u>90.40</u>	<u>124.84</u>	<u>678.18</u>
	Salaries & Wages	101,700.00	101,700.00	83,263.49	87,839.14	0.00	86.37	13,860.86	45,994.88
	Maintenance & Operations								
113-24-2401-2011	Training Travel and Dues	<u>6,000.00</u>	<u>11,300.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,300.00</u>	<u>602.00</u>
	Maintenance & Operations	6,000.00	11,300.00	0.00	0.00	0.00	0.00	11,300.00	602.00
	Special Programs								
113-24-2401-8721	Paramedics	<u>0.00</u>	<u>4,000.00</u>	<u>1,048.80</u>	<u>5,622.89</u>	<u>0.00</u>	<u>140.57</u>	<u>-1,622.89</u>	<u>28,466.78</u>
	Special Programs	<u>0.00</u>	<u>4,000.00</u>	<u>1,048.80</u>	<u>5,622.89</u>	<u>0.00</u>	<u>140.57</u>	<u>-1,622.89</u>	<u>28,466.78</u>
2401	Fire Operations	107,700.00	117,000.00	84,312.29	93,462.03	0.00	79.88	23,537.97	75,063.66

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
2501	Fire Prevention								
	Salaries & Wages								
113-24-2501-1001	Salaries, Full Time	131,000.00	131,000.00	9,876.01	128,388.14	0.00	98.01	2,611.86	119,448.57
113-24-2501-1006	Salaries, Overtime	0.00	0.00	0.00	5,508.96	0.00	0.00	-5,508.96	0.00
113-24-2501-1009	Salaries, Redistributed	0.00	-62,000.00	-5,167.00	-62,004.00	0.00	100.01	4.00	0.00
113-24-2501-1038	New Sick Leave Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,000.00
113-24-2501-1040	Vacation Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,100.00
113-24-2501-1101	P.E.R.S. Retirement	21,900.00	21,900.00	955.01	12,415.14	0.00	56.69	9,484.86	10,847.01
113-24-2501-1201	Workers' Compensation	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,000.00
113-24-2501-1300	Employee Group Insurance	19,900.00	19,900.00	1,658.00	19,896.00	0.00	99.98	4.00	18,500.00
113-24-2501-1318	Medicare Insurance	<u>1,900.00</u>	<u>1,900.00</u>	<u>143.20</u>	<u>1,941.50</u>	<u>0.00</u>	<u>102.18</u>	<u>-41.50</u>	<u>2,220.18</u>
	Salaries & Wages	177,700.00	115,700.00	7,714.22	109,133.74	0.00	94.32	6,566.26	154,115.76
	Maintenance & Operations								
113-24-2501-2001	Uniforms And Laundry	1,000.00	1,000.00	0.00	0.00	0.00	0.00	1,000.00	1,000.00
113-24-2501-2031	Telephones	800.00	800.00	85.44	584.89	0.00	73.11	215.11	1,672.16
113-24-2501-2051	Gas And Lubricants	1,200.00	1,200.00	100.90	1,490.42	0.00	124.20	-290.42	222.70
113-24-2501-2150	Rents And Leases	6,700.00	6,700.00	558.00	6,696.00	0.00	99.94	4.00	6,696.00
113-24-2501-2170	General Insurance	<u>1,000.00</u>	<u>1,000.00</u>	<u>83.00</u>	<u>996.00</u>	<u>0.00</u>	<u>99.60</u>	<u>4.00</u>	<u>1,000.00</u>
	Maintenance & Operations	10,700.00	10,700.00	827.34	9,767.31	0.00	91.28	932.69	10,590.86
	Capital Equipment								
113-24-2501-5510	Automotive Equipment	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>
	Capital Equipment	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>
2501	Fire Prevention	<u>188,400.00</u>	<u>166,400.00</u>	<u>8,541.56</u>	<u>118,901.05</u>	<u>0.00</u>	<u>71.45</u>	<u>47,498.95</u>	<u>164,706.62</u>

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
24	Fire Department	296,100.00	283,400.00	92,853.85	212,363.08	0.00	74.93	71,036.92	239,770.28
2601	Marine Safety								
	Salaries & Wages								
113-26-2601-1001	Salaries, Full Time	143,000.00	143,000.00	12,368.24	142,164.14	0.00	99.42	835.86	137,204.29
113-26-2601-1003	Salaries, Part Time	19,000.00	19,000.00	762.26	19,540.97	0.00	102.85	-540.97	19,007.96
113-26-2601-1006	Salaries, Overtime	0.00	0.00	486.39	14,932.27	0.00	0.00	-14,932.27	0.00
113-26-2601-1038	New Sick Leave Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,000.00
113-26-2601-1040	Vacation Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,100.00
113-26-2601-1053	Holiday Allowance	0.00	0.00	0.00	274.52	0.00	0.00	-274.52	0.00
113-26-2601-1101	P.E.R.S. Retirement	22,700.00	22,700.00	1,499.38	17,597.67	0.00	77.52	5,102.33	16,299.65
113-26-2601-1103	P.A.R.S. Retirement	800.00	800.00	28.59	948.75	0.00	118.59	-148.75	539.55
113-26-2601-1201	Workers' Compensation	2,100.00	2,100.00	175.00	2,100.00	0.00	100.00	0.00	2,000.00
113-26-2601-1300	Employee Group Insurance	39,800.00	39,800.00	3,317.00	39,804.00	0.00	100.01	-4.00	37,000.00
113-26-2601-1318	Medicare Insurance	<u>2,300.00</u>	<u>2,300.00</u>	<u>197.43</u>	<u>2,642.87</u>	<u>0.00</u>	<u>114.91</u>	<u>-342.87</u>	<u>2,458.20</u>
	Salaries & Wages	231,700.00	231,700.00	19,000.29	241,997.19	0.00	104.44	-10,297.19	216,609.65
	Maintenance & Operations								
113-26-2601-2001	Uniforms And Laundry	500.00	500.00	0.00	500.00	0.00	100.00	0.00	0.00
113-26-2601-2011	Training, Travel And Dues	1,000.00	1,000.00	65.10	718.10	0.00	71.81	281.90	0.00
113-26-2601-2170	General Insurance	<u>2,100.00</u>	<u>2,100.00</u>	<u>175.00</u>	<u>2,100.00</u>	<u>0.00</u>	<u>100.00</u>	<u>0.00</u>	<u>2,000.00</u>
	Maintenance & Operations	<u>3,600.00</u>	<u>3,600.00</u>	<u>240.10</u>	<u>3,318.10</u>	<u>0.00</u>	<u>92.17</u>	<u>281.90</u>	<u>2,000.00</u>
2601	Marine Safety	235,300.00	235,300.00	19,240.39	245,315.29	0.00	104.26	-10,015.29	218,609.65

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Encumber</u>	<u>100% Used</u>	<u>Unencum. Bal</u>	<u>Prior Actual</u>
2610	Main Beach Detail								
	Salaries & Wages								
113-26-2610-1003	Part-Time	0.00	42,000.00	7,263.69	39,035.45	0.00	92.94	2,964.55	0.00
113-26-2610-1103	PARS	0.00	1,500.00	295.97	1,307.67	0.00	87.18	192.33	0.00
113-26-2610-1318	Medicare	<u>0.00</u>	<u>1,000.00</u>	<u>105.24</u>	<u>483.57</u>	<u>0.00</u>	<u>48.36</u>	<u>516.43</u>	<u>0.00</u>
	Salaries & Wages	<u>0.00</u>	<u>44,500.00</u>	<u>7,664.90</u>	<u>40,826.69</u>	<u>0.00</u>	<u>91.75</u>	<u>3,673.31</u>	<u>0.00</u>
2610	Main Beach Detail	<u>0.00</u>	<u>44,500.00</u>	<u>7,664.90</u>	<u>40,826.69</u>	<u>0.00</u>	<u>91.75</u>	<u>3,673.31</u>	<u>0.00</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
26	Marine Safety	235,300.00	279,800.00	26,905.29	286,141.98	0.00	102.27	-6,341.98	218,609.65
3104	Park & Building Maintenance								
	Maintenance & Operations								
113-30-3104-2401	Contractual Services	<u>83,100.00</u>	<u>83,100.00</u>	<u>10,934.28</u>	<u>44,676.56</u>	<u>-854.28</u>	<u>53.76</u>	<u>39,277.72</u>	<u>53,362.00</u>
	Maintenance & Operations	83,100.00	83,100.00	10,934.28	44,676.56	-854.28	53.76	39,277.72	53,362.00
	Special Programs								
113-30-3104-8720	Downtown Beautification	<u>0.00</u>	<u>14,000.00</u>	<u>0.00</u>	<u>24,554.07</u>	<u>0.00</u>	<u>175.39</u>	<u>-10,554.07</u>	<u>26,041.58</u>
	Special Programs	0.00	14,000.00	0.00	24,554.07	0.00	175.39	-10,554.07	26,041.58
3104	Park & Building Maintenance	83,100.00	97,100.00	10,934.28	69,230.63	-854.28	71.30	28,723.65	79,403.58

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	100% Used	Unencum. Bal	Prior Actual
3106	Street Maintenance								
	Salaries & Wages								
113-30-3106-1001	Salaries, Full Time	84,900.00	84,900.00	5,369.55	69,424.67	0.00	81.77	15,475.33	56,619.68
113-30-3106-1006	Salaries, Overtime	0.00	0.00	402.72	6,933.77	0.00	0.00	-6,933.77	481.28
113-30-3106-1038	New Sick Leave Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,000.00
113-30-3106-1040	Vacation Payoff	1,000.00	1,000.00	83.00	996.00	0.00	99.60	4.00	1,100.00
113-30-3106-1101	P.E.R.S. Retirement	19,000.00	19,000.00	521.22	6,739.17	0.00	35.47	12,260.83	5,187.50
113-30-3106-1201	Workers' Compensation	2,100.00	2,100.00	175.00	2,100.00	0.00	100.00	0.00	2,000.00
113-30-3106-1300	Employee Group Insurance	19,900.00	19,900.00	1,658.00	19,896.00	0.00	99.98	4.00	18,500.00
113-30-3106-1318	Medicare Insurance	<u>1,200.00</u>	<u>1,200.00</u>	<u>83.69</u>	<u>1,107.19</u>	<u>0.00</u>	<u>92.27</u>	<u>92.81</u>	<u>866.92</u>
	Salaries & Wages	129,100.00	129,100.00	8,376.18	108,192.80	0.00	83.81	20,907.20	85,755.38
	Maintenance & Operations								
113-30-3106-2001	Uniforms And Laundry	1,300.00	1,300.00	174.84	285.31	0.00	21.95	1,014.69	0.00
113-30-3106-2051	Gas & Lubricants	1,000.00	1,000.00	443.95	3,578.75	0.00	357.88	-2,578.75	2,670.81
113-30-3106-2222	Repairs and Maint. Other	3,000.00	3,000.00	0.00	0.00	0.00	0.00	3,000.00	2,842.11
113-30-3106-2401	Contractual Services	<u>164,200.00</u>	<u>164,200.00</u>	<u>24,696.00</u>	<u>163,506.00</u>	<u>0.00</u>	<u>99.58</u>	<u>694.00</u>	<u>163,671.00</u>
	Maintenance & Operations	<u>169,500.00</u>	<u>169,500.00</u>	<u>25,314.79</u>	<u>167,370.06</u>	<u>0.00</u>	<u>98.74</u>	<u>2,129.94</u>	<u>169,183.92</u>
3106	Street Maintenance	298,600.00	298,600.00	33,690.97	275,562.86	0.00	92.28	23,037.14	254,939.30

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Encumber</u>	<u>100% Used</u>	<u>Unencum. Bal</u>	<u>Prior Actual</u>
3107	Utility Undergrounding Capital Improvements								
113-30-3107-9742	Faciliate Evacuation RtSafety	0.00	900,000.00	0.00	0.00	0.00	0.00	900,000.00	0.00
113-30-3107-9743	Legislative & Regulation Costs	<u>0.00</u>	<u>100,000.00</u>	<u>-100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>0.00</u>
	Capital Improvements	<u>0.00</u>	<u>1,000,000.00</u>	<u>-100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>	<u>0.00</u>
3107	Utility Undergrounding	<u>0.00</u>	<u>1,000,000.00</u>	<u>-100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>	<u>0.00</u>
		—	—	—	—	—	—	—	—

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Encumber</u>	<u>100% Used</u>	<u>Unencum. Bal</u>	<u>Prior Actual</u>
30	Public Works	381,700.00	1,395,700.00	-55,374.75	344,793.49	-854.28	24.70	1,051,760.79	334,342.88
3303	Water Quality Special Programs								
113-37-3303-8314	WQ Education Video	<u>0.00</u>	<u>14,400.00</u>	<u>3,000.00</u>	<u>4,585.86</u>	<u>0.00</u>	<u>31.85</u>	<u>9,814.14</u>	<u>-110.29</u>
	Special Programs	<u>0.00</u>	<u>14,400.00</u>	<u>3,000.00</u>	<u>4,585.86</u>	<u>0.00</u>	<u>31.85</u>	<u>9,814.14</u>	<u>-110.29</u>
3303	Water Quality	<u>0.00</u>	<u>14,400.00</u>	<u>3,000.00</u>	<u>4,585.86</u>	<u>0.00</u>	<u>31.85</u>	<u>9,814.14</u>	<u>-110.29</u>
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

<u>Acct Number</u>	<u>Description</u>	<u>Start Budget</u>	<u>End Budget</u>	<u>Report Period</u>	<u>Yr To Date</u>	<u>Encumber</u>	<u>100% Used</u>	<u>Unencum. Bal</u>	<u>Prior Actual</u>
37	Water Quality	<u>0.00</u>	<u>14,400.00</u>	<u>3,000.00</u>	<u>4,585.86</u>	<u>0.00</u>	<u>31.85</u>	<u>9,814.14</u>	<u>-110.29</u>
		—	—	—	—	—	—	—	—
113	Measure LL	1,256,400.00	2,427,100.00	108,187.12	1,332,809.52	-854.28	54.91	1,095,144.76	1,148,420.48

Addendum 2.3

Staff Report, June 12, 2018 Adoption of FY 2018-19

December 11, 2018 Staff Report

City of Laguna Beach
AGENDA BILL

No. **13**
Meeting Date: 06/12/2018

SUBJECT: MODIFICATIONS TO THE FY 2017-18 AND FY 2018-19 ADOPTED BUDGET

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

Last year, on June 27, 2017, the City Council adopted the two-year budget for Fiscal Year 2017-18 and 2018-19. Staff is returning to the City Council to summarize some of the highlights of the two-year budget; present a list of recommended changes to the FY 2018-19 Budget (Table 1), and request modifications to the current year Budget, FY 2017-18.

Also, staff is requesting the City Council provide direction regarding the allocation of Community Assistance Grants, setting the salary for the City Clerk and City Treasurer, and adopting the City's annual GANN Limit.

II. TWO-YEAR BUDGET HIGHLIGHTS

On July 1, 2018, the City will begin the second year of the two-year budget. Some of the more notable service enhancements and capital improvement projects included in the two-year budget are:

- The Police Department staffing is at the highest number of authorized employees in its history, at 52 sworn positions and 45 non-sworn for a total of 97 full-time positions.
- The Fire Department budget includes the upgrade of three paramedic positions, the addition of a Civilian Fire Marshal Position, Staff Fire Captain, and the expansion of the fuel modification program.
- Additional clerical and administrative support services were added to Public Works and Community Development.
- \$5.7 million in contributions (\$2.7M in FY 2018-19) to the Coast Highway sidewalk improvements, a \$40 million Caltrans project to install sidewalk south of Moss Street to approximately 7th street.
- \$3.4 million (\$1.4M in FY 2018-19) in discretionary payments to pay down the City's unfunded pension liability.
- \$4.5 million (\$2.3M in FY 2018-19) in Measure LL funding for public safety services, enhanced cleaning in the and maintenance services in the downtown and main beach areas, and funding for utility undergrounding.
- \$1.3 million for the Jasmine Street Storm Drain Installation, FY 2018-19.

RECOMMENDATION: It is recommended that the City Council:

(See Page 6)

Appropriations Requested: \$ _____

Attachments: See Page 6

Submitted by: Nancy Pauley
Nancy Pauley, Finance Officer

Gavin Curran
Gavin Curran, Director of Admin Services

Approved: John P. Kelly
City Manager

Changes to FY 2018-19 Budget

June 12, 2018

Page 2

- \$1 million for slurry seal and rehabilitation in public streets south of Cardinal Drive, FY 2018-19.
- \$6.4 million (\$3.7 in FY 2018-19) in sewer capital improvement projects.
- \$1 million to perform structural retrofits to the Glenneyre Parking Structure, FY 2018-19.
- \$800,000 toward future City facilities funding, FY 2018-19.
- \$1 million toward the Information Technology Master Plan, FY 2017-18.
- \$450,000 toward PERS costs in conformance with the ongoing pension strategic plan.

Overall, the economic outlook for the City remains positive. The forecast for the major revenues remains unchanged for next year including a projected 4.5% increase in property tax, a 4% increase in hotel tax, and a 2% increase in sales tax. The major funds, included the Parking, Street Lighting, Capital Improvement and Transit fund are adequately funded; and the 20% General Fund reserve and the 10% Disaster Contingency reserve remain intact. In total, the adopted budget for FY 2018-19 is \$97 million. The General Fund, the City's primary operating fund, is \$64.3 million.

III. PENSIONS

Over the past eight years, the City Council has approved several strategies to try and address the unfunded pension liability. In 2010, the City Council approved borrowing funds internally to pay off the \$10 million CalPERS "Side Fund" for Police, Fire and Lifeguard safety plans saving \$4 million. In 2013, the City Council approved higher employee contributions ranging from 8% to 12% of salary, saving \$1.7 million. In 2014, the City Council approved paying approximately \$10 million in discretionary payments over five years to accelerate further the payoff of the unfunded pension liability saving roughly \$27 million. These strategies were in addition to the California Public Employees' Pension Reform Act (PEPRA), a state-wide cost-cutting measure for pensions. In total, these city programs have contributed over \$19 million toward paying down the City's unfunded pension liability, with \$1.4 million of that amount programmed into the FY 2018-19 Budget.

CalPERS, however, continues to remain underfunded. Faced with lower than expected investment returns and a challenging investment outlook over the next decade, CalPERS lowered its rate of return on investments from 7.5% to 7%. This decision is expected to have a significant negative impact on city budgets throughout California for the next several years. The change discount rate will be phased in over five years and is expected to increase the City's payment to CalPERS by an additional \$2.8 million by FY 2024-25. However, in June 2017, the City Council approved a new strategy to incrementally appropriate ongoing revenues above budget estimates toward future increases in pension payments with a target of \$2.8 million by FY 2024-25. Attachment J details this initiative.

IV. PROPOSED CHANGES TO THE FY 2018-19 ADOPTED BUDGET

Staff is recommending several changes to the FY 2018-19 Budget. These changes are summarized in Table 1 below. A detailed explanation of each item is included in Attachment A.

TABLE 1 - RECOMMENDED FY 2018-19 CHANGES

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$241,900	\$89,500
1	Administrative Services	Increase Property Tax In-Lieu VLF Revenue		145,000
2	Community Services	Alternative Sleeping Location		(140,000)
3	City Attorney	City Attorney General Monthly Retainer Annual Increase		(42,000)
4	Community Services	Possible Revisions to the School District Joint Use Agreement		(20,000)
5	Community Development	Historical Inventory Consultant		(30,000)
6	Police	Drug Enforcement Agency (DEA) Taskforce Vehicle Rental (4 years)	(33,600)	
7	Community Services	Pool Roof Replacement (70%, LBUSD 30%)	(50,000)	
8	Community Development	Funding to continue Planning Intern in Community Development for additional year	(50,000)	
9	Public Works	California Green Business Grant \$20,000 to enhance green business certification (net 0)		
10	Community Services	Community Development Block Grant \$7,800 increase funding to the ASL (net 0)		
			\$158,300	
Remaining Ongoing Balance				\$ 2,500

If the City Council approves items 1-10, this will bring the available balance of one-time funds to \$158,300, and \$2,500 in ongoing funds. The General Fund operating budget would remain balanced with the 20% General Fund reserve intact. Departments have requested additional items as shown in Table 2 below. Some of the one-time items could be incorporated into the budget within the limited available funds. Additional information on these items is included in Attachment B.

TABLE 2 - UNFUNDED REQUESTS

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$158,300	\$ 2,500
1	Community Services	Senior Services Coordinator to Recreation Supervisor		(7,800)
2	Administrative Services	IT Equipment-Supplemental Funding for Equipment	(100,000)	
3	Public Works	PW Strategic Plan - Urban Forest Management Plan	(100,000)	
4	Administrative Services	Finance Division: Administrative Analyst		(117,800)
5	Public Works	PW Strategic Plan - Senior Operations Supervisor (Includes Vehicle and Equipment)	(40,300)	(135,700)
6	Public Works	PW Strategic Plan - Tree Maintenance Worker II (Includes Vehicle and Equipment)	(35,500)	(93,400)
7	Public Works	PW Strategic Plan - Administrative Analyst		(92,800)
8	Administrative Services	Digital Communications from part-time to full-time		(85,000)
9	Community Development	Consultant for Laguna Canyon Specific Plan	(100,000)	
10	Community Development	Part-Time Office Assistant - Building		(22,000)
11	Community Development	Associate Planner to Senior Planner		(13,000)
			(\$375,800)	
Remaining Ongoing Balance				\$ (565,000)

Other Funds:

It is recommended the City Council approve a \$20,000 transfer from the Parking Fund into the Transit Fund and appropriate this *one-time* funding for the Transit Neighborhood Trolley Services marketing and outreach materials. Reserve ongoing funding of \$700,000 in the Street Lighting Fund and \$800,000 in the Parking Fund toward utility undergrounding to supplement the sales tax measure, if passed by voters in November 2018. Additionally, staff is recommending the City Council approve the transfer of the Janitorial and Maintenance Contract and oversight for the Susi Q Center, for \$90,000, from the Public Works Department to the Community Services Department.

These changes and the changes noted in Table 1 are incorporated in the Beginning and Ending Fund Balances Schedule for all funds included as Attachment C.

V. CAPITAL EQUIPMENT

The FY 2018-19 Adopted Budget includes an unallocated balance of \$126,900 for capital equipment. Staff is recommending allocating \$74,900 of that amount to a network firewall and equipment identified in the IT Master Plan (\$65,500), replacement computers (\$2,400) and storm drain cameras (\$7,000).

VI. CULTURAL ARTS

The Arts Commission has submitted recommendations for Cultural Arts Grants. Attachment D includes the fourteen proposed grant awards and a summary of each. The Cultural Arts Grants are funded through the Business Improvement District (BID) program and the total amount awarded for FY 2018-19 is \$237,600.

VII. COMMUNITY ASSISTANCE

This year Mayor Boyd and Councilmember Iseman have volunteered to review the numerous community assistant grant applications, a program that is funded through the City lease with the Festival of Arts. Attachment E depicts their recommendations for the distribution of funding.

VIII. SALARY CHANGES

The FY 2018-19 budget already includes salary adjustments for City employees based on current Memorandum of Understanding (MOU) with each bargaining group. No adjustments are recommended at this time

However, each year the City Council must set the specific salary of the City Treasurer and City Clerk. The City Treasurer is currently at the top of her salary band and receiving 5% performance pay. The City Clerk was moved to the top of the salary band last year and is now eligible to receive performance pay. The City Council needs to determine if exceptional performance pay is warranted for one or both positions and what amount, up to a maximum of 5%.

Finally, included with this report as Attachment F is the resolution ratifying the Classification Title and Range Assignments and salary schedule for FY 2018-19.

IX. CONSTITUTIONAL APPROPRIATIONS LIMIT (GANN LIMIT)

Each year, the City must adopt the GANN Limit. This is a limit on the amount of revenue derived from tax proceeds that could be spent in a given year. Laguna Beach has never been in jeopardy of exceeding this limit. Attachment G is a resolution to satisfy this State mandate for FY 2018-19.

X. MODIFICATION OF THE 2017-18 ADOPTED BUDGET

Each year, staff may request changes to the existing budget due to unanticipated occurrences that happen during the year. The following adjustments are recommended for FY 2017-18:

General Fund: This year, the Fire Department provided mutual aid for thirteen California Wildfires, one of the highest since the program inception. To help mitigate the impact of overtime costs in the Fire Department budget and account for the State reimbursement of those costs, staff is recommending the City Council increase revenue estimate and appropriate \$580,000 for the overtime costs and by the same amount. It is also recommended the City Council appropriate \$100,000 in one-time funding to supplement expenditures associated with the recent Aliso/Top of the World fires.

Transit and Parking Fund: The City was awarded an OCTA Measure M2 Project V Bus Technology grant to fund a Computer Aided Dispatch/Automated Vehicle Locators (CAD/AVL). This new system will provide real-time passenger information to the transit staff, mobile data terminals to improve delivery of information to transit drivers and provide automated passenger counters. To account for this new grant, staff is requesting an appropriation of \$230,000 for this project, an increase Project V grant revenue of \$207,000 and transfer of \$23,000 in supplemental funding from the Parking Fund to the Transit Fund for this project.

XI. VEHICLE REPLACEMENT POLICY

The City Council asked the City Manager to review the vehicle replacement policy. The following policy has been developed to provide for planned vehicle replacement and objective criteria for decisions. This policy address three objectives:

1. Establishes the schedule for a replacement for all fleet and equipment types
2. Becomes the basis for the replacement fund for the City budget; and
3. Establishes objective criteria for the decision for replacement.

The policy contains two critical components, the vehicle replacement schedule, and the vehicle replacement model guidelines. The vehicle replacement schedule establishes the expectant life of all fleet and equipment types and the vehicle replacement model guidelines include criteria used to evaluate a vehicle before being considered for replacement. This policy was developed based on a comparison with other cities vehicle replacement schedules and the American Public Works Model best practices.

XII. CITY ATTORNEY FEES

The City Attorney billing rate for legal services has remained unchanged since 2014. The City Attorney has requested to modify the compensation terms of the City Attorney services agreement, increasing the monthly retainer for general matters from \$8,500 per month to \$12,000 and the hourly rate for the general matters more than the 60 hours per month and for specialized transactional matters from \$235 to \$255 per hour. A Resolution modifying the hourly rate along with a memo from the City Attorney are included in Attachment H.

XIII. RECOMMENDATIONS

It is recommended that the City Council:

1. Approve the changes to the FY 2018-19 Adopted Budget as recommended in Section IV of this report (Attachment A);
2. Approve the recommended Cultural Arts Grants for FY 2018-19 (Attachment D) and disburse the funds accordingly;
3. Review and approve or modify the recommendations made by the subcommittee regarding Community Assistance Grants (Attachment E) and disburse the funds accordingly;
4. Approve the modifications to the FY 2017-18 Adopted Budget as recommended in Section X of this report;
5. Adopt the resolution which ratifies the updated Classification Title and Range Assignment and salary schedules for FY 2018-19 (Attachment F);
6. Adopt the resolution approving the City's annual appropriations limit for FY 2018-19 (Attachment G);
7. Adopt the resolution (Attachment H) approving the increase in City Attorney Fees; and
8. Provide direction on salary and performance pay for the City Treasurer and City Clerk

Attachments:

Attachment A: Recommended modifications to the FY 2018-2019 Adopted Budget

Attachment B: Unfunded Wish List requests for the FY 2018-19 Adopted Budget

Attachment C: Beginning and Ending Fund Balance for Fiscal Years 2018-19

Attachment D: Recommended Cultural Arts Grants for Fiscal Year 2018-19

Attachment E: Recommended Funding for Community Assistance Grants for FY 2018-19

Attachment F: Resolution and Salary Tables/Schedules for Fiscal Years 2018-2019

Attachment G: Resolution approving the City's annual appropriations limit (GANN Limit)

Attachment H: Resolution approving an increase in City Attorney Fees

Attachment I: Revised Vehicle Evaluation and Replacement Policy

Attachment J: Memo, Unfunded Pension Liability

ATTACHMENT A

RECOMMENDED CHANGES TO FY 2018-19
ADOPTED BUDGET

ATTACHMENT A MODIFICATIONS TO FY 2018-19 ADOPTED BUDGET

TABLE 1 - RECOMMENDED FY 2018-19 CHANGES

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$241,900	\$89,500
1	Administrative Services	Increase Property Tax In-Lieu VLF Revenue		145,000
2	Community Services	Alternative Sleeping Location		(140,000)
3	City Attorney	City Attorney General Monthly Retainer Annual Increase		(42,000)
4	Community Services	Possible Revisions to the School District Joint Use Agreement		(20,000)
5	Community Development	Historical Inventory Consultant		(30,000)
6	Police	Drug Enforcement Agency (DEA) Taskforce Vehicle Rental (4 years)	(33,600)	
7	Community Services	Pool Roof Replacement (70%, LBUSD 30%)	(50,000)	
8	Community Development	Funding to continue Planning Intern in Community Development for additional year	(50,000)	
9	Public Works	California Green Business Grant \$20,000 to enhance green business certification (net 0)		
10	Community Services	Community Development Block Grant \$7,800 increase funding to the ASL (net 0)		
			\$158,300	
Remaining Ongoing Balance				\$ 2,500

1. Increase the ongoing Property Tax in Lieu of VLF estimate in FY2018-19 by \$145,000. The revenue received this year is higher than forecasted allowing staff to increase the estimate for next year.
2. Alternative Sleeping Location (ASL): The City currently anticipates additional ongoing operating costs of \$140,000 related to the ongoing services at the ASL. An update regarding this change will be presented to the City Council later this year.
3. City Attorney Fees: The City of Laguna Beach contracts with Rutan and Tucker, LLP. The City Attorney billing rate for legal services has remained unchanged since 2014. The City Attorney has requested to modify the compensation terms of the City Attorney services agreement, increasing the monthly retainer for general matters from \$8,500 per month to \$12,000 and the hourly rate for the general matters in excess of the 60 hours per month and specialized transactional matters from \$235 to \$255. The ongoing costs are estimated to be \$42,000.
4. Possible revisions to the Joint Use Agreement for facilities with the Laguna Beach Unified School District: At the District's request, the City transferred administration of the high school sports summer recreation camps to the District impacting both revenues and expenditures for next year. Negotiations are currently underway to revise the Joint Use Agreement for facilities. The details are still under review and will be presented to the City Council later this year, however, staff believes the impact of the changes is a net change in ongoing funding of \$20,000.
5. Historical Inventory Consultant: The City is currently underway in revising its Historic Preservation Ordinance and Inventory. One of the goals of the draft Ordinance suggests too provide clarity in the processing of historic structures. The draft Ordinance suggest that some historic reports/analysis be paid for by the City. The City does not have a qualified historian on staff. It is intended for this consultant to advise staff on the historic integrity of structures and prepare reports as provided for in the Ordinance upon its adoption. The ongoing costs are estimated to be \$30,000.

ATTACHMENT A
MODIFICATIONS TO FY 2018-19 ADOPTED BUDGET

6. Drug Enforcement Agency Taskforce (“DEA Taskforce”) Vehicle Rental (4 years): The Police Department will be assigned a detective to the DEA Taskforce beginning in September. The DEA Task Force is charged with the investigation of the highest level of domestic and international narcotics traffickers. Additionally, they are responding to the heroin and prescription opioid pill crisis occurring across our country. As part of this undercover work assignment, the police department will need to provide a vehicle that can be rotated on a frequent basis. To accomplish this goal, the police department piggy-backed on a statewide RFP and will be partnering with Enterprise rental car. The one-time costs are \$33,600.
7. Pool Roof Replacement Project: Per the agreement with the Laguna Beach Unified District shared costs of with the City is (70%). The one-time cost is \$50,000.
8. Planning Intern – Community Development: Retain the current Planning Intern to assist the planning department with the high volume of service. The one-time costs are \$50,000.
9. Public Works will receive funding from the California Green Business Network to enhance the City’s Green Business Certification Program. The one-time increase in revenue and expenditure are \$20,000.
10. Community Development Block Grant: The Community Services Department receives grant funding which is used toward the Alternative Sleeping Location. The City was notified the funding had been increased from \$118,150 to \$125,856. The one-time increase in revenues and expenditures is approximately \$7,800..

Other Funds

11. Approve a \$20,000 transfer from the Parking Fund into the Transit Fund and appropriate this one-time funding for the Transit Neighborhood Trolley Services marketing and outreach materials.
12. Reserve ongoing funding of \$700,000 in the Street Lighting Fund and \$800,000 in the Parking Fund toward utility undergrounding to supplement the sales tax measure, if passed by voters in November 2018.
13. Approve the transfer of the Janitorial and Maintenance Contract and oversight for the Susi Q Center, for \$90,000, from the Public Works Department to the Community Services Department. Community Development Block Grant.

City of Laguna Beach
AGENDA BILL

17

No. _____

Meeting Date: 12/11/18

SUBJECT: INCREASED POLICE & MARINE SAFETY PRESENCE AT MAIN BEACH AND HEISLER PARK

SUMMARY OF THE MATTER:

Main Beach Park and the adjacent beach area have always been a top ten call location for nuisance and criminal activity. However, over the past year, these locations have jumped to number one. In response to this increase, the Police Department is recommending expanding their presence at these locations, along with Heisler Park, while also layering in additional services from the Marine Safety Department.

BACKGROUND:

At the July 24 council meeting, the City Council authorized the Police Department to begin staffing a weekend information booth at Main Beach Park after receiving a dramatic increase in complaints from citizens about nuisance criminal and quality of life issues. This information booth provided a static police presence Friday through Sunday, and allowed the officers to handle calls for service ranging from lost children, thefts, physical altercations, and other nuisance activity such as drinking and smoking. It also provided an opportunity for community outreach and engagement for visitors and residents in a more casual environment.

In June 2018, Police Department staff performed a Crime Prevention Through Environmental Design (CPTED) assessment for Main Beach Park. This assessment provided recommendations to improve the quality of life and reduce crime issues through adjustments to the existing environment. Examples of the recommended changes included increased lighting, trimming overgrown vegetation, changes to signage, and increased police presence. Staff implemented many of the recommendations with success. However, even with the positive results through the CPTED improvements and the information booth, there is a need for additional layered services to address the calls for service in this area.

RECOMMENDATION: It is recommended that the City Council: 1) approve the Laguna Beach Police Department and Marine Safety increased staffing at Main Beach and Heisler Park; 2) authorize the City Manager to allocate Measure LL funds in the amount of \$155,000 for this purpose.

Appropriations Requested: \$155,000

Fund: Measure LL

Attachments: _____

Submitted by: Councilmembers Dicterow & Blake

Coordinated with: Laura Marinella
Laura Marinella, Police Chief

Coordinated with: Gavin Curran
Gavin Curran, Director of Admin Services

Approved: John Kelly
City Manager

INCREASED SERVICES:

Of the over 1,300 calls for service the Police Department has received since January 2018, the majority of the incidents were found to occur between 11:00 am and 4:00 pm. Therefore, more on-going staffing during these time frames would be helpful.

The increased patrol strategies will include:

- Opening an additional lifeguard tower at the South end of Main Beach near the playground
- Extending the hours of the Main Beach White Lifeguard Tower and possibly opening a tower on North Main Beach if necessary
- Adding Beach Patrol Officers
- Focusing the Community Outreach Officers on the area and having Orange County Health Care Workers provide wrap-around services
- Utilizing Police Officers patrolling in pairs on bike and foot patrols.

The staff hours would be staggered to cover more extended periods, and the information booth would continue to be operational on the weekends. Both regular staff hours along with overtime hours will be used to implement this plan, and a common-sense approach will be used when allocating resources or standing them down during inclement weather.

The overall goal of this increased presence is to create a positive and enjoyable environment for both residents and visitors where they feel safe and free from nuisance and crime related activity. The Police Department will gauge the success of the program through a reduction in calls for service as well as a reduction in community complaints and will provide a follow-up during the budget process where the City Council will give staff direction on the future of the program.

FISCAL IMPACT:

The estimated cost for this new program is \$155,000 for six months. It is recommended that the City Council use available Measure LL monies to fund the program through the end of FY 2018-19, and request that the City Manager review this new ongoing program for incorporation into the upcoming two-year budget if necessary. As a reminder, City Council Resolution 16.068 approved on August 30, 2016 prioritized spending for Measure LL revenue for the following programs: to protect beaches from pollution; provide fire and police protection, and emergency response services; utility undergrounding to prevent fire and power outages improve the cleanliness of public areas such as sidewalks and streets and provide other services and improvements. This request qualifies as an eligible expenditure according to the Measure LL spending Resolution.

Addendum 2.4

Staff Report, June 18, 2019 FY 2019-20 and
FY 2020-21 Adopted Budget

City of Laguna Beach
AGENDA BILL

No. **15**
Meeting Date: 06/18/2019

**SUBJECT: ADOPTION OF FY 2019-20 AND FY 2020-21 BUDGET AND REVISIONS TO THE
FY 18-19 BUDGET**

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

Following the release of the preliminary budget for FY 2019-20 and FY 2020-21, the City Council held a budget workshop and public meeting on May 22, 2019. To satisfy the July 1 requirement of the Municipal Code, final adoption of the budget is scheduled for the meeting tonight. Some revisions to the FY 2018-19 budget are also recommended to close the fiscal year.

The additions approved by the City Council at the budget workshop have been funded in the proposed budget with available funds. Changes to the General Fund budget are summarized in Section II, with changes to all other funds summarized in Section III. Also, the City Council must provide direction for several items, including: Community Assistance Grants; setting the salary of the City Clerk, City Treasurer, and City Manager; and adopting a GANN Limit. Additional information regarding each of these items is included in the body of this report, with the associated recommendations for City Council approval shown on page six.

Continued


RECOMMENDATION:

(See Page 6)

Appropriations Requested: \$ Budget Adoption

Fund: _____

Attachments: See Page 7

Submitted by: 
Gavin Curran, Director of Admin Services
Coordinated with: _____

Approved: 
City Manager

Adoption of FY 19-20 and FY 20-21 Budget & FY 18-19 Adjustments
June 18, 2019
Page 2

II. CHANGES TO THE PROPOSED GENERAL FUND BUDGET

A list of budget changes approved by the City Council at the Budget Workshop is summarized in Table A and Table B of this report. Additional details for each item are provided in Attachment A, Exhibit A.

TABLE A: GENERAL FUND

		Request	
		One-Time	Ongoing
Available Fund Balance Proposed Budget		\$308,000	\$512,000
1	Reduce ongoing funding based on four year projection (transferred to one-time)	137,000	(137,000)
2	Corrections to Proposed Budget		100,000
3	Increase in Community Development Fees for Large Projects		175,000
4	Moulton Meadows Dog Play Area Pilot Program	(12,000)	
5	ASL Safety Enhancements	(10,000)	(45,000)
6	Cultural Arts: Implementation of Arts Plan Option 3		(74,200)
7	Supplemental funding for Green House Gas emissions inventory	(10,200)	
8	Funding necessary to increase the salary of the Permit Services Supervisor position in the Community Development Department to be competitive in the current job market		(9,000)
9	Community Development efficiency and effectiveness "Lean Program" (total cost of the review is \$30,000 with \$10,000 paid from expected department savings in FY 2018-19)	(20,000)	
10	Information Technology Project Manager (Total cost of the position is \$156,000, with \$78,000 paid from on-going funding already programed in the proposed budget for IT services)		(78,000)
11	Full-Time Arborist (Includes Vehicle and Equipment)	(40,000)	(147,200)
12	Increase funding by \$6,000 in FY 2020-21 (current funding is \$60,000) for contract services related to State and Federal Regulatory representation, legislative and grant seeking service		(6,000)
13	Contract services support for employee recruitments and transition program	(250,000)	
14	Subcommittee Report on Wildfire Mitigation and Fire Safety Improvements	?	?
15	Amount necessary to maintain 20% General Fund Reserve *	(92,000)	
Subtotal Budget Changes		(297,200)	(221,400)
Remaining Balance		\$10,800	\$290,600

With the modifications listed in Table A, the General Fund budget is balanced with a 20% General Fund reserve of \$13.3 million. The proposed expenditures total \$69,953,000 million in FY 2019-20 and \$72,484,000 million in FY 2020-21. The updated General Fund available fund balance is Attachment A, Exhibit C.

Finally, in addition to the budget changes, staff is recommending that the City Council authorize the City Manager to continue retaining Cassie Walder for her assistance in the City's public outreach effort. Ms. Walder's expertise continues to be valuable in public outreach efforts regarding the Village Entrance, improvements in the Community Development Department, and other City projects. Funding for this public outreach program is approximately \$67,000 and already programmed in the proposed budget for the next two years.

III. WILDFIRE MITIGATION AND FIRE SAFETY IMPROVEMENTS

In December 2018, the City Council approved the formation of a Council Subcommittee on Wildfire Mitigation and Fire Safety with the purpose to assess the City's current level of risk and exposure to wildfires; research and document the programs, rules, and regulations currently in place to mitigate wildfire risk and promote fire safety in the City; identify the current annual cost to the City for its wildfire mitigation measure and fire safety programs; identify and prioritize additional programs, mitigation measures, staffing and equipment needed to further reduce the risk of loss of life and property damage from wildfires and the cost to implement them; develop an action plan to implement as many of the programs as possible, along with any necessary changes to the City's ordinances, rules and regulations or state law; and develop a plan to fund the recommended improvements. It is clear that substantial additional funding will be necessary to fund the recommendations included in the report.

Also, at the budget workshop, the City Council approved postponing the \$1 million additional payment to CalPERS giving the City Council the opportunity to consider reprogramming all, or a portion of, the funding toward recommendations included in the Wildfire Mitigation and Fire Safety Improvements Report.

IV. CHANGES TO OTHER FUNDS

At the budget workshop, the City Council approved minor changes to the Street Lighting Fund. Those changes are highlighted in Table B Below, with additional details also provided in Attachment A, Exhibit A:

TABLE B: STREET LIGHTING FUND

		Request	
		One-Time	Ongoing
Available Balance		\$1,776,000	\$1,058,000
1	Increase funding to maintain existing Holiday Lighting Program*		(4,000)
2	Expand the program to include Coast Highway from Legion to Aster/Cliff*		(15,000)
Subtotal Budget Changes		-	(19,000)
Remaining Balance		\$1,776,000	\$1,039,000

* These changes will bring total budget for Holiday Lighting Program from \$50,000 to \$69,000

Also, at the budget workshop, the City Council received an overview of the challenges facing the City's Wastewater (Sewer) services including balancing the necessary investment in capital improvements with managing sustainable revenue streams through rate increases and debt issuances. The budget changes highlighted during the budget workshop, including the eleven-year wastewater capital improvement program and other changes in one-time revenues, are shown in Attachment A, Exhibit B.

Finally, staff is recommended changing the title of the Street Lighting Fund, to the Street Lighting and Utility Fund to more accurately describe the use of revenues within the fund.

Adoption of FY 19-20 and FY 20-21 Budget & FY 18-19 Adjustments

June 18, 2019

Page 4

V. BUILDING, ZONING AND PLANNING FEES

At mid-year budget update in March, the City Council approved increasing the Community Development Building and fees by 5% and Planning and Zoning Fees by 15% beginning July 1, 2019. The change is expected to maintain the cost recovery rate for community development services at 64% and increase ongoing revenue in the General Fund by \$325,000. While these increases have already been programmed into the proposed budget, the City Council must formally adopt the resolutions modifying the Community Development Department's Building, Planning and Zoning Fee Schedules included in Attachment B.

VI. COMMUNITY ASSISTANCE GRANTS

Councilmember Kempf and Councilmember Dicterow volunteered to review the numerous applications requesting community assistance grants, a program that is funded through the City's lease with the Festival of Arts. Attachment A, Exhibit D, depicts their recommendations for the distribution.

VII. CULTURAL ARTS GRANTS

The Arts Commission has submitted recommendations for Cultural Arts Grants. Attachment A, Exhibit E, includes the nineteen proposed grant awards and a summary of each. The Cultural Arts Grants are funded through the Business Improvement District (BID) program and the total amount recommended for award for FY 2019-20 is \$220,600.

VIII. SALARY CHANGES

The FY 2019-20 and FY 2020-21 budget includes salary adjustments for City employees based on the Memorandum of Understanding (MOU) with each bargaining group. Management employees are not covered by a collective bargaining agreement, but typically follow the Municipal Employees Association (MEA) in terms of salary changes and retirement benefits. Therefore, it is recommended the City Council approve providing management employees similar salary increases of 2.25% effective July 1, 2019, 2.5% effective July 1, 2020, and 2.5% effective July 1, 2021. Other recommended modifications include: providing credit for prior local government services toward vacation and sick leave accrual rates (a increased cost of approximately \$30,000 annually); lowering the length of service with the City requirement to participate in the City's medical health program at retirement from 10 years to 5 years of service (this is a no-cost item as retirees pay 100% of the premium cost); increasing the cell phone stipend from \$60 to \$80 a month (an increased cost of \$6,000 annually); and increasing the vehicle stipend from \$175 to \$200 for management positions that receive the benefit and \$350 to \$400 for department heads (an increased cost of \$11,000 annually). The proposed budget already includes funding to accommodate these changes; therefore, no additional appropriations are necessary.

Also, every year the City Council approves the salary of the City Treasurer and City Clerk and the hourly rates for part-time employees. The attached salary schedules include a recommendation to increase the salary range for the part-time salaries, City Treasurer and the City Clerk of 2.25% effective July 1, 2019, 2.5% effective July 1, 2020, and 2.5% effective July 1, 2021, matching the increases awarded to management and MEA. The table also assumes the salary for the City Treasurer and the City Clerk will remain at the top of the salary range for FY 2019-20. The City Council could also consider the awarding of up to 5% of exceptional performance pay for each elected position.

Adoption of FY 19-20 and FY 20-21 Budget & FY 18-19 Adjustments

June 18, 2019

Page 5

Finally, per his contract, the City Manager will continue to receive salary and benefit adjustments commensurate with those approved for other management employees by the City Council. The City Council could also consider awarding of up to 5% of exceptional performance pay to the City Manager. Mayor Whalen and Councilmember Blake will provide an oral report on this item.

A resolution approving the salary schedules is included as Attachment C.

IX. CONSTITUTIONAL APPROPRIATION LIMIT

Each year the City must adopt an appropriation limit, the Gann Limit. The Gann Limit is designed to set limits on the amount of revenue, which can be appropriated in any fiscal year. The appropriations subject to limit are those that expend proceeds of taxes (e.g., Property Tax, Sales Tax, and Transient Occupancy Tax) less any exclusion for qualified capital outlay, debt service, and federal mandates. The staff has calculated the FY 2019-20 Gann Limit to be \$60,554,676. Because the City is well below the limit it has no impact on Laguna Beach. Attachment D is a resolution to satisfy that State mandate.

X. MODIFICATION OF THE 2018-19 ADOPTED BUDGET

In June of each year, there are changes to the existing budget for unanticipated occurrences during the fiscal year. The following adjustments are recommended:

General Fund: This year, the Fire Department provided mutual aid for thirteen California Wildfires, one of the highest since the program inception. To help mitigate the impact of overtime costs in the Fire Department budget and account for the State reimbursement of those costs, staff is recommending the City Council appropriate \$220,000 for the overtime costs and increase the revenue estimate by the same amount. It is also recommended the City Council appropriate \$40,000 in one-time funding with a matching increase in revenues to adjust for the increased sale of the emergency preparedness bags approved by the City Council on 11/13/2018.

Wastewater Fund: Increase estimated reimbursement revenue by \$1,155,000 due to an expected payment from SOCWA related to savings (remaining cash) from completed capital improvement projects, and decrease the estimated revenue for IBank loans by \$625,000 due to a reduction in the amount of funds to be borrowed.

These modifications do *not* change the estimated ending fund balance in the General Fund. The Wastewater Fund beginning fund balance for FY 2019-20 has been increased by \$530,000 to reflect the changes and will be drawdown over the next three years to fund future wastewater capital improvement projects.

Adoption of FY 19-20 and FY 20-21 Budget & FY 18-19 Adjustments

June 18, 2019

Page 6

XI. RECOMMENDATIONS

It is recommended that the City Council:

1. Adopt the resolution (Attachment A) approving the City budget for fiscal years 2019-20 and 2020-21 with the changes to the preliminary budget that are recommended on Table A in Section II; Table B in Section IV; and changes to the Wastewater Budget described in Section IV and Attachment A, Exhibit B;
2. Review and approve or modify the recommendations made by the subcommittee regarding Community Assistance Grants (Attachment A, Exhibit D) and disburse the funds accordingly;
3. Approve the recommended Cultural Arts Grants for FY 2019-20 (Attachment A, Exhibit E) and disburse the funds accordingly;
4. Adopt the resolution (Attachment B) modifying the Building and Zoning Fee Schedules with an effective date of July 1, 2019;
5. Adopt the resolution (Attachment C) which ratifies the Classification Title and Range Assignment and salary schedules for the Fiscal Year 2019-20 incorporating salary changes described in Section VIII and as modified by the City Council;
6. Adopt the resolution (Attachment D) approving the City's annual appropriations limit;
7. Provide direction on salary and performance pay for the City Treasurer and City Clerk, and direct the Director of Administrative Services to modify the salary schedules to reflect the City Council's actions;
8. Provide direction regarding exceptional performance pay for the City Manager, authorize Mayor Whalen to execute an amendment to the City Manager's contract to carry out the City Council's direction, and authorize the Director of Administrative Services to reflect the Council's direction in the salary schedule and resolution;
9. Direct the City Manager to postpone making the proposed \$1 Million additional payment to CalPERS programmed in the Proposed Budget, until after the Wildfire Mitigation and Fire Safety Improvements Report is presented to the City Council; and
10. Authorize the City Manager to continue retaining Cassie Walder for the City's public outreach effort.

Attachments:

1. Attachment A: Resolution adopting the annual budget (Pg. 6)
 - Exhibit A Modifications to the Fiscal Years 2019-20 and 2020-21 Budget (Pg. 10)
 - Exhibit B Modifications to the Fiscal Years 2019-20 and 2020-21 Wastewater Budget (Pg.12)
 - Exhibit C Beginning and Ending Fund Balance for Fiscal Years 2019-20 and 2020-21 (Pg. 17)
 - Exhibit D Recommended Community Assistance Funds for the Fiscal Year 2019-20 (Pg. 19)
 - Exhibit E Recommended Cultural Arts Funding for the Fiscal Year 2019-20 (Pg. 26)
 - Exhibit F Capital Equipment Requests for the Fiscal Year 2019-20 and 2020-21 (Pg. 24)
2. Attachment B: Resolution modifying the Building and Zoning Fee Schedule with an effective Date of July 1, 2019 (Pg. 27)
3. Attachment C: Resolution approving Salary Tables/Schedules for Fiscal Year 2019-20 (Pg. 44)
4. Attachment D: Resolution approving the annual appropriations limit for Fiscal Year 2019-20 (Pg. 56)
5. Attachment E: Unfunded Requests from the Budget Workshop (Pg. 60)
6. Attachment F: Memo outlining full time Arborist Position (Pg. 62)

ATTACHMENT A

RESOLUTION APPROVING THE CITY
BUDGET FOR FY2019-20 AND FY2020-21

EXHIBIT A

1. Lower the available ongoing funding by \$137,000 in Fiscal Year (“FY”) 2019-20 and FY 2020-21 to match the expected ongoing funding in year FY 2022-23.
2. Make two corrections to the proposed budget by: 1) removing \$100,000 from the Water Quality Division for contact services appropriated twice, and 2) correctly show an appropriation of \$67,000 for public outreach as a special program in the Administrative Services Department. These corrections will increase the ongoing funding by \$100,000 in the General Fund in both FY 2019-20 and FY 2020-21
3. Increase ongoing Community Development Fees by \$175,000 in both FY 2019-20 and FY 2020-21 for anticipated large project submittals.
4. Appropriate \$12,000 in one-time funding in FY 2019-20 for the Moulton Meadows Park Dog Play Area Pilot Program. Members of the public met with the Recreation Committee about installing a dog play area in an unoccupied area of Moulton Meadows Park. The Recreation Committee supported the idea and suggested that a pilot play area be installed. This one-time funding will be used to set up the area with temporary fencing and equipment.
5. Appropriate \$10,000 in one-time funding for FY 2019-20 to purchase a walk-through metal detector and metal detector wand to search participants for weapons upon entry to the Alternative Sleeping Location (“ASL”). Also, appropriate \$45,000 in ongoing funding in both FY 2019-20 and FY 2020-21 to deploy a Beach Patrol Officer to the ASL between the hours of 5:00 p.m. and 9:00 p.m. daily, to search participants upon entry, maintain vigilance inside the ASL, and patrol the parking lot and creek area.
6. Implementation of Arts Plans: Appropriate \$74,200 in ongoing funding in both FY 2019-20 and FY 2020-21 to increase the existing Arts Program Coordinator from a part-time position (20 hours a week) to a full time position (40 hours a week) at an estimated increased cost of \$44,200; and hire a new part-time Public Art Coordination (20 hours a week) with a total estimated cost of \$30,900).
7. Appropriate \$10,200 in one-time funding in FY 2019-20 to perform a Vehicle Miles Traveled traffic modeling study necessary in the undertaking a community-wide Green House Gas Emissions (GHG) inventory. Vehicle Miles Traveled studies measure the following commuter activities: 1) traffic originating in town and commuting beyond the city’s boundaries; 2) commutes originating and staying in town; 3) inbound commutes originating outside the city’s boundaries with Laguna Beach as the destination; and, 4) commuter traffic driving through town. The data derived from the VMT study will be incorporated into the GHG inventory.
8. Appropriate \$20,000 in one-time funding in FY 2019-20 and \$10,000 in anticipated FY 2018-19 department savings for a Community Development Department Effectiveness and Efficiency Study (Lean Program). The goal of the study is to recommend initiatives that optimize processes and help address service delivery concerns.
9. Appropriate \$9,000 in ongoing funding in both FY 2019-20 and FY 2020-21 to increase the salary of the Permit Services Supervisor position to be competitive in the current job market. This is a new position, and the proposed salary did not successfully attract enough viable candidates.

EXHIBIT A

10. Appropriate \$78,000 in ongoing funding and transfer \$78,000 from existing information technology program funding in both FY 2019-20 and FY 2020-21 for a total of \$154,000 in ongoing funding for an Information Technology (IT) Project Manager position. This position would be tasked with managing IT projects identified in the IT Master Plan and projects recommended by the IT Steering Committee.
11. Public Works Strategic Plan: Appropriate \$40,000 in one-time funding in FY 2019-20 and \$147,200 in ongoing funding in both FY 2019-20 and FY 2020-21 for a Senior Operations Supervisor/Arborist. This position will oversee the evaluation and care of the City's tree inventory, reforestation, customer service, provide monitoring of the tree trimming contractor, and generally advise on tree related matters for the City.
12. Appropriate \$6,000 in ongoing funding in FY 2020-21 for contract services to provide the City with State and Federal regulatory representation, legislative and grant seeking services.
13. Appropriate \$250,000 in one-time funding in FY 2019-20 to assist in employee recruitments over the next year, and fund transitional programs to assist departments in proactively managing the loss of institutional knowledge including providing the City Manager the authorization to "overhire" critical positions during a transitional period.
14. In December 2018, the City Council approved the formation of a Council Subcommittee on Wildfire Mitigation and Fire Safety to assess the City's current level of risk and exposure to wildfires; research and document the programs, rules and regulations currently in place to mitigate wildfire risk and promote fire safety in the City; identify the current annual cost to the City for its wildfire mitigation measure and fire safety programs; identify and prioritize additional programs, mitigation measures, staffing and equipment needed to further reduce the risk of loss of life and property damage from wildfires and the cost to implement them; develop an action plan to implement as many of the programs as possible, along with any necessary changes to the City's ordinances, rules and regulations or state law; and develop a plan to fund the recommended improvements. While the final report has not been released, additional funding will be necessary for the programs or actions recommended by the Subcommittee.
15. Transfer \$92,000 in one-time funding to maintain the 20% General Fund Reserve. The reserve is being increased to adjust for ongoing funding added in items #1-#7.

Other Funds:

1. Appropriate \$19,000 in ongoing funding in the Street Lighting Fund in both FY 2019-20 and FY 2020-21 for the Holiday Lighting Program bringing the total budget for the program to \$69,000. The increase includes \$4,000 to maintain the existing Holiday Lighting Program and \$15,000 to expand the program to include Coast Highway from Legion Street to Aster.

Revenue Detail
Fiscal Year 2019-20 & 2020-21

**All
Funds**

Object	Account Title	Actual 2017-18	Adopted Budget 2018-19	Revised Estimate 2018-19	Proposed Budget 2019-20	Proposed Budget 2020-21
137	WASTEWATER FUND					
3982	Wastewater Service Charges	\$7,932,979	\$8,252,000	\$8,252,000	\$8,580,000	\$9,121,000
3986	Wastewater Connection Charges	117,652	86,000	120,000	86,000	95,000
3500	Investment Earnings	17,652	15,000	15,000	15,000	15,000
	<u>Reimbursements:</u>					
4313	North Coast Interceptor	74,577	45,000	80,000	40,000	15,000
4360	Miscellaneous	9,563			1,100,000	
4xxx	SOCWA Refund completed projects			1,150,000		
4551	Loan Proceeds		4,000,000		4,788,000	5,618,000
	WASTEWATER FUND TOTAL	\$8,152,423	\$12,398,000	\$9,617,000	\$14,609,000	\$14,864,000

Wastewater Division

Water Quality Department
Wastewater Fund/3301 & 3302

Account No.	Account Title	Actual Expenditures 2017-18	Adopted Budget 2018-19	Proposed Budget 2019-20	Proposed Budget 2020-21
Salaries and Wages					
1001	Salaries, Full Time	\$1,012,929	\$1,187,400	\$1,138,900	\$1,221,100
1003	Salaries, Part Time	68,670	33,100	65,700	65,700
1006	Salaries, Overtime	(5,100)	(5,100)	(5,000)	(5,000)
1009	Salaries, Redistributed	30,168	22,500	22,500	22,500
1038	Sick Leave Payoff	18,820	19,800	20,000	20,000
1101	Retirement	202,246	256,100	276,500	287,700
1201	Workers' Compensation	16,300	17,600	19,300	21,200
1300	Employee Group Insurance	240,500	257,400	257,400	283,000
1318	Medicare Insurance	15,720	17,700	16,300	16,700
	Subtotal	1,600,253	1,806,500	1,811,600	1,932,900
Maintenance and Operations					
2001	Uniforms and Laundry	4,171	7,900	7,900	7,900
2011	Training, Travel and Dues	10,833	19,400	19,600	19,600
2021	Natural Gas	1,852	2,600	2,600	2,600
2024	Electricity	139,161	188,100	178,000	178,000
2027	Water	10,231	7,500	8,500	8,500
2031	Telephone	11,942	11,100	11,100	11,100
2051	Gas and Lubrications	22,206	32,300	23,700	23,700
2101	Materials and Supplies	64,094	62,600	136,900	136,900
2150	Rents and Leases	154,704	154,700	190,400	190,400
2170	General Insurance	237,200	249,400	399,400	421,400
2201	Repairs and Maint. Auto.	15,603	24,800	24,800	24,800
2222	Repairs and Maint. Other	126,581	87,800	87,800	87,800
2281	Printing	140	1,500	1,500	1,500
2401	Contractual Services	290,516	153,100	146,000	176,000
2402	Contractual SOCWA Operation	2,203,707	2,200,000	2,500,000	2,500,000
2405	Legal Fees	569,978			
2432	Postage	56	500	500	500
2521	State Loan Principal & Interest	491,791	865,000	797,000	1,352,000
2522	Loan Administration Fees	9,392	8,200	35,000	35,000
2804	Costs Redistributed	226,700	226,700	277,600	277,600
2732	Depreciation	1,735,452			
	Subtotal	6,326,312	4,303,200	4,848,300	5,455,300
Capital Outlay					
5408	Other Equipment		2,600	7,800	2,600
5622	Other Equipment			105,000	
	Subtotal	0	2,600	112,800	2,600
Special Programs					
8206	Wastewater Grease Control		14,000	14,000	14,000
8613	Odor Control Treatment		2,000		
8614	Private Sewer Lateral Asst.		160,000	160,000	160,000
8855	Succession Planning				40,000
	Subtotal	61,372	176,000	174,000	214,000
Capital Improvements					
	Capital Improvement Projects*	2,594,984	6,457,000	6,848,000	7,266,000
	Subtotal	2,594,984	6,457,000	6,848,000	7,266,000
	Grand Total	\$10,582,920	\$12,745,300	\$13,794,700	\$14,870,800

* Represents twenty projects funded from the Wastewater Fund. See Water Quality Department Capital Improvement Project Section (p. 269) for project descriptions.

WASTEWATER SYSTEM FINANCE PLAN

FY 2019/20 - 2029/30

(Figures in Thousands)

	Year 1 FY 2019/20	Year 2 FY 2020/21	Year 3 FY 2021/22	Year 4 FY 2022/23	Year 5 FY 2023/24	Year 6 FY 2024/25	Year 7 FY 2025/26	Year 8 FY 2026/27	Year 9 FY 2027/28	Year 10 FY 2028/29	Year 11 FY 2029/30	Totals
Available Working Capital Beginning Balance	696	1,515	1,510	229	1,136	617	2,069	3,343	1,435	3,474	1,249	
Revenues												
Sewer User Charges	8,605	9,121	9,669	10,249	10,864	11,515	11,976	12,455	12,953	13,471	14,010	133,162
Rate Increase (1)	4.00%	6.00%	6.00%	6.00%	6.00%	6.00%	4.00%	4.00%	4.00%	4.00%	4.00%	58.75%
Loans												
\$4M Existing Loan 1 (IBank - secured June 2018) (2)	2,100	700										4,000
\$4.456M New Loan 2 (IBank Board Mtg 3/16/19) (3)	2,688	1,768										4,456
Proposed Additional Loans 3 and 4		3,150	650	2,750	2,250							8,800
Loans Subtotal	4,788	5,618	650	2,750	2,250							17,256
Other Revenue Sources												
SOCWA Capital Projects Reimbursements (PC 15)												
Legal Fees Reimbursement (PC 15) (4)	1,100											
Enterprise Fund Interest Income	15	15	15	15	15	15	15	15	15	15	15	180
Sewer Connection Charges	86	95	95	95	95	95	95	95	95	95	95	1,122
Emerald Bay Reimbursement (SOCWA PC 23)	15	15	18	15	57	36	15	19	15	15	36	294
Total Estimated Revenues	14,609	14,864	10,447	13,124	13,280	11,661	12,101	12,584	13,078	13,596	14,156	154,269
Expenses												
Operation and Maintenance Expenses												
Operating Expenses (5)	5,685	5,747	5,919	6,097	6,280	6,468	6,662	6,862	7,068	7,280	7,499	77,317
Capital Equipment and Special Projects	20	20	20	30	30	30	30	30	30	30	30	314
Private Sewer Lateral Assistance Program (6)	160	160										480
Legal Fees (PC 15 Legal Fees Only)												750
Assumed Additional Insurance Premium (7)	150	150	150	150	150	150	150	150	150	150	150	1,740
County Collection Charges	25	25	27	27	30	30	30	30	35	35	35	351
Operating Subtotal	6,040	6,102	6,116	6,304	6,490	6,678	6,872	7,072	7,283	7,495	7,714	80,952
Additional Operation Costs - Proposed WQ Strategic Plan (8)												
New Asset Management System (Cartograph)	105	30	30	31	32	33	34	35	36	37	38	440
One Additional Maintenance Worker I Position		80	82	85	87	90	93	96	98	101	104	917
Succession Planning		40	41	42	44	45	46	48	49	51	52	459
WQ Strategic Plan Additional Operating Costs Subtotal	105	150	154	158	163	168	173	178	183	189	195	1,815
Capital Improvement Expenses												
CLB - Collection System	2,068	4,358	1,710	2,750	1,350	690	1,000	3,500	830	3,000	750	23,630
SOCWA - Wastewater Treatment (9)												
PC 15 Projects (Coastal Treatment Plant)	4,451	2,738	1,621	1,194	880	634	902	876	963	2,047	1,137	18,537
PC 17 Projects (Regional)	217	64	551	109	2,051	67	408	316	310	0	1,987	6,285
PC 24 Projects (Outfall)	12	6	0	0	0	0	0	979	0	1,621	0	2,633
PC 23 Projects (North Coast Interceptor & SOCWA Stations)	0	0	80	0	1,000	500	0	100	0	0	500	2,740
Emergency Working Capital Reserve	100	100	100	100	100	200	200	200	200	200	200	1,700
Capital Improvement Subtotal	6,848	7,266	4,062	4,153	5,381	2,091	2,510	5,971	2,303	6,868	4,574	55,525
Debt Service												
Ex. Ibank Loan Debt Service (2004)	498	497	495	494	492							2,976
\$4M Existing Loan 1 Debt Service (2018)	299	299	298	297	297	296	296	295	294	293	292	3,345
\$4.456M New Loan 2 Debt Service (2019)		334	333	333	333	333	333	333	333	333	333	3,331
Proposed Additional Loans 3 and 4 Debt Service		222	269	478	643	643	643	643	643	643	643	5,470
Debt Service Subtotal	797	1,352	1,395	1,602	1,765	1,272	1,272	1,271	1,270	1,269	1,268	15,122
Total Estimated Expenses	13,790	14,870	11,727	12,217	13,799	10,209	10,827	14,492	11,039	15,821	13,750	153,414
Revenues - Expenses	819	(6)	(1,280)	906	(519)	1,452	1,274	(1,908)	2,039	(2,225)	406	
Available Working Capital Ending Balance	1,515	1,510	229	1,136	617	2,069	3,343	1,435	3,474	1,249	1,655	
Working Capital Reserve (Goal 20% of Expenditures)	100	200	300	400	500	700	900	1,100	1,300	1,500	1,700	
Percentage of Expenditures	1%	1%	3%	3%	4%	7%	8%	8%	12%	9%	12%	

Notes:

- Sewer User Charges are approved in years 0 and 1. Additional increases are being considered in years 2-11.
- Existing \$4M Ibank loan has an interest rate of 3.4%. Payments begin 6/2018 and end 6/2038.
- Reimbursement from inactive SOCWA Capital Improvement Projects
- Assume \$1.1M in legal fees reimbursed from SOCWA PC 15 lawsuit.
- The Operating expenses include a 3% inflation adjustment.
- Private Sewer Lateral Incentive Program ends in Year 2.
- There is \$250k in the annual operating expenses for insurance. This line item covers assumed additional insurance based on increase in claims.
- The estimated cost of the increased staff is about \$140,000; that is one Maintenance Worker I, a high-flexibility work order system directing the cleaning crews to work in areas of verified need, and enabling increased job responsibilities for succession planning with commensurate salary scales.
- This addresses the City's need for succession planning while creating job incentives and career path growth to retain high-performing employees.
- 11-Yr finance plan assumes MNWD is included in SOCWA PC 15 agreement. Reference "SOCWA Ten Year Proposed Costs Including Administrative Cost FY 2020-2034" dated 5/3/19.

June 18, 2019

PROPOSED

WASTEWATER SYSTEM CAPITAL IMPROVEMENT PROJECTS LIST

FY 2019-20 - 2029/30

Year No.	Fiscal Year	Project ID	Type of Project	Capital Improvement Project Description	Division 3301 Costs	Division 3302 Costs
1	2019-2020	19-100	P	Pipeline Rehabilitation (Zone 2)	\$ 370,000	
		19-101	P	CCTV Inspection of Collection System (Zone 3)	\$ 138,000	
		19-102	L	Victoria 1 Lift Station Rehabilitation Construction	\$ 750,000	
		19-103	L	Lift Station Door Replacements and Exterior Painting	\$ 250,000	
		19-104	L	Hatch Replacements at Nyes Lift Station, Victoria II Lift Station, and CDS at Main Beach	\$ 100,000	
		19-105	L	Lift Station Condition Assessment Project	\$ 100,000	
		19-105	O	Odor Control at Victoria Beach Neighborhood Design and Construction	\$ 360,000	
Year 1 Subtotal:					\$ 2,068,000	\$ -
2	2020-2021	20-100	P	Forest Avenue Pipeline Replacement Project Design	\$ 150,000	
		20-101	P	Pipeline Rehabilitation (Zone 3)	\$ 1,070,000	
		20-102	P	CCTV Inspection of Collection System (Zone 5)	\$ 138,000	
		20-103	P	Siphon Inspection Project	\$ 500,000	
		20-104	L	Anita Street Lift Station Reconstruction Construction	\$ 2,500,000	
Year 2 Subtotal:					\$ 4,358,000	\$ -
3	2021-2022	21-100	P	Forest Avenue Pipeline Replacement Project Construction	\$ 400,000	
		21-101	P	Pipeline Rehabilitation (Zone 5)	\$ 1,000,000	
		21-102	L	Bluebird Canyon Lift Station Reconstruction Design	\$ 250,000	
		21-103	L	VFD Replacements at Laguna SOCWA and Bluebird SOCWA		\$ 80,000
		21-104	L	Miscellaneous Operational Improvements at Main Beach Lift Station	\$ 60,000	
Year 3 Subtotal:					\$ 1,710,000	\$ 80,000
4	2022-2023	22-100	P	Forcemain Inspection Project	\$ 250,000	
		22-101	L	Bluebird Canyon Lift Station Reconstruction Construction	\$ 2,500,000	
Year 4 Subtotal:					\$ 2,750,000	\$ -
5	2023-2024	23-100	L	Victoria II Lift Station Rehabilitation Design	\$ 100,000	
		23-101	L	SCADA Radio System Replacement	\$ 250,000	
		23-102	L	Emergency Onsite Generator Replacements at Laguna SOCWA and Bluebird SOCWA		\$ 500,000
		23-103	P	5-Yr CCTV Inspection of Collection System and Manholes	\$ 1,000,000	
		23-104	O	O2 Odor Control System Upgrades at Bluebird SOCWA		\$ 500,000
Year 5 Subtotal:					\$ 1,350,000	\$ 1,000,000
6	2024-2025	24-100	L	Victoria II Lift Station Rehabilitation Construction	\$ 500,000	
		24-101	L	Fishermans Lift Station Structural Rehabilitation Design	\$ 90,000	
		24-102	L	Top of the World Onsite Generator Replacement and Backup Power Extension to Bernard Court Lift Station Design	\$ 100,000	
		24-103	O	O2 Odor Control System Upgrades at Laguna SOCWA SOCWA		\$ 500,000
Year 6 Subtotal:					\$ 690,000	\$ 500,000
7	2025-2026	25-100	L	Fishermans Lift Station Structural Rehabilitation Construction	\$ 250,000	
		25-101	L	Pearl Lift Station Rehabilitation and Generator Installation Design	\$ 250,000	
		25-102	L	Portable Generator Quick Connect Pedastal at every Lift Station with an Onsite Generator	\$ 500,000	
Year 7 Subtotal:					\$ 1,000,000	\$ -
8	2026-2027	26-100	L	Top of the World Onsite Generator Replacement and Backup Power Extension to Bernard Court Lift Station Construction	\$ 500,000	
		26-101	L	VFD Replacements at Laguna SOCWA and Bluebird SOCWA		\$ 100,000
		26-102	L	Pearl Lift Station Rehabilitation and Generator Installation Construction	\$ 3,000,000	
Year 8 Subtotal:					\$ 3,500,000	\$ 100,000
9	2027-2028	27-100	L	Cleo Street Lift Station Rehabilitation Design	\$ 250,000	
		27-101	L	Bernard Court Wet Well Access Retrofit	\$ 500,000	
		27-102	O	Odor Control at North Laguna Siphon on Coast Hwy Design	\$ 80,000	
Year 9 Subtotal:					\$ 830,000	\$ -
10	2028-2029	28-100	L	Cleo Street Lift Station Rehabilitation Construction	\$ 2,500,000	
		28-101	O	Odor Control at North Laguna Siphon on Coast Hwy Construction	\$ 500,000	
Year 10 Subtotal:					\$ 3,000,000	\$ -
11	2029-2030	29-100	L	Pump Replacement at Laguna and Bluebird SOCWA		\$ 500,000
		29-101	L	Irvine Cove Lift Station Rehabilitation Design	\$ 250,000	
		29-102	P	Collection System Manhole Rehabilitations	\$ 500,000	
Year 11 Subtotal:					\$ 750,000	\$ 500,000
Sub Totals:					\$ 22,006,000	\$ 2,180,000
Total Capital Projects:					\$ 24,186,000	

June 18, 2019

PROPOSED

WASTEWATER SYSTEM CAPITAL IMPROVEMENT PROJECTS LIST
FY 2019-20 - 2029/30

Year No.	Fiscal Year	Project ID	Type of Project	Capital Improvement Project Description	Division 3301 Costs	Division 3302 Costs
		<u>Totals</u>	<u>Type of Project</u>	<u>Description</u>		
		\$ 16,730,000	L	Total Budgeted for Lift Station Projects		
		\$ 5,516,000	P	Total Budgeted for Collection System (Pipeline) Improvement Projects		
		\$ 1,940,000	O	Total Budgeted for Odor Control Improvement Projects		
		\$ 24,186,000		Total Budgeted for all Capital Improvement Projects (Totals Check)		

Beginning and Ending Balances

Fiscal Year 2019-20

All Funds¹

	Estimated Beginning Balance July 1, 2017	Estimated Revenues	Transfers In (Out)	Estimated Expenditures	Estimated Ending Balance June 30, 2018
<u>Operating and Capital Project Funds</u>					
General	\$258,628	\$69,969,000	\$33,000 ²	69,953,000	\$307,628 ⁷
Measure LL	356,595	2,694,800		2,482,300	569,095
Open Space	631,764		-	20,000	611,764
Capital Improvement	252,321	7,109,000	(160,000) ³	7,066,600	134,721
Parking Authority	2,951,324	6,798,000	(2,344,800) ⁴	3,826,100	3,578,424
Parking in Lieu	920				920
Park in Lieu	26,721				26,721 ⁶
Art in Lieu	135,580				135,580
Drainage	70,872				70,872
Housing in Lieu	299,168				299,168
Gas Tax	4,435	1,405,000	160,000	1,550,000	19,435
Street Lighting and Utility	1,776,516	1,755,200		716,200	2,815,516
Wastewater	695,998	14,609,000		13,794,700	1,510,298
Disaster Contingency	6,380,696	100,000			6,480,696
Transportation Infrastructure	102,905	2,000			104,905
Transit	2,000	2,688,900	1,519,800	4,208,700	2,000
Total	13,946,443	107,130,900	(792,000)	103,617,600	16,667,743
<u>Internal Service Funds</u>					
Insurance	2,686,307	10,957,300	763,500 ⁵	10,847,900	3,559,207
Vehicle Replacement	6,580,626	2,484,300	300,000	73,000	9,291,926
Total	\$9,266,933	\$13,441,600	\$1,063,500	\$10,920,900	\$12,851,133

¹Includes all operating, capital project and internal service funds. Excludes trust and agency, carryover, and special assessment district funds.

²Includes a transfers in of \$525,000 from the Parking Authority Fund and a transfer out of \$492,000 to maintain the 20% General Fund reserve.

³Includes a transfer out of \$160,000 to Gas Tax Fund.

⁴Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$1,519,800 to the Transit Fund, and a transfer out of \$300,000 to the Vehicle Replacement Fund.

⁵Includes a transfer in of \$763,500 from the principle payment of the Side Fund Loan to be reserved for compensated absences.

⁶The City Council approved a \$500,000 reserve for the South Laguna Community Garden that is not shown in this fund balance. The reserve expires on June 30, 2021.

⁷The City Council approved a goal of a 20% General Fund Operating Reserve equal \$13,192,000 which is not shown in this fund balance. A reserve of \$250,000 to mitigate fluctuations in investment reporting, and a reserve of \$1,720,000 to offset future pension cost increases are not shown in this fund balance.

Beginning and Ending Balances

Fiscal Year 2020-21

All Funds¹

	Estimated Beginning Balance July 1, 2018	Estimated Revenues	Transfers In (Out)	Estimated Expenditures	Estimated Ending Balance June 30, 2019
<u>Operating and Capital Project Funds</u>					
General	307,628	\$72,787,000	\$125,000 ²	72,484,400	\$735,228 ⁷
Measure LL	569,095	\$2,837,000		2,627,300	778,795
Open Space	611,764			20,000	591,764
Capital Improvement	134,721	7,394,000	(520,000) ³	6,786,600	222,121
Parking Authority	3,578,424	7,818,000	(2,298,000) ⁴	3,853,400	5,245,024
Parking in Lieu	920				920
Park in Lieu	26,721				26,721 ⁵
Art in Lieu	135,580				135,580
Drainage	70,872				70,872
Housing in Lieu	299,168				299,168
Gas Tax	19,435	1,388,000	520,000	1,900,000	27,435
Street Lighting and Utility	2,815,516	1,846,100		1,725,900	2,935,716
Wastewater	1,510,298	14,864,000	-	14,870,800	1,503,498
Disaster Contingency	6,480,696	100,000			6,580,696
Transportation Infrastructure	104,905	2,000			106,905
Transit	2,000	2,725,200	1,473,000	4,198,200	2,000
Total	16,667,743	111,761,300	(700,000)	108,466,600	19,262,443
<u>Internal Service Funds</u>					
Insurance	3,559,207	11,752,600	784,800 ⁵	11,694,400	4,402,207
Vehicle Replacement	9,291,926	2,484,300	300,000	423,000	11,653,226 ⁶
Total	\$12,851,133	\$14,236,900	\$1,084,800	\$12,117,400	\$16,055,433

¹Includes all operating, capital project and internal service funds. Excludes trust and agency, carryover, and special assessment district funds.

²Includes a transfers in of \$525,000 from the Parking Authority Fund and \$400,000 to maintain the 20% General Fund Reserve.

³Transfer out of \$520,000 to the Gas Tax fund.

⁴Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$1,473,000 to the Transit Fund, and a transfer out of \$300,000 to the Vehicle Replacement Fund.

⁵Includes a transfer in of \$784,800 from the principle payment of the Side Fund Loan to be reserved for compensated absences.

⁶The City Council approved a \$500,000 reserve for the South Laguna Community Garden that is not shown in this fund balance. The reserve expires on June 30, 2021.

⁷The City Council approved a goal of a 20% General Fund Operating Reserve equal \$13,592,000 which is not shown in this fund balance. A reserve of \$250,000 to mitigate fluctuations in investment reporting, and a reserve of \$1,490,000 to offset future pension cost increases are not shown in this fund balance.

Community Assistance

Community Services
General Fund/5201

Account No.	Organization	Actual Expenditures 2016-17	Community Request 2018-19	Adopted Budget 2018-19	Community Request 2019-20	Subcommittee Recommendation 2019-20	Proposed Budget 2019-2020
2992	Ability Awareness Project				\$15,000	\$500	\$500
2909	Age Well Senior Services	4,000	4,000	2,500	3,000	2,500	2,500
2913	Assistance League (1)				5,500		
2953	Assistance League (2)				10,000		
2966	Boys & Girls Club of Laguna Beach	30,000	50,000	25,000	50,000	23,000	23,000
2999	Catmosphere				15,000		
2931	Creative Identity		10,000		8,000	1,000	1,000
2950	First Thursdays Art Walk		5,000		3,000		
2918	Friends of Laguna Beach Library, Inc.	12,000	16,500	6,000	16,000	5,000	5,000
2905	Friends of the Hortense Miller Garden		4,000	2,500	5,000	2,500	2,500
2972	Friendship Shelter, Inc.	2,000	20,000	8,000	20,000	5,000	5,000
2989	Give a Beat		6,000				
2925	Greater Laguna Coast Fire Safe Council	2,000	3,000	1,000			
2932	Helping Hand World Wide		5,000		5,000		
2920	HIV Advisory Committee	14,000	33,000	10,000	35,000	10,000	10,000
2943	KX 93.5 LB Radio, Inc.	2,000	25,000	20,000	30,000	13,000	13,000
2964	Laguna Beach Aquatics Foundation		30,000				
2924	Laguna Beach Beautification Council	3,000	5,000	500	7,500	1,000	1,000
2988	Laguna Beach CERT				10,000		
2980	Laguna Beach Chamber of Commerce	25,000			40,000	23,000	23,000
2951	Laguna Beach Chamber Singers		7,500				
2917	Laguna Beach Community Clinic	21,000	25,000	22,000	25,000	20,000	20,000
2912	Laguna Beach Garden Club		2,000		3,000		
2954	Laguna Beach Housing & Human Services	3,300	5,000	2,500	7,000	2,500	2,500
2922	Laguna Beach Live!	13,000	20,000	13,000	20,000	11,000	11,000
2957	Laguna Beach Net-Works				24,000	3,000	3,000
	Laguna Beach Patriot's Day Parade				4,000		
	Laguna Beach Recreation Committee		5,000	1,000	5,000	2,000	2,000
2975	Laguna Beach Seniors, Inc.		30,000	15,000	30,000	15,000	15,000
2981	Laguna Canyon Foundation	3,000	12,000	6,000	12,000	6,000	6,000
2982	Laguna Community Concert Band	9,000	11,000	8,000	12,000	8,000	8,000
	Laguna Dance Festival (CA Dance)	7,000	25,900	6,000	25,000	6,000	6,000
2984	Laguna Food Pantry	5,000	24,000	6,000	30,000	8,000	8,000
	Laguna Ocean Foundation	5,000	15,000	6,000	10,000	6,000	6,000
2915	Laguna Open Volleyball Tournament		10,000	1,000			
	Laguna Outreach Comm. Arts (LOCA)	6,000	16,600	6,000	16,600	6,000	6,000
	Laguna Plein Air Painters Association	8,000	65,000	20,000	50,000	18,000	18,000
2999	Laura's House	1,500	3,500	1,500	3,500	2,750	2,750
2999	Master Chorale of Saddleback		3,000		3,000		
2960	Music in Common, Inc.	2,500	5,000	1,000			
	No Square Theater	16,000	88,000	23,000	107,000	21,000	21,000
2955	OC Human Relations		10,000				
2999	Pacific Marine Mammal Center	10,000	15,000	8,000	10,012	10,000	10,000
2999	Patty's House		8,000				
2999	Protecting Unwanted Pets (PUP)		4,000		4,000	1,000	1,000
2916	Sally's Fund, Inc.	5,000	7,000	4,000	15,000	13,000	13,000
2999	Seaside Legal Services	3,000	25,000	6,500	25,000	6,500	6,500
	South County Cross-Cultural Council		25,000	25,000	25,000	15,000	15,000
	The Glenwood Foundation				5,520		
	The Heart Way	200					
	Transition Laguna Beach		15,000				
Grand Total		\$212,500	\$699,000	\$257,000	\$749,632	\$267,250	\$267,250

Available Funding	268,052
Remaining Available Balance	802

**City of Laguna Beach
Cultural Arts Funding 2019/20
Business Improvement District**

Organization	Requested 2019/20	Received 2018/19	Recommended 2019/20	Increase/ Decrease
Ability Awareness	22,000	-	0	0
Community Art Project	6,800	4,500	5,000	500
Festival of Arts	0	12,000	0	-12,000
First Thursday's Art Walk	30,000	23,000	18,000	-5,000
Kontrapunktus	3,000	0	1,500	1,500
KX 93.5 Radio	20,000	7,000	10,000	3,000
Laguna Beach Alliance for the Arts	14,600	14,600	14,600	0
Laguna Beach Garden Club	3,000	-	0	0
Laguna Beach Live!	45,000	31,000	32,000	1,000
Laguna Beach Sister City Association	4,500	4,000	4,500	500
Laguna Beach Chamber Singers	5,000	-	1,500	1,500
Laguna Community Concert Band	12,000	8,000	9,000	1,000
Laguna Dance Festival	50,000	31,000	15,000	-16,000
LOCA, Arts Education	26,000	20,000	20,000	0
Laguna Plein Air Painters Association	50,000	20,000	22,000	2,000
LagunaTunes	5,000	5,000	5,000	0
Master Chorale of Saddleback Valley	3,000	0	0	0
Music in Common	4,200	-	2,000	2,000
My Hero Project	4,400	1,500	1,500	0
No Square Theatre	45,000	31,000	32,000	1,000
Sawdust Art Festival	35,000	23,000	24,000	1,000
Third Street Writers	2,800	1,000	2,000	1,000
On-Line processing	1,000	1,000	1,000	0
Applications 21 Total	316,300	237,600	220,600	-17,000

0 = Applied but did not receive grant
 - = Did not submit an application in 2018

**City of Laguna Beach
Cultural Arts Funding 2019/20
Business Improvement District**

Community Art Project (CAP)

The mission of the organization is to increase the visibility and appreciation of art and serve as a catalyst for art educations. Requested funds will be used for marketing and promotion of the Banking on Art exhibition held at Wells Fargo Bank and an honorarium for a temporary sculpture.

\$5,000

First Thursday's Art Walk

Established in 1998, First Thursday's Art Walk expands the accessibility of the arts and art experiences. With over 20 participating galleries, First Thursday's offers a monthly year round event. Requested funds will be used for trolley rental, trolley guides and marketing.

\$18,000

Kontrapunktus

Established in 2016, Kontrapunktus is a neo-Baroque ensemble consisting of Colborn School musicians. The Ensemble will present a concert at the Laguna Beach Presbyterian Church. Requested funds will be used for marketing the concert.

\$1,500

KX 93.5 Radio

Established in 2012, KX 93.5, is the only FM Radio station in Laguna Beach. Annually the station presents a concert in the Irvine Bowl featuring famous musicians. Requested funds would be used to promote the Festival of Music in Fall 2019.

\$10,000

Laguna Beach Alliance for the Arts (LBAA)

The LBAA was formed in 2002, with a membership of 18 arts organizations in Laguna Beach. The purpose of the organization is to promote collaboration and networking among arts organizations. Requested funds will support a quarterly four-color calendar listing cultural events in Laguna Beach and web-site.

\$14,600

Laguna Beach Live!

Formed in 2001, Laguna Beach Live is dedicated to promoting and increasing the knowledge and appreciation of the performing arts in Laguna Beach and to nurture musicians and singers. Requested funds will be used for facility rental, artist fees, marketing and promotion for Jazz Wednesday, Bluegrass and BBQ, Music at the Montage and Live! Music Insights.

\$32,000

Laguna Beach Chamber Singers

Established in 2012, the Laguna Beach based organization presents classical choral music. Requested funds would be used to present a concert in Spring 2020.

\$1,500

Laguna Beach Sister City

The mission of the organization is to promote global understanding and cooperation at the community level. Requested funds will be used to market and promote the one day music festival "Fete de Musique" in June 20, 2020.

\$4,500

**City of Laguna Beach
Cultural Arts Funding 2019/20
Business Improvement District**

Laguna Community Concert Band

Formed in 1998, the band started with eight members that has grown to 40, playing a variety of music from classical to show tunes and folk songs. Requested funds will be used to for facility rental, guest artist fees, marketing and promotion.

\$9,000**Laguna Dance Festival**

The mission of the organization is to support and promote the development of dance creation, presentation and education and increase the public's appreciation of the art form. Requested funds will be used for facility rental, artist fees, marketing and promotion for performances at the Festival of Arts, the Black Grace performance and screening of Merce Cunningham at the Laguna Art Museum.

\$15,000**LOCA, Arts Education**

LOCA is a coalition of arts educators, professional artists and others interested in arts education. LOCA provides hands-on workshops taught by professional artists in a wide variety of art forms. Requested funds will be used for artist fees and the marketing and promotion of Laguna Beach Landscapes, Plein Air Experience, Watercolors on the Beach and Art and Sea Lions.

\$20,000**Laguna Plein Air Artist Association**

Established in 1996 the organization presents the annual Plein Air Painters Invitational. Requested funds will be used for facility rental, marketing and promotion of its event in October 2019.

\$22,000**Laguna Tunes**

LagunaTunes is a choral community group who perform a variety of music styles. Requested funds will be used for facility rental, artist fees and the marketing and promotion of its concerts.

\$5,000**Music in Common**

Founded in 2005, the mission of the organization is to strengthen, empower and connect communities through the universal language of music. Requested funds will be used to present two public performances resulting from the program

\$2,000**My Hero Project**

My Hero Project is an educational, interactive Web journal that focuses on individuals who have made a positive difference in the world. Requested funds will be used to market and promote the "Laguna Beach My Hero Project."

\$1,500**No Square Theatre**

No Square Theatre offers open, fun and unrestrained performing arts opportunities for everyone. No Square Theatre presents plays, musicals, concerts and workshops for aspiring thespians. Requested funds will be used for facility rental, artist fees and the marketing and promotion for six off season productions.

\$32,000

**City of Laguna Beach
Cultural Arts Funding 2019/20
Business Improvement District**

Sawdust Art Festival

The purpose of the Sawdust Art Festival is to provide the general public the opportunity to enjoy and appreciate the art and culture produced by local artists. Requested funds will be used for artist fees, marketing and promotion of weekly "Sawdust Studio Art Classes."

\$24,000**Third Street Writers**

The organization was established in 2015 and is dedicated to fostering the development of new and seasoned writers. Funds will be used to produce the publication "Beach Reads3: Lost and Found" by local authors.

\$2,000**On-Line Application**

Organizations will apply on-line, reducing replication costs. The Arts Commission is recommending the use of the on-line application company, Slideroom also used for public art submissions.

\$1,000**TOTAL \$220,600**

City of Laguna Beach
Capital Outlay Requests Budget FY19-20 and FY20-21

Division	Fund	Dept	Div	Obj	Description	Fiscal Year 2019-2020	Fiscal Year 2020-2021
<u>Admin Services</u>							
Human Resources/Risk	110	17	1601	5408	(R) Fire File Cabinet (2)	2,800	
Information Technology	110	17	1603	5408	(R) Virtual Hosts	80,000	
Information Technology	110	17	1603	5408	(R) UPS for Server Room	20,000	
Information Technology	110	17	1603	5408	(R) Veeam	20,000	
Information Technology	110	17	1603	5408	(R) Server Room Updates	15,000	
Information Technology	110	17	1603	5622	(A) Mitel Reporting	2,200	2,200
Information Technology	110	17	1603	5622	(A) Second SAN	60,000	3,000
Finance	110	17	1701	5408	(R) Replacement Computer (1)	2,400	
Finance	110	17	1701	5408	(R) Replacement Computer (3)		7,200
Finance	110	17	1701	5408	(R) Mail Machine		15,000
Finance	110	17	1701	5408	(R) Printer for Payroll and Accounts Payable Check Printing		15,000
Admin Services						202,400	42,400
<u>Police Department</u>							
Support Services	110	20	2101	5408	(R) Computers (10)	19,800	
Support Services	110	20	2101	5408	(A) Body Worn Cameras (Funded by NARC)	40,000	
Support Services	110	20	2101	5408	(R) Police Evidence Lockers (Supplemental Funding)	32,000	
Support Services	110	20	2101	5408	(A) NAG Bond HEVC Backpack AB Mont	6,800	
Support Services	110	20	2101	5408	(R) Replacement Car Mobile Data Computers (15)		125,000
Support Services	110	20	2101	5408	(R) Computers (9)		18,600
Support Services	110	20	2101	5408	(R) Replacement Police Cars Camera System		150,000
Support Services	110	20	2101	5408	(R) Digital Recorders (80 Units)		32,000
Support Services	110	20	2101	5622	(R) Cloud Based Storage	40,000	
Support Services	110	20	2101	5622	(R) Dell Network Switch	8,000	
Support Services	110	20	2101	5622	(R) Laser fiche Document Storage Program		13,000
Support Services	110	20	2101	5622	(A) Emergency Shelter Supplies for Community Center	10,000	
Police Department						156,600	338,600
<u>Fire Department</u>							
Fire Operations	110	24	2401	5622	(A) Automatic Cardiac Compression Devices (4)	60,000	
Fire Operations	110	24	2401	5622	(A) Cardiac Defibrillators (3) *		120,000
Fire Operations	110	24	2401	5622	(R) ALS Simulation Manikin	17,000	
Fire Operations	110	24	2401	5622	(R) iPads (8)		8,000
Fire Operations	110	24	2401	5622	(A) Station 1 ambulance quarters HVAC	18,000	
Fire Operations	110	24	2401	5622	(A) Station 1 Apparatus bay HVAC / ventilation	5,000	
Fire Operations	110	24	2401	5622	(R) Replace Hose Tower Motor / Drying Rack	15,000	
Fire Operations	110	24	2401	5622	(R) Training Equipment for Arson Investigators	20,000	
Fire Operations	110	24	2401	5622	(R) Repair original ventilation training prop		25,000
Fire Operations	110	24	2401	5622	(R) Exercise Lifecycles (4)		14,000
Fire Department						135,000	167,000
<u>Marine Safety</u>							
Marine Safety	110	26	2601	5408	(R) Computers (3)	7,500	
Marine Safety	110	26	2601	5408	(R) Computers (1)	2,300	
Marine Safety	110	26	2601	5408	(R) Office/Dispatch Chairs (5)	2,500	
Marine Safety	110	26	2601	5622	(R) Motorola Radios (4)	25,000	
Marine Safety	110	26	2601	5622	(R) Rescue Watercraft Trailers (2)	7,200	
Marine Safety	110	26	2601	5622	(A) Beach Camera (1)	5,000	
Marine Safety	110	26	2601	5622	(R) Surveyor Lifeguard Towers (2)		40,000
Marine Safety						49,500	40,000
<u>Public Works</u>							
Administration	110	30	3101	5408	(A) Envelope Stuffer	4,000	
Administration-Engineering	110	30	3101	5408	(R) Computers (1) and Printers (1)	2,000	
Parking & Bldg Main	110	30	3104	5408	(R) Office Chairs	2,000	
Parking & Bldg. Main	110	30	3104	5408	(R) Smart Irrigation Controllers for Landscaped Public Areas	20,000	
Streets	110	30	3106	5408	(R) Multiquip Whitman Easy clean Poly Drum Cement Mixer	5,000	
Utility Undergrounding	110	30	3107	5408	(R) Computers (1) and Printers (1)	2,800	
Public Works						35,800	0

City of Laguna Beach
Capital Outlay Requests Budget FY19-20 and FY20-21

Division	Fund	Dept	Div	Obj	Description	Fiscal Year 2019-2020	Fiscal Year 2020-2021
<u>Community Development</u>							
Administration	110	40	4101	5408	(R) Computers (1) and Printers (2)	3,300	
Zoning Division	110	40	4102	5408	(R) Printers (6)	2,100	
Planning	110	40	4106	5408	(R) Computers (2) and Printers (2)	5,900	
Community Development						11,300	0
<u>Community Services</u>							
Recreation	110	50	5101	5622	(R) Computers (5)	11,000	
Recreation	110	50	5101	5622	(R) Soccer Goal Posts	6,000	
Recreation	110	50	5101	5622	(R) Main Beach Volleyball		8,000
Pool	110	50	5101	5622	(R) Pool Vacuum		9,500
Community Services						17,000	17,500
Total General Fund						607,600	605,500
<u>Measure LL</u>							
Fire Operations	113	24	2401	5622	(A) Cardiac Defibrillators (3) *		120,000
						0	120,000
Measure LL Fund (Fire Operations Only)						0	120,000
<u>Waterwaster</u>							
Operations	137	37	3301	5408	(R) Computers (4)	7,800	
Operations	137	37	3301	5408	(R) Computers (1)		2,600
Operations	137	37	3301	5622	(A) Cardiff Asset Management and Workorder System	105,000	
						112,800	2,600
Total Water Quality / Sewer Fund						112,800	2,600
<u>Transit</u>							
Transit Operations	310	30	3404	5408	(R) Office Chairs	2,000	
Transit Operations	310	30	3405	5408	(A) Trolley Head Sign Integration Kits for 13 Trolleys	22,000	
						24,000	
Total Transit Fund						24,000	0
Total Request for Capital Outlay						744,400	728,100

Notes:

(A) = Additional Equipment (New Equipment)

(R) = Replacement Equipment

* Cardiac Defibrillators (6 total)

ATTACHMENT B

ADOPT RESOLUTION MODIFYING
COMMUNITY DEVELOPMENT BUILDING
AND ZONING FEES

RESOLUTION NO. 19.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH AMENDING THE BUILDING DIVISION PERMIT FEE SCHEDULES IN CONFORMANCE WITH THE PROVISIONS OF TITLE 14 OF THE LAGUNA BEACH MUNICIPAL CODE

WHEREAS, Title 14 of the Municipal Code of the City of Laguna Beach, authorize the City Council to establish fees for processing applications and requests filed under the subdivision and zoning titles of the Municipal Code;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Laguna Beach hereby resolves and orders as follows:

Section 1. That the schedule of fees to be paid to the City of Laguna Beach is hereby established for the following:

SCHEDULE I – BUILDING PERMIT FEES

<u>Total Valuation</u>	<u>Fee</u>
\$1 to \$500	\$72.00 \$69
\$501 to \$1,000	\$133.00 \$127
\$1,001 to \$300,000	\$133.00 \$127 for the first \$1,000, plus \$13.90 \$13.20 for each additional \$1,000 or fraction thereof, up to and including \$300,000
\$300,001 to \$500,000	\$4,278.00 \$4,074.00 for the first \$300,000, plus \$9.20 \$8.80 for each additional \$1,000 or fraction thereof, up to and including \$500,000
\$500,001 to \$1,000,000	\$6,126.00 \$5,834.00 for the first \$500,000, plus \$8.10 \$7.70 for each additional \$1,000 or fraction thereof, up to and including \$1,000,000
\$1,000,001 and up	\$10,168.00 \$9,684.00 for the first \$1,000,000, plus \$5.80 \$5.50 for each additional \$1,000 or fraction thereof.

All plan check fees are 65% of the above building permit fees. The Building Official shall use the most current Building Valuation Data as published in the Building Safety Journal as published by the International Code Council as the basis for determining the total minimum valuation of the building. The costs per square foot shown in the Building Valuation Data Table shall be increased by a factor of 2.00. In no case shall the cost per square foot for single-family dwellings be less than ~~\$193.00~~ ~~\$184~~ or the cost per square foot for multiple-family dwellings be less than ~~\$160.00~~ ~~\$152~~. In no case shall the cost per square foot for interior remodels of single-family or multi-family dwellings be less than ~~\$139.00~~ ~~\$132~~. Where the necessary data for a proposed structure cannot be found in the Table, the Building Official shall determine the valuation.

SCHEDULE II – MECHANICAL CODE FEES

1.	For the issuance of each permit	\$37.00 \$35.00
2.	For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 B.T.U.'s	\$37.00 \$35.00
3.	For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliances over 100,000 B.T.U.'s	\$48.00 \$46.00
4.	For the installation or relocation of each floor furnace, including vent	\$18.00 \$17.50
5.	For the installation or relocation of each suspended heater, recessed wall heater or floor mounted unit heater	\$18.00 \$17.50
6.	For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$13.00 \$12.00
7.	For the repair of, alteration of, or addition to each heating appliance, refrigeration unit, comfort cooling, absorption or evaporative cooling system, including installation or controls regulated by Volume II of the Mechanical Code	\$20.50 \$19.50
8.	For the installation or relocation of each boiler or compressor up to and including three horsepower, or each absorption system, up to and including 100,000 B.T.U.'s	\$24.00 \$23.00
9.	For the installation or relocation of each boiler or compressor over three horsepower, up to and including 15 horsepower, or each absorption system over 100,000 B.T.U.'s, up to and including 500,000 B.T.U.'s	\$37.00 \$35.00
10.	For the installation or relocation of each boiler or compressor over 15 horsepower, up to and including 30 horsepower, or each absorption system over 500,000 B.T.U.'s, up to and including 1,000,000 B.T.U.'s	\$48.00 \$46.00

11.	For the installation or relocation of each boiler or compressor over 30 horsepower to and including 50 horsepower, or for each absorption system over 1,000,000 B.T.U.'s up to and including 1,750,000 B.T.U.'s	\$72.00 \$69.00
12.	For the installation or relocation of each boiler or refrigeration compressor over 50 horsepower, or each absorption system over 1,750,000 B.T.U.'s	\$121.00 \$115.00
13.	For each handling unit, up to and including 10,000 cubic feet per minute, including ducts attached thereto	\$18.00 \$17.50
Note: This fee shall not apply to an air-handling unit which is a portion of a factory assembled appliance, comfort cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in Volume II of Mechanical Code.		
14.	For each air-handling unit over 10,000 cubic feet per minute	\$30.00 \$28.50
15.	For each vent fan connected to a single duct	\$13.00 \$12.00
16.	For each evaporative cooler other than portable type	\$18.00 \$17.50
17.	For each ventilation system which is not a portion of any heating, or air conditioning system authorized by a permit	\$18.00 \$17.50
18.	For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$18.00 \$17.50
19.	For each appliance or piece of equipment regulated by Volume II Mechanical Code, but not classed in other appliance categories, or for which no other fee is listed in said Code, including extension of existing duct work	\$18.00 \$17.50

SCHEDULE III – PLUMBING CODE FEES

1.	Permit Issuance	\$37.00 \$35.00
2.	In Addition: For each plumbing fixture or trap or set of fixtures on one trap (including water, drainage piping and back-flow protection therefore)	\$6.00 \$5.50
3.	For each building sewer	\$37.00 \$35.00
4.	For each private sewage disposal system (including building sewer)	\$72.00 \$69.00
5.	For each water heater and/or vent	\$6.00 \$5.50

6.	For each gas piping system of one (1) to five (5) outlets	\$6.00 \$5.50
7.	For each gas piping system of six (6) or more outlets per outlet, over first five	\$1.00
8.	For each industrial waste pre-treatment interceptor, including its trap and vent, excepting kitchen type grease interceptors functioning as fixture traps	\$6.00 \$5.50
9.	For installation, alteration or repair of water piping and/or water treating equipment (including water softeners)	\$6.00 \$5.50
10.	For repair or alteration of drainage or vent piping	\$6.00 \$5.50
11.	For each residential lawn sprinkler system on any one meter, including backflow protection devices therefore	\$6.00 \$5.50
12.	For each commercial (non-residential) lawn gardening or landscape sprinkling system, including backflow protection devices therefore:	
	First 50 heads	\$30.00 \$28.50
	Each additional head	\$0.21 \$0.20
13.	For vacuum breaker or backflow protective devices on tanks, vats, etc. or for installation of unprotected plumbing fixtures, including necessary water piping (fire sprinkling):	
	One (1) to five (5)	\$6.00 \$5.50
	Over five (5) each additional	\$0.84 \$0.80
14.	Plumbing Plan Check fee is one-half permit fee	

All commercial installation permits to be reviewed for plan check before issuance.

SCHEDULE IV – ELECTRIC CODE FEES

Residential Fee Schedule: (Single or Multi-family). Fees listed herein below for new construction, include, when this formula is applied to the square footage area of the building, all electrical installations:

1. Minimum permit issuance fee of ~~\$37.00~~ ~~\$35.00~~ plus ~~\$24.00~~ ~~\$23.00~~ for each service meter on permit.
2. Plus ~~twelve cents (\$0.12)~~ ~~eleven cents (\$0.11)~~ per square foot, habitable areas.
3. Plus ~~twelve cents (\$0.12)~~ ~~eleven cents (\$0.11)~~ per square foot, for detached or attached garages or carports on the same service.

4. Additional ~~\$6.00~~ ~~\$5.50~~ for each room where electrical radiant heating is installed in residential new construction.
5. Where the underground services are installed, the additional fee for each shall be ~~\$23.00~~ \$24.00.
6. Regarding garages or carports, twelve cents (\$0.12) ~~eleven cents (\$0.11)~~ per square foot for detached or attached garages or carports on the same service.

Hotels and Motels Fee Schedule: Use regular fee schedule below for all areas.

Commercial Industrial and Assembly Occupancies Fee Schedule: Use regular fee schedule below.

Alteration, Repairs or Improvements Fee Schedule: Use regular fee schedule below.

Regular Fee Schedule:

7. Minimum permit issuance fee of ~~\$37.00~~ ~~\$35.00~~ plus ~~\$24.00~~ ~~\$23.00~~ for each installation.
8. Each self-contained, factory-wired, approved unit, such as cooking appliance, home appliances, heating appliances, heater, vegetable cases, drinking fountains, etc. ~~\$6.00~~ ~~\$5.50~~
9. Radiant ceiling heat per room ~~\$6.00~~ ~~\$5.50~~
10. Fixtures:

First 20 fixtures, each	\$1.16 \$1.10
Each additional fixture	\$1.16 \$1.10
Each mercury vapor fixture on pole	\$6.00 \$5.50
Each additional mercury vapor fixture on the same pole	\$1.16 \$1.10
11. Generators, Motors and Transformers:

H.P., K.W. or C.V.A. Rating Equipment	
Up to and including 1	\$6.00 \$5.50
Over 1 and not over 10	\$13.00 \$12.00
Over 10 and not over 50	\$24.00 \$23.00
Over 50 and not over 100	\$37.00 \$35.00
Over 100 and not over 500	\$54.00 \$51.50
Over 500	\$72.00 \$69.00
12. Underground conversion to 100 amps: ~~\$20.00~~ ~~\$19.00~~ plus ~~\$20.00~~ ~~\$19.00~~ permit fee, for total of ~~\$40.00~~ ~~\$38.00~~
13. Outlets:

First 2 outlets, each	\$1.16 \$1.10
Each additional outlet	\$1.16 \$1.10
Each 5 feet or fraction thereof of multiple outlet assembly	\$1.16 \$1.10
Each multiple appliance outlet assembly	\$4.60 \$4.40

14.	Signs and High Potential Gas Tube Lighting:	
	One sign and one transformer	<u>\$8.10</u> \$7.70
	Each additional sign and one transformer at the same location (same building)	<u>\$4.60</u> \$4.40
	Each extra transformer, flasher or time clock	<u>\$4.60</u> \$4.40
	Each additional sign and one transformer on same lot	<u>\$8.10</u> \$7.70
	Each sign and one transformer moved to new location	<u>\$8.10</u> \$7.70
	Each additional sign and transformer moved to new location	<u>\$4.60</u> \$4.40
	For altering or changing letters of an existing sign	<u>\$4.60</u> \$4.40
	For converting of each sign or decorative outlet tubing	<u>\$4.60</u> \$4.40
15.	Lamp Holding Devices Used on sign or Marquee:	
	First 20, each	<u>\$0.23</u> \$0.22
	Next 100, each	<u>\$0.12</u> \$0.11
	Each additional	<u>\$0.12</u> \$0.11
16.	Inspections for which no fee is herein prescribed	<u>\$48.00</u> \$46.00
17.	Service change, each	<u>\$24.00</u> \$23.00
18.	Circuit for forced air furnace	<u>\$1.16</u> \$1.10
19.	New subpanel	<u>\$24.00</u> \$23.00
20.	Plan Check – 65% of total electrical permit fee, but no less than	<u>\$42.50</u> \$40.50

SCHEDULE V – CONVERSION INSPECTION FEES

- | | | |
|----|---|-----------------|
| 1. | Multi-story or greater than 2,500 square feet of floor area | <u>\$104.50</u> |
| | (plus <u>\$44.00</u> \$41.50 /story in excess of one: or <u>\$44.00</u> \$41.50 /each 2,500 square feet or fraction thereof in excess of 2,500 square feet) | <u>\$110.00</u> |

Note: The above fee does not include the fees for the building permit, nor fees for electrical, plumbing or heating and ventilating permits covering the alterations and/or repairs of the conversion.

SCHEDULE VI – OCCUPANCY FEE

- | | | |
|----|---|-------------------------------------|
| 1. | The Occupancy Fee permitted by Section 14.02.090 of the Municipal Code shall be as follows: | <u>\$231.00</u> \$220.00 |
|----|---|-------------------------------------|

SCHEDULE VII – SANDBLASTING AND WATERBLASTING FEE

- | | | |
|----|---|-------------------------------------|
| 1. | The sandblasting and waterblasting permit fee permitted by Section 14.02.090 and Chapter 14.38 of the Municipal Code shall be <u>as follows</u> : | <u>\$134.00</u> \$127.50 |
|----|---|-------------------------------------|

SCHEDULE VIII – REINSPECTION FEE

1. The re-inspection fee permitted by Section 14.02.100 of the Municipal Code shall be as follows: \$67.00 ~~\$63.50~~

SCHEDULE IX – BUILDING MOVING FEES

The fees authorized for moving buildings permitted by Chapter 14.20 of the Municipal Code are established as follows:

1. For an accessory building with an area of 800 square feet or less \$110.00 ~~\$104.50~~
2. For all other structures within City \$335.00 ~~\$319.00~~

SCHEDULE X – WATER QUALITY INSPECTION FEES

1. Low and ~~m~~Medium ~~p~~Priority ~~c~~Construction ~~p~~Projects: \$670.00 ~~\$638.00~~
2. High ~~p~~Priority ~~c~~Construction ~~p~~Projects: \$2061.00 ~~\$1,963.00~~

SCHEDULE XI – DOCUMENT RETENTION FEE

1. Document Retention Fee - \$0.63 ~~\$0.60~~ for every \$1,000 Valuation (Up to \$1,000,000 Valuation)

SCHEDULE XII – GRADING PERMIT AND PLAN CHECK FEES

- | <u>Grading Amount</u> | <u>Permit Fee</u> |
|-----------------------------|---|
| 100 cubic yards or less | <u>\$42.50</u> \$40.50 |
| 101 to 1,000 cubic yards | <u>\$42.50</u> \$40.50 for the first 100 cubic yards plus <u>\$12.70</u> \$12.10 for each additional 100 cubic yards or fraction thereof up to and including 1,000 cubic yards |
| 1,001 to 10,000 cubic yards | <u>\$157.00</u> \$149.50 for the first 1,000 cubic yards plus <u>\$11.60</u> \$11.00 for each additional 1,000 cubic yards or fraction thereof up to and including 10,000 cubic yards |
| 10,001 or more cubic yards | <u>\$261.00</u> \$248.50 for the first 10,000 cubic yards plus <u>\$ 3.50</u> \$3.30 for each additional 1,000 cubic yards or fraction thereof |

The grading plan check fee shall be 50% of the calculated grading permit fee.

Section 2. That all resolutions and sections of the Laguna Beach Municipal Code, and parts thereof, inconsistent herewith are repealed to the extent of such inconsistency and no further.

Section 3. Pursuant to the California Government Code Section 66017, these fees shall become effective on June 18, 2019.

ADOPTED this 18th day of June, 2019.

Bob Whalen, Mayor

ATTEST:

City Clerk

I, LISETE CHEL-WALKER, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. was duly adopted at a Regular Meeting of the City Council of said City held on June 18, 2019 by the following vote:

AYES: COUNCILMEMBER(S)

NOES: COUNCILMEMBER(S)

ABSENT: COUNCILMEMBER(S)

City Clerk, City of Laguna Beach, CA

RESOLUTION NO. 19.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH AMENDING PLANNING AND ZONING FEES

WHEREAS, Title 21 (Section 21.08.080) and Title 25 (Section 25.05.015) of the Municipal Code of the City of Laguna Beach, authorize the City Council to establish fees for processing applications and requests filed under the subdivision and zoning titles of the Municipal Code;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Laguna Beach hereby resolves and orders as follows:

Section 1. That the schedule of fees to be paid to the City of Laguna Beach is hereby established for the following:

ZONING DIVISION FEES

Appeal Fee to City Council	\$748 \$650
Concept Review (Design Review Board)	\$2,777 \$2,415 for New Structure + \$460 \$400 per \$500 of building permit value \$690 \$600 for Minor Improvement
Coastal Development Permit (CDP)	\$144 \$125 plus \$1.04 90¢ per \$500 of building permit value (\$6,940 \$6,035 maximum)
Copying Fee	40¢ 35¢ per page (10 page max.) 11" by 17" - \$6.61 \$5.75 + 72¢ 63¢ per page (10 page max.) Over 10 pages must be copied by a bonded copier service.
Design Review (non-noticed)	\$690 \$600
Design Review – Standard (requiring notice)	\$529 \$460 + \$3.62 \$3.15 per \$500 of building permit value

	Design Review – Staff Assisted (requiring notice)	\$2,777 \$2,415 + \$4.60 4.00 per \$500 of building permit value
	Design Review (Administrative)	\$690 \$600
	Design Review Additional Fee (for projects appealed by the Applicant and then referred back to DRB by City Council)	50% of Original DR fee
	Extension of Approval Periods (Design Review, Variance, etc.)	\$345 \$300
	Landscape Plan Review	\$552 \$480
	Plan Retrieval Fee	\$138 \$120
	Plan Revision Fee	\$138 \$120
	Real Property Report - Commercial	\$545
	Real Property Report – Residential	\$400
	Real Property Report – Extension	\$120
	Staking Removal Deposit	\$1,386 \$1,205
	Use and Occupancy (with inspections)	\$414 \$360
	Use and Occupancy (without inspections)	\$98 \$85
	Variance	\$690 \$600 + 1.96 \$1.70 per \$100 of building permit value above \$35,000 (\$19,838 \$17,250 maximum)
	Variance of Existing Nonconformity	\$690 \$600
	Variance from Access Standards - Design Review Board	\$2,777 \$2,415
	Zoning Plan Check for projects	\$345 \$300

less than \$10,000

Zoning Plan Check for projects between \$10,000 and \$100,000	\$489 \$425
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Zoning Plan Check for projects over \$100,000	\$690 \$600
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Zoning Plan Re-Checks (after 1 st Re-Check)	75% of Original Zone Plan Check Fee
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PLANNING DIVISION FEES

Administrative Use Permit	\$347 \$302
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Appeal Fee to City Council	\$748 \$650
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Appeal Fee to City Council, Tree Removal Permit Category I, II and III	\$748 \$650
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Appeal from an Administrative Division	\$748 \$650
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Biological Habitat Impact Mitigation Fee (Allocated to Open Space Fund)	\$1.52 \$1.32 per square foot with a minimum of \$2.657 \$2.310
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Board of Appeal (Pursuant to Section 14.02.040 – Planning Commission)	\$661 \$575
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Certificate of Compliance	\$661 \$575
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Coastal Development Permit	\$144 \$125 plus \$1.04 90¢ per \$500 of building permit value (\$6,940 \$6,035 maximum)
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Concept Review – Planning Commission	\$1,265 \$1,400 Minimum Plus Actual Costs Over Minimum*
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Conditional Use Permit – Amendment (to an existing, active Conditional Use Permit)	\$466 \$405
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Conditional Use Permit, Major (new structure, adding 50% or more of existing floor area to an existing structure, or altering 50% or more of the existing floor	\$6,135 \$5,335 Minimum Plus Actual Costs Over Minimum*
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area of an existing structure)

	Conditional Use Permit, Minor (change of use)	<u>\$794</u> \$690
	Condominium Conversion	<u>\$3,318</u> \$2,885 Minimum Plus Actual Costs Over Minimum*
	Design Review – Planning Commission (non-noticed)	<u>\$690</u> \$600
	Design Review – Planning Commission Staff Assisted (requiring notice)	<u>\$2,777</u> \$2,415 + <u>\$ 4.60</u> \$4.00 per \$500 of building permit value
	Design Review – Planning Commission Additional Fee (for projects appealed by the applicant and referred back to PC by City Council)	50% of Original DR - PC fee
	Environmental Impact Report	Full Consultant Cost Plus 25% of the Final Consultant Cost - \$20,000 Minimum Deposit
	Environmental Negative Declaration/ Initial Study	<u>\$1,328</u> \$1,155 Minimum Plus Actual Costs Over Minimum*
	Environmental Notices that are filed with the County. (The current [see www.ocrecorder.com/Fees.Asp] Orange County Administrative Filing Fee and Fish and Game fees must also be paid by check made out to the County.)	Fee as Required
	Extension of Approval Periods	<u>\$345</u> \$300
	General Plan Amendment	<u>\$3,318</u> \$2,885 Minimum Plus Actual Costs Over Minimum*
	Hedge Height Claim	<u>\$794</u> \$690
	Hedge Height Claim Appeal to City Council	<u>\$748</u> \$650

	Historic Register Removal Fee	<u>\$1,328</u> \$1,155
	Home Occupation Permit – Director	<u>\$120</u> \$104
	Home Occupation Permit – Planning Commission	<u>\$190</u> \$165
	In-Lieu Parking Certificate	<u>\$23,000</u> \$20,000
	Landscape Plan Review – Planning	<u>\$552</u> \$480
	Local Coastal Program Amendment	<u>3,318</u> \$2,885 Minimum Plus Actual Costs Over Minimum*
	Lot Line Adjustment	<u>\$529</u> \$460
	Mills Act Application	<u>\$282</u> \$245
	Peer Review Deposit	<u>\$2,530</u> \$2,200
	Planning Commission Interpretation	<u>\$661</u> \$575
	Pre-Submittal Review	<u>\$661</u> \$575
	Revocable Encroachment Permit	<u>\$466</u> \$405
	Road Extension	<u>\$6,135</u> \$5,335 Minimum Plus Actual Costs Over Minimum*
	Sign Permit – Planning Commission	<u>\$466</u> \$405
	Master Sign Program – Planning Commission	<u>\$995</u> \$865
	Signs: Temporary & Administrative Approval Permits	<u>\$89</u> \$77
	Street Abandonment	<u>\$1,656</u> \$1,440 plus \$449 \$390 to Water District
	Street Improvement Plan Review	<u>\$661</u> \$575 plus 6% of Estimated Cost of

	Subdivision – Final Map	<u>\$1,294</u> \$1,125 plus <u>\$529</u> \$460 per Lot/Unit
	Subdivision – Tentative Parcel Map (1 to 4 Lots/Units)	<u>\$2,450</u> \$2,130 plus <u>\$815</u> \$709 per Lot/Unit Minimum Plus Actual Costs Over Minimum*
	Subdivision – Tentative Tract Map (5 or more Lots/Units)	<u>\$4,899</u> \$4,260 plus <u>\$815</u> \$709 per Lot/Unit Minimum Plus Actual Costs Over Minimum*
	Temporary Use Permit – Director	<u>\$132</u> \$115
	Temporary Use Permit – Planning Commission	<u>\$529</u> \$460
	Tree Removal Permit Application, Category I (Heritage tree)	<u>\$483</u> \$420
	Tree Removal Permit Application, Category II (DR approved tree)	<u>\$529</u> \$460
	Tree Removal Permit Application, Category III (Privately Maintained in the Public Right-of-Way)	<u>\$483</u> \$420
	Variance – Planning Commission	<u>\$690</u> \$600 + <u>\$1.96</u> 1.50 per \$100 of building permit value above \$35,000 (<u>\$19,838</u> 17,250 maximum)
	Variance for Existing Nonconformity - Planning Commission	<u>\$690</u> \$600
	View Claim – Arborist services	<u>\$575</u> \$500 Minimum to establish Deposit Trust account Plus Actual Cost

Over Minimum*

View Claim Processing

~~\$794~~ ~~\$690~~ Minimum Plus
~~\$345~~ ~~\$300~~ for each additional
claimant and/or
vegetation owner

View Mediation

~~\$748~~ ~~\$650~~ Minimum Plus
Actual Cost of Service
Plus ~~\$345~~ ~~\$300~~ for each
additional claimant
and/or vegetation owner

Zone Change or Zoning Ordinance

~~\$2,455~~ ~~\$2,135~~ Minimum Plus
Actual Costs Over
Minimum*

Water Quality Management Plan
Processing

~~\$794~~ ~~\$690~~

* “Actual costs over minimum” is the cost to the applicant based on the additional hourly salary cost, or fraction thereof including benefits, of the project manager over the minimum base fee that is required for the processing of the permit to completion plus an overhead rate of 50% for those additional hours. For example, if a Senior Planner with an hourly salary of \$42.16, including benefits, works 10.2 hours over the minimum base fee amount of a project, the cost would be 10.2 hours x (\$42.16 + [50% x \$42.16]) or \$645.04. Periodically, invoices will be issued to the applicant to establish and maintain a funded account to pay for the project’s “actual costs over minimum.” Upon completion of the project, any excess funds will be refunded.

Combined Projects or Permits: Any combination of permits that includes an “actual costs over minimum” charge will require payment of all applicable minimum base fees, but the hourly cost, including benefits and overhead, of the project manager will be charged only once for all such permits and the highest minimum base fee amount will be used as the threshold of when actual costs will be charged.

Section 2. That all resolutions and sections of the Laguna Beach Municipal Code, and parts thereof, inconsistent herewith are repealed to the extent of such inconsistency and no further.

Section 3. Pursuant to the California Government Code Section 66017, these fees shall become effective on June 18, 2019.

ADOPTED this 18th day of June, 2019.

Bob Whalen, Mayor

ATTEST:

City Clerk

I, LISETE CHEL-WALKER, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. was duly adopted at a Regular Meeting of the City Council of said City held on June 18, 2019 by the following vote:

AYES: COUNCILMEMBER(S)

NOES: COUNCILMEMBER(S)

ABSENT: COUNCILMEMBER(S)

City Clerk, City of Laguna Beach, CA

ATTACHMENT C

RESOLUTION APPROVING SALARY SCHEDULES

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RESOLUTION NO. 19.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, SETTING PAY RANGES FOR CITY EMPLOYEES

WHEREAS, the City Council wishes to update the Classification Title and Range Assignment and remaining salary schedules to accurately reflect the job positions that are currently budgeted and held by management and non-management staff;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows the Classification Title and Range Assignment and salary schedules (Exhibit A) are hereby ratified.

ADOPTED this 18th day of June, 2019.

Bob Whalen, Mayor

ATTEST:

City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 19.xxx was duly adopted at a Regular Meeting of the City Council of said City held on June 18, 2019, by the following vote:

- AYES: COUNCILMEMBER(S):
- NOES: COUNCILMEMBER(S):
- ABSENT: COUNCILMEMBER(S):
- ABSTAIN: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

**City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 19-20**

Exhibit A

<u>Classification Title</u>	<u>Salary Range</u>
Account Specialist	71
Accountant	106
Accounting Technician	96
Administrative Analyst	96
Administrative Analyst (Confidential in Human Resources Division)	96
Administrative Assistant ¹	88
Administrative Office Specialist	77
Animal Services Officer	84
Arborist	114
Aquatics Coordinator	83
Assistant Planner	106
Associate Civil Engineer ²	133
Associate Planner	114
Beach Patrol Officer	64
Building Inspector	106
Bus Driver	77
Civilian Fire Marshal	133
Code Enforcement Officer	96
Code Enforcement Supervisor	114
Community Services Officer I	83
Community Services Officer II	88
Community Services Supervisor	122
Cultural Arts Manager	114
Custodian	66
Deputy Building Official	133
Deputy City Clerk ¹	88
Emergency Operations Coordinator	120
Engineering Technician	83
Environmental Specialist	96
Equipment Mechanic	96
Equipment Operator	88
Fire Captain	122
Fire Engineer	110
Firefighter	100
Information System Specialist	122
Instrumentation & Electrical Technician	83
Jail Supervisor	95
Jailer	64
Kennel Aide	71
Kennel Manager	84
Lead Mainline Bus Driver	88
Maintenance Lead Worker	98
Maintenance Supervisor	114
Maintenance Worker	66
Maintenance Worker I	71
Maintenance Worker II	83
Marine Protection Officer	104

1. Plus 5% assignment pay for those who take minutes on a regular basis at the Planning Commission, Design Review Board, & City Council meetings
2. Plus 5% with Civil Engineering Registration
3. Plus 5% shift bonus

**City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 19-20**

Exhibit A

<u>Classification Title</u>	<u>Salary Range</u>
Marine Safety Captain	133
Marine Safety Lieutenant	122
Marine Safety Officer	104
Motor Sweeper Operator	88
Network Administrator	133
Office Specialist	66
Office Specialist (Confidential in Human Resources Division)	66
Parking & Transit Technician	83
Parking Services Officer	77
Parks Gardener	83
Permit Services Supervisor	106
Permit Technician	77
Planning Technician	83
Police Corporal	122
Police Fleet Coordinator	95
Police Officer	112
Police Records Specialist ³	71
Police Recruit	112
Police Sergeant	133
Principal Planner	128
Project Coordinator	114
Project Manager	122
Public Safety Dispatcher	96
Public Works Technician	83
Records Management Coordinator	77
Recreation Supervisor	83
Senior Account Specialist	106
Senior Administrative Analyst	106
Senior Administrative Analyst (Confidential in Human Resources Division)	106
Senior Building Inspector	122
Senior Building Inspector/Plans Checker	122
Senior Fleet Maintenance Supervisor	122
Senior Information Technology Analyst	128
Senior Instrumentation & Electrical Technician	98
Senior Office Specialist ¹	71
Senior Office Specialist ¹ (Confidential in Human Resources Division)	71
Senior Operations Supervisor	122
Senior Parking Services Officer	88
Senior Permit Technician	83
Senior Plan Checker	133
Senior Planner	122
Senior Principal Planner	134
Senior Public Safety Dispatcher	106
Senior Public Works Analyst/Solid Waste Program Coordinator	122
Senior Recreation Supervisor	114
Senior Services Coordinator	104
Senior Water Quality Analyst	122

1. Plus 5% assignment pay for those who take minutes on a regular basis at the Planning Commission, Design Review Board, & City Council meetings

2. Plus 5% with Civil Engineering Registration

3. Plus 5% shift bonus

**City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 19-20**

Exhibit A

<u>Classification Title</u>	<u>Salary Range</u>
Supervisor of Support Services	133
Transit Supervisor	98

1. Plus 5% assignment pay for those who take minutes on a regular basis at the Planning Commission, Design Review Board, & City Council meetings
2. Plus 5% with Civil Engineering Registration
3. Plus 5% shift bonus

City of Laguna Beach Salary Schedule
Elected and Non-Elected Management Personnel
FY 19-20 Effective 07/01/2019

Exhibit A

Non-Elected Management

Salary Range

Assistant City Manager	\$12,104	\$18,035
Assistant City Manager/Director of Public Works	\$12,104	\$18,035
Director of Administrative Services	\$12,104	\$18,035
Director of Community Development	\$12,104	\$18,035
Director of Water Quality	\$12,104	\$18,035
Fire Chief ¹	\$12,104	\$18,035
Police Chief ¹	\$12,104	\$18,035

City Engineer	\$10,697	\$16,416
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Assistant City Engineer	\$9,209	\$14,181
Assistant Director of Community Development	\$9,209	\$14,181
Chief of Marine Safety	\$9,209	\$14,181
Finance Manager	\$9,209	\$14,181
Human Resources/Risk Manager	\$9,209	\$14,181
Undergrounding Program Manager	\$9,209	\$14,181

Building Official	\$8,680	\$13,017
Deputy Director of Public Works/Parking & Transit Manager	\$8,680	\$13,017
Deputy Director of Public Works/Public Services Manager	\$8,680	\$13,017
Planning Manager	\$8,680	\$13,017
Project Director	\$8,680	\$13,017
Zoning Administrator	\$8,680	\$13,017

Executive Assistant	\$4,955	\$7,433
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Elected Officials

City Clerk ²	\$8,680	\$13,017
City Treasurer - (27.269 Hrs/Week) ³	\$5,261	\$8,265

Police and Fire Management Association

Fire Division Chief and Fire Battalion Chief ⁴	\$9,480	\$14,597
Police Captain ⁵	\$9,480	\$14,597
Police Lieutenant ⁵	\$8,935	\$13,399
Civilian Services Administrator ⁶	\$8,699	\$13,049

Contract

City Manager		\$22,763
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¹ Both the Police Chief and Fire Chief are eligible to receive 5% in certification/education incentives.

² Estimate for FY 19-20 including 5% Exceptional Performance Pay would be \$13,668.

³ Estimate for FY 19-20 including 5% Exceptional Performance Pay would be \$8,678.

⁴ Incumbents in the positions of Fire Division Chief and Fire Battalion Chief are eligible to receive 2.5% for a Fire Officer certification, 2.5% for a Chief Officer certification, and 2.5% for a Bachelor's Degree.

⁵ Incumbents in the positions of Police Captain and Police Lieutenant are eligible to receive 2.5% for a Management POST certificate, 2.5% for a Bachelor's Degree, and 2.5% for a Master's Degree.

⁶ Eligible to receive 2.5% for a Bachelor's Degree.

City of Laguna Beach Salary Table
Municipal
FY 19-20, Effective 07/01/2019

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC										
	66	\$3,539	\$3,713	\$3,900	\$4,092	\$4,301	\$4,517	\$4,745	\$4,984	Custodian, Maintenance Worker, Office Specialist
	71	\$3,742	\$3,930	\$4,129	\$4,332	\$4,547	\$4,779	\$5,023	\$5,276	Account Specialist, Maintenance Worker I, Senior Office Specialist
	77	\$4,013	\$4,216	\$4,422	\$4,641	\$4,880	\$5,125	\$5,383	\$5,651	Administrative Office Specialist, Bus Driver, Permit Technician, Records Management Coordinator
	83	\$4,324	\$4,543	\$4,775	\$5,004	\$5,255	\$5,520	\$5,796	\$6,086	Aquatics Coordinator, Maintenance Worker II, Parks Gardener, Senior Account Specialist, Senior Permit Technician, Planning Technician, Engineering Technician, Parking & Transit Technician, Instrumentation & Electrical Technician
	88	\$4,570	\$4,798	\$5,038	\$5,286	\$5,546	\$5,824	\$6,123	\$6,430	Administrative Assistant, Deputy City Clerk, Equipment Operator, Lead Mainline Bus Driver, Motor Sweeper Operator
	96	\$5,020	\$5,265	\$5,524	\$5,805	\$6,092	\$6,396	\$6,718	\$7,050	Accounting Technician, Administrative Analyst ¹ , Code Enforcement Officer, Environmental Specialist, Equipment Mechanic
	98	\$5,139	\$5,394	\$5,668	\$5,948	\$6,249	\$6,557	\$6,886	\$7,231	Maintenance Lead Worker, Senior Instrumentation & Electrical Technician, Transit Supervisor
	104	\$5,518	\$5,795	\$6,082	\$6,386	\$6,708	\$7,040	\$7,397	\$7,763	Marine Protection Officer, Marine Safety Officer, Senior Services Coordinator
	106	\$5,655	\$5,930	\$6,229	\$6,541	\$6,868	\$7,214	\$7,576	\$7,955	Accountant, Assistant Planner, Building Inspector, Permit Services Supervisor, Recreation Supervisor, Senior Administrative Analyst ¹
	114	\$6,213	\$6,524	\$6,852	\$7,198	\$7,554	\$7,932	\$8,328	\$8,744	Arborist, Associate Planner, Code Enforcement Supervisor, Cultural Arts Manager, Maintenance Supervisor, Project Coordinator, Senior Building Inspector, Senior Recreation Supervisor
	122	\$6,835	\$7,177	\$7,537	\$7,917	\$8,309	\$8,727	\$9,163	\$9,620	Community Services Supervisor, Information System Specialist, Marine Safety Lieutenant, Project Manager, Senior Building Inspector/Plans Checker, Senior Fleet Maintenance Supervisor, Senior Planner, Senior Public Works Analyst/Solid Waste Program Coordinator ¹ , Senior Operations Supervisor, Senior Water Quality Analyst ¹
	128	\$7,360	\$7,730	\$8,112	\$8,515	\$8,943	\$9,395	\$9,864	\$10,355	Principal Planner, Senior Information Technology Analyst
	133	\$7,776	\$8,162	\$8,568	\$8,998	\$9,449	\$9,921	\$10,421	\$10,940	Associate Civil Engineer, Civilian Fire Marshal, Deputy Building Official, Marine Safety Captain, Network Administrator, Senior Plan Checker
	134	\$7,965	\$8,360	\$8,776	\$9,216	\$9,678	\$10,162	\$10,674	\$11,205	Senior Principal Planner

¹ Incumbents receive an additional 5% in pay in exchange for these classifications being overtime exempt

City of Laguna Beach Salary Table

Police

FY 18-19, Effective 12/31/2018

Exhibit A

Non-Sworn

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
Non-Sworn Police										
64		\$3,244	\$3,407	\$3,580	\$3,761	\$3,954	\$4,146	\$4,348	\$4,565	Beach Patrol Officer, Jailer
71		\$3,659	\$3,844	\$4,038	\$4,237	\$4,447	\$4,674	\$4,912	\$5,160	Kennel Aide, Records Specialist
77		\$3,924	\$4,123	\$4,324	\$4,539	\$4,773	\$5,012	\$5,264	\$5,526	Parking Services Officer
83		\$4,229	\$4,443	\$4,670	\$4,894	\$5,139	\$5,398	\$5,669	\$5,952	Community Services Officer I
84		\$4,332	\$4,551	\$4,783	\$5,013	\$5,264	\$5,530	\$5,807	\$6,097	Animal Services Officer, Kennel Manager
88		\$4,470	\$4,692	\$4,928	\$5,170	\$5,424	\$5,696	\$5,989	\$6,289	Community Services Officer II, Senior Parking Services Officer
95		\$4,853	\$5,088	\$5,339	\$5,604	\$5,893	\$6,180	\$6,494	\$6,817	Jail Supervisor, Police Fleet Coordinator
96		\$4,909	\$5,149	\$5,402	\$5,677	\$5,958	\$6,255	\$6,571	\$6,895	Public Safety Dispatcher
106		\$5,531	\$5,800	\$6,091	\$6,397	\$6,717	\$7,055	\$7,409	\$7,780	Senior Public Safety Dispatcher
120		\$6,520	\$6,841	\$7,185	\$7,543	\$7,928	\$8,326	\$8,742	\$9,182	Emergency Operations Coordinator
133		\$7,748	\$8,133	\$8,538	\$8,966	\$9,415	\$9,886	\$10,384	\$10,901	Supervisor of Support Services

Sworn

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
Sworn Police										
112		\$6,274	\$6,595	\$6,921	\$7,274	\$7,630	\$8,014	\$8,406	\$8,824	Police Officer
122		\$7,080	\$7,433	\$7,806	\$8,200	\$8,606	\$9,039	\$9,491	\$9,964	Police Corporal
133		\$8,054	\$8,454	\$8,875	\$9,320	\$9,787	\$10,276	\$10,794	\$11,331	Police Sergeant

City of Laguna Beach Salary Table
FIRE
FY 19-20 Effective 07/01/2019

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
FIRE										
	100	\$5,760	\$6,048	\$6,353	\$6,667	\$7,000	\$7,354	\$7,718	\$8,109	Firefighter
	110	\$6,480	\$6,806	\$7,142	\$7,506	\$7,879	\$8,270	\$8,689	\$9,123	Fire Engineer
	122	\$7,491	\$7,866	\$8,262	\$8,678	\$9,107	\$9,566	\$10,044	\$10,545	Fire Captain

07/01/2019

City of Laguna Beach Salary Table
Hourly/Part Time (Full-Time Equivalent)
FY 19-20, Effective 7/01/2019

Miscellaneous

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC-HRLY										
	900	\$20.41	\$21.42	\$22.50	\$23.61	\$24.81	\$26.06	\$27.37	\$28.75	Office Specialist (FT Range 66)
	920	\$26.37	\$27.68	\$29.07	\$30.50	\$32.00	\$33.60	\$35.33	\$37.10	Administrative Assistant (FT Range 88), Parking and Transit Technician
	945	\$32.62	\$34.21	\$35.93	\$37.74	\$39.62	\$41.62	\$43.71	\$45.89	Recreation Supervisor (FT Range 106)
	960	\$35.85	\$37.64	\$39.53	\$41.53	\$43.59	\$45.76	\$48.05	\$50.44	Associate Planner, Analyst, Senior Recreation Supervisor (FT Range 114)
	970	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	Special Projects Coordinator

Police

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
P-HRLY										
	910	\$22.64	\$23.79	\$24.95	\$26.18	\$27.53	\$28.92	\$30.37	\$31.88	Senior Records Specialist (FT Range 77)
	920	\$25.79	\$27.07	\$28.43	\$29.83	\$31.29	\$32.86	\$34.55	\$36.28	Community Services Officer II (FT Range 88)
	930	\$28.33	\$29.70	\$31.17	\$32.76	\$34.37	\$36.09	\$37.91	\$39.78	Public Safety Dispatcher (FT Range 96)
	940	\$31.92	\$33.46	\$35.15	\$36.90	\$38.76	\$40.71	\$42.74	\$44.88	Senior Public Safety Dispatcher (FT Range 106)
	950	\$36.19	\$38.04	\$39.93	\$41.97	\$44.02	\$46.23	\$48.50	\$50.91	Police Officer (FT Range 112)

Management Equivalents

Unit	Range	Low	High	Job Title
MGMT-HRLY				
	990	\$50.07	\$109.53	Management Specialist

City of Laguna Beach Salary Table
Laguna Beach Marine Safety Association
FY 18-19, Effective 01/01/2019

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
LBMSA										
	599	\$12.00								Lifeguard Trainee*
	740	\$18.50	\$19.42	\$19.82	\$20.23	\$20.62	\$21.01	\$21.40	\$21.81	Ocean Lifeguard I
	750	N/A	\$20.23	\$20.62	\$21.01	\$21.40	\$21.81	\$22.21	\$22.60	Ocean Lifeguard II
	790	N/A	\$23.40	\$23.79	\$24.19	\$24.57	\$24.98	\$25.38	\$25.77	Ocean Lifeguard III
	800	\$31.69								Recurrent Hourly Lifeguard

01/01/2019

City of Laguna Beach Salary Table
Hourly/Part-Time
FY 19-20 Effective 07/01/2019

Exhibit A

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Job Title
615	9.45	9.84	10.23	10.64	11.03	12.00	12.00	Office Assistant I, Laborer I, Community Services Leader, Parking Lot Attendant
635	11.03	12.00	12.00	12.00	12.60	12.99	13.38	Office Assistant II, Community Services Specialist, Trolley Steward
650	12.00	12.60	12.99	13.38	13.79	14.18	14.57	Kennel Aide I, Laborer II
655	12.60	12.99	13.38	13.79	14.18	14.57	14.96	Community Services Coordinator
660	12.99	13.38	13.79	14.18	14.57	14.96	15.36	Parking Control Officer
665	13.40	13.79	14.18	14.57	14.96	15.36	15.75	Swim Instructor/Pool Lifeguard
673	13.78	14.18	14.57	14.96	15.36	15.75	16.14	Typist Clerk
675	14.18	14.57	14.96	15.36	15.75	16.14	16.53	Laborer III, Kennel Aide II, Police Cadet
685	14.96	15.36	15.75	16.14	16.53	16.94	17.33	Weed Abatement Coord., Sr. Community Svcs. Coordinator, Sr. Pool Lifeguard, Community Bch Patrol, Sr. Police Cadet
695	15.75	16.14	16.53	16.94	17.33	17.72	18.11	Administrative Intern, Aquatics Supervisor, Bus Driver I, Planning Intern
705	16.53	16.94	17.33	17.72	18.11	18.51	18.90	Laborer IV
710	16.94	17.33	17.72	18.11	18.51	18.90	19.29	Sr. Community Beach Patrol, Tidepool Educator, Civilian Enforcement Officer
725	18.11	18.51	18.90	19.29	19.68	20.09	20.48	Bus Driver II, Fire Prevention Officer
755	20.48	20.87	21.26	21.66	22.05	22.44	22.83	Jailer
780	22.44	22.83	23.24	23.63	24.02	24.41	24.81	Bus Driver III
795	23.63	24.02	24.41	24.81	25.20	25.59	25.98	Summer Festival Transit Supervisor, Marine Safety Dispatcher
797	28.90	29.48	30.06	30.67	31.28	31.91	32.54	Arts Program Coordinator
798	37.32	38.08	38.86	39.65	40.46	41.28	42.13	Digital Communications Coordinator
799	49.00	49.00	49.00	49.00	49.00	49.00	49.00	Transit Programs Coordinator

ATTACHMENT D

GANN LIMIT

RESOLUTION NO. 19.XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2019-2020 IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, CHAPTER 1205 OF THE REVENUE AND TAXATION CODE SECTION 791.

WHEREAS, Article XIII B was added to the Constitution of the State of California at a general election held on November 6, 1979, and amended at a general election held on June 6, 1990; and

WHEREAS, an annual appropriations limit must be determined for this City, effective for the fiscal year beginning July 1, 2019; and

WHEREAS, the City Council must select the adjustment factors which are to be used in determining the appropriations limit; and

WHEREAS, the appropriation limit must be adhered to in preparing and adopting this City annual budget;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows:

SECTION 1. In accordance with Article XIII B of the Constitution of the State of California, and Chapter 1205 of the Revenue and Taxation Code Section 7910, the appropriations limit for the fiscal year beginning July 1, 2019 is \$60,554,676, delineated in Exhibit A.

SECTION 2. The adjustment factors for fiscal year 2019-2020 shall be percent change in County population and percent increase in State per capita income.

SECTION 3. The appropriations limit shall not be exceeded in the proposed budget nor by any proposed amendment to the budget.

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ADOPTED this 18th day of June, 2019.

Bob Whalen, Mayor

ATTEST:

City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 19.XXX was duly adopted at a Regular Meeting of the City Council of said City held on June 18, 2019, by the following vote:

AYES: COUNCILMEMBER(S):

NOES: COUNCILMEMBER(S):

ABSENT: COUNCILMEMBER(S):

ABSTAIN: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

Appropriations Limit Guidelines

City of Laguna Beach Appropriation Limit Worksheet 6.1

Fiscal Year 2019-2020
Budget X
Actual

	Amount	Source
A. Last Years Limit	60,554,676	
B. Adjustments		
1. Population % (County)	1.0029	Workpaper 5.1, "Percent Change"
2. Inflation %	1.0385	State Finance or Assessor
Total %	1.0415	(B1*B2)
C. Annual Adjustment (\$)	2,513,019	((B-1)*A)
D. Other Adjustments		
1. Lost Responsibility		
2. Transfer to Private		
3. Transfer to Fees		
4. Assumed Responsibility		
Total	0	
E. Total Adjustments	2,513,019	(C+D)
F. Current Year Limit	63,067,695	(A+E)

ATTACHMENT E

UNFUNDED REQUESTS
FROM BUDGET WORKSHOP

ATTACHMENT E **UNFUNDED REQUESTS FROM THE BUDGET WORKSHOP**

		Request	
		One-Time	Ongoing
1	Additional Funding for IT Master Plan (\$3 million already programmed to date)	(1,100,000)	(250,000)
2	Finance Division: Administrative Analyst		(118,000)
3	PW Strategic Plan: Tree Maintenance Worker II (Includes Vehicle and Equipment)	(36,000)	(94,000)
4	PW Strategic Plan - Administrative Analyst (\$42,000 make this position full-time)		(42,000)
5	Digital Communications Coordinator from part-time to full-time		(85,000)
Total Requests		2,416,000	1,451,000

1. Appropriate \$1,100,000 in one-time funds and \$250,000 in ongoing funds for future technology identified in the Information Technology Master Plan. The funding will be used to replace critical system within all departments, employee training, and upgrades security systems.
2. Administrative Analyst in the Finance Division: This position would address the increasing demand by departments and the City Council for intricate and detailed financial analysis and reporting, and special projects support throughout the year including semi-annual financial system training for departments. The ongoing costs are \$118,000.
3. Public Works Strategic Plan: Appropriate \$36,000 in one-time funding and \$94,000 in ongoing funding for a Tree Maintenance Worker II position to have a dedicated Maintenance Worker to provide daily care for the City's approximately 2,700 public trees.
4. Public Works Strategic Plan: Waste Management reimburses the Waste & Recycling Intern part-time position. Convert the position to a full-time Administrative Analyst position to assist with the implementation of the department goals, policies, and priorities, and to support the department director and management team by conducting research and statistical analysis on administrative, personnel and operational issues. The conversion of the position to a full-time position will also provide consistent on-going resources to oversee the residential recycling programs, mandatory commercial recycling and organics diversion programs, mandatory Construction and Demolition Recycling program, and other State recycling mandates. The ongoing costs to convert this position to full-time is \$42,000.
5. Full-time Digital Communications Coordinator: With the City's increased use of social media, including Nextdoor, and the City website to inform and engage its residents, the Digital Communications Coordinator position could quickly become a full-time position. To continue to increase services in these areas, the City Council should consider making this position full-time. The ongoing costs are \$85,000.

ATTACHMENT F

FULL TIME ARBORIST REQUEST



COVER MEMORANDUM

Date: June 3, 2019

To: John Pietig, City Manager

From: Shohreh Dupuis, Assistant City Manager/Director of Public Works

Subject: Full Time Arborist Request

Per your request, here is an outline of the duties that would be assigned to a full time City arborist. Some of the proposed duties are currently performed by the Deputy Director with some assistance from the Senior Administrative Analyst. Others are not currently performed to any large extent with our current staffing assets. Adding the arborist position would help manage an increasing workload related to managing urban forestry issues.

- **Inspection of City trees for inclusion in the annual grid trim cycle:** Currently, all trees are trimmed by a geographic grid consisting of north and south quadrants, and the downtown area. Our staffing levels do not allow the individual assessment and selection of trees to be trimmed. Careful selection of trees needing trimming could result in cost savings to the program and will also result in better overall tree health. Each tree is grid trimmed at a cost of \$129. If the arborist removed only 100 trees per year from the grid trim program, approximately 7% of the annual total, it would result in a savings of \$10,000 annually.
- **Inspection of the contract tree trimming:** Current staffing levels do not allow the detailed inspection of services provided by the tree trimming contractor and trimming operations are spot checked by the Deputy Director when time allows. This is seldom more than one inspection per day, and sometimes no daily inspection is performed. A professional arborist on staff, could dedicate significantly more time to the inspection of the contract trimming, verification of work performed, and could provide professional advice and direction to the contractor in performing proper structural and corrective pruning of individual trees during trimming operations. This would result in a higher quality of the trimming service, better tree health, lower mortality rates, proactive pest and disease management, a reduction in property damage and injury claims, and a more aesthetically pleasing urban forest.
- **Tree well assessments:** There are a very large number of tree wells within the traveled way. Many of them are in need of repair or enhancement. Currently Streets staff performs an annual inspection of them in the downtown area, but other areas receive less inspection and attention. A full time arborist would be tasked with regular inspection to insure that trees are not girdled, that tree wells and sidewalk surrounds are not a trip hazard. An arborist in addition to enhancing tree well inspections, will ensure that tree wells are properly mulched, that tree well soils are treated to allow better water and air exchange and that tree wells are fertilized on a regular basis. Enhancing tree well inspections should result in limiting trip and fall claims.

- **Tree selection:** A full time arborist would provide support to the Deputy Director and the Director in selecting trees for planting. As trees are added with new projects, or replaced due to removals, selecting the right tree for the right location is critical. In addition to performing maintenance inspections, the arborist would be tasked with inspect the planting areas for public projects. The Arborist would review project plans, would inspect tree stock, and would insure that trees are planted properly, per the City specifications and per the recommendations of the International Society of Arboriculture (ISA). A key factor in a healthy urban forest is the selection of nursery stock. Inspection of trees at the nursery would ensure that the City receives the best specimens for planting. Currently, these functions are performed primarily by the Deputy Director when time and workload allows.
- **Young tree care:** The most critical time in tree planting is the first 18 months after planting. A full-time arborist can periodically check the health of new trees, can water and mulch new trees, can adjust tree staking and can treat pests and diseases that routinely affect young trees.
- **General tree care:** The City's urban forest is aging. We have many very large and very old trees. As trees age, they become more susceptible to pests, disease and structural issues. The loss of mature trees also results in significant community outrage. Having a full time arborist to monitor and care for the largest and most significant City trees would help to alleviate a good deal of the current rancor from some of our local tree advocates and advocacy groups. A full time arborist could treat pests and diseases, and could advise the Deputy Director and the Director on pruning recommendations to preserve these larger and more mature trees.
- **Complaint resolution:** The Deputy Director currently fields a significant number of citizen complaints. They include accusations of improper trimming techniques, safety concerns, view complaints, debris complaints, trimming requests, and other similar issues. Complaint resolution handled by the Deputy Director takes a significant portion of his time. A full time City arborist could be dispatched to review citizen concerns, can meet with residents, can meet with the tree trimming contractor, and can work to resolve these issues in a more proactive manner, insuring that the concierge level of service that citizens expect can be met. This would also free the Deputy Director's time and would allow more proactive management of his other service areas including parks, public landscape, streets & sidewalks, and public buildings.
- **Tree removals:** Having a full time City arborist would aid the division in removing trees that truly need removal. A properly credentialed city arborist can perform ISA Level III tree assessments. The City currently owns a high quality resistograph instrument for checking internal tree issues. The arborist could check multiple trees with the instrument, and can monitor any trees with issues over time, to insure that only the trees that represent a higher level hazard are recommended for removal. The arborist could also coordinate with other professional service providers for additional Level III testing including sonic tomography if a second peer review is needed to provide the public with confidence in removal recommendations.
- **Data collection and goal setting:** A full time arborist would be tasked with developing annual work plans, developing performance measures, and recommending levels of service to the Deputy Director and the Director.

The arborist would also be tasked monitoring the contractors use and correct updating of the City's computerized urban forest inventory. Data can be analyzed and provided to City leadership and the public regarding number of trees removed, number of trees planted, type, species and location of tree plantings. Urban forestry goals and objectives can be set, measured and monitored. Items that could be tracked include canopy coverage, reforestation, pest mitigation, and various other important items. The City currently lacks adequate staff resources and expert knowledge to manage this information.

- **Public outreach and networking:** The City arborist could represent the City as a subject matter expert to work with academics, advocacy groups, students, business groups, other agencies and interested parties. Networking with other agencies, trade groups, and peer groups including the Western Society of Arborist, and Street Tree Seminars could help the City with updating our policies and programs in regards to urban forestry and tree maintenance.
- **Assisting the Community Development Department with View Restoration Claims and the Planning Department with project approvals:** The City arborist could assist staff in making recommendations to the View Restoration Committee and could oversee mitigation measures that are recommended by the committee. The City arborist could represent the City's position and provide expert advice to the Planning Commission and the City Council in regards to tree issues associated with private and public projects. The City arborist could also represent the City when view or other tree issues are appealed to the City Council and could provide expert testimony and advice to City leadership. The City arborist could also aid the Community Development department in monitoring and providing maintenance recommendations for private Heritage Trees that are overseen by that division.
- **Support the City's emergency response:** Most of the City's emergencies involve tree issues including down trees, leaning trees, damaged trees and falling branches. The City arborist could assist the Deputy Director and the Director in mitigating tree hazards, and directing contract services and staff resources to the most important and critical tasks.

Here is a list of the primary job functions for a proposed City arborist:

Duties include, but are not limited to, the following:

- Manage the City's urban forest and tree projects.
- Develop annual work plans, performance measures and levels of service for tree care.
- Supervise, review and approve the work of tree maintenance contractors and staff engaged in tree maintenance and pesticide application.
- Ensure proactive tree care and tree health for the City's urban forest
- Collaborate on development and implementation of invasive tree pest management plans.
- Provide technical and resource support for Deputy Director and Director and assist Community Development Director with tree related issues.
- Review plans, specifications and work sites for park construction and rehab projects.
- Collaborate and coordinate with park staff, contractors and other agencies.
- Track and analyze data, develop reports and provide recommendations.
- Manage purchasing, bids, request for proposals, etc.
- Oversee annual tree budget development and management.

- Support the department's emergency and storm response.
- Participate in state and regional committees and working groups.
- Work with academics, counties, cities and City staff on tree pest management best practices.
- Use computerized maintenance management systems, GIS, GPS and other technologies.
- May be assigned other duties or projects as needed.

The City Council has increased the budget for tree maintenance over time in both the Parks and Streets maintenance division budgets as shown in the table below:

Program Budget	FY 2010-11	FY 2014-15	FY 2017-18	FY 2019-20
Parks	\$37,000	\$67,000	\$80,000	\$112,000
Streets	\$70,000	\$139,000	\$209,000	\$210,000
Total	\$107,000	\$206,000	\$289,000	\$322,000

These increases were provided in order to fund increases in maintenance contract costs, increases in the frequency of tree trimming, additional tree removal and replacement costs, and professional arborist services needed to implement the City's tree removal policy.

As shown above, the current budget is approximately \$322,000 per year for maintenance in the urban forestry program. This includes the cost for annual grid trimming, and other maintenance related functions including tree planting, tree removal, tree watering, pest control, emergency tree work and \$50,000 for arborist professional services.

With the City Council approval of the Revised Tree removal Policy and if the Full time Arborist position gets approved in the upcoming budget, the contract services for the Parks Division can be reduced by \$10,000 and the Streets Division can be reduced by \$30,000. This will leave \$10,000 for other testing such as sonic tomography (\$1,200 per test) and Contracted Arborist's peer review (\$1,000 per review) that might be needed. The City doesn't have the equipment needed for sonic testing which could be purchased at \$50,000. The \$40,000 reduction in contract services partially offsets the cost of hiring a City Arborist.

Option to Consider:

You can also consider hiring a contracted half-time arborist (1,040 hour per year) at the rate of \$130 to \$150 per hour. That would result in annual contract services expenditure of \$135,000 to \$156,000. The cost to hire a full time City Arborist at the Maintenance Supervisor, Salary Range 114, is estimated at \$144,000 per year (fully burdened). Therefore, it is most cost effective to hire a full time City Arborist.

Thank you for your consideration of this request and please let me know if you have any questions or need additional information.

Addendum 2.5

Measure LL Fund Year over Year Summary Spreadsheet

FY 2018-19						
G	H	I	G+H+I	E	F	= D-(E+F)
Approved Budget	Budget Adjustment	Carryover From 2017-18	Adjusted Budget	Actual	Carryover to FY 19-20	Available Balance
				695,697		695,697
2,288,000			2,288,000	2,501,576		213,576
156,200			156,200	177,362		(21,162)
147,700			147,700	167,700		(20,000)
39,400			39,400	39,372		28
	110,500		110,500	100,491		10,009
343,300	110,500	-	453,800	484,925	-	(31,125)
188,400	(62,000)		126,400	118,901		7,499
		40,000	40,000		40,000	
107,700		9,300	117,000	93,462		23,538
296,100	(62,000)	49,300	283,400	212,363	40,000	31,037
215,300		-	215,300	224,826		(9,526)
20,000		-	20,000	20,490		(490)
	44,500		44,500	40,827		3,673
235,300	44,500	-	279,800	286,142	-	(6,342)
83,100		-	83,100	44,677		38,423
		14,000	14,000	24,554		(10,554)
134,400		-	134,400	112,057		22,343
4,000		-	4,000	4,000		-
67,700		-	67,700	67,700		-
92,500		-	92,500	91,806		694
1,000,000	69,813	-	1,069,813	1,069,813		-
1,381,700	69,813	14,000	1,465,513	1,414,606	-	50,907
-		14,400	14,400	4,586	9,800	14
2,256,400	162,813	77,700	2,496,913	2,402,622	49,800	44,491
<Less> Reserve				(212,005)		(212,005)
<Less> Carrovers				(49,800)		
Budgeted Change in Fun Balance			208,913			(208,913)
				532,846		532,846

Attachment A
Budget and Revisions to the
FY 2018-19 Adopted Budget

City of Laguna Beach
AGENDA BILL

No. **13**
Meeting Date: 06/12/2018

SUBJECT: MODIFICATIONS TO THE FY 2017-18 AND FY 2018-19 ADOPTED BUDGET

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

Last year, on June 27, 2017, the City Council adopted the two-year budget for Fiscal Year 2017-18 and 2018-19. Staff is returning to the City Council to summarize some of the highlights of the two-year budget; present a list of recommended changes to the FY 2018-19 Budget (Table 1), and request modifications to the current year Budget, FY 2017-18.

Also, staff is requesting the City Council provide direction regarding the allocation of Community Assistance Grants, setting the salary for the City Clerk and City Treasurer, and adopting the City's annual GANN Limit.

II. TWO-YEAR BUDGET HIGHLIGHTS

On July 1, 2018, the City will begin the second year of the two-year budget. Some of the more notable service enhancements and capital improvement projects included in the two-year budget are:

- The Police Department staffing is at the highest number of authorized employees in its history, at 52 sworn positions and 45 non-sworn for a total of 97 full-time positions.
- The Fire Department budget includes the upgrade of three paramedic positions, the addition of a Civilian Fire Marshal Position, Staff Fire Captain, and the expansion of the fuel modification program.
- Additional clerical and administrative support services were added to Public Works and Community Development.
- \$5.7 million in contributions (\$2.7M in FY 2018-19) to the Coast Highway sidewalk improvements, a \$40 million Caltrans project to install sidewalk south of Moss Street to approximately 7th street.
- \$3.4 million (\$1.4M in FY 2018-19) in discretionary payments to pay down the City's unfunded pension liability.
- \$4.5 million (\$2.3M in FY 2018-19) in Measure LL funding for public safety services, enhanced cleaning in the and maintenance services in the downtown and main beach areas, and funding for utility undergrounding.
- \$1.3 million for the Jasmine Street Storm Drain Installation, FY 2018-19.

RECOMMENDATION: It is recommended that the City Council:

(See Page 6)

Appropriations Requested: \$ _____

Attachments: See Page 6

Submitted by: Nancy Pauley
Nancy Pauley, Finance Officer

Gavin Curran
Gavin Curran, Director of Admin Services

Approved: John P. Kelly
City Manager

Changes to FY 2018-19 Budget

June 12, 2018

Page 2

- \$1 million for slurry seal and rehabilitation in public streets south of Cardinal Drive, FY 2018-19.
- \$6.4 million (\$3.7 in FY 2018-19) in sewer capital improvement projects.
- \$1 million to perform structural retrofits to the Glenneyre Parking Structure, FY 2018-19.
- \$800,000 toward future City facilities funding, FY 2018-19.
- \$1 million toward the Information Technology Master Plan, FY 2017-18.
- \$450,000 toward PERS costs in conformance with the ongoing pension strategic plan.

Overall, the economic outlook for the City remains positive. The forecast for the major revenues remains unchanged for next year including a projected 4.5% increase in property tax, a 4% increase in hotel tax, and a 2% increase in sales tax. The major funds, included the Parking, Street Lighting, Capital Improvement and Transit fund are adequately funded; and the 20% General Fund reserve and the 10% Disaster Contingency reserve remain intact. In total, the adopted budget for FY 2018-19 is \$97 million. The General Fund, the City's primary operating fund, is \$64.3 million.

III. PENSIONS

Over the past eight years, the City Council has approved several strategies to try and address the unfunded pension liability. In 2010, the City Council approved borrowing funds internally to pay off the \$10 million CalPERS "Side Fund" for Police, Fire and Lifeguard safety plans saving \$4 million. In 2013, the City Council approved higher employee contributions ranging from 8% to 12% of salary, saving \$1.7 million. In 2014, the City Council approved paying approximately \$10 million in discretionary payments over five years to accelerate further the payoff of the unfunded pension liability saving roughly \$27 million. These strategies were in addition to the California Public Employees' Pension Reform Act (PEPRA), a state-wide cost-cutting measure for pensions. In total, these city programs have contributed over \$19 million toward paying down the City's unfunded pension liability, with \$1.4 million of that amount programmed into the FY 2018-19 Budget.

CalPERS, however, continues to remain underfunded. Faced with lower than expected investment returns and a challenging investment outlook over the next decade, CalPERS lowered its rate of return on investments from 7.5% to 7%. This decision is expected to have a significant negative impact on city budgets throughout California for the next several years. The change discount rate will be phased in over five years and is expected to increase the City's payment to CalPERS by an additional \$2.8 million by FY 2024-25. However, in June 2017, the City Council approved a new strategy to incrementally appropriate ongoing revenues above budget estimates toward future increases in pension payments with a target of \$2.8 million by FY 2024-25. Attachment J details this initiative.

IV. PROPOSED CHANGES TO THE FY 2018-19 ADOPTED BUDGET

Staff is recommending several changes to the FY 2018-19 Budget. These changes are summarized in Table 1 below. A detailed explanation of each item is included in Attachment A.

TABLE 1 - RECOMMENDED FY 2018-19 CHANGES

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$241,900	\$89,500
1	Administrative Services	Increase Property Tax In-Lieu VLF Revenue		145,000
2	Community Services	Alternative Sleeping Location		(140,000)
3	City Attorney	City Attorney General Monthly Retainer Annual Increase		(42,000)
4	Community Services	Possible Revisions to the School District Joint Use Agreement		(20,000)
5	Community Development	Historical Inventory Consultant		(30,000)
6	Police	Drug Enforcement Agency (DEA) Taskforce Vehicle Rental (4 years)	(33,600)	
7	Community Services	Pool Roof Replacement (70%, LBUSD 30%)	(50,000)	
8	Community Development	Funding to continue Planning Intern in Community Development for additional year	(50,000)	
9	Public Works	California Green Business Grant \$20,000 to enhance green business certification (net 0)		
10	Community Services	Community Development Block Grant \$7,800 increase funding to the ASL (net 0)		
			\$158,300	
Remaining Ongoing Balance				\$ 2,500

If the City Council approves items 1-10, this will bring the available balance of one-time funds to \$158,300, and \$2,500 in ongoing funds. The General Fund operating budget would remain balanced with the 20% General Fund reserve intact. Departments have requested additional items as shown in Table 2 below. Some of the one-time items could be incorporated into the budget within the limited available funds. Additional information on these items is included in Attachment B.

TABLE 2 - UNFUNDED REQUESTS

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$158,300	\$ 2,500
1	Community Services	Senior Services Coordinator to Recreation Supervisor		(7,800)
2	Administrative Services	IT Equipment-Supplemental Funding for Equipment	(100,000)	
3	Public Works	PW Strategic Plan - Urban Forest Management Plan	(100,000)	
4	Administrative Services	Finance Division: Administrative Analyst		(117,800)
5	Public Works	PW Strategic Plan - Senior Operations Supervisor (Includes Vehicle and Equipment)	(40,300)	(135,700)
6	Public Works	PW Strategic Plan - Tree Maintenance Worker II (Includes Vehicle and Equipment)	(35,500)	(93,400)
7	Public Works	PW Strategic Plan - Administrative Analyst		(92,800)
8	Administrative Services	Digital Communications from part-time to full-time		(85,000)
9	Community Development	Consultant for Laguna Canyon Specific Plan	(100,000)	
10	Community Development	Part-Time Office Assistant - Building		(22,000)
11	Community Development	Associate Planner to Senior Planner		(13,000)
			(\$375,800)	
Remaining Ongoing Balance				\$ (565,000)

Other Funds:

It is recommended the City Council approve a \$20,000 transfer from the Parking Fund into the Transit Fund and appropriate this *one-time* funding for the Transit Neighborhood Trolley Services marketing and outreach materials. Reserve ongoing funding of \$700,000 in the Street Lighting Fund and \$800,000 in the Parking Fund toward utility undergrounding to supplement the sales tax measure, if passed by voters in November 2018. Additionally, staff is recommending the City Council approve the transfer of the Janitorial and Maintenance Contract and oversight for the Susi Q Center, for \$90,000, from the Public Works Department to the Community Services Department.

These changes and the changes noted in Table 1 are incorporated in the Beginning and Ending Fund Balances Schedule for all funds included as Attachment C.

V. CAPITAL EQUIPMENT

The FY 2018-19 Adopted Budget includes an unallocated balance of \$126,900 for capital equipment. Staff is recommending allocating \$74,900 of that amount to a network firewall and equipment identified in the IT Master Plan (\$65,500), replacement computers (\$2,400) and storm drain cameras (\$7,000).

VI. CULTURAL ARTS

The Arts Commission has submitted recommendations for Cultural Arts Grants. Attachment D includes the fourteen proposed grant awards and a summary of each. The Cultural Arts Grants are funded through the Business Improvement District (BID) program and the total amount awarded for FY 2018-19 is \$237,600.

VII. COMMUNITY ASSISTANCE

This year Mayor Boyd and Councilmember Iseman have volunteered to review the numerous community assistant grant applications, a program that is funded through the City lease with the Festival of Arts. Attachment E depicts their recommendations for the distribution of funding.

VIII. SALARY CHANGES

The FY 2018-19 budget already includes salary adjustments for City employees based on current Memorandum of Understanding (MOU) with each bargaining group. No adjustments are recommended at this time

However, each year the City Council must set the specific salary of the City Treasurer and City Clerk. The City Treasurer is currently at the top of her salary band and receiving 5% performance pay. The City Clerk was moved to the top of the salary band last year and is now eligible to receive performance pay. The City Council needs to determine if exceptional performance pay is warranted for one or both positions and what amount, up to a maximum of 5%.

Finally, included with this report as Attachment F is the resolution ratifying the Classification Title and Range Assignments and salary schedule for FY 2018-19.

IX. CONSTITUTIONAL APPROPRIATIONS LIMIT (GANN LIMIT)

Each year, the City must adopt the GANN Limit. This is a limit on the amount of revenue derived from tax proceeds that could be spent in a given year. Laguna Beach has never been in jeopardy of exceeding this limit. Attachment G is a resolution to satisfy this State mandate for FY 2018-19.

X. MODIFICATION OF THE 2017-18 ADOPTED BUDGET

Each year, staff may request changes to the existing budget due to unanticipated occurrences that happen during the year. The following adjustments are recommended for FY 2017-18:

General Fund: This year, the Fire Department provided mutual aid for thirteen California Wildfires, one of the highest since the program inception. To help mitigate the impact of overtime costs in the Fire Department budget and account for the State reimbursement of those costs, staff is recommending the City Council increase revenue estimate and appropriate \$580,000 for the overtime costs and by the same amount. It is also recommended the City Council appropriate \$100,000 in one-time funding to supplement expenditures associated with the recent Aliso/Top of the World fires.

Transit and Parking Fund: The City was awarded an OCTA Measure M2 Project V Bus Technology grant to fund a Computer Aided Dispatch/Automated Vehicle Locators (CAD/AVL). This new system will provide real-time passenger information to the transit staff, mobile data terminals to improve delivery of information to transit drivers and provide automated passenger counters. To account for this new grant, staff is requesting an appropriation of \$230,000 for this project, an increase Project V grant revenue of \$207,000 and transfer of \$23,000 in supplemental funding from the Parking Fund to the Transit Fund for this project.

XI. VEHICLE REPLACEMENT POLICY

The City Council asked the City Manager to review the vehicle replacement policy. The following policy has been developed to provide for planned vehicle replacement and objective criteria for decisions. This policy address three objectives:

1. Establishes the schedule for a replacement for all fleet and equipment types
2. Becomes the basis for the replacement fund for the City budget; and
3. Establishes objective criteria for the decision for replacement.

The policy contains two critical components, the vehicle replacement schedule, and the vehicle replacement model guidelines. The vehicle replacement schedule establishes the expectant life of all fleet and equipment types and the vehicle replacement model guidelines include criteria used to evaluate a vehicle before being considered for replacement. This policy was developed based on a comparison with other cities vehicle replacement schedules and the American Public Works Model best practices.

XII. CITY ATTORNEY FEES

The City Attorney billing rate for legal services has remained unchanged since 2014. The City Attorney has requested to modify the compensation terms of the City Attorney services agreement, increasing the monthly retainer for general matters from \$8,500 per month to \$12,000 and the hourly rate for the general matters more than the 60 hours per month and for specialized transactional matters from \$235 to \$255 per hour. A Resolution modifying the hourly rate along with a memo from the City Attorney are included in Attachment H.

XIII. RECOMMENDATIONS

It is recommended that the City Council:

1. Approve the changes to the FY 2018-19 Adopted Budget as recommended in Section IV of this report (Attachment A);
2. Approve the recommended Cultural Arts Grants for FY 2018-19 (Attachment D) and disburse the funds accordingly;
3. Review and approve or modify the recommendations made by the subcommittee regarding Community Assistance Grants (Attachment E) and disburse the funds accordingly;
4. Approve the modifications to the FY 2017-18 Adopted Budget as recommended in Section X of this report;
5. Adopt the resolution which ratifies the updated Classification Title and Range Assignment and salary schedules for FY 2018-19 (Attachment F);
6. Adopt the resolution approving the City's annual appropriations limit for FY 2018-19 (Attachment G);
7. Adopt the resolution (Attachment H) approving the increase in City Attorney Fees; and
8. Provide direction on salary and performance pay for the City Treasurer and City Clerk

Attachments:

Attachment A: Recommended modifications to the FY 2018-2019 Adopted Budget

Attachment B: Unfunded Wish List requests for the FY 2018-19 Adopted Budget

Attachment C: Beginning and Ending Fund Balance for Fiscal Years 2018-19

Attachment D: Recommended Cultural Arts Grants for Fiscal Year 2018-19

Attachment E: Recommended Funding for Community Assistance Grants for FY 2018-19

Attachment F: Resolution and Salary Tables/Schedules for Fiscal Years 2018-2019

Attachment G: Resolution approving the City's annual appropriations limit (GANN Limit)

Attachment H: Resolution approving an increase in City Attorney Fees

Attachment I: Revised Vehicle Evaluation and Replacement Policy

Attachment J: Memo, Unfunded Pension Liability

ATTACHMENT A

RECOMMENDED CHANGES TO FY 2018-19
ADOPTED BUDGET

**ATTACHMENT A
MODIFICATIONS TO FY 2018-19 ADOPTED BUDGET**

TABLE 1 - RECOMMENDED FY 2018-19 CHANGES

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$241,900	\$89,500
1	Administrative Services	Increase Property Tax In-Lieu VLF Revenue		145,000
2	Community Services	Alternative Sleeping Location		(140,000)
3	City Attorney	City Attorney General Monthly Retainer Annual Increase		(42,000)
4	Community Services	Possible Revisions to the School District Joint Use Agreement		(20,000)
5	Community Development	Historical Inventory Consultant		(30,000)
6	Police	Drug Enforcement Agency (DEA) Taskforce Vehicle Rental (4 years)	(33,600)	
7	Community Services	Pool Roof Replacement (70%, LBUSD 30%)	(50,000)	
8	Community Development	Funding to continue Planning Intern in Community Development for additional year	(50,000)	
9	Public Works	California Green Business Grant \$20,000 to enhance green business certification (net 0)		
10	Community Services	Community Development Block Grant \$7,800 increase funding to the ASL (net 0)		
			\$158,300	
Remaining Ongoing Balance				\$ 2,500

1. Increase the ongoing Property Tax in Lieu of VLF estimate in FY2018-19 by \$145,000. The revenue received this year is higher than forecasted allowing staff to increase the estimate for next year.
2. Alternative Sleeping Location (ASL): The City currently anticipates additional ongoing operating costs of \$140,000 related to the ongoing services at the ASL. An update regarding this change will be presented to the City Council later this year.
3. City Attorney Fees: The City of Laguna Beach contracts with Rutan and Tucker, LLP. The City Attorney billing rate for legal services has remained unchanged since 2014. The City Attorney has requested to modify the compensation terms of the City Attorney services agreement, increasing the monthly retainer for general matters from \$8,500 per month to \$12,000 and the hourly rate for the general matters in excess of the 60 hours per month and specialized transactional matters from \$235 to \$255. The ongoing costs are estimated to be \$42,000.
4. Possible revisions to the Joint Use Agreement for facilities with the Laguna Beach Unified School District: At the District's request, the City transferred administration of the high school sports summer recreation camps to the District impacting both revenues and expenditures for next year. Negotiations are currently underway to revise the Joint Use Agreement for facilities. The details are still under review and will be presented to the City Council later this year, however, staff believes the impact of the changes is a net change in ongoing funding of \$20,000.
5. Historical Inventory Consultant: The City is currently underway in revising its Historic Preservation Ordinance and Inventory. One of the goals of the draft Ordinance suggests too provide clarity in the processing of historic structures. The draft Ordinance suggest that some historic reports/analysis be paid for by the City. The City does not have a qualified historian on staff. It is intended for this consultant to advise staff on the historic integrity of structures and prepare reports as provided for in the Ordinance upon its adoption. The ongoing costs are estimated to be \$30,000.

ATTACHMENT A
MODIFICATIONS TO FY 2018-19 ADOPTED BUDGET

6. Drug Enforcement Agency Taskforce (“DEA Taskforce”) Vehicle Rental (4 years): The Police Department will be assigned a detective to the DEA Taskforce beginning in September. The DEA Task Force is charged with the investigation of the highest level of domestic and international narcotics traffickers. Additionally, they are responding to the heroin and prescription opioid pill crisis occurring across our country. As part of this undercover work assignment, the police department will need to provide a vehicle that can be rotated on a frequent basis. To accomplish this goal, the police department piggy-backed on a statewide RFP and will be partnering with Enterprise rental car. The one-time costs are \$33,600.
7. Pool Roof Replacement Project: Per the agreement with the Laguna Beach Unified District shared costs of with the City is (70%). The one-time cost is \$50,000.
8. Planning Intern – Community Development: Retain the current Planning Intern to assist the planning department with the high volume of service. The one-time costs are \$50,000.
9. Public Works will receive funding from the California Green Business Network to enhance the City’s Green Business Certification Program. The one-time increase in revenue and expenditure are \$20,000.
10. Community Development Block Grant: The Community Services Department receives grant funding which is used toward the Alternative Sleeping Location. The City was notified the funding had been increased from \$118,150 to \$125,856. The one-time increase in revenues and expenditures is approximately \$7,800..

Other Funds

11. Approve a \$20,000 transfer from the Parking Fund into the Transit Fund and appropriate this one-time funding for the Transit Neighborhood Trolley Services marketing and outreach materials.
12. Reserve ongoing funding of \$700,000 in the Street Lighting Fund and \$800,000 in the Parking Fund toward utility undergrounding to supplement the sales tax measure, if passed by voters in November 2018.
13. Approve the transfer of the Janitorial and Maintenance Contract and oversight for the Susi Q Center, for \$90,000, from the Public Works Department to the Community Services Department. Community Development Block Grant.

ATTACHMENT B

UNFUNDED WISH LIST REQUESTS TO FY
2018-19 ADOPTED BUDGET

ATTACHMENT B WISH LIST

TABLE 2 - UNFUNDED REQUESTS

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$158,300	\$ 2,500
1	Community Services	Senior Services Coordinator to Recreation Supervisor		(7,800)
2	Administrative Services	IT Equipment-Supplemental Funding for Equipment	(100,000)	
3	Public Works	PW Strategic Plan - Urban Forest Management Plan	(100,000)	
4	Administrative Services	Finance Division: Administrative Analyst		(117,800)
5	Public Works	PW Strategic Plan - Senior Operations Supervisor (Includes Vehicle and Equipment)	(40,300)	(135,700)
6	Public Works	PW Strategic Plan - Tree Maintenance Worker II (Includes Vehicle and Equipment)	(35,500)	(93,400)
7	Public Works	PW Strategic Plan - Administrative Analyst		(92,800)
8	Administrative Services	Digital Communications from part-time to full-time		(85,000)
9	Community Development	Consultant for Laguna Canyon Specific Plan	(100,000)	
10	Community Development	Part-Time Office Assistant - Building		(22,000)
11	Community Development	Associate Planner to Senior Planner		(13,000)
			(\$375,800)	
Remaining Ongoing Balance				\$ (\$65,000)

1. Senior Services Coordinator to Recreation Supervisor, Community Services: Since 2016, the reorganization of the Community & Susi Q Senior Center included a partnership agreement with the Laguna Beach Seniors organization. The expanded duties include supervisor of all contract instructors including youth and adult programming. The ongoing costs for this change are \$7,800.
2. IT Master Equipment Supplemental Funding: Appropriate \$100,000 in one-time funding toward the IT Master Plan. The IT Master Plan identified technology gaps in the City's existing technology and helped identify objectives and initiatives of the City's Information Technology Division. The critical supplemental funding will be used primarily to purchase and implement replacement/new software and hardware technology systems to greatly improve efficiencies in City operations. The City Council has already set aside \$1 million toward this program; however, based on meeting with departments to determine the immediate need to equipment and software replacement, additional funding is necessary to expedite these replacements.
3. Public Works Strategic Plan: Appropriate \$100,000 in one-time funds towards a complete health assessment of the City's publicly maintained trees. The assessment would concentrate on the largest and oldest trees in the inventory and include structural evaluation, evaluation for pathogens and pests, evaluation of the current tree well sizes and locations and provide a recommendation for future proactive maintenance of the urban forest.
4. Full-time Senior Administrative Analyst in the Finance Division: This position would address the increasing demand by departments and the City Council for complex and detailed financial analysis and reporting, and special projects support throughout the year including semi-annual financial system training for departments. The ongoing costs are \$117,800.
5. Public Works Strategic Plan: Appropriate \$40,300 in one-time funding and \$135,700 in ongoing funding for a Senior Operations Supervisor/Arborist to oversee the evaluation and care of the City's tree inventory, reforestation, customer service, and to provide day-to-day

ATTACHMENT B WISH LIST

monitoring of the tree trimming contractor. Currently, the department does not have a qualified arborist to oversee the development and implementation of an augmented Public Tree Management Program. Within the past five years, the budget for the tree trimming has more than tripled from \$106,300 to \$321,600 which is a \$215,300 (203%) increase.

6. Public Works Strategic Plan: Appropriate \$35,500 in one-time funding and \$93,400 in ongoing funding for a Tree Maintenance Worker II position to have a dedicated Maintenance Worker to provide daily care for the City's approximately 2,700 public trees.
7. Public Works Strategic Plan: The Waste & Recycling Intern part-time position is reimbursed by Waste Management. Convert the position to a full-time Administrative Analyst position to assist with the implementation of the department goals, policies, and priorities, and to support the department director and management team by conducting research and statistical analysis on administrative, personnel and operational issues. The conversion of the position to a full-time position will also provide consistent on-going resources to oversee the residential recycling programs, mandatory commercial recycling and organics diversion programs, mandatory Construction and Demolition Recycling program, and other State recycling mandates. Total ongoing costs are \$117,800 with \$25,000 being reimbursed by Waste Management. The ongoing costs are \$92,800.
8. Full-time Digital Communications Coordinator: With the City's increased use of social media, including Nextdoor, and the City website to inform and engage its residents, the Digital Communications Coordinator position could easily become a full-time position. To continue to increase services in these areas, the City Council should consider making this position full-time. The ongoing costs are \$85,000.
9. Consultant for Laguna Canyon Specific Plan: Community Development is requesting assistance with preparation of the specific plans. The one-time costs are \$100,000.
10. Part-Time Office Assistant – Community Development: This part-time position would assist the Records Management Coordinator in the recently approved records retention policy. The on-going costs are \$22,000.
11. Associate Planner to Senior Planner – Community Development: The expanded duties include all view related matters regarding trees. The ongoing costs are \$13,000.

ATTACHMENT C

FY 2018-19 BEGINNING AND ENDING FUND
BALANCE

Beginning and Ending Balances

Fiscal Year 2018-19

All Funds¹

	Estimated Beginning Balance July 1, 2018	Estimated Revenues	Transfers In (Out)	Estimated Expenditures	Estimated Ending Balance June 30, 2019
<u>Operating and Capital Project Funds</u>					
General	331,400	\$64,947,100	(\$599,600) ²	64,347,500	\$331,400 ⁸
Measure LL	-	\$2,288,000		2,194,400	93,600
Open Space	441,154			20,000	421,154
Capital Improvement	97,793	6,649,000	(84,000) ³	6,512,000	150,793
Parking Authority	6,948,044	7,628,000	(2,721,700) ⁴	4,824,100	7,030,244
Parking in Lieu	904				904
Park in Lieu	267,485				267,485
Art in Lieu	90,434				90,434
Drainage	69,625				69,625
Housing in Lieu	286,476				286,476
Gas Tax	4,435	1,366,000	84,000	1,450,000	4,435
Street Lighting	2,666,587	1,552,000	(800,000) ⁷	1,301,500	2,117,087
Wastewater	732,957	12,398,000	(100,000) ⁵	12,945,300	85,657
Disaster Contingency	6,269,559	60,000			6,329,559
Transportation Infrastructure	87,466	15,000			102,466
Transit	2,000	2,466,700	896,700	3,363,400	2,000
Total	18,296,319	99,369,800	(3,324,600)	96,958,200	17,383,319
<u>Internal Service Funds</u>					
Insurance	2,515,970	10,059,300		10,282,500	2,292,770
Vehicle Replacement	4,341,492	2,000,200	500,000	920,000	5,921,692 ⁶
Total	\$6,857,462	\$12,059,500	\$500,000	\$11,202,500	\$8,214,462

¹Includes all operating, capital project and internal service funds. Excludes trust and agency, carryover, and special assessment district funds.

²Includes a transfers in of \$525,000 from the Parking Authority Fund, transfer out \$724,600 toward offsetting future operating and pension cost increases, and a transfer out of \$400,000 to maintain the 20% reserve.

³Includes a transfers out of \$84,000 to the Gas Tax Fund.

⁴Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$896,700 to the Transit Fund, a transfer out of \$500,000 to the Vehicle Replacement Fund, and a transfer out of \$800,000 to a reserve for utility undergrounding.

⁵Includes a transfer out of \$100,000 to the Sewer Fund Reserve.

⁶Balance is reserved for Vehicle Replacement.

⁷Transfer out \$700,000 to a reserve for utility undergrounding.

⁸The City Council approved a goal of a 20% General Fund Operating Reserve equal \$12,500,000 which is not shown in this fund balance. A reserve for solid waste/refuse of \$363,000, a reserve of \$250,000 to mitigate fluctuations in investment reporting, and a reserve of \$724,600 to offset future operating and pension cost increases are not shown in this fund balance.

ATTACHMENT D

FY 2018-19 CULTURAL ARTS GRANTS

**City of Laguna Beach
Cultural Arts Funding 2018/19
Business Improvement District**

Organization	Received 2017/18	Requested 2018/2019	Recommended 2018/19
Community Art Project	4,000	10,800	4,500
Festival of Arts	0	20,000	12,000
First Thursday's Art Walk	23,000	30,000	23,000
Kontrapunktus Baroque Ensemble	0	3,500	0
KX 93.5 Radio	5,000	30,000	7,000
Laguna Beach Alliance for the Arts	16,000	14,600	14,600
Laguna Beach Live!	30,000	46,000	31,000
Laguna Beach Sister City Association	3,500	5,000	4,000
Laguna Beach Chamber Singers	1,500	0	0
Laguna Community Concert Band	0	9,000	8,000
Laguna Dance Festival	30,000	60,000	31,000
LOCA, Arts Education	18,000	33,200	20,000
Laguna Plein Air Painters Association	20,000	65,000	20,000
LagunaTunes	4,500	5,000	5,000
Master Chorale of Saddleback Valley	0	3,000	0
Music in Common	1,000	0	0
My Hero Project	1,500	4,000	1,500
No Square Theatre	30,000	45,000	31,000
Sawdust Art Festival	22,000	35,000	23,000
Third Street Writers	0	2,300	1,000
On-Line processing	1,000		1,000
Applications 18 Total	211,000	420,600	237,600

**City of Laguna Beach
Cultural Arts Funding 2018/19
Business Improvement District**

Community Art Project (CAP)

The mission of the organization is to increase the visibility and appreciation of art and serve as a catalyst for art education. Requested funds, will be used for marketing and promotion of exhibitions at Wells Fargo Bank and \$1,800 to match the artist honorarium for a temporary sculpture

\$4,500

Festival of Arts

The Festival of Arts has been a feature of the Laguna Beach community since 1932 presenting the annual art show and Pageant of the Masters. Requested funds will be used for the marketing and promotion of "Pageant of the Monsters" in October 2018.

\$12,000

First Thursday's Art Walk

Established in 1998 First Thursday's Art Walk expands the accessibility of the arts and art experiences. With over 20 participating galleries, First Thursday's offers a monthly year round event. Requested funds will be used for trolley rental, guides and marketing.

\$23,000

Kontrapunktus Baroque Ensemble

Established in 2016, Kontrapunktus is a neo-Baroque ensemble consisting of Colborn School musicians. The Ensemble hopes to present a concert at the Laguna Beach Presbyterian Church.

0

KX 93.5 Radio

Established in 2012, KX 93.5, is the only FM Radio station in Laguna Beach. Annually the station presents a concert in the Irvine Bowl featuring famous musicians. Requested funds would be used to promote the fourth annual music festival to be held in September 2018.

\$7,000

Laguna Beach Alliance for the Arts (LBAA)

The LBAA was formed in 2002 with a membership of 18 arts organizations in Laguna Beach. The purpose of the organization is to promote collaboration and networking among arts organizations. Requested funds will support the printing and distribution of a quarterly four-color calendar listing cultural events in Laguna Beach.

\$14,600

Laguna Beach Live!

Formed in 2001, Laguna Beach Live is dedicated to promoting and increasing the knowledge and appreciation of the performing arts in Laguna Beach and to nurture musicians and singers. Requested funds will be used for facility rental, marketing and promotion of Laguna Beach Music Festival, Jazz Wednesdays, Bluegrass and BBQ and Music Insights.

\$31,000

Laguna Beach Sister City

The mission of the organization is to promote global understanding and cooperation at the community level; working to enhance Laguna's international reputation in the arts, education, business and tourism. Requested funds will be used to market and promote the one day music festival "Fete de Musique" in June 2018.

\$4,000

**City of Laguna Beach
Cultural Arts Funding 2018/19
Business Improvement District**

Laguna Community Concert Band

The Laguna Beach Community Band has been a feature of the city since 2005 and presents high quality band music for a variety of civic functions. Requested will be used for marketing and facility rental of events in Laguna Beach.

\$8,000

Laguna Dance Festival

The mission of the organization is to support and promote the development of dance creation, presentation and education and increase the public's appreciation of the art form. Requested funds will be used for facility rental.

\$31,000

LOCA Arts Education

LOCA is a coalition of arts educators, professional artists and others interested in arts education. LOCA provides hands-on workshops taught by professional artists in a wide variety of art forms. Requested funds will be used for artist fees and the marketing and promotion of Laguna Beach Landscapes, Festival of Mosaics, Art and Sea Lion Adventures.

\$20,000

Laguna Plein Air Artist Association

Established in 1996 the organization presents the annual Plein Air Painters Invitational. Requested funds will be used for facility rental, marketing and promotion of its event in October 2018.

\$20,000

Laguna Tunes

LagunaTunes is a choral community group who perform a variety of music styles. Requested funds will be used for artist fees and the marketing and promotion of its concerts.

\$5,000

Master Chorale of Saddleback Valley

Celebrating its 50th anniversary, the organization serves the greater South Orange County area. Requested funds are requested to facilitate a benefit concert at St. Catherine's Church.

0

My Hero Project

My Hero Project is an educational, interactive Web journal that focuses on individuals who have made a positive difference in the world. Requested funds will be used to market and promote the "Laguna Beach Hero Project."

\$1,500

No Square Theatre

No Square Theatre offers open, fun and unrestrained performing arts opportunities for everyone. No Square Theatre presents plays, musicals, concerts and workshops for aspiring thespians. Requested funds will be used for facility rental and productions costs for the performances of Roxanna Ward & Friends, Some Kind of Love Song, LagunaTots, A Little Might Music, Lagunatics and Annie

\$31,000

**City of Laguna Beach
Cultural Arts Funding 2018/19
Business Improvement District**

Sawdust Art Festival

The purpose of the Sawdust Art Festival is to provide the general public the opportunity to enjoy and appreciate the art and culture produced by local artists. Requested funds will be used for artist fees, marketing and promotion of Studio Art Classes.

\$23,000

Third Street Writers

The organization was established in 2015 and is dedicated to fostering the development of new and seasoned writers. Funds will be used to produce the publication "Beach Reads2: Lost and Found" by local authors.

\$1,000

On-Line Application

Organizations will apply on-line, reducing replication costs. The Arts Commission is recommending the use of the on-line application company, Slideroom also used for public art submissions.

\$1,000

TOTAL \$237,600

ATTACHMENT E

RECOMMENDED FUNDING FOR
COMMUNITY ASSISTANCE GRANTS

ATTACHMENT E

Community Assistance	Community Services				
	General Fund/5201				
	Community Request	Adopted Budget	Community Request	Subcommittee Recommendations	Adopted Budget
Organization	2017-18	2017-18	2018-19	2018-19	2018-2019
L.B. Beautification Council	-	-	5,000	500	
Greater Laguna Coast Fire Safe Council	950	950	3,000	1,000	
Laguna Beach Recreation Committee	-	-	5,000	1,000	
Laguna Open Volleyball Tournament	10,000	5,000	10,000	1,000	
Music in Common, Inc.	7,500	3,500	5,000	1,000	
Laura's House	3,500	1,500	3,500	1,500	
Age Well Senior Services	4,000	3,000	4,000	2,500	
Friends of the Hortense Miller Garden	4,000	3,000	4,000	2,500	
Laguna Beach Housing & Human Services	10,000	3,000	5,000	2,500	
Sally's Fund, Inc.	5,000	5,000	7,000	4,000	
Friends of Laguna Beach Library, Inc.	-	6,000	16,500	6,000	
Laguna Canyon Foundation	10,000	3,000	12,000	6,000	
Laguna Dance Festival (CA Dance)	25,600	6,500	25,900	6,000	
Laguna Food Pantry	16,700	6,000	24,000	6,000	
Laguna Ocean Foundation	10,000	5,000	15,000	6,000	
Laguna Outreach Comm. Arts (LOCA)	14,000	6,000	16,600	6,000	
Seaside Legal Services	25,000	4,000	25,000	6,500	
Friendship Shelter, Inc.	4,000	2,000	20,000	8,000	
Laguna Community Concert Band	12,000	9,000	11,000	8,000	
Pacific Marine Mammal Center	10,000	10,000	15,000	8,000	
HIV Advisory Committee	-	10,000	33,000	10,000	
Laguna Beach Live!	20,000	13,000	20,000	13,000	
Laguna Beach Seniors, Inc.	30,000	15,000	30,000	15,000	
KX 93.5 LB Radio, Inc.	20,000	15,000	25,000	20,000	
Laguna Plein Air Painters Association	30,000	15,000	65,000	20,000	
Laguna Beach Community Clinic	25,000	25,000	25,000	22,000	
No Square Theater	78,000	20,000	88,000	23,000	
Boys & Girls Club of Laguna Beach	45,000	30,000	50,000	25,000	
South County Cross-cultural Council	25,000	25,000	25,000	25,000	
Bluebell Foundation for Cats	2,000	1,500	-	-	
Contingency	-	3,250	-	-	
Creative Identity	-	-	10,000	-	
Crystal Cove Alliance (CCA)	10,000	-	-	-	
First Thursdays Art Walk	-	-	5,000	-	
Give a Beat	-	-	6,000	-	
Helping Hand World Wide	5,000	-	5,000	-	
Laguna Beach Aquatics Foundation	-	-	30,000	-	
Laguna Beach Chamber of Commerce	70,800	25,000	-	-	
Laguna Beach Chamber Singers	-	-	7,500	-	
Laguna Beach Garden Club	-	-	2,000	-	
Laguna Beach Historical Society	6,000	2,000	-	-	
Laguna Beach Performing Arts Boosters	35,750	-	-	-	
Laguna Beach Sister Cities Assn.	1,500	1,500	-	-	
Laguna Beach Women's Club	25,000	3,000	-	-	
Master Chorale of Saddleback	4,000	-	3,000	-	
Patty's House	-	-	8,000	-	
OC Human Relations	-	-	10,000	-	
Protecting Unwanted Pets (PUP)	4,000	-	4,000	-	
Sawdust Art Festival	3,000	-	-	-	
SEEDS Arts and Education	10,000	-	-	-	
The Heart Way	10,000	-	-	-	
Transition Laguna Beach	-	-	15,000	-	
Grand Total	632,300	286,700	694,000	256,500	259,000

ATTACHMENT F

RESOLUTION AND SALARY
TABLE/SCHEDULES FOR FY 2018-19

1
2
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11
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RESOLUTION NO. 18.XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, SETTING PAY RANGES FOR CITY EMPLOYEES

WHEREAS, the City Council wishes to update the Classification Title and Range Assignment and remaining salary schedules to accurately reflect the job positions that are currently budgeted and held by management and non-management staff;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows the Classification Title and Range Assignment and salary schedules (Exhibit A) are hereby ratified.

ADOPTED this 12th day of June, 2018.

Kelly Boyd, Mayor

ATTEST:

City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 18.XXX was duly adopted at a Regular Meeting of the City Council of said City held on June 12, 2018, by the following vote:

- AYES: COUNCILMEMBER(S):
- NOES: COUNCILMEMBER(S):
- ABSENT: COUNCILMEMBER(S):
- ABSTAIN: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 18-19

<u>Classification Title</u>	<u>Salary Range</u>
Account Specialist	71
Accountant	106
Accounting Technician	96
Administrative Analyst	96
Administrative Assistant ¹	88
Administrative Office Specialist	77
Animal Services Officer	84
Aquatics Coordinator	83
Assistant Planner	106
Associate Civil Engineer ²	133
Associate Planner	114
Beach Patrol Officer	64
Building Inspector	106
Bus Driver	77
Civilian Fire Marshal	133
Code Enforcement Officer	96
Code Enforcement Supervisor	114
Community Services Officer I	83
Community Services Officer II	88
Computer Operator	83
Cultural Arts Manager	114
Custodian	66
Deputy Building Official	133
Deputy City Clerk ¹	88
Emergency Operations Coordinator	121
Engineering Technician	83
Environmental Specialist	96
Equipment Mechanic	96
Equipment Operator	88
Fire Captain	122
Fire Engineer	110
Firefighter	100
Information System Specialist	122
Instrumentation & Electrical Technician	83
Jail Supervisor	95
Jailer	64
Kennel Aide	71
Kennel Manager	84
Lead Mainline Bus Driver	88
Maintenance Lead Worker	98
Maintenance Supervisor	114
Maintenance Worker	66
Maintenance Worker I	71
Maintenance Worker II	83
Marine Protection Officer	104
Marine Safety Captain	133

1. Plus 5% assignment pay for those who take minutes on a regular basis at the Planning Commission, Design Review Board, & City Council meetings

2. Plus 5% with Civil Engineering Registration

3. Plus 5% shift bonus

**City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 18-19**

<u>Classification Title</u>	<u>Salary Range</u>
Marine Safety Lieutenant	122
Marine Safety Officer	104
Motor Sweeper Operator	88
Network Administrator	133
Office Specialist	66
Office Specialist (Confidential in Human Resources Division)	66
Parking & Transit Technician	83
Parking Services Officer	77
Parks Gardener	83
Permit Technician	77
Planning Technician	83
Police Corporal	122
Police Fleet Coordinator	95
Police Officer	112
Police Records Specialist ³	71
Police Recruit	112
Police Sergeant	133
Principal Planner	128
Project Coordinator	114
Project Manager	122
Public Safety Dispatcher	96
Public Works Technician	83
Records Management Coordinator	77
Recreation Supervisor	106
Senior Account Specialist	83
Senior Administrative Analyst	106
Senior Building Inspector	114
Senior Building Inspector/Plans Checker	122
Senior Fleet Maintenance Supervisor	122
Senior Information Technology Analyst	128
Senior Instrumentation & Electrical Technician	98
Senior Office Specialist ¹	71
Senior Operations Supervisor	122
Senior Parking Services Officer	88
Senior Permit Technician	83
Senior Plan Checker	133
Senior Planner	122
Senior Public Safety Dispatcher	106
Senior Public Works Analyst/Solid Waste Program Coordinator	122
Senior Recreation Supervisor	114
Senior Services Coordinator	96
Senior Water Quality Analyst	122
Supervisor of Support Services	133
Transit Supervisor	98

1. Plus 5% assignment pay for those who take minutes on a regular basis at the Planning Commission, Design Review Board, & City Council meetings

2. Plus 5% with Civil Engineering Registration

3. Plus 5% shift bonus

City of Laguna Beach Salary Schedule
Elected and Non-Elected Management Personnel
FY 18-19 Effective 06/18/2018

<u>Non-Elected Management</u>	<u>Salary Range</u>	
Assistant City Manager	\$11,492	\$17,638
Assistant City Manager/Director of Public Works	\$11,492	\$17,638
Director of Administrative Services	\$11,492	\$17,638
Director of Community Development	\$11,492	\$17,638
Director of Water Quality	\$11,492	\$17,638
Fire Chief ¹	\$11,492	\$17,638
Police Chief ¹	\$11,492	\$17,638
 City Engineer	 \$10,462	 \$16,055
 Assistant City Engineer	 \$9,007	 \$13,869
Assistant Director of Community Development	\$9,007	\$13,869
Chief of Marine Safety	\$9,007	\$13,869
Finance Officer	\$9,007	\$13,869
Human Resources/Risk Manager	\$9,007	\$13,869
Undergrounding Program Manager	\$9,007	\$13,869
 Building Official	 \$8,489	 \$12,731
Deputy Director of Public Works/Parking & Transit Manager	\$8,489	\$12,731
Deputy Director of Public Works/Public Services Manager	\$8,489	\$12,731
Planning Manager	\$8,489	\$12,731
Project Director	\$8,489	\$12,731
Zoning Administrator	\$8,489	\$12,731
 Executive Assistant	 \$4,846	 \$7,269
<u>Elected Officials</u>		
City Clerk ²	\$8,489	\$12,731
City Treasurer - (27.269 Hrs/Week) ³	\$6,033	\$8,083
<u>Police and Fire Management Association</u>		
Fire Division Chief and Fire Battalion Chief ⁴	\$9,249	\$14,241
Police Captain ⁵	\$9,249	\$14,241
Police Lieutenant ⁵	\$8,717	\$13,072
Civilian Services Administrator ⁶	\$8,487	\$12,731
<u>Contract</u>		
City Manager		\$22,262

¹ Both the Police Chief and Fire Chief are eligible to receive 5% in certification/education incentives.

² Actual for FY 18-19 including 5% Exceptional Performance Pay is \$13,367.

³ Actual for FY 18-19 including 5% Exceptional Performance Pay is \$8,487.

⁴ Incumbents in the positions of Fire Division Chief and Fire Battalion Chief are eligible to receive 2.5% for a Fire Officer certification, 2.5% for a Chief Officer certification, and 2.5% for a Bachelor's Degree.

⁵ Incumbents in the positions of Police Captain and Police Lieutenant are eligible to receive 2.5% for a Management POST certificate, 2.5% for a Bachelor's Degree, and 2.5% for a Master's Degree.

⁶ Eligible to receive 2.5% for a Bachelor's Degree.

City of Laguna Beach Salary Table
Municipal
FY 18-19, Effective 07/01/2018

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC	66	\$3,461	\$3,631	\$3,814	\$4,002	\$4,206	\$4,417	\$4,640	\$4,874	Custodian, Maintenance Worker, Office Specialist
	71	\$3,659	\$3,844	\$4,038	\$4,237	\$4,447	\$4,674	\$4,912	\$5,160	Account Specialist, Maintenance Worker I, Senior Office Specialist
	77	\$3,924	\$4,123	\$4,324	\$4,539	\$4,773	\$5,012	\$5,264	\$5,526	Administrative Office Specialist, Bus Driver, Permit Technician, Records Management Coordinator
	83	\$4,229	\$4,443	\$4,670	\$4,894	\$5,139	\$5,398	\$5,669	\$5,952	Aquatics Coordinator, Maintenance Worker II, Parks Gardener, Senior Account Specialist, Senior Permit Technician, Planning Technician, Engineering Technician, Parking & Transit Technician, Instrumentation & Electrical Technician
	88	\$4,470	\$4,692	\$4,928	\$5,170	\$5,424	\$5,696	\$5,989	\$6,289	Administrative Assistant, Deputy City Clerk, Equipment Operator, Lead Mainline Bus Driver, Motor Sweeper Operator
	96	\$4,909	\$5,149	\$5,402	\$5,677	\$5,958	\$6,255	\$6,571	\$6,895	Accounting Technician, Administrative Analyst, Code Enforcement Officer, Environmental Specialist, Equipment Mechanic, Senior Services Coordinator
	98	\$5,026	\$5,276	\$5,543	\$5,817	\$6,111	\$6,413	\$6,734	\$7,072	Maintenance Lead Worker, Senior Instrumentation & Electrical Technician, Transit Supervisor
	104	\$5,397	\$5,667	\$5,948	\$6,245	\$6,561	\$6,885	\$7,234	\$7,592	Marine Protection Officer, Marine Safety Officer
	106	\$5,531	\$5,800	\$6,091	\$6,397	\$6,717	\$7,055	\$7,409	\$7,780	Accountant, Assistant Planner, Building Inspector, Recreation Supervisor, Senior Administrative Analyst
	114	\$6,076	\$6,380	\$6,702	\$7,040	\$7,388	\$7,757	\$8,145	\$8,552	Associate Planner, Code Enforcement Supervisor, Cultural Arts Manager, Maintenance Supervisor, Project Coordinator, Senior Building Inspector, Senior Recreation Supervisor
	122	\$6,685	\$7,019	\$7,371	\$7,743	\$8,126	\$8,535	\$8,962	\$9,408	Information System Specialist, Marine Safety Lieutenant, Project Manager, Senior Building Inspector/Plans Checker, Senior Fleet Maintenance Supervisor, Senior Planner, Senior Public Works Analyst/Solid Waste Program Coordinator, Senior Operations Supervisor, Senior Water Quality Analyst
	128	\$7,198	\$7,560	\$7,933	\$8,328	\$8,746	\$9,189	\$9,647	\$10,127	Principal Planner, Senior Information Technology Analyst
	133	\$7,605	\$7,982	\$8,380	\$8,800	\$9,241	\$9,703	\$10,192	\$10,699	Associate Civil Engineer, Civilian Fire Marshal, Deputy Building Official, Marine Safety Captain, Network Administrator, Senior Plan Checker

City of Laguna Beach Salary Table
Hourly/Part Time (Full-Time Equivalent)
FY 18-19, Effective 07/01/2018

Miscellaneous

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC-HRLY										
	900	\$19.97	\$20.95	\$22.01	\$23.09	\$24.27	\$25.49	\$26.77	\$28.12	Office Specialist (FT Range 66)
	920	\$25.79	\$27.07	\$28.43	\$29.83	\$31.29	\$32.86	\$34.55	\$36.28	Administrative Assistant (FT Range 88), Parking and Transit Technician
	945	\$31.91	\$33.46	\$35.14	\$36.91	\$38.75	\$40.70	\$42.75	\$44.88	Recreation Supervisor (FT Range 106)
	960	\$35.06	\$36.81	\$38.66	\$40.62	\$42.63	\$44.75	\$46.99	\$49.33	Associate Planner, Analyst, Senior Recreation Supervisor (FT Range 114)
	970	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00	Special Projects Coordinator

Police

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
P-HRLY										
	910	\$21.98	\$23.09	\$24.22	\$25.42	\$26.73	\$28.07	\$29.49	\$30.95	Senior Records Specialist (FT Range 77)
	920	\$25.03	\$26.28	\$27.60	\$28.96	\$30.38	\$31.90	\$33.54	\$35.22	Community Services Officer II (FT Range 88)
	930	\$27.50	\$28.84	\$30.26	\$31.80	\$33.37	\$35.04	\$36.80	\$38.62	Public Safety Dispatcher (FT Range 96)
	940	\$30.99	\$32.48	\$34.12	\$35.83	\$37.63	\$39.52	\$41.50	\$43.57	Senior Public Safety Dispatcher (FT Range 106)
	950	\$34.80	\$36.58	\$38.40	\$40.35	\$42.33	\$44.45	\$46.64	\$48.95	Police Officer (FT Range 112)

Management Equivalents

Unit	Range	Low	High	Job Title
MGMT-HRLY				
	990	\$48.97	\$107.12	Management Specialist

City of Laguna Beach Salary Table
Hourly/Part-Time
FY 17-18 Effective 04/23/2018

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Job Title
615	9.24	9.63	10.01	10.40	10.78	11.17	11.55	Office Assistant I, Laborer I, Community Services Leader, Parking Lot Attendant
635	10.78	11.17	11.55	11.94	12.32	12.71	13.09	Office Assistant II, Community Services Specialist, Trolley Steward
650	11.94	12.32	12.71	13.09	13.48	13.86	14.25	Kennel Aide I, Laborer II
655	12.32	12.71	13.09	13.48	13.86	14.25	14.63	Community Services Coordinator
660	12.71	13.09	13.48	13.86	14.25	14.63	15.02	Parking Control Officer
665	13.11	13.48	13.86	14.25	14.63	15.02	15.41	Swim Instructor/Pool Lifeguard
673	13.48	13.86	14.25	14.63	15.02	15.40	15.79	Typist Clerk
675	13.86	14.25	14.63	15.02	15.41	15.79	16.17	Laborer III, Kennel Aide II, Police Aide
685	14.63	15.02	15.41	15.79	16.17	16.56	16.95	Weed Abatement Coord., Sr. Community Svcs. Coordinator, Sr. Pool Lifeguard, Community Bch Patrol, Sr. Police Aide
695	15.41	15.79	16.17	16.56	16.95	17.33	17.71	Administrative Intern, Aquatics Supervisor, Bus Driver I, Planning Intern
705	16.17	16.56	16.95	17.33	17.71	18.10	18.49	Laborer IV
710	16.56	16.95	17.33	17.71	18.10	18.49	18.87	Sr. Community Beach Patrol, Tidepool Educator, Civilian Enforcement Officer
725	17.71	18.10	18.49	18.87	19.25	19.65	20.03	Bus Driver II, Fire Prevention Officer
745	19.80	20.20	20.61	21.03	21.42	21.82	22.24	Marine Safety Dispatcher
755	20.03	20.41	20.79	21.19	21.57	21.95	22.33	Jailer
780	21.95	22.33	22.73	23.11	23.49	23.87	24.27	Bus Driver III
795	23.11	23.49	23.87	24.27	24.65	25.03	25.41	Summer Festival Transit Supervisor
797	28.26	28.83	29.40	29.99	30.59	31.20	31.83	Arts Program Coordinator
798	36.50	37.24	38.00	38.78	39.57	40.38	41.20	Digital Communications Coordinator
799	49.00	49.00	49.00	49.00	49.00	49.00	49.00	Transit Programs Coordinator

City of Laguna Beach Salary Table
Police
FY 18-19, Effective 07/01/2018

Non-Sworn

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
Non-Sworn Police										
64		\$3,149	\$3,308	\$3,476	\$3,651	\$3,839	\$4,025	\$4,222	\$4,432	Beach Patrol Officer, Jailer
71		\$3,553	\$3,732	\$3,921	\$4,114	\$4,318	\$4,538	\$4,769	\$5,010	Kennel Aide, Records Specialist
77		\$3,810	\$4,003	\$4,199	\$4,406	\$4,634	\$4,866	\$5,111	\$5,365	Parking Services Officer
83		\$4,105	\$4,313	\$4,534	\$4,751	\$4,989	\$5,241	\$5,504	\$5,779	Community Services Officer I, Computer Operator
84		\$4,206	\$4,419	\$4,644	\$4,867	\$5,111	\$5,369	\$5,638	\$5,919	Animal Services Officer, Kennel Manager
88		\$4,339	\$4,556	\$4,784	\$5,019	\$5,266	\$5,530	\$5,814	\$6,106	Community Services Officer II, Senior Parking Services Officer
95		\$4,712	\$4,940	\$5,184	\$5,441	\$5,721	\$6,000	\$6,305	\$6,619	Jail Supervisor, Police Fleet Coordinator
96		\$4,766	\$4,999	\$5,245	\$5,512	\$5,784	\$6,073	\$6,379	\$6,694	Public Safety Dispatcher
106		\$5,370	\$5,631	\$5,914	\$6,211	\$6,521	\$6,850	\$7,193	\$7,553	Senior Public Safety Dispatcher
121		\$6,520	\$6,841	\$7,185	\$7,543	\$7,928	\$8,326	\$8,742	\$9,182	Emergency Operations Coordinator
133		\$7,523	\$7,896	\$8,289	\$8,705	\$9,141	\$9,598	\$10,082	\$10,584	Supervisor of Support Services

Sworn

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
Sworn Police										
112		\$6,032	\$6,341	\$6,655	\$6,994	\$7,337	\$7,706	\$8,083	\$8,485	Police Officer
122		\$6,807	\$7,147	\$7,506	\$7,885	\$8,275	\$8,691	\$9,126	\$9,581	Police Corporal
133		\$7,744	\$8,129	\$8,533	\$8,961	\$9,410	\$9,881	\$10,379	\$10,895	Police Sergeant

City of Laguna Beach Salary Table
FIRE
 FY 18-19 Effective 07/01/2018

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
FIRE										
	100	\$5,538	\$5,816	\$6,109	\$6,411	\$6,731	\$7,071	\$7,421	\$7,797	Firefighter
	110	\$6,231	\$6,544	\$6,868	\$7,217	\$7,576	\$7,952	\$8,355	\$8,772	Fire Engineer
	122	\$7,203	\$7,564	\$7,944	\$8,344	\$8,757	\$9,198	\$9,658	\$10,140	Fire Captain

City of Laguna Beach Salary Table
Laguna Beach Marine Safety Association
FY 18-19, Effective 07/01/2018

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
LBMSA										
	599	\$11.00								Lifeguard Trainee*
	740	\$18.50	\$19.42	\$19.82	\$20.23	\$20.62	\$21.01	\$21.40	\$21.81	Ocean Lifeguard I
	750	N/A	\$20.23	\$20.62	\$21.01	\$21.40	\$21.81	\$22.21	\$22.60	Ocean Lifeguard II
	790	N/A	\$23.40	\$23.79	\$24.19	\$24.57	\$24.98	\$25.38	\$25.77	Ocean Lifeguard III
	800	\$31.69								Recurrent Hourly Lifeguard

* Lifeguard Trainees are not covered under the LBMSA agreement

ATTACHMENT G

RESOLUTION APPROVING THE GANN LIMIT

RESOLUTION NO. 18.XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2018-2019 IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, CHAPTER 1205 OF THE REVENUE AND TAXATION CODE SECTION 791.

WHEREAS, Article XIII B was added to the Constitution of the State of California at a general election held on November 6, 1979, and amended at a general election held on June 6, 1990; and

WHEREAS, an annual appropriations limit must be determined for this City, effective for the fiscal year beginning July 1, 2018; and

WHEREAS, the City Council must select the adjustment factors which are to be used in determining the appropriations limit; and

WHEREAS, the appropriation limit must be adhered to in preparing and adopting this City annual budget;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows:

SECTION 1. In accordance with Article XIII B of the Constitution of the State of California, and Chapter 1205 of the Revenue and Taxation Code Section 7910, the appropriations limit for the fiscal year beginning July 1, 2018 is \$60,554,676, delineated in Exhibit A.

SECTION 2. The adjustment factors for fiscal year 2018-2019 shall be percent change in County population and percent increase in State per capita income.

SECTION 3. The appropriations limit shall not be exceeded in the proposed budget nor by any proposed amendment to the budget.

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ADOPTED this 12th day of June, 2018.

Kelly Boyd, Mayor

ATTEST:

City Clerk

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 18.XXX was duly adopted at a Regular Meeting of the City Council of said City held on June 12, 2018, by the following vote:

- AYES: COUNCILMEMBER(S): Dicterow, Whalen, Zur Schmiede, Boyd, Iseman
- NOES: COUNCILMEMBER(S): None
- ABSENT: COUNCILMEMBER(S): None
- ABSTAIN: COUNCILMEMBER(S): None

City Clerk of the City of Laguna Beach, CA

Appropriations Limit Guidelines

City of Laguna Beach
Appropriation Limit
 Worksheet 6.1

Fiscal Year 2018-2019
 Budget X
 Actual

	Amount	Source
A. Last Years Limit	58,008,120	
B. Adjustments		
1. Population % (County)	1.0069	Workpaper 5.1, "Percent Change" State Finance or Assessor
2. Inflation %	1.0367	
Total %	1.0439	(B1*B2)
C. Annual Adjustment (\$)	2,546,556	((B-1)*A)
D. Other Adjustments		
1. Lost Responsibility		
2. Transfer to Private		
3. Transfer to Fees		
4. Assumed Responsibility		
Total	0	
E. Total Adjustments	2,546,556	(C+D)
F. Current Year Limit	60,554,676	(A+E)

ATTACHMENT H

RESOLUTION MODIFYING RATES FOR CITY
ATTORNEY SERVICES

RESOLUTION NO. 18.xxx
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA BEACH, CALIFORNIA, MODIFYING RATES FOR CITY
ATTORNEY SERVICES PROVIDED BY RUTAN & TUCKER

It is hereby RESOLVED and ORDERED by the City Council of the City of Laguna Beach that the contract with Rutan & Tucker, LLP for services as City Attorney is modified, effective July 1, 2018, as follows:

- 1) The monthly retainer for general matters is increased from \$8,500 to \$12,000.
- 2) The hourly rate for general matters in excess of 60 hours per month and for litigation and specialized transactional matters is increased from \$235 to \$255.

ADOPTED this 12th day of June 2018.

Kelly Boyd, Mayor

ATTEST:

City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 18.xxx was duly adopted at a Meeting of the City Council of said City held on June 12, 2018, by the following vote:

AYES: COUNCILMEMBER(S):
NOES: COUNCILMEMBER(S):
ABSENT: COUNCILMEMBER(S):
ABSTAIN: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

MEMORANDUM

TO: CITY MANAGER
DIRECTOR OF ADMINISTRATIVE SERVICES

FROM: CITY ATTORNEY *PK*

DATE: June 4, 2018

RE: CITY ATTORNEY BUDGET

I am writing with regard to the preparation of the City Budget and am requesting City Council consideration of an adjustment to the terms of compensation for the legal services performed by our office.

The current terms of compensation, which have been in effect since July 1, 2014, have two components, as follows:

- \$8,500 per month for up to 60 hours of "general retainer" matters. These include attendance of regular and special meetings of the City Council; attendance of meetings of the Planning Commission and Design Review Board on request; preparation and review of ordinances and resolutions, staff reports, contracts and related documents; research and oral and written advice and opinions on miscellaneous, non-specialized subjects. At 60 hours per month, this equates to about \$142 per hour.
- \$235 per hour for general retainer matters in excess of 60 hours per month and for specialized transactional matters and claims and litigation matters, which call for greater expertise.

I am proposing that effective July 1, 2018, the terms of compensation be modified as follows:

- The monthly general retainer amount to be increased from \$8,500 to \$12,000 over the 4-year period since the last adjustment. On the basis of 60 hours of work, the proposed increase equates to an hourly rate of \$200.
- The hourly rate for general retainer matters in excess of the cap and for specialized transactional matters and claims and litigation matters to be increased from \$235 to \$255, a \$20 per hour increase over the 4-year period since the last adjustment.

I believe that the requested rate adjustments are fair and reasonable and continue to represent good value to the City in light of the experience and work quality that Rutan attorneys

CITY MANAGER
DIRECTOR OF ADMINISTRATIVE SERVICES

June 4, 2018

Page 2

have provided. This is particularly evident in contrast with the billing rates the City has been accustomed to seeing when there is a need to engage outside special counsel. (For comparative purposes, my currently billing rate as established by the firm for private clients is \$535/hour.)

My proposed modifications have taken into account the rates currently charged for legal services provided by our firm to other South Orange County cities for which we serve as City Attorney

- In Dana Point, the monthly general retainer is \$9,867. Non-retainer work is billed at \$253 per hour. (Per 2007 agreement with subsequent annual adjustments.)
- In Irvine, general matters are billed at \$215 per hour. Special transactional and litigation work is billed at \$245 per hour. (Per 2016 adjustment.)
- In Laguna Woods, general matters are billed at \$225 per hour. Special transactional and litigation work is billed at \$275 per hour. (Effective Jul 1, 2018.)

My proposal was also developed by anecdotal information about rates for contract legal services for other South County cities, but don't have first-hand knowledge of their accuracy (e.g., some are connected with CPI adjustments) or their effective date: Aliso Viejo (\$18,389 monthly retainer, \$220/hour for special projects and \$249/hour for specialized services); Laguna Hills (\$205/hour for all work); Laguna Niguel (\$195/hour); Lake Forest (\$173/hour for general work, \$200/hour for specialized services); Mission Viejo (\$2,300 monthly retainer for 20 hours and \$161/hour thereafter, \$182/hour to \$223/hour for other work); San Clemente (\$10,190 monthly retainer for 55 hours, \$260/hour for non-retainer work, \$306/hour for special services); San Juan Capistrano ((\$10,190 monthly retainer for 55 hours, \$260/hour for non-retainer work, \$316/hour for special services).

Rutan & Tucker and I have been proud of and have appreciated the opportunity to serve as the City's general municipal legal counsel and to have maintained professional relationships with the City's elected officials and staff, and we hope to be able to continue to do so in the years to come. I would be happy to respond to questions or provide further information. Thank you for your consideration of this request.

ATTACHMENT I

VEHICLE REPLACEMENT POLICY

**ATTACHMENT I
REVISED VEHICLE EVALUATION AND REPLACEMENT POLICY**

**City of Laguna Beach
Vehicle Replacement Policy**

Scope

This policy provides for the planned replacement of all vehicles and equipment, their attachments and implements. The policy will be based on an established Vehicle Replacement Schedule, criteria and rating system as defined in the Vehicle Replacement Model Guidelines.

Objectives

1. Provide the basis for the establishment of a Vehicle Replacement Fund for vehicle replacement in advance of need.
2. Smooth the outflow of capital funding and the rotation of incoming and outgoing vehicles to prevent spikes in cash and asset flow.
3. Maximize fleet resources by providing acquisition and disposal of vehicles and equipment.
4. Ensure the city has the optimum number and type of vehicles and equipment and the fleet growth is planned and controlled.
5. Optimize vehicle utilization and promote standardization of fleet.
6. Reduce per unit maintenance costs by maintaining an adequate vehicle replacement.
7. Obtain the optimum usage of every vehicle and piece of equipment and thereby reduce the size of the city's fleet

Vehicle Replacement Schedule

When a vehicle is purchased, certain factors (in service date, useful life) are recorded in order to establish the initial vehicle replacement schedule. The Vehicle Replacement Plan contained within the City's budget will be based on the Vehicle Replacement Schedule.

The Public Works Department shall inspect the equipment annually after the vehicle/equipment has reached its useful life to determine the appropriateness of replacing each piece of equipment in conjunction with the assigned Department.

It shall be the policy of the City that the funding and replacement of all vehicles/equipment shall be normally based on the expected service life and condition of the vehicle described on the following schedule:

Vehicle/Equipment	Schedule for Replacement
Police Patrol /Traffic Vehicles	3 years
Police Motorcycles	4 years
ATV/UTV	8 years
Police Detective / Plain Vehicles	6 years
Sedans / SUVs	10 years
Hybrids (non-safety)*	10 years
Pickup Trucks / Vans	10 years
Dump Trucks	20 years
Beach Cleaners	10 years
Street Sweepers	6 years

ATTACHMENT I
REVISED VEHICLE EVALUATION AND REPLACEMENT POLICY

Heavy Equipment	10 years
Transit Buses	10 years
Trolleys	12 years
Sewer Cleaning Truck (Vactor)	8 years
Sewer Rodder	10 years
Fire Engines - Frontline	15 years
Fire Engine – Reserve	5-7 years

- * Hybrid replacement schedule pending further evaluation

Vehicle Replacement Criteria

In addition, the following criteria will be evaluated when planning for and considering a vehicle for replacement.

1. Age
2. Miles traveled or hours in use
3. Type of service (frequently used or periodically used)
4. Reliability
5. Maintenance Costs
6. Condition

Attachment A is the Vehicle Replacement Model Guidelines that uses the above criteria to determine an overall rating of the vehicle that is being considered for replacement. This model should be used when budgeting and prioritizing vehicles for replacement.

VEHICLE REPLACEMENT MODEL GUIDELINES

MAKE El Dorado
 MODEL MST Bus
 DEPARTMENT Transit
 YEAR PURCHASED 2004
 CLASSIFICATION Transit Bus

Reference Number **114**

Sample

Input
Calc

Value Remaining in Vehicle **\$5,500**

<http://www.kbb.com/> Kelley Blue Book (use trade-in value)

General Information

Current Number of Miles	260,000
Average Annual Mileage	21,667
Expected Mileage After 10 Years	216,667
Age of Vehicle (in years)	12
Interior/Exterior Condition	5
Type of Use	5

Miles

"Current Number of Miles" divided by "Age of Vehicle"

"Average Annual Mileage" times "Expected Life of Vehicle"

Scale of 1-5, with 1 being excellent

Scale based on type of service. Vehicles with the lightest use are rated 1, moderate use 3, and heavy use 5

Depreciation Information

Original Purchase Price	\$152,130
Expected Life of Vehicle (in years)	10
Annual Depreciation (if any)	\$0
Amount of Depreciation Left	\$0

Straight-line depreciation

Cost Information

Maintenance Cost-to-Date	\$183,872
Number of Hours in Shop	533.00
Cost as a Percent of Original Price	120.9%
Unused Mileage	-160,000

Value is taken from fleet maintenance (less fuel & accident repair)

Value is taken from fleet maintenance records

"Maintenance Cost-to-Date" divided by "Original Purchase Price"

Based on a 100,000 mile minimum

City of Laguna Beach Rating

(see reverse for explanation)

Age	12.00
Miles/Hours	26.00
Type of Use	5.00
Reliability	5.00
Maintenance & Repair Costs	5.00
Condition	5.00
Total	58.00

For every year of chronological age, 1 points are added

For every 10,000 miles or 300 hours, 1 points are added

Based on the "Type of Use" above

Based on the "Number of Hours in Shop" above

Based on "Maintenance Cost as a Percent of Original Price" above

Based on "Interior/Exterior Condition" above

Overall Rating **Needs immediate consideration**

Current CIP Replacement Schedule 2017-2018

ATTACHMENT I

Rating Scale

<u>Factor</u>	<u>Points</u>
Age	1 point for each year of chronological age based on in-service date.
Miles/hours	1 point for each 10,000 miles or 300 hours of use.
Type of service	1, 3, or 5 points are assigned based on the type of service that vehicle receives. For instance, a public works vehicle may be given a 5 because it is in very frequent duty service. In contrast, an administrative sedan that is part of the city pool may be given a 1.
Reliability	Points are assigned as 1, 3, or 5 depending on the frequency that a vehicle is in the shop for repair. A 5 would be assigned to a vehicle that is in the shop two or more times per month on average, while a 1 would be assigned to a vehicle in the shop an average of once every month or so.
M&R Costs	1 to 5 points are assigned based on total life M & R costs (not including repair of accident damage). A 5 is assigned to a vehicle with life M & R costs equal to 80 % or greater than the vehicle's original purchase price, while a 1 is given to a vehicle with life M & R costs equal to 20% or less of its original purchase price.
Condition	This category takes into consideration body condition, rust, interior condition, accident history, anticipated repairs, etc. A scale of 1 to 5 points is used with 5 being poor condition.

Point Ranges

Under 19 points	Condition I	Excellent	Code = Exc.
20-24 points	Condition II	Good	Code = Good
25-29 points	Condition III	Qualifies for replacement	Code = QFR
30 points and above	Condition IV	Needs immediate consideration	Code = NIC

NOTE: This scale was provided by the American Public Works Association (APWA)

ATTACHMENT J

MEMO, UNFUNDED PENSION LIABILITY



City of Laguna Beach
MEMORANDUM

Date: February 15, 2018, Updated June 4, 2018
To: John Pietig, City Manager
From: Gavin Curran, Director of Administrative Services
Subject: CalPERS Lump Sum Payment

A handwritten signature in black ink, appearing to be "Gavin Curran", is written over the "From:" line.

Unfunded pension liabilities are of considerable importance to the City's long-term financial planning and stability. This memo briefly describes the history behind the City's unfunded pension liability, gives an update on the City's pension strategies to date, and identifies opportunities for an additional lump sum payment toward pension liabilities.

Background:

The City of Laguna Beach has contracted with the California Public Employee Retirement System ("CalPERS") for employee pension benefits since 1945. Today, the City has nine retirement plans with CalPERS. One non-pooled Miscellaneous Plan (the largest plan), three Police Safety Plans, three Fire Safety Plans, and two Lifeguard Safety Plans. Combined, the plans have approximately 277 active and 362 retired employees. According to the most recent CalPERS actuarial reports, the unfunded liability for Laguna Beach is \$66 million. This includes the Miscellaneous Plan with an unfunded liability of \$28.6 million, the Police Safety Plans with an unfunded liability of \$19.7 million, Fire Safety Plans with an unfunded liability of \$16.1 million, and Lifeguard Safety Plan with an unfunded liability of \$1.6 million.

Over the past eight years, the City Council has approved several proactive strategies to try and address the unfunded pension liability. In 2010, the City Council approved borrowing funds internally to pay off the \$10 million CalPERS "Side Fund" for Police, Fire and Lifeguard safety plans saving \$4 million. In 2013, the City Council approved higher employee contributions ranging from 8% to 12% of salary, saving \$1.7 million. In 2014, the City Council approved paying approximately \$10 million over five years to accelerate the payoff of the unfunded pension liability saving roughly \$27 million. These bold strategies were in addition to the California Public Employees' Pension Reform Act (PEPRA), a state-wide cost-cutting measure for pensions. As shown in Table 1, over the past eight years the City Council has appropriated over \$19 million toward paying down the City's pension liability.

Table 1

Additional Payments to Pension Unfunded Liability By Fiscal Year			
Fiscal Year	Misc	Safety	Total
FY 2009-10		10,000,000	10,000,000
FY 2014-15	1,400,000		1,400,000
FY 2015-16	1,300,000	1,300,000	2,600,000
FY 2016-17	1,200,000	1,200,000	2,400,000
FY 2017-18	1,000,000	1,042,000	2,042,000
FY 2018-19	700,000	700,000	1,400,000
Total	5,600,000	14,242,000	19,842,000

CalPERS, however, remains underfunded. As of June 30, 2016, the overall plan has 66% of the funds needed to pay benefits (based on a 7.0% discount rate and does not include 11.2% return in FY 2016-17). Laguna Beach plans are performing better at 72% funded, in large part due to the strategies approved by the City Council.

Lowering the Discount Rate and New City Strategy

On December 21, 2016, the CalPERS Board voted to lower the discount rate from the current 7.5% to 7% over three years. The discount rate, or rate of return, is the percentage of expected returns on investment made by CalPERS. In general, the lower the expected return, the higher the City contributions. At that same December meeting, CalPERS indicated that achieving a 7.5% expected rate of return over the next ten years would be a significant challenge and lowering the discount rate was necessary.

For most agencies, including Laguna Beach, the impact of this change is an increase in the normal cost, which is the annual cost of providing benefits for services performed by today's employees, by 1% to 3% as a percentage of payroll for miscellaneous plans, a 2% to 5% increase for safety plans and a 30% to 40% increase in an agencies required unfunded liability payment. Each change in the discount rate will be phased in over five years and is expected to increase the City's payment to CalPERS by an additional \$2.8 million by FY 2024-25. The discount rate change and expected increase in payment are shown in Table 2.

TABLE 2

Valuation Date	Fiscal Year for Required Contribution	Discount Rate	Additional Required City Payment to CalPERS
June 30, 2015	FY 2017-18	7.500%	\$0
June 30, 2016	FY 2018-19	7.375%	\$300,000*
June 30, 2017	FY 2019-20	7.250%	\$1,400,000
June 30, 2018	FY 2020-21	7.000%	\$1,800,000
June 30, 2019	FY 2021-22	7.000%	\$2,100,000
June 30, 2020	FY 2022-23	7.000%	\$2,500,000
June 30, 2021	FY 2023-24	7.000%	\$2,700,000
June 30, 2022	FY 2024-25	7.000%	\$2,800,000

* Already programmed into the budget

In June 2017, the City Council approved a new strategy to incrementally appropriate ongoing revenues above budget estimates toward future increases in pension payments with a target of \$2.8 million by FY 2024-25. Table 3 details this initiative.

TABLE 3

	FISCAL YEAR							
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Beginning Balance Pension Smoothing	300,000	850,000	1,850,000	1,900,000	2,000,000	1,800,000	1,200,000	700,000
Ongoing Revenue over estimates (1%/Year)	450,000	900,000	1,350,000	1,800,000	1,800,000	1,800,000	1,800,000	1,850,000
Savings Prepay Required Pension Liability	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Reprogram Side Fund Loan							300,000	850,000
Total Sources	550,000	1,000,000	1,450,000	1,900,000	1,900,000	1,900,000	2,200,000	2,800,000
Increase in CalPERS Costs			(1,400,000)	(1,800,000)	(2,100,000)	(2,500,000)	(2,700,000)	(2,800,000)
Ending Balance Pension Smoothing	850,000	1,850,000	1,900,000	2,000,000	1,800,000	1,200,000	700,000	700,000

Lump Sum “One-Time” Payment Options

The City Council also requested staff to evaluate new strategies focusing on making a lump sum one-time payment to CalPERS. Using worksheets provided by CalPERS, staff calculated that for every \$1 million discretionary payment made today the City would save roughly \$2.7 million over the next 30 years. The City Council considered several options, shown below, but based on staff's recommendation approved Option 4. The program will be reevaluated in January 2019 as part of the mid-year budget and again in May 2019 as part of the two-year budget process.

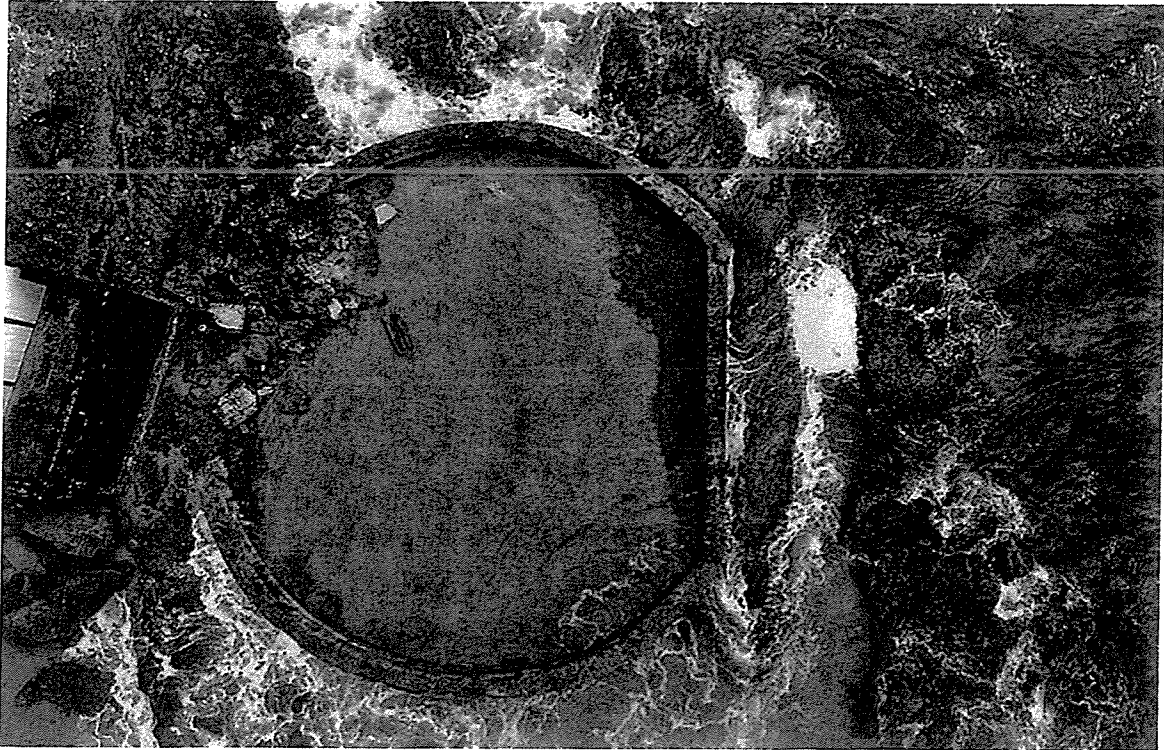
- 1) General Fund Reserve: Lowering the General Fund Reserve to 15% and make a one-time payment of \$3 million.
- 1) Line of Credit: This idea was discussed during the Five-Year Finance Plan. Primarily, it involves using “one-time” balances in the City’s Disaster Contingency Fund of \$6 million as a funding source to pay down the unfunded pension liability. The City would match the withdrawal with a \$6 million bank line of credit to borrow against should the need arise. The current borrowing rates for the line of credit is \$30,000 per year if the line of credit was not used, and a variable rate based on the 30 days LIBOR (London InterBank Offered Rate). If activated, on February 2, 2018, the rate charge would have been roughly 2%, approximately 5% less than the rate charged by CalPERS on the unfunded balance. This option would require a change to the guidelines of the Disaster Contingency Fund. Specifically, the Resolution creating the Disaster Contingency Fund requires the City Council to use its best efforts to replenish the Fund within 36 months. The agenda bill and resolution created the Disaster Contingency Fund are included as Attachment 2.
- 2) Parking Fund Contribution: The City Council could consider making a lump sum payment from the Parking Fund and forego possible public/private parking investment opportunities. The available balance in the parking fund is currently over \$7 million.
- 3) Employee Cost Sharing: With the passage of PEPR, local governments are allowed to agree to cost share the employer contributions with their employees. Currently, police and fire safety association employees have agreed to pay 3% above their 9% required contribution for a total of 12%.
- 4) Status Quo: Continue current strategy of contributing \$2 million above the required amount in FY 17-2018 and \$1.4 million in FY 2018-19. Continue to evaluate pension strategies as part of the budget review and at mid-year.

Finally, with few exceptions, the City is contractually obligated to enroll all full-time employees in the CalPERS system. To terminate its contract with CalPERS, the City would be required to pay a termination liability of approximately \$460 million and provide a similar benefit to its employee, an option that is financially prohibitive.

Recommendation:

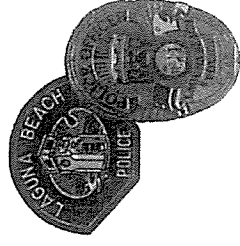
At this time, staff is not recommending augmenting the current pension strategy by adding an additional lump sum payment. While the strategies discussed described in this memo have merit, staff is concerned that it cannot guarantee when the borrowed funds would be repaid or if the additional payments would result in a reduction of the CalPERS payment over the next five years. This uncertainty is further exacerbated by the continued changes by CalPERS regarding its actuarial assumptions. Recently, the CalPERS Board approved shortening the amortization period prospectively for investments gains and losses from 30 years to 20 years. A change that will provide savings in the long-term but could increase payments in the short term. Therefore, based on these uncertainties, staff is not recommending adding additional lump sum payment strategies at this time. However, staff believes we should continue to evaluate these pensions strategies every six months as part of the budget review and mid-year budget.

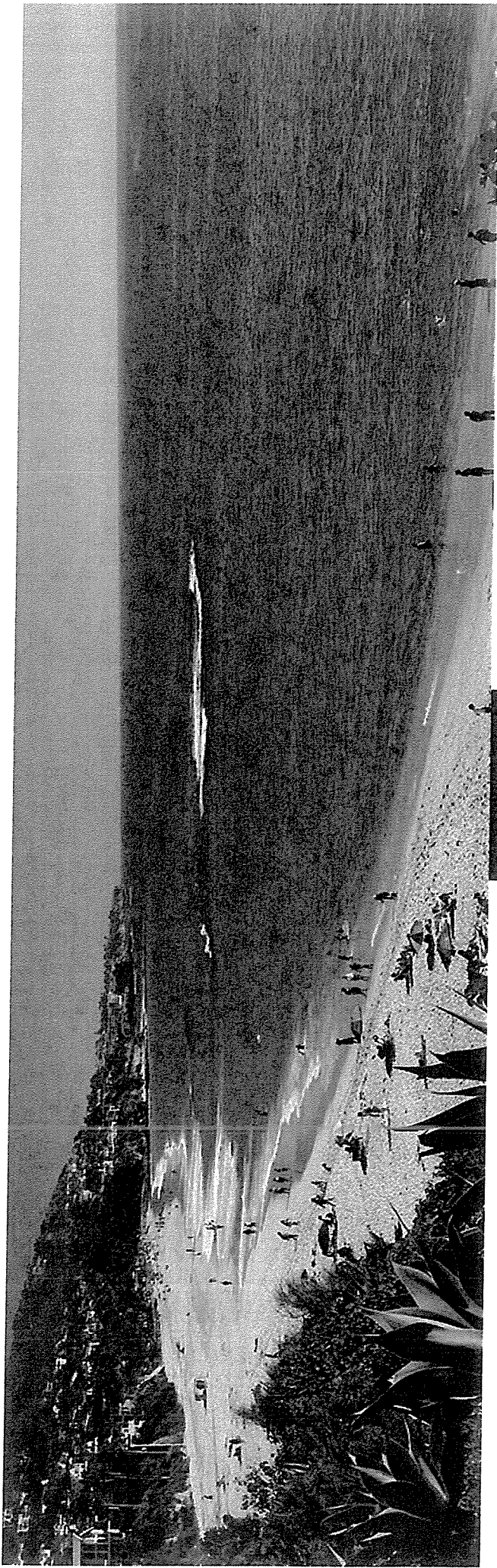
Attachment B
Police Department Information



••• MEASURE LL – VITAL SERVICES MEASURE

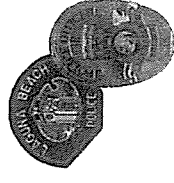
OVERSIGHT COMMITTEE UPDATE – FEBRUARY 2020





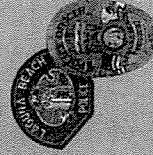
MEASURE LL GOAL

Measure LL was a voter approved Measure in which a Temporary Occupancy Tax (TOT) of 2% was added to hotel stays. The use of these funds generated from this additional tax was to enhance local services, such as police protection.



ENHANCED SERVICES

- 2 Beach Patrol Officers (4) *total*
- 1 Community Outreach Officer (2) *total*
- South Laguna Surge: (2017 & 2018)
 - OC Parks, Public Works, Marine Safety Partnerships
 - Continued meetings and communication
- Main Beach & Heisler Park Outreach
- Address Citywide needs



LAGUNA BEACH POLICE DEPARTMENT

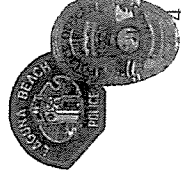
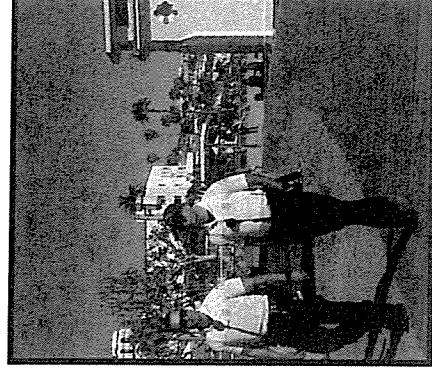


BEACH PATROL PRODUCTIVITY



- All BPOs are deployed to impact citywide issues:
 - South Laguna
 - Red Flag
 - Main Beach & Heisler Park
 - Music in the Park
 - Smoking, Dog off Leash, Alcohol on the Beach
 - Traffic Control & Parking Enforcement
 - Community Engagement & Education
- Most Common Violations:
 - Alcohol and Glass on the Beach
 - Smoking and Dog off Leash Violations

BEACH PATROL OFFICERS	2017	2018	2019
All BPOs	3,284	2,320	1087



LAGUNA BEACH POLICE DEPARTMENT



LAGUNA BEACH POLICE DEPARTMENT

COMMUNITY OUTREACH OFFICERS

With two Outreach Officers (COOs):

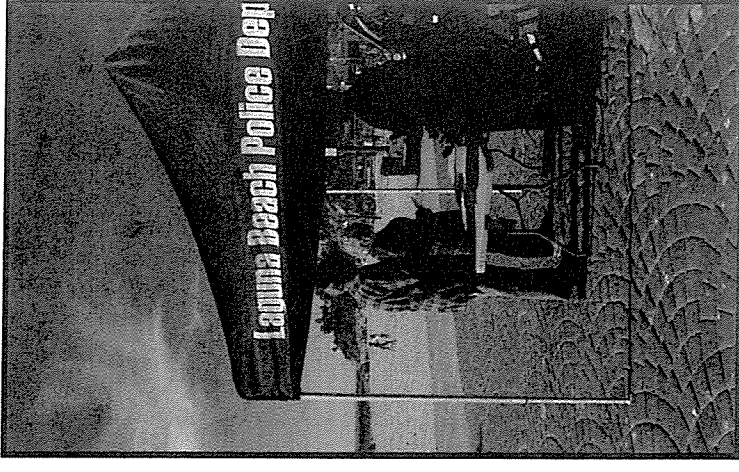
- We have 7-day-a-week coverage
- One focuses on Main Beach, and the other the ASL liaison
- Both have citywide responsibility
- OCHC clinician still in place
- OCHCA Outreach & Engagement Team – Friday & Saturday
- ASL enrollment & bag check programs in place
 - Reduction in calls for service to the ASL





MAIN BEACH & HEISLER PARK

- Starting in 2018, a Police Department canopy was placed at Main Beach Thursday – Sunday to have a consistent police presence. This presence has driven down both crime and nuisance related activity at Main Beach.
- In December 2019, an additional Police canopy was added to Heisler Park in response to nuisance and crime related activity. It will remain in place until this activity lessens.



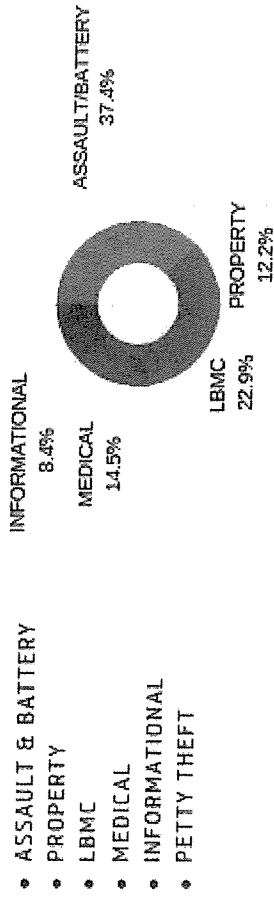


MAIN BEACH DATA

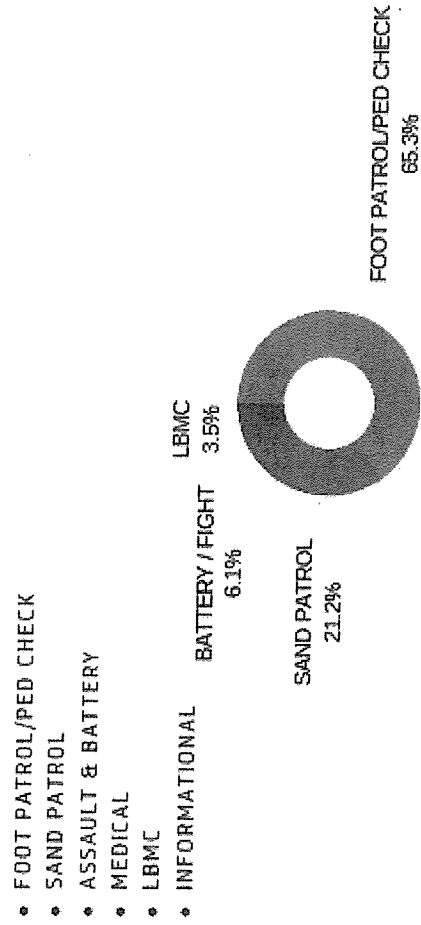
- This data is a comparison of calls at Main Beach from July – September 2018-2019
- Assault and battery incidents have dropped from first to third due to our proactive police presence.
- Most of the activity from 2018-2019 has shifted from CFS to proactive activity, and Petty Theft from the beach has dropped off the list.

LAGUNA BEACH POLICE DEPARTMENT

TOP TYPES OF CFS FOR 2018



TOP TYPES OF CFS FOR 2019





CRIME REDUCTION

- 2019 saw another crime reduction of -4%!

Total Crimes 2018 = 576

Total Crimes 2019 = 556

Crime Reduction = 4%

- Simple Assaults:
 - Domestic Violence driven
- Sexual Assaults:
 - Not unknown suspects

LAGUNA BEACH POLICE DEPARTMENT

Overall Crime Reduction – 2018-2019

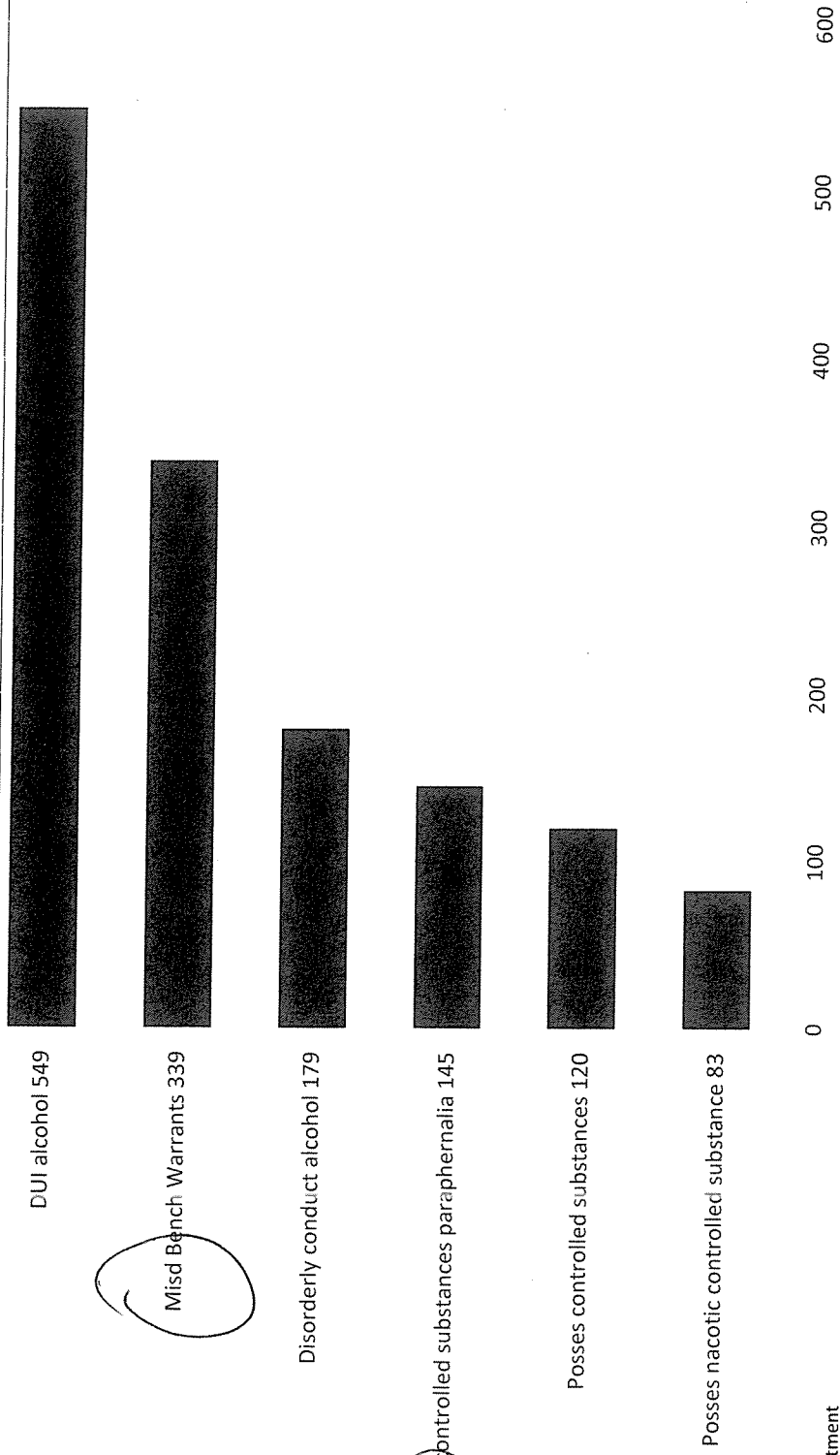
VIOLENT CRIMES	2016	2017	2018	2019	Change '18 to '19
Murder	0	0	0	1	+1
Sexual Assault	12	7	5	16	+11
Robbery	15	13	6	5	-1
Aggravated Assaults	25	21	21	16	-5
Simple Assaults	153	149	158	191	+33
Totals	205	190	190	229	+39 = +21%

PROPERTY CRIMES	2016	2017	2018	2019	Change '18 to '19
Burglary	82	90	42	46	+4
Larceny	436	358	316	257	-59
Auto Theft	36	30	25	23	-2
Arson	7	1	3	1	-2
Totals	561	479	386	327	-59 = -15%



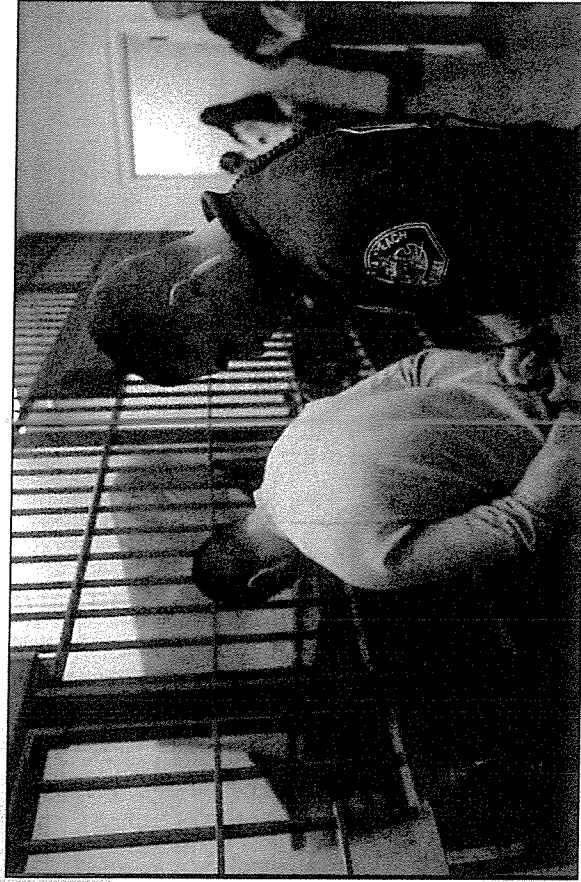


Top Arrest Types for 2019



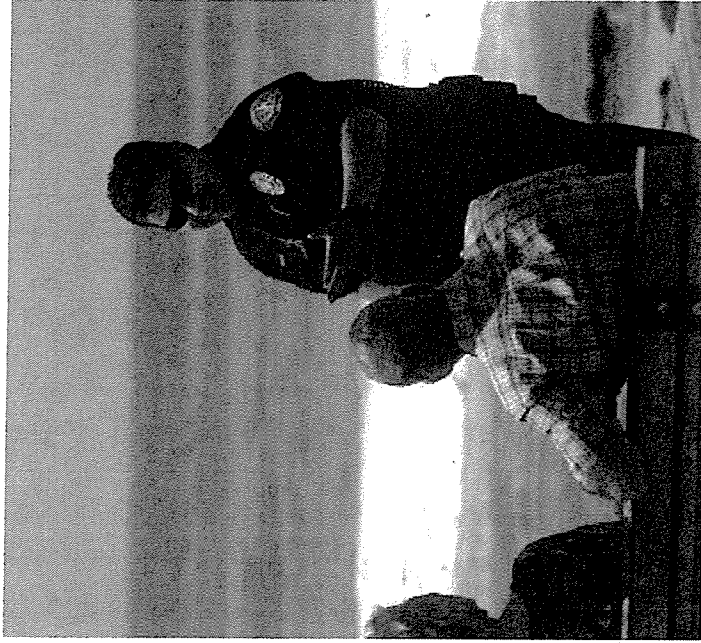
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2018 vs 2019 ARRESTS



Laguna Beach Police Department

2018	Total # of Arrests	Males Arrested	Females Arrested	Average number of arrests per day
	1799	1366 75.9%	433 24%	4.9
2019	Total # of Arrests	Males Arrested	Females Arrested	Average number of arrests per day
	1889	1423 75.3%	466 24.6%	5.1



DISCUSSION

Attachment C

Fire Department Information



CITY OF LAGUNA BEACH

505 Forest Ave.
Laguna Beach, CA 92651

Phone: (949) 497-0700
Fax: (949) 497-0784



FIRE DEPARTMENT MEMORANDUM

DATE: February 2, 2020

TO: Gavin Curran, Director of Administrative Services

FROM: Mike Garcia, Fire Chief

SUBJECT: Measure LL 2019 Update

Received 3/3/2020

Measure LL's impacts on the Fire Department services to Laguna Beach.

1. Fire Prevention

- a. Hired a full-time civilian Fire Marshal - July 2017
 - i. 2019 Fire Prevention Services – Fire Marshal Conducted:
 1. Inspections – 27.67 p/month / 332 p/year
 2. Plan Reviews – 34.25 p/month / 411 p/year
 3. Pre-build consultations – 29.30 p/month / 352 p/year
 - ii. Average turn-around time - fire protection systems, building, and concept plans is 10.1 days (includes weekends and holidays)
 - iii. Plan reviews conducted within 2-week turnaround window approx. 85%
 - iv. Plan Reviews conducted within 1-week 33%
 - v. Inspections conducted within 1 week of request 95%
 - vi. Consultations are completed within 2 days of receipt 90%

Enhanced/additional duties of Civilian Fire Marshal:

- Quicker scheduling and completion of requested inspections.
- Faster turnaround of concept / building / fire protection plan reviews.
- Timely response (1-2 days) to all phone calls, e-mails, etc.
- Provide technical expertise and design assistance to contractors, developers, architects, residents and other city staff.
- Conduct preliminary reviews via e-mail for complex issues and provide informal comments and determinations.
- Revise fire protection system plan submittal process for better customer service.
- Created multiple fire prevention / fire code guidelines, checklists, and other documents for development and wildland fire prevention.

Attachment D

Marine Safety Department Information



Measure LL Vital Service Measure

City of Laguna Beach - Department of Marine Safety



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Department of Marine Safety



Measure LL Vital Service Measure

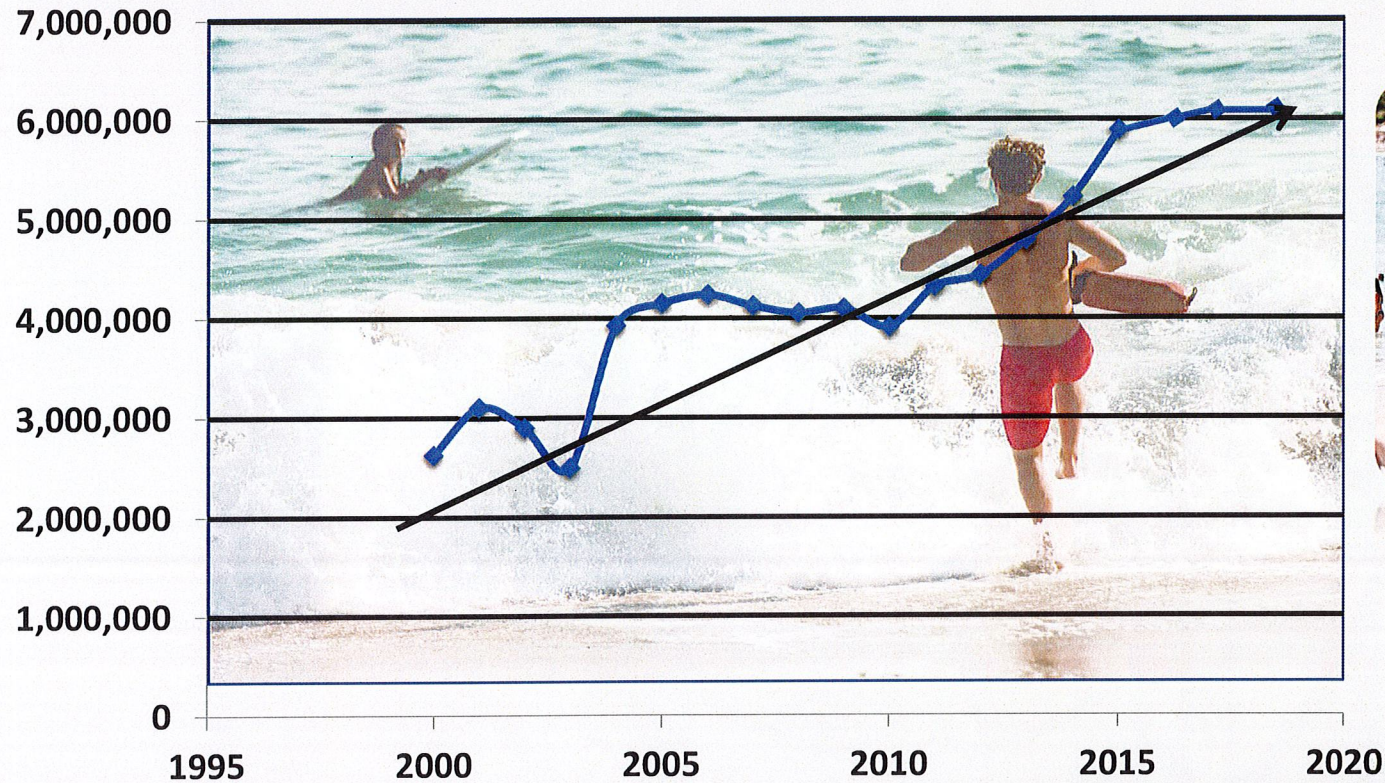


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city of
LAGUNA BEACH

INCREASED BEACH PATRONAGE



*Statistics from United States
Lifesaving Association for the City
of Laguna Beach



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Why are Laguna's Beaches so busy?

The number one reason people visit Laguna Beach is to go to the beach.

*Statistic provided by Visit Laguna Beach.

The city of Laguna Beach provides the most beach front lodging options in California.

*Statistic provided by Visit Laguna Beach.

Laguna Beach is one of the top 20 hash tagged locations in the nation.

*Statistic provided by LA Times.





city of
LAGUNA BEACH

Marine Safety Department operations are directly affected by hotel visitors and tourism.

As visitorship grows, so does the demand for Marine Safety services. They are directly related.



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
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Measure LL One

- **TWO MARINE SAFETY OFFICER POSITIONS**



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



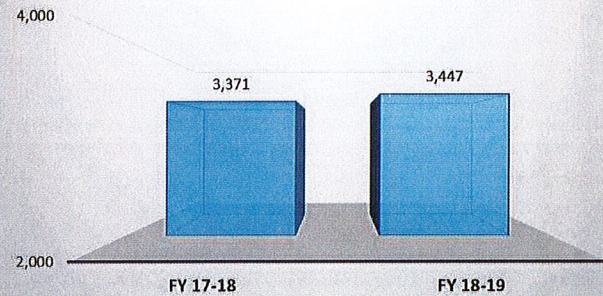
city of
LAGUNA BEACH

Measure LL One

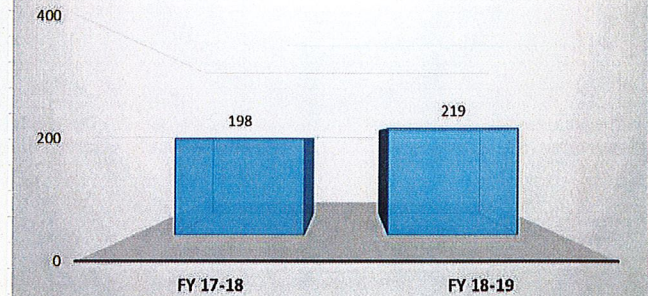


Statistics

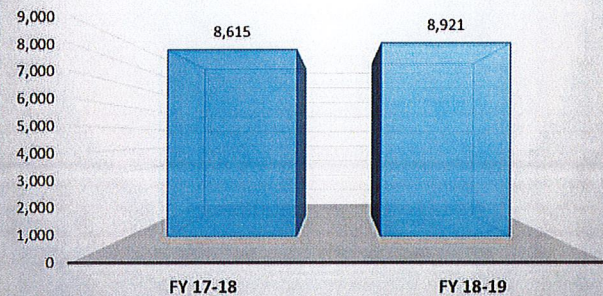
Ordinance Enforcements



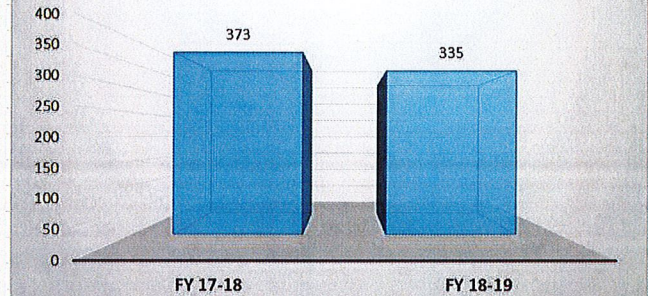
Medical Aids



Preventative Actions



Rescues



MARINE SAFETY DEPARTMENT



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Measure LL Two

**CRESCENT BAY, TREASURE
ISLAND AND LAGUNITA**



**WEEKENDS – FEBRUARY
THROUGH MAY**

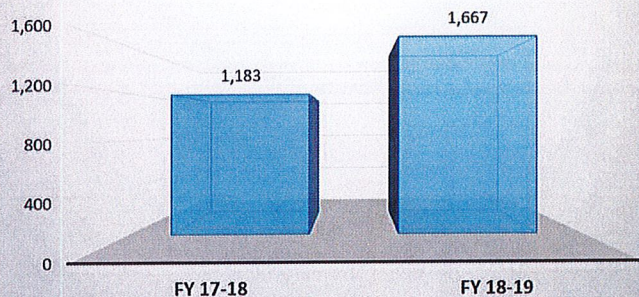


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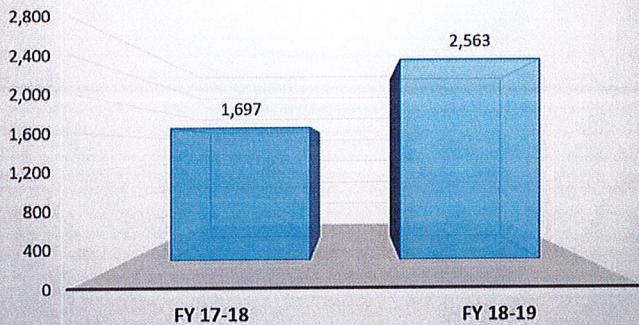


city of
LAGUNA BEACH

Ordinance Enforcements



Prevents

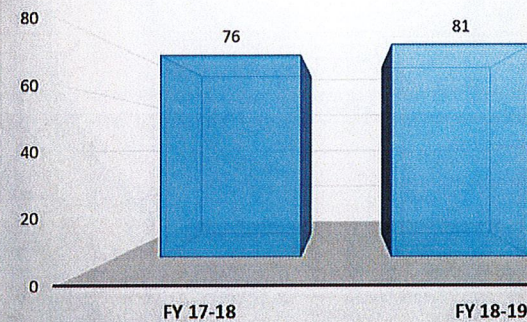


Measure LL Two

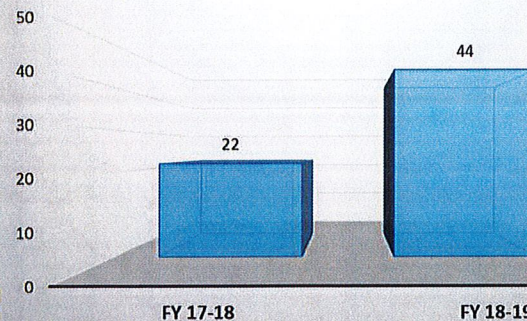


Statistics

Medical Aids



Rescues



MARINE SAFETY DEPARTMENT



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Measure LL Three

MAIN BEACH PATROL



LAGUNA AVENUE



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



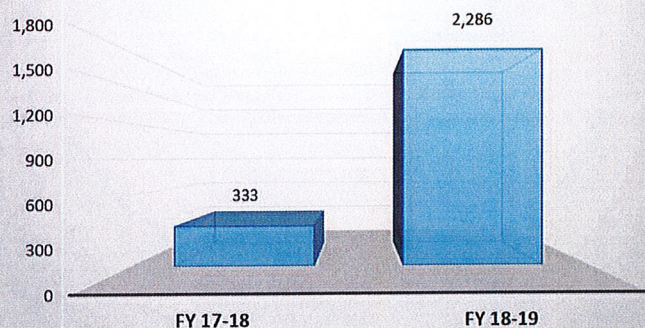
city of
LAGUNA BEACH

Measure LL Three

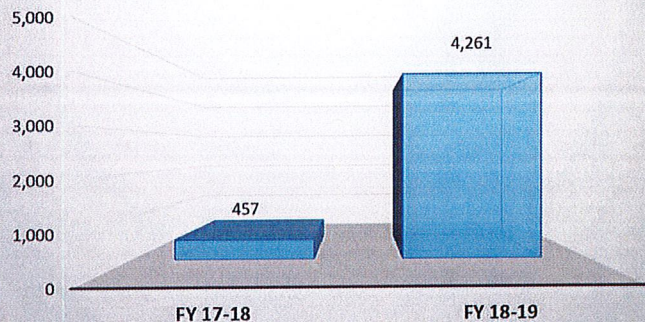


Statistics

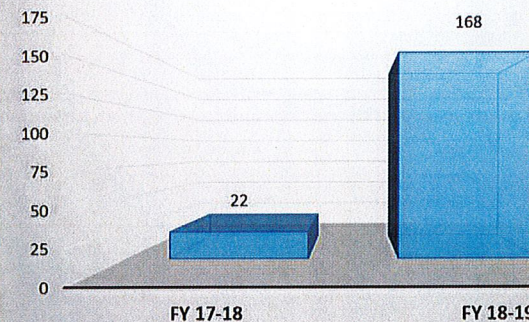
Ordinance Enforcements



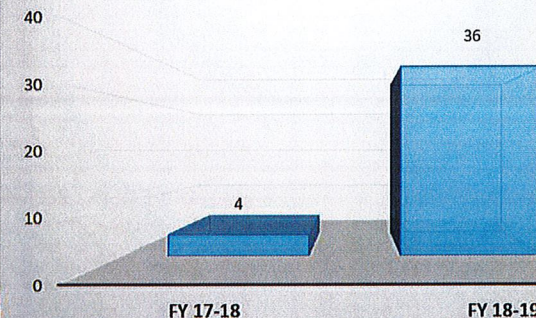
Prevents



Medical Aids



Rescues



MARINE SAFETY DEPARTMENT

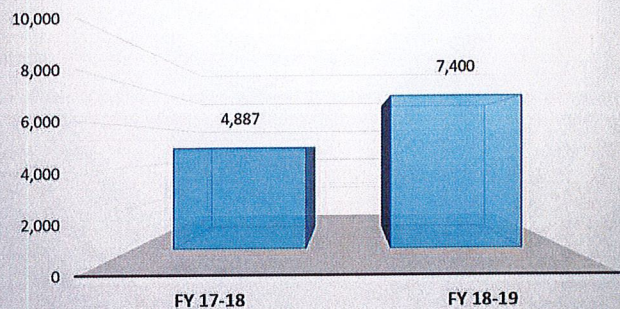


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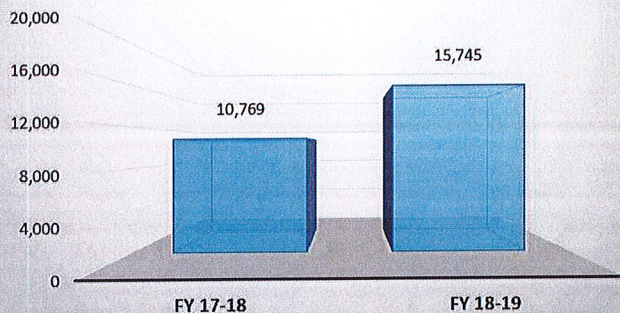


city of
LAGUNA BEACH

Ordinance Enforcements



Prevents

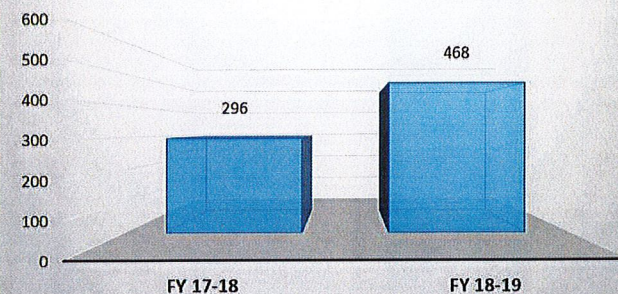


Total Measure LL

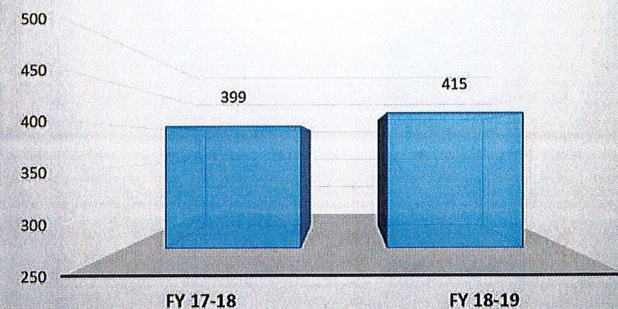


Statistics

Medical Aids



Rescues



MARINE SAFETY DEPARTMENT



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TEL (949) 497-3311



city of
LAGUNA BEACH

***Drowning is the second leading cause
of unintentional death for children between
the ages of 1 and 14 years old.***



Centers for Disease Control and Prevention
CDC 24/7: Saving Lives, Protecting People™



MARINE SAFETY DEPARTMENT



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Thank You!



Swim Near A Lifeguard



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311

Attachment E

Public Works Department Information



Measure LL

Laguna Beach Vital Services Measure

**Public Works Department
Utility Undergrounding
&
Maintenance Enhancements**

Public Works

Utility Undergrounding

FY 18/19 Measure LL Funds were used to purchase CPUC Rule 20 A Credits for undergrounding purposes.

The credits are purchased from surrounding Cities at \$0.55 per \$1.00 of credit which an effective utilization of the funding.

As of July 2020, approximately \$14 million credits have been purchased by the City



PUBLIC WORKS

Utility Undergrounding

Working with Wildfire Mitigation and Fire Safety Council Subcommittee on high priority undergrounding projects using Rule 20A credits:

- Coast Highway UD 2019-1 (Agate Street to Arch Street) Estimated Cost \$5 million
- Proposed Coast Highway UD 2020-1 (Cajon Street to Agate Street) Estimated Cost \$7 million
- Proposed Bluebird Canyon Drive UD 2020-2 (Cress Street to Saling Way) Estimated Cost \$3.5 million



PUBLIC WORKS

Maintenance Enhancements

- 112 hours/week of sidewalk cleaning and day porter service along Downtown and Coast Highway, year round
- 98 additional hours/week of cleaning Main Beach and Heisler Park restrooms during summer months
- Downtown and Coast Highway Sidewalk Pressure Washing
- Lead Maintenance Worker assigned to downtown



Enhanced Daily Cleaning from 8:00 a.m. to 10:00 p.m.



Sidewalk Cleaning and Day Porter Services

- 112 hours/week of cleaning downtown sidewalks, year round
- Sidewalk Pressure Washing
 - Downtown Area
 - 2x/week – October to May
 - 5x/week – June to September
 - Coast Highway
 - 1x/month – October to July
 - 1x/week – August to September
- **Performance Measure:** Approx. 740 miles of sidewalk pressure washed in FY 2018-19



Downtown Sidewalks



Bus and Trolley stops



Public Restroom Cleaning

- 6 Public restrooms are cleaned multiple times daily, year round
- Additional 98 hours/week of restroom cleaning at Main Beach and Heisler Park during summer months
- ***Performance Measure:***
Public Restrooms in Downtown, Main Beach and Heisler Park were cleaned approximately 6,000 times in FY 2018-19



Main Beach Cleaning and Kelp Removal



- Main Beach cleaned daily starting in May thru end of September
- *Performance Measure:* Approximately 500 tons of Kelp removed thru mid-September.



Attachment F

Water Quality Department Information

The largest expense was for a local artist, Michael Phillips, whom we're working with to develop a public education campaign for children. The public education campaign is centered around sewer spill maintenance and prevention. Specifically the target group for the campaign is kids in primary grades. As the campaign matures we will introduce sewer maintenance superheroes that will convey the message to kids about the importance of preventing sewer spills. The sewer cartoons were debuted at the Sawdust festival, where the artist taught kids how to draw the sewer superheroes and villains and learn about Water Quality.







The campaign development was delayed because the artist experienced a personal emergency that temporarily pulled him away from completing the work. Just about the time he was about to reengage the work COVID-19 hit and has also impacted his progress. Our staff has been in contact with the artist in the last few weeks and we are re engaging with the campaign development.

The other charge is for software, Pow Tunes, that we use for messaging on social media.

There are several examples posted by our social media staff on the city's website. Lastly we held a public education campaign at the sawdust festival which was met with significant participation by the public. We worked with the artists at Sawdust to open the central booth using manhole lids as stamps for canvas carrying bags. This campaign gave us an opportunity to convey the message of sewer spill prevention to

parents and children. It was a very successful day and we plan to do more in the future.



Addenda G

Minutes from City Council Meetings

June 28 2016 and July 26, 2016

13. MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET

Staff Report: City Manager John Pietig said the City was in the middle of a two-year budget and staff were asking the City Council to make any changes or revisions to this budget. He said staff were able to make the majority of the Council's changes from the May 24, Budget Workshop. He added that the Community Assistance Grants discussion had been postponed to the July 12, City Council meeting.

Director of Finance/IT Gavin Curran said staff had included the City Council's recommendations from the Budget Workshop on page two of the agenda bill.

Questions of the Staff: Mayor Steve Dicterow confirmed that the Wildlife Corridor group had requested \$15,000 in funds from the City.

City Manager John Pietig said the City Council could refer to the additions/changes listed on the chart on page two of the agenda bill. He noted that staff accommodated the small changes and most immediate concerns were addressed; however, he said there were requests from a few City's departments that were not able to be incorporated into the budget.

Mayor Steve Dicterow said those items could be reviewed again at the mid-year budget.

Mayor Pro Tem Toni Iseman asked for clarification of the role of the Fire Prevention Officer.

Fire Chief Jeff LaTendresse described the role of the Fire Prevention Officer, and he added that it was a civilian fire officer position.

Mayor Pro Tem Toni Iseman asked about fire department inspection fees.

Fire Chief Jeff LaTendresse said there was currently no fee schedule for the fire inspection program and they did not charge for permits that were part of the fire code.

City Manager John Pietig explained the fee process and led a discussion regarding fees stating that there would be a more thorough examination during the mid-year budget.

Public Testimony: Matt Lawson, Tyler Russell, Jason Feddy, Ernest Hackmon, Zack Churchill, Jason Roberts and Billy Fried emphasized the importance of utilizing radio station KX 93.5, Laguna's only FM station, for emergency communications, public safety education and community services funding. They said the radio station was requesting a one-time grant of \$23,490 to purchase emergency preparedness equipment; and annual support of \$40,000 over the next four years to go toward operating and maintaining emergency equipment, enhancing programs and providing community services. They said 2017 would be a difficult year, because their main fundraising event would not take place due to construction at the Festival grounds. They suggested a matching grant program in order to help cover the annual support costs.

Mary Ann Loehr read a letter on behalf of Jennifer Zeiter, Laguna Beach Taxpayers' Association who was concerned about the modified fiscal year 16-17 adopted City Budget.

John Thomas said funding for public safety was vital and he suggested that the City complete the sidewalk gaps north and south of the South Laguna Village commercial area.

Greg O'Loughlin said South Laguna was the gateway to Laguna Beach and the medians helped to reduce traffic speeds. He added that sidewalks in South Laguna were important.

Ann Christoph, Sally Coffey and Carly Andrews said the South Laguna Community Garden was in need of the City's assistance to: establish a line of communication with the owner of property; and to set aside funds for the ultimate goal of purchasing the property. They said the South Laguna Community Garden was a vital part of the community and they would like the support from the City to make it a permanent feature of Laguna Beach.

Karen Jenks said she supported the Police Department's strategic plan.

Johanna Felder suggested that the Cultural Arts Center feasibility study be placed on hold and to reallocate the funds to the South Laguna Community Garden.

Sam Goldstein said he had three issues; 1) Fire Department plan checks needed improvement; 2) the City Clerk's salary should be on the same par as the rest of the City Management; and 3) he supported the City's backing of the local radio station.

Councilmember Comments: Councilmember Bob Whalen said that before he would support the Fire Prevention Officer, he would want to review the Fire Department's strategic plan, a comprehensive analysis.

City Manager John Pietig said the strategic plan was in the works and staff would report back to the City Council during the mid-year budget.

Councilmember Rob Zur Schmiede asked if the plan would include ambulance service.

City Manager John Pietig said there were issues regarding the ambulance service and local control. He said it would be part of the strategic plan; however, he said he was not sure how it would be incorporated into the plan at this point in time. Pietig said staff was currently investigating how to better track and monitor plan checking procedures and assessing the necessity of an additional position within the Fire Department to better implement the process. He said staff was recommending the City Council delay funding the position at this time.

Mayor Pro Tem Toni Iseman said she would prefer that higher ranking firefighters were not doing the job that a Fire Prevention Officer should perform. She said that she was hopeful that the civilian position would be filled by the mid-year budget.

Mayor Steve Dicterow said he was recommending \$15,000 for the Wildlife Corridor and he led a discussion regarding the \$40,000 annual support for the radio station.

Mayor Pro Tem Toni Iseman said the City should support the radio station for two years and evaluate the program at that time. She added that there was a cultural arts funding angle and she said that the radio station was a great benefit to the community.

Councilmember Rob Zur Schmiede, the Council liaison to the Emergency Disaster Preparedness Committee, said he supported the one-time grant of \$23,490; however, he said he was concerned about funding the radio station on an annual basis; providing an "operating subsidy." He said it would require more involvement on the City's part. Zur Schmiede said he would like to take more time to deliberate.

Councilmember Kelly Boyd said he agreed with Councilmember Zur Schmiede, and he said he would like to see an exact breakdown of where the money would go.

Councilmember Rob Zur Schmiede suggested that the annual \$40,000 be raised with a matching grant.

Mayor Steve Dicterow said he believed because the radio station did not have access this year to their main fundraising location, the radio station would need special consideration.

Councilmember Bob Whalen said he did not believe the radio station should be asked to "open their books." He said he supported giving them additional money above the \$23,490. Whalen suggested the matching grant approach; the City would fund annually \$20,000 and the radio station would match \$20,000 and funding would be evaluated in one year.

Mayor Pro Tem Toni Iseman said she did not believe a precedent was being set and the radio station was an important asset to the community.

Councilmember Kelly Boyd said he would support a matching grant at \$20,000.

Mayor Steve Dicterow asked the City Council about their thoughts on funding the South Laguna sidewalks.

Councilmember Bob Whalen said there was \$2.8 million over the next five years set aside in the budget for sidewalks, yet nothing was getting done.

Mayor Pro Tem Toni Iseman added that the City had requested that new homes along the ocean incorporate sidewalks into their designs, yet the City was not holding these homebuilders accountable.

City Manager John Pietig explained the City funding status for sidewalk improvement. He said the issue was that Caltrans had a mandate in place to improve sidewalks and therefore it made no sense for the City to spend money on improvements, when Caltrans was going to be performing the work. Pietig said the real problem arose because Caltrans operated on a different timeline than other agencies.

City Engineer Christina Templeton explained the Caltrans pedestrian facilities improvement projects over the next few years in Laguna Beach and she listed the upcoming projects, estimated costs and timelines. She led a discussion on the specifics of those Caltrans projects.

Mayor Steve Dicterow asked the City Council what their position was regarding funds for the South Laguna Community Garden and the request to help the Garden to become a permanent fixture in Laguna. He said he would be happy to write a letter to the current owners. Dicterow said there should be a City Council subcommittee formed to work with representatives to assess the situation and he would like to serve on the subcommittee.

Councilmember Bob Whalen said he believed it would be appropriate to send a letter to the owners from the Mayor.

Mayor Steve Dicterow confirmed that he and Councilmember Rob Zur Schmiede would serve on the subcommittee.

Mayor Steve Dicterow led a discussion on the City Clerk's annual compensation.

After a brief break the City Council discussed the City Treasurer's compensation.

Moved by Councilmember Boyd seconded by Councilmember Zur Schmiede and carried unanimously 5/0 to:

1. Approving the changes to the FY 2016-17 Adopted Budget as recommended in Sections II, III, IV and VI and summarized in Attachment A;
2. Modify the FY 2015-16 Adopted Budget as recommended in Section VIII of this report;
3. Authorize the City Manager to extend the contract with Meissina and Association for assistance in leadership and teambuilding training within the Fire Department for up to \$14,000;
4. Adopt **Resolution No. 16.042** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, SETTING PAY RANGES FOR CITY EMPLOYEES" which ratifies the updated Classification Title and Range Assignment and salary schedules for FY 2016-17;
5. Adopt **Resolution No. 16.043** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2016-2017 IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, CHAPTER 1205 OF THE REVENUE AND TAXATION CODE SECTION 791;" and **Resolution No. 16.044** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2015-2016 IN ACCORDANCE WITH ARTICLE XIII B OF THE CONSTITUTION OF THE STATE OF CALIFORNIA, CHAPTER 1205 OF THE REVENUE AND TAXATION CODE SECTION 791."
6. Authorize the City Manager to continue retaining Bob Burnham for the Burn Site Restoration and Remediation Project, the review of the John Wayne Airport draft Environmental Impact Report (EIR) and the Diamond Street Slope Repair;

7. Direct the City Manager to change the salary band of the City Clerk position to the lowest management level which is \$8,002 - \$12,000; and set her pay at the top end of the salary band which is \$12,000.
8. Authorize a \$15,000 allocation for the wildlife corridor;
9. Authorize a \$20,000 additional contribution for radio station KX 93.5, subject to the \$20,000 being matched by contributions to the radio station; and direct the City Manager to prepare an agreement; and
10. Authorize the Mayor to prepare a letter of support to the owner of the Laguna Beach Community Garden; and appoint Mayor Dictorow and Councilmember Rob Zur Schmiede as a subcommittee;
11. Moved by Mayor Pro Tem Iseman seconded by Mayor Dictorow and carried 4/1 to authorize 5% exceptional performance for the City Treasurer.

Roll Call:

Ayes: Whalen, Zur Schmiede, Iseman, Dictorow

Noes: Boyd

14. RESULTS OF THE 2016 COMMUNITY SURVEY Presentation of the results of the 2016 Community Survey.

Staff Report: Assistant City Manager Christa Johnson gave the background of the community survey.

FM3, Principle of the public opinion research firm, John Fairbanks presented the survey summary. He said the survey was robust and FM3 performed 543 interviews from a random sample of Laguna Beach residents. He said the samples were taken from the voters' registration files and he listed key findings from the survey.

Assistant City Manager Christa Johnson listed the survey's recommended action items.

Questions of Staff: Mayor Pro Tem Toni Iseman asked how the survey was an accurate sampling of the City.

John Fairbanks said the voter files were researched and "clusters" were pulled from each different demographic in Laguna Beach and those mirrored the demographic profile of your "likely" voter. He said the participation level of the survey was wonderful.

Councilmember Bob Whalen asked about the margin of error.

John Fairbanks said the margin of error was plus or minus 4.2 percent and he was confident this would hold true to the survey and he gave examples.

Public Testimony: Roberta Kansteiner said that she was disappointed in some of the results and was concerned that Laguna Canyon Road had been lumped in with Coast Highway in the survey. She said extensive time and money had been spent on the Canyon Policy and she said an informed decision was made not to add an extra lane in the Canyon.

Penelope Milne said she seconded Roberta Kansteiner's comments and she believed there had been a big disconnect in the survey between the problems and what people said they would like to pay for. She said she understood the survey had looked at different demographics and she wanted to know if there had been a distribution by neighborhood.

Matt Lawson said the survey was excellent. He said his concerns were regarding the undergrounding of utilities and the need for people to understand the risk the residents of Laguna Beach face. Lawson said that if the voters were informed they would demand a tax increase to underground the utilities for safety reasons. He said there needed to be a focus on public education to appreciate the magnitude of the situation.

Larry Nokes, President of the Laguna Beach Chamber of Commerce, Kavita Reddy, David Rubel, Carmelit Green, Susan Elliott, Emil Monda, Michele Monda and Michael McFadden said they did not support the one percent sales tax increase, and they said the proposed increase would devastate the Laguna Beach retail establishments.

Johanna Felder spoke in regards to Laguna Canyon Road, and she said she was concerned about adding an additional lane when a Task Force had already researched the concept. She said that expanding the car lane would not solve the traffic problems.

Sam Goldstein said he created the bed tax for the arts in Laguna Beach and it had been very successful. He said he supported the one percent sales tax increase.

Helen Shirley said she was not happy with the survey.

Councilmember Comments: Councilmember Kelly Boyd said he agreed with the merchants and he did not support a one percent tax increase. He said he would support a one to two percent increase in the Transient Occupancy Tax (TOT) and the money could go towards public safety and added patrolling in the downtown area.

Councilmember Bob Whalen said he believed that two tax measures were too much on the November ballot. He said he supported pursuing an increase of three percent in the TOT and review the one percent sales tax increase in the future.

Councilmember Rob Zur Schmiede thanked Councilmember Whalen and Mayor Pro Tem Iseman for working with staff and the consultant to prepare the survey. He said there would always be critics and the survey was about providing services to the community with a tax increase. Zur Schmiede said he believed the proposed one percent sales tax increase was too much of a burden for merchants because online shopping was impacting their sales. He said the percentage of increase for the TOT needed more discussion.

Mayor Pro Tem Toni Iseman said she believed the questions in the survey were in need of footnotes in order for the interviewees to understand the issues more clearly. She said that public safety was very important and she supported increasing the TOT because visitors placed a huge amount of stress on the community.

Mayor Steve Dicterow said he did not support any ballot measure and he believed the City could “live within its means” when running at a surplus. He said if the rate for the TOT were too high, the hotels could vote to end the Business Improvement District.

Moved by Councilmember Boyd seconded by Councilmember Zur Schmiede and carried 4/1 to appoint Councilmember Bob Whalen and Councilmember Kelly Boyd as a subcommittee to consult with the hotels regarding the proposed Transit Occupancy Tax (TOT) increase; and direct the subcommittee to bring back their recommendations regarding the percentage increase and proposed ballot language to the City Council on July 26, 2016;

Roll Call:

Ayes: Boyd, Whalen, Zur Schmiede, Iseman

Noes: Dicterow

Moved by Councilmember Zur Schmiede seconded by Councilmember Whalen and carried 4/1, to authorize the City Manager to amend the contract with TBWB Strategies to help draft the language of the measure for consideration.

Roll Call:

Ayes: Boyd, Whalen, Zur Schmiede, Iseman

Noes: Dicterow

15. POSSIBLE COMPETING BALLOT MEASURE(S) RELATING TO MEDICAL MARIJUANA DISPENSARIES Consider whether or not to place a competing ballot measure on the November ballot.

Mayor Steve Dicterow recused himself from this item because of potential financial conflict of interest.

Mayor Pro Tem Toni Iseman gave a brief update on this item and said the current voter initiative that would be on the November ballot did not reflect the values of the Laguna Beach community. She said the voter initiative did not take into account the location of a dispensary, nor did it address the concerns of Laguna Beach residents. She listed the different options.

Staff Report: Chief of Police Laura Farinella said the City Council had requested staff to create a competing measure that better reflected the community of Laguna Beach. She said that after much research and reviewing the recent community survey, it was clear the community was split down the middle as to whether or not it was in favor of establishing a medical marijuana dispensary. Farinella said all options had been considered and staff was recommending the City enact an ordinance that could be easily modified going forward. She said it was important to listen to the voice of the community.

21. TRANSIENT OCCUPANCY TAX (TOT) BALLOT MEASURE Proposal to place a TOT measure on the November 8, 2016 ballot.

Staff/City Councilmember Report: Subcommittee member and Councilmember Bob Whalen said that after the citywide survey was conducted, it was evident residents supported an increase in the TOT. He said Councilmember Kelly Boyd and he met with hotels and Visit Laguna Beach to determine a fair increase in the tax. Whalen said that after receiving input, they believed a two percent increase would be a reasonable increase, from 10 to 12 percent, in addition to a previously assessed two percent Business Improvement District tax.

Public Testimony: Matt Lawson discussed the importance of undergrounding the utility poles for safety purposes.

Sam Goldstein said visitors to Laguna Beach have increased tremendously and they were "taxing" our community; therefore, he said the City should increase taxes paid by the visitors. He said the TOT should be increased appropriately to four percent to support the City.

Roberta Kansteiner said she supported the TOT; however, she said she would like more clarification as to where the funds were being spent and she offered her suggestions.

Les Miklosy, the Laguna Beach Taxpayers Association, read the association's position paper regarding the TOT. He said the City was running a surplus and they did not support any tax increase.

Johanna Felder, representing Village Laguna, said the proposed statement was too broad and they would like to see a detailed list as to where the funds would be spent. She requested that "other services and improvements" be removed. Felder asked if a citizen oversight committee could be formed to decide where the money would be spent. She questioned why the TOT was being increased with the City running a surplus.

Ashley Johnson, Visit Laguna Beach, said based on the current market, a two-percent TOT increase could be absorbed; however, she said it should be capped at this point and not increased to four percent. She listed specific areas of allocation for the tax monies and stated there should be a direct positive impact on tourism.

Mark Orgill, Visit Laguna Beach, said they marketed to hotel visitors and not the day users. He said they supported the two-percent increase; however, he said group travel could be affected if the TOT increased more than two percent.

Councilmember Comments: Councilmember Rob Zur Schmiede said there was a need for additional funds that directly benefited visitors, but there should be revenue sources beyond the TOT and he presented his suggestions. He said he was not interested in raising the sales tax on the retail merchants. Zur Schmiede said he believed the TOT could be raised three percent; however, he said there was a balance to maintain.

Councilmember Bob Whalen said the City did have additional first-responder needs from the impact of increased visitors and added that the utility poles were a massive safety issue for the City. He said there would be two audits performed; financial and performance. Whalen said this would offer accountability and transparency to the residents. He said that two percent was a valid amount, but there needed to be other revenue sources.

Councilmember Rob Zur Schmiede led a discussion on where the funds would be allocated and suggested a citizen oversight committee be formed.

Councilmember Kelly Boyd said the two areas that he believed were vital to the safety of the community were an increase in the City's emergency services, including police, fire and marine safety and the undergrounding of the utility poles. He said a two percent TOT increase was a good start.

Mayor Pro Tem Toni Iseman said the City Council had an obligation to public safety and quality of life for its residents. She said that currently there was not enough money to meet those two needs and there needed to be added revenue to absorb the extra burden the City was experiencing from the increase in visitors. Iseman said she supported the two percent TOT increase.

Assistant City Manager Christa Johnson asked the City Council to designate one or two members to serve on a subcommittee to work with staff to prepare a draft ballot argument.

Councilmember Kelly Boyd suggested Councilmembers Bob Whalen and Rob Zur Schmiede to serve on the subcommittee.

Moved by Councilmember Whalen seconded by Councilmember Boyd and carried unanimously 5/0 to:

1) Adopt **Resolution No. 16.063** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016 FOR THE SUBMISSION TO THE VOTERS OF A QUESTION RELATING TO A BALLOT MEASURE TO INCREASE THE TRANSIENT OCCUPANCY TAX, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES" to:

- a. Submit to the voters a ballot measure to increase the transient occupancy tax (TOT) from 10% to 12% in the General Election to be held on November 8, 2016;
- b. Direct the City Attorney to prepare an impartial analysis to be filed with the City Clerk on or before August 5, 2016, at 5:30 p.m.;
- c. Authorize the City Manager to prepare a fiscal analysis to be filed with the City Clerk on or before August 5, 2016, at 5:30 p.m.;

- d. Authorize the Mayor and/or City Council member(s) to prepare and file written arguments in favor of the ballot measure;
 - e. Establish deadlines for direct arguments for and against the ballot measure to be filed with the City Clerk on or before August 9, 2016, at 5:30 p.m.;
 - f. Establish deadlines for rebuttal arguments for or against the ballot measure to be filed with the City Clerk on or before August 19, 2016, at 5:30 p.m.
- 2) Direct staff to process all other documents required to proceed with the proposed ballot measure.
 - 3) Appoint Councilmembers Zur Schmiede and Whalen as a City Council Subcommittee, working with staff, to prepare a ballot argument in support of the measure.
 - 4) Introduce the Ordinance entitled "AN ORDINANCE OF THE PEOPLE OF THE CITY OF LAGUNA BEACH CALIFORNIA, AMENDING SECTION 5.05.030 OF CHAPTER 5.05 OF TITLE 5 OF THE LAGUNA BEACH MUNICIPAL CODE TO INCREASE THE HOTEL-MOTEL ROOM TAX" by asking the City Clerk to read the title of the Ordinance and adopting a motion to waive further reading of the Ordinance, to introduce the Ordinance on first reading, and to submit the Ordinance as a City Council-referred ballot measure to the voters in the General Election to be held on November 8, 2016.
- Heard Agenda Items #24 and #25 after Item #21.

22. THE INTRODUCTION OF ORDINANCE FOR CITY COUNCIL-REFERRED ALTERNATIVE MEASURE TO VOTERS REGARDING THE ESTABLISHMENT, OPERATION, AND TAXATION OF A MEDICAL MARIJUANA DISPENSARY; AND ADOPTION OF RESOLUTION FOR SUBMISSION TO THE VOTERS QUESTION RELATING TO THE PROPOSED BALLOT MEASURE WAS CONTINUED TO AUGUST 8, 2016 Proposal to place a counter measure to the citizen-sponsored medical marijuana initiative on the ballot.

Mayor Dictrow declared that he had a potential conflict of interest relating to a possible financial interest in the subject of the item, recused himself from participation in the matter, and left the Council Chambers.

Staff Report: Chief of Police Laura Farinella said there had been robust discussions regarding a possible alternative measure to the voter-initiative regarding medical marijuana dispensaries since the June 28, City Council meeting. Farinella said research had been extensive to develop the draft ordinance that allowed safe access for those in need of medical marijuana while working within the City's current regulations. She highlighted areas of the possible alternative measure including: a dispensary could not be located 1,000 feet from any youth areas (including schools), parks, residential areas and smoke shops; many layers of security; and businesses hours would be limited between 9 a.m. and 6 p.m., to name a few. She said there were three modifications to the proposed ordinance since it had been presented in the staff report because

the recommendations were buffering the opportunity for a dispensary nearly out of the City limits: 1) the buffer zone from a dispensary had originally been recommended to be 500 feet from any beach access and staff were now suggesting 250 feet; 2) staff were recommending that a dispensary could not abut or be across the street from residences, instead of the previously recommended distance of 1,000 feet; and 3) dispensaries could not operate within M1A or M1B zones. Farinella demonstrated the areas on the map where a medical marijuana dispensary could or could not be established in the City.

Questions of Staff: Councilmember Bob Whalen said he was concerned about the area near the Boys & Girls Club in the Canyon.

Director of Community Development Greg Pfof said the Boys & Girls Club would be in a "not a permitted zone." He said M1A and M1B currently did not allow commercial uses, but industrial uses. Pfof said staff were recommending to strike these as allowable zones. He said medical marijuana dispensaries should only be allowed in commercial zones.

Councilmember Rob Zur Schmiede determined that the allowable area for a medical marijuana dispensary would be located on Glenneyre in the HIP District.

Mayor Pro Tem Toni Iseman said she was concerned about the increase in traffic that a dispensary would generate. She said she believed the HIP District would be tremendously impacted and she believed M1A and M1B zones should be included in the permitted areas, as long as the dispensary was not in close proximity to child-sensitive areas.

There was a discussion on zoning concerns and conditionally permitted uses.

Councilmember Rob Zur Schmiede reminded the City Council that the residents were split 50/50 regarding allowing a medical marijuana dispensary as was highlighted in the recent citywide survey. He said if there needed to be another better written initiative on the ballot to protect the residents, he would back this notion; however, he said overall he was not supportive of a medical marijuana dispensary in Laguna Beach for many reasons.

Councilmember Bob Whalen said if the decision was solely up to him, he would support a ban to allow a medical marijuana dispensary because of the land-use issue in the City. He said the City of Laguna Beach was not the right location for a dispensary because of geographic constraints. Whalen said the strategy that needed to be adopted was to vote no on both initiatives because of the land-use constraints.

The discussion on zoning continued.

Mayor Pro Tem Toni Iseman offered her suggestion for the medical marijuana dispensary that could lighten the land-use issues. She said the dispensary could be a "showroom" where an expert could educate the patient. Iseman said an order could then be placed and delivered to the patient's home. She said there would be a "spider network," limited product, and no exchange of money.

Public Testimony: Attorney Larry Nokes said he had been working with an organization called The Medicine Woman. He said he was pleased the City Council was tackling the issue because he was concerned about not having something that had the City's interests in mind. Nokes said he agreed with Mayor Pro Tem Iseman's concept; the ability to pick something out and then have it delivered. He offered his suggestions and said it was important to set our own rules.

Erik Chan, marijuana professional and consultant, said he supported the City's efforts to put forward a competing ordinance and he offered his recommendations.

Mayor Pro Tem Toni Iseman asked about the amount of traffic he experienced at other dispensaries.

Erik Chan said there could be approximately 220 patients per day. He said business transactions were conducted mainly in cash.

Matt Lawson said he believed the medical marijuana ban should stand. He said if the counter initiative had to be submitted, he said it would have to be highly regulated.

Attorney Charnel James said her constituents would be willing to back down from the voter-initiative by either defeating it or trying to get it removed from the ballot, if there were changes made to the City initiative. She said she agreed that the location restrictions were far too limiting. James believed that if there were two dispensaries, the traffic could be divided between the two locations. She said Mayor Pro Tem Iseman's idea was an interesting train of thought, and she said she would like to take a deeper look into the concept of a delivery model that still maintained a brick and mortar location. James listed her other concerns about the ordinance.

Debbie Tharp said she was concerned that the City was not focusing on election law; specifically separation of powers and she listed a few other concerns.

Councilmember Comments: Councilmember Kelly Boyd thanked Chief Farinella for her professionalism in drafting the ordinance.

Councilmember Rob Zur Schmiede supported the staff's development of the ordinance.

Councilmember Bob Whalen laid out the City Council's options.

City Manager John Pietig proposed holding a meeting August 8, to continue discussions and to research the points that had been raised by the Councilmembers and the public.

Mayor Pro Tem Toni Iseman discussed her "showroom" concept and offered specific suggestions including; there would be no initial delivery of marijuana unless there was a face to face exchange with proper licensing.

Councilmember Bob Whalen gave his recommended changes to the ordinance including: on page 4 of the Ordinance, 25.70.006, he said he would like to publish a notice two times in the local newspapers; page 7, point system could be an interesting approach and he said he did not

see a section that discussed record keeping; what records would be maintained and for how long; page 9, 25.70.024 sub. (D), part 4, he said he would like to add "or to maintain the required activity logs and other records;" and page 6, he said that if the applicant was a corporation, the ordinance did not address limited liability companies, which had members not stockholders. Whalen said the change of ownership needed to come down to the controlling shareholders, officers and members.

After discussion the City Council took no action and continued the item to August 8, 2016, at 5:00 p.m. for further consideration.

23. ADOPTED RESOLUTION NO. 16.064 REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE THE GENERAL MUNICIPAL ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016 Proposal to consolidate the General Municipal Election with the Statewide election.

Staff Report: City Attorney Phil Kohn said this was a largely ministerial action. He said it was more economical and efficient for the General Municipal Election to be consolidated with the Statewide General Election so that the election be held as if there were only one election.

The City Council agreed to consolidate the General Election with the Statewide Election for the purpose of submitting to the voters the Transient Occupancy Tax ballot measure and the voter-sponsored initiative measure regarding medical marijuana dispensaries.

Moved by Mayor Dicterow seconded by Councilmember Boyd and carried unanimously 5/0 to adopt **Resolution No. 16.064** attached to the Agenda Bill entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE, PURSUANT TO SECTION 10403 OF THE ELECTION CODE." As amended.

➤ Heard Agenda Items #24 and #25 after Item #21.

24. PROPOSED REVISIONS TO LAGUNA BEACH MUNICIPAL CODE SECTION 25.05.070 RELATING TO APPEALS OF DISCRETIONARY ZONING DECISIONS Proposed revisions to Section 25.05.070 reflecting the proposal by Councilmembers Zur Schmiede and Whalen.

Mayor Overview: Mayor Steve Dicterow said the current standard of review for Design Review (DR) appeal was substantial evidence and abuse of discretion. He said that previously it had been de novo and the City Council now believed there needed to be a modification with the present standard of review. He said he was pleased with the revisions Councilmembers Zur Schmiede and Whalen were proposing.