

CITIZENS' AUDIT REVIEW AND MEASURE LL OVERSIGHT COMMITTEE ANNUAL MEASURE LL REPORT FISCAL YEAR 2017-2018

**Report Presented June 4, 2019
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**

John Thomas -- Chair
Peter Stevenson -- Vice-Chair
Glenn Gray
Julian Harvey
Matt Lawson
Anne McGraw
Charity Morsey

Contents

1. Executive Summary
2. Purpose of this Report
3. Background: What is Measure LL?
4. Purpose of the Committee and Scope of this Review
5. Methodology
6. Measure LL Annual Report of Revenue and Expenditures
 - 1 Description of Programs and Services Funded by Measure LL
 - i. Police Department
 - ii. Fire Department
 - iii. Marine Safety Department
 - iv. Public Works Expenditures including Utility Undergrounding
 - v. Water Quality
 - 2 Approved Measure LL Budget
 - 3 Actual Revenue and Actual Expenditures
 - vi. Measure LL Revenue for the Fiscal Year Ended June 30, 2018
 - vii. Carryovers from prior year and Reserves
 - viii. Measure LL Expenditures for the Fiscal Year Ended June 30, 2018 and Available Funds
 - ix. Measure LL Available Funds at June 30, 2018
 - 4 Sub-committee Discussions with Auditors:
 - 5 Review and Discussion of Performance Criteria
 - x. Police Department
 - xi. Fire Department
 - xii. Marine Safety Department
 - xiii. Public Works Expenditures including Utility Undergrounding
 - 6 Public Input
7. Findings and Conclusion
8. Recommendations and Considerations

Attachments

- a. Measure LL Informational Flyers
- b. Resolutions 16.063, 16.068, 16.102, 17.011, 18.009
- c. Revenue Report, Source City Finance Division
- d. Expenditure Report, Source City Finance Division
- e. Staff Report: March 22, 2016 Item 1
- f. Staff Report: March 22, 2016 Item 2
- g. Staff Report: May 10, 2016
- h. Staff Report: June 28, 2016 with Survey Questions and Results
- i. Staff Report: July 26, 2016
- j. Staff Report: December 13, 2016 Measure LL Recommended Service Enhancements, Accounting, And Oversight Committee
- k. Staff Report: February 7, 2017, Mid-year budget update
- l. Staff Report: June 27, 2017 Adoption of Fy 2017-18 And Fy 2018-19 Budget and Revisions to The Fy 16-17 Budget
- m. Staff Report: Feb. 27 2018, Mid-Year Budget Update and presentation of the first Measure LL Annual Report.
- n. Staff Report: June 12, 2018 Modifications to FY 2017-18 and 2018-19 Adopted Budget
- o. Police Department Information
- p. Fire Department Information
- q. Marine Safety Department Information
- r. Public Works Information
- s. Water Quality Information
- t. Minutes of City Council meetings June 28, 2016; July 26, 2016

Section One -- Executive Summary

Conclusion: The Committee agrees with the findings below, that use of Measure LL funds is consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and the Comprehensive Annual Report and that the use of funds is having a positive impact on the Community.

The revenues and expenditures for fiscal year 2017-2018 were each budgeted to be \$2,200,000.

However, largely based on timing issues due to the start-up of Measure LL, \$640,500 that had been approved for the initial period of January through June of 2017 was not used during that period and was carried over for use in 2017-2018.

This brought both adjusted budgeted expenditures, using \$12,000 of reserves, and total budgeted available funds for 2017-18 to \$2,840,500.

While the adjusted budget projected revenue for 2017-2018 of \$2,188,000 (reflecting a \$12,000 downward adjustment for loss of Hotel Laguna revenue), actual revenue collected during 2017-2018 exceeded projections by \$272,912, meaning actual funds available for 2017-2018 including the carryover from the prior period totaled \$3,101,412 plus a reserve of \$212,005.

Compared to budgeted 2017-2018 expenditures, actual expenditures were \$2,617,720 which was \$222,880 lower than the budgeted \$2,840,600. The difference was comprised of a one-time savings of \$145,080 and \$77,700 that was not spent during the period and that was carried over to 2018-2019.

Including the \$272,912 of actual revenue in excess of budgeted projections, this left an available balance at 6/30/2018 of \$417,992 plus \$200,005 of the reserve established after the end of the 6/30/17 fiscal year end and after \$77,700 is carried over to FY 2018-19.

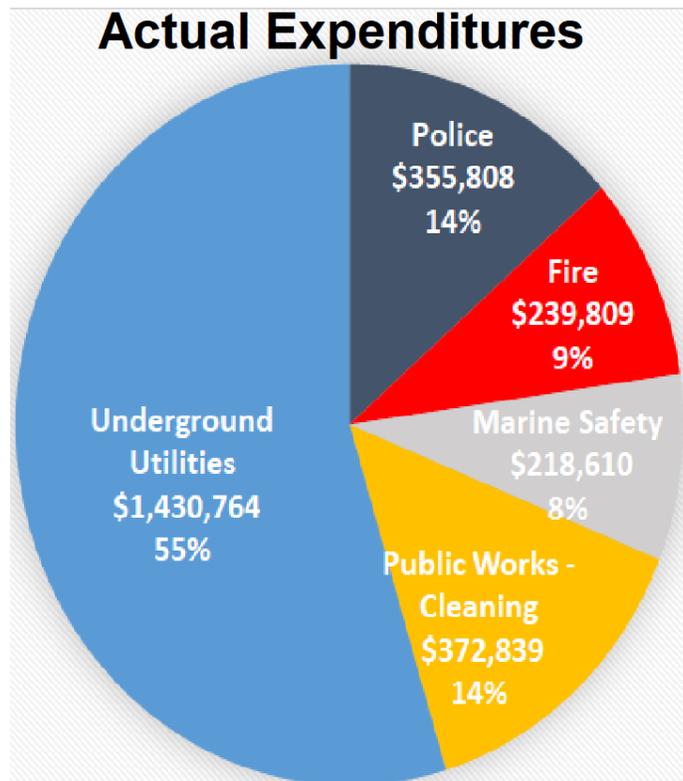
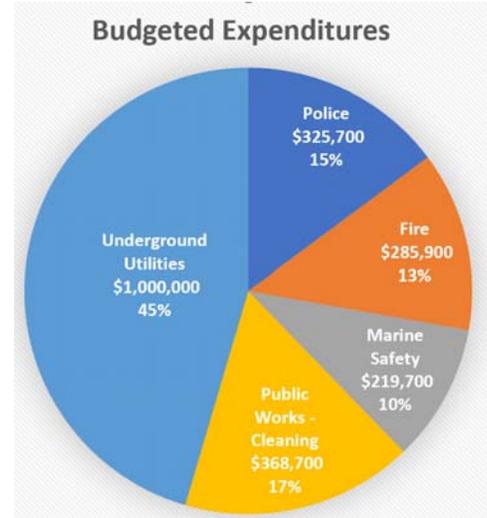
Actual expenditures by department and share of Measure LL funds for 2017-2018 were:

Police Department	\$355,808	14%
Fire Department	\$239,809	9%
Marine Safety	\$218,610	8%
Public Works	\$372,839	14%
Undergrounding	\$1,430,764	55%
Water Quality	-\$110	0%
Total Expenditures	\$2,617,720	100%

Findings:

Key Finding: (Detail in Section Seven)

- 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.



Other Findings:

1. 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 Police and Marine Safety made the most compelling case for the effectiveness of their use of Measure LL funds, while Fire Department and Public Works data was also interpreted to indicate that Measure LL funds were used effectively.
 - b. However, while the ballot measure was predicated on the impacts on city services and the costs of providing those services, the committee found that performance data generally did not distinguish between additional costs or impacts on the departments attributable to visitors versus those attributable to residents.
2. In addition to simply reviewing whether Measure LL funds were spent according to the ballot measure and the approved city budget, the committee also attempted to determine the level of value brought to the citizens of Laguna Beach by use of Measure LL funds. In doing so, the committee found the departmental performance data useful for insight into the most cost effective uses of public funds and led to the finding that the use of Measure LL funds is having a positive impact on the Community.
3. The committee found that members of the public attending the committee meetings noted that the dollar amount of increased costs to the city due to impacts of visitors were not quantified in ballot material.
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. Never-the-less, since the ballot measure was titled Laguna Beach Vital Services measure, the committee members and members of the public questioned whether use and apportionment of all funds, such as allocations for beautification and sidewalk cleaning, were truly for “vital services.”
5. The committee found that use of Measure LL funding was for enhanced or additional services rather than for providing alternate sources of funding for existing services.
6. The committee found that while a community survey conducted by the city found support for a transient occupancy tax increase of 4 percentage points the ballot measure was for a 2 percentage point increase.
7. With projected expenditures of \$2,427,100 for the 2018-2019 fiscal year, the committee finds the reserve account is below 10% of projected 2018-2019 expenditures.
8. If the retirement contributions for employees paid from Measure LL were eventually to result in an 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, 2017, the committee found that all three recommendations of the committee in that report have been adopted by the city. Those recommendations were:
 - a. To Establish a Reserve Fund: To use the one-time savings of \$147,284 and the revenue received in excess of the budget estimate of \$64,721 to create a 10% reserve. The total amount transferred to the reserve was \$212,005.
 - b. Regarding Performance Measurements: To request City Departments to develop performance measurements to help recognize success and identify problem areas in the services funded by Measure LL.
 - c. Redistribution of the Fire Marshall Cost: To consider redistributing 30% of the cost of the salary and benefits of the Civilian Fire Marshal, hired June 2017, from the Measure LL Fund to the General Fund to adjust for costs linked to providing plan checks and inspection services for the Community Development Department.

Recommendations: (Detail in Section Eight)

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

1. The committee recommends that city request 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.
2. The committee recommends that, to the extent practical, the departments attempt to identify additional services and improvements needed, and additional costs to accommodate Laguna's millions of visitors.
3. Inclusion of the words "and other services and improvements" in the ballot measure contributed to the conclusion that use of Measure LL funds is consistent with the ballot measure material. However, based on questions of whether 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."
4. 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.

Considerations: (Detail in Section Eight)

Considerations: Though resulting from observations during its review, since the following may fall outside the strict definition of the responsibilities of the committee, rather than being characterized as recommendations, the committee simply encourages the City Council to give consideration to the following:

1. Consider expanded use of performance measures beyond the Measure LL budget: The use of the departments' metrics to measure performance was of considerable value to the committee in determining first whether Measure LL funds enhanced service levels as intended and second, to what degree. During its evaluation the committee recognized the potential broader value that performance measurement could provide if applied more generally. Therefore, to the extent the city isn't already doing this, the Committee encourages the city to consider extending the use of performance measurement and long-term tracking with respect to the city's overall expenditures.
2. Though the ballot measure was predicated on increases in costs to the city attributable to tourists, the increased amounts were not quantified. Therefore, the committee encourages the city to consider whether there would be benefit to the community of providing an estimate to the public of the amount of additional costs the city incurs due to visitors.

Section Two -- 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, 2018 produced by the City.

As specified in Resolution 16.102, 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 Attachment B.)

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
- To provide other services and improvements.

Section Three -- 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" by 2% or approximately \$2,000,000 per year
- 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 (attachment H and T) 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 by 2%.
- By resolution 16.063, the measure was titled: "Laguna Beach Vital Services Measure." (See Attachment B.)
- The premise for the increase in TOT was that costs attributed to tourists 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 2% as the increase in TOT?

Ballot material stated that millions of tourists come to Laguna Beach every year, which increases traffic 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 undergrounding of utilities. (Attachment E and F)

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. (Attachment H.)

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

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?



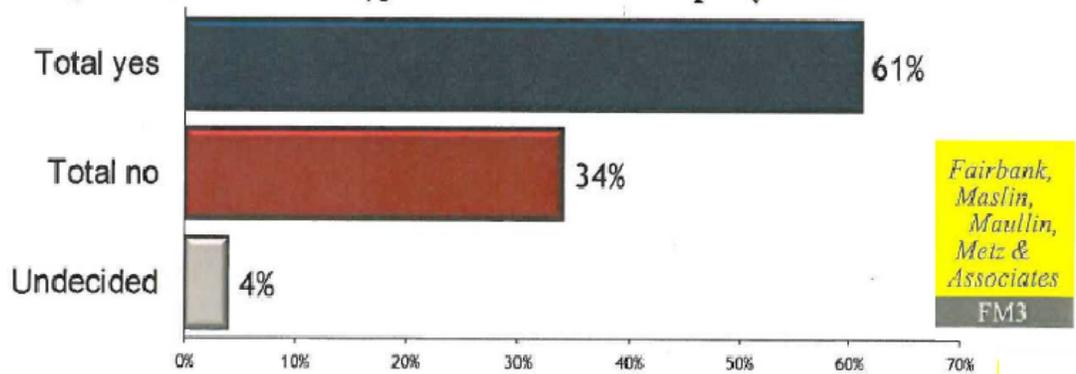
Q6. If this measure were on the ballot and there was an election today, do you think you would vote "yes" in favor of this measure or "no" to oppose it?

14

The survey found that more than 60% of respondents said they would support a transient occupancy tax increase of 4% 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, reflect that: (Attachment T)

- Councilmember Bob Whalen and Councilmember Kelly Boyd were appointed to a subcommittee to consult with the hotels regarding the proposed Transient Occupancy Tax (TOT) increase.
- Mayor Steve Dicterow said he did not support any ballot measure
- Councilmember Bob Whalen said he supported pursuing an increase of three percent in the TOT.
- Councilmember Kelly Boyd 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.
- 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. (Attachments I and T)

The minutes of the June 28, 2016, City Council meeting are attached as Attachment T.

The minutes of the July 26, 2016, City Council meeting (Attachment T) reflect that:

- 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 attached as Attachment T.

Resolution No. 16.068, (See Attachment B.) adopted August 30, 2016, stated that:

- millions of tourists visit Laguna Beach annually;
- the millions of tourists increase demand on public safety services such as police, fire, and marine safety, which significantly increases costs to the City of providing services;
- the tourists also increase the cost to the city of providing other services; and
- a Transient Occupancy Tax is paid only by tourists 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 titled "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. (See Attachment B.)

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.”



What is considered a “Vital Service”?

The language in Resolution 16.063 (above and Attachment B) titled the ballot measure “Laguna Beach Vital Services Measure” and stated the measure was 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...” The terminology includes the words “and other services and improvements”, and the use and apportionment of Measure LL funds are within the discretion of the City Council. Never-the-less, members of the public attending the committee meetings, as well as committee members, questioned whether all of over \$365,000 budgeted for purposes such as a fourfold increase in downtown and Coast Highway sidewalk steam cleaning, a fivefold increase in restroom cleaning during peak periods, enhanced beach cleaning and kelp removal, beautification treatments, and special planting areas were all truly “vital services.”

One specific example discussed by the committee was that the City budgeted approximately \$40,000 of Measure LL funds for landscape “beautification” plus larger amounts to clean downtown sidewalks, public restrooms and other areas that required additional attention due to various concerns. While the amounts allocated for “beautification” are less material relative to the total funds raised under Measure LL, let alone the \$100 million plus raised each year in total by the City, there is a question as to whether “beautification” *per se* -- without any discernable nexus to public safety – is truly a “vital service” in keeping with how Measure LL was explained to voters. Much like the roughly 30% of the Fire Marshal’s time reviewing development projects, identified last year as being worthwhile, but properly financed by either user fees or the general fund, the committee questions whether such beautification activities should be financed out of Measure LL proceeds.

What is 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.

What is the annual dollar amount of additional costs that Laguna Beach incurs due to tourists?

Ballot material does not quantify the additional costs the city incurs due to tourists.

Measure LL educational flyers are included in Attachment A and Measure LL resolutions are included in Attachment B.

Why have an Oversight committee?

The ballot measure increased the Transient Occupancy Tax ("TOT") rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%. In the current FY 2017-18 City budget, this two percent TOT is estimated to generate approximately \$2,200,000 for the fiscal year 7/1/2017 – 6/30/2018.

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 creating the Audit committee. (See Attachment B.)

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, (See Attachment B and Attachment J) 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. (Attachment J)

By Resolution 17.011 (See Attachment B.) adopted on February 28, 2017, the City Council changed the number of members of and established a 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.

Section Four -- Purpose of the Committee and Scope of this review:

As specified under "Qualifications of Appointed Public Member" in Resolution 18.009 (See Attachment B.) of the City of Laguna Beach adopted February 27, 2018, this audit review 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 annually the expenditures of the Measure LL Fund and providing a subsequent public report for distribution to the City Council

The committee is comprised of residents and taxpayers 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.

An audit 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 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 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 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.

Therefore, this report addresses duty #4 above.

- Reviewing annually the expenditures of the Measure LL Fund and providing a subsequent public report for distribution to the City Council

Section Five -- 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:

December 5, 2018
January 9, 2019
February 6, 2019
February 20, 2019
March 6, 2019
March 20, 2019
April 24, 2019
May 8, 2019
May 15, 2019

Members of the public attended most of the full committee meetings and provided input at those meetings.

The members of the committee and/or a sub-committee comprised of three members of the full committee:

- Reviewed ballot measure material to identify the city's intended use of the funds to generated by Measure LL
- Reviewed the initial fiscal year 2017-2018 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, 2018, 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, and Public Works Departments.
- Reviewed and discussed performance criteria and measures with the departments in an effort 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.
- Included comments, questions, and suggestions from members of the public attending committee meetings in consideration in preparation of this report.
- Discussed the results of the outside audit (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.

Section Six -- Measure LL Financial Report of Revenues and Expenditures

Definitions of terms used in Section Six section are provided at the end of the section.

The Measure LL Annual Report includes financial information of the Measure LL Fund and the accomplishments of the programs funded by Measure LL for the fiscal year ended June 30, 2018. Because the Measure LL Annual Report is a review of actual Measure LL revenues and expenditures for the prior fiscal year, the data is 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 and presentation by the Measure LL Citizens Audit Oversight Committee to the City Council will typically take place near the end of the first quarter of the following calendar year.

Subsection Six – One: 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 Attachment O

- Two (2) additional Beach Patrol Officers, hired in March 2017, assigned primarily 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.
- 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 jailor positions beginning in FY 2017-18. This program has a total cost of \$135,000 with \$39,400 funded by Measure LL.

Fire Department:

The approved programs for the Fire Department are shown below. Additional information is included in Attachment P.

- 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 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
- 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 Department:

The approved programs for the Marine Safety Department are shown below. Additional information is included in Attachment Q.

- 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.

Public Works Expenditures including Utility Undergrounding:

The approved programs for the Public Works Department are shown below. Additional information is included in Attachment R.

- 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 & Coast Highway Sidewalk Steam Cleaning by four times its current service level;
 - Increase Downtown & Coast Highway 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:

- Water Quality Video Inspection (Attachment S)

Subsection Six – Two: Approved Measure LL Budget:

The initial Measure LL FY 2017-18 budget was approved December 13, 2016. (See Attachment J) The city's overall budget, including items related to Measure LL, is reviewed at regular intervals by the City Council. Those reviews have included:

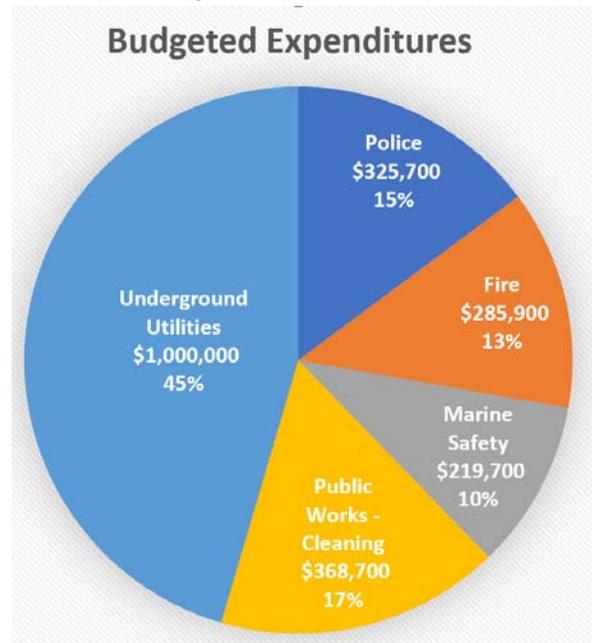
- February 7, 2017, with the Mid-year budget update. No changes were made to the Measure LL budget at that time. (Attachment K)
- June 27, 2017, at which time, expecting an increase in Measure LL Revenue of \$54,900, the City Council approved additional FY 2017-18 appropriations including \$20,000 in ongoing funds toward an additional 100 tower lifeguard days for coverage at Crescent Bay, Main Beach, and the Treasure Island for non-summer lifeguard towers in high demand areas; and two (2) full-time jailor positions (program total is \$135,000 with \$39,400 funded by Measure LL) (Attachment L)
- Feb. 27 2018, Mid-Year Budget Update and presentation of the first Measure LL Annual Report. (Attachment M) The staff report includes the following: "The increases were due to higher than expected revenue of \$64,721, and a one-time expenditure savings of \$147,284 due to programs coming online later than expected in the adopted budget. The Measure LL available fund

balance ended the year \$212,005 higher than expected. The increase was due to higher than anticipated Measure LL TOT revenue of \$64,721 and one-time expenditures savings of \$147,284. The Audit Review and Measure LL Oversight Committee ("Committee") report recommends setting aside the remaining balance toward a Measure LL Fund Reserve. Also, the Committee recommended, moving the time spent (30%) by the Fire Marshal performing a plan check function to the General Fund. Staff agrees with this finding and recommends redistributing \$62,000 in salary costs to the General Fund in FY 2018-19." And "With the \$62,000 added back, the available funding the Measure LL fund for next year, FY 2018-19, is approximately \$93,000."

- June 12, 2018 Modifications to FY 2017-18 and 2018-19 Adopted Budget. No changes were made to the Measure LL budget at that time.

The revenues and expenditures for fiscal year 2017-2018 were budgeted to be \$2,200,000. As the chart shows, budgeted expenditures by department for 2017-2018 were:

- Police Department \$ 325,700
- Fire Department \$ 285,900
- Marine Safety Department \$ 219,700
- Public Works Department \$ 368,700
- Undergrounding \$1,000,000
- Total Expenditures: \$2,200,000



Subsection Six – Three: Actual Revenue and Actual Expenditures Summary of the Measure LL 2017-2018 Budget and Actual Revenue and Expenditures:

Measure LL Summary - FY 2017-18					
Department	FY 2017-18 Adjusted Budget*	Actual Revenue	Actual Expenditures	Carryover to FY 2018-19	Balance 6/30/2018
Measure LL Revenue	\$ 2,188,000	\$ 2,460,912			\$ 272,912
Police Department	\$ 335,700		\$ (355,808)	\$ -	\$ (20,108)
Fire Department	\$ 358,500		\$ (239,809)	\$ (49,300)	\$ 69,391
Marine Safety	\$ 221,200		\$ (218,610)	\$ -	\$ 2,590
Public Works	\$ 1,910,900		\$ (1,803,603)	\$ (14,000)	\$ 93,297
Water Quality	\$ 14,300		\$ 110	\$ (14,400)	\$ 10
	\$ 2,840,600	\$ 2,460,912	\$ (2,617,720)	\$ (77,700)	\$ 418,092
Adjustment for Rounding of Budget Carryovers					\$ (100)
				Available Balance	\$ 417,992 **

* Adopted Budget for FY 2017-18 including budget adjustments and Carryovers

** To Measure LL Available Fund Balance for future programs. This is in addition to the \$200,005 set aside as a reserve

Measure LL Revenue for the Fiscal Year Ended June 30, 2018

According to the budget, adjusted as described above, fiscal year 2017-2018 Measure LL revenues were projected to be \$2,188,000 for the first full year for Measure LL. Actual revenue collected was \$2,460,912. Therefore, actual revenue exceeded projections by \$272,912. This was in spite of loss of revenue from Hotel Laguna being closed during portion of this time.

Actual revenue collected includes \$2,449,206 as detailed in the table of Measure LL Revenue by Quarter below plus interest income of \$11,705.84 for a total of \$2,460,912. Measure LL revenues by quarter are included in the following Table 2.

TABLE 2: MEASURE LL REVENUE BY QUARTER

QUARTER	FY 2017-18	FY 2018-19
	Actuals	Estimate*
July through September	819,207	
October through December	495,820	
January through March	427,512	
April through June	706,668	
Total	\$2,449,206	\$2,288,000

* Actuals are added at the end of the Fiscal Year

The FY 2017-18 Finance Division revenue reports are included as Attachment C. Additional financial information is also available in the FY 2017-18 Comprehensive Annual Financial Report (CAFR).

Carryovers from prior year and Reserves:

While revenue collections for Measure LL commenced January 1, 2017, following the November 2016 election, staffing and programs were phased in over the first six months of 2017 resulting in actual expenditures during that time period being below budgeted amounts. In some cases, those unexpended funds represent an actual cost savings, and in other cases, the expenditures were simply delayed until staff, contractors, or programs were in place.

The actual Measure LL revenue collected for Measure LL’s six-month portion of the fiscal year ended June 30, 2017 exceeded projections by \$64,721. Compared to budgeted expenditures of \$1,000,000, actual expenditures for the same period totaled only \$212,216 leaving unencumbered funds of \$787,784. The unencumbered funds were comprised of savings of \$147,284 and \$640,500, which was carried over to fiscal year 2017-2018. (Attachment L)

The committee recommended to the City Council that it use the combination of \$147,284 in savings and the revenue in excess of projections of \$64,721 to establish a reserve of \$212,005. The City Council accepted that recommendation June 27, 2017, and did so.

As mentioned above, of the unencumbered funds of \$787,784, the remaining unexpended funds of \$640,500 were carried forward to the FY 2017–2018 budget. Therefore, the budget for fiscal year 2017-2018 was increased to \$2,840,500 reflecting this carryover, revenues projected of \$2,188,000, and use of \$12,000 of reserves.

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

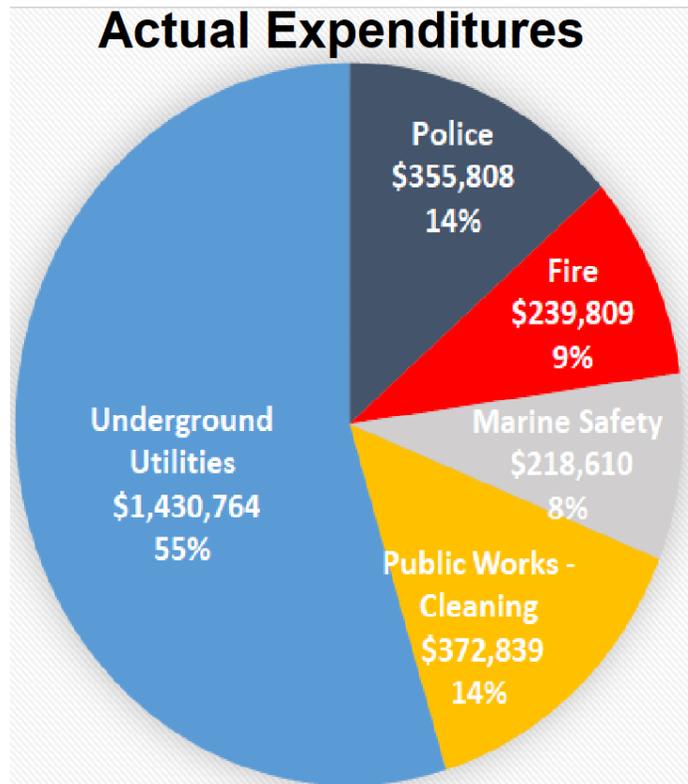
The revenues and expenditures for fiscal year 2017-2018 were budgeted to be \$2,200,000. However, \$640,500 that had been approved for the six-month start-up period of January through June of 2017 was not used during that period and was carried over for use in 2017-2018. This brought the total funds available for expenditure in 2017-2018 to \$2,840,500. In addition, actual revenue collected during 2017-2018 exceeded projections by \$272,912. Therefore, the combination of the adjusted budget projected revenue for 2017-2018 of \$2,188,000 (reflecting a \$12,000 downward adjustment for loss of Hotel Laguna revenue), plus the actual collections in excess of that budget of \$272,912, plus carryovers of \$640,500 resulted in actual funds available for 2017-2018 of \$3,101,412 plus a reserve of \$212,005.

Actual expenditures during 2017-2018 of \$2,617,718 plus \$77,700 carried over to 2018-2019 left an available balance at 6/30/2018 of \$417,994 plus a reserve of \$200,005.

The available balance of \$417,992 is comprised of a one-time net savings of \$145,080 plus revenue in excess of projections of \$272,912.

As the chart shows, actual expenditures by department for 2017-2018 were:

- Police Department \$ 355,808
- Fire Department \$ 239,809
- Marine Safety Department \$ 218,610
- Public Works Department \$ 372,839
- Undergrounding \$1,430,764
- Water Quality Department \$ (110)
- Total Expenditures: \$2,617,720



Including the carryover, budgeted expenditures for fiscal year 2017 – 2018 were \$2,840,600. Actual expenditures for the period totaled \$2,617,720. Therefore, expenditures for the fiscal year ended June 30, 2018 were \$222,880 lower than budgeted.

The \$222,880 difference between actual expenditures versus budgeted expenditures was comprised of savings of \$145,180 and \$77,700 to be carried over to the fiscal year 2018-2019 budget.

Measure LL Available Funds at June 30, 2018:

In addition of the net savings of \$145,080, actual revenue collections of \$2,460,912 exceeded projections of \$2,188,000 by \$272,912. The combination of the revenue in excess of projections of \$272,912 and the net savings of \$145,080 results in an available balance of \$417,992. Therefore, in addition to \$77,700 carried forward to the 2018-2019 budget, there is an available fund balance of \$417,992 at the end of fiscal year June 30, 2018.

The following Spreadsheet details the approved budget, adjustments to the budget, carryovers, actual revenue receipts and actual expenditures and available balance for the fiscal year 2017-2018 and the approved budget for fiscal year 2018-2019 with adjustments and with carryovers from fiscal year 2017-2018. The FY 2017-18 Finance Division expenditures reports are included as Attachment D.

Subsection Six – Four: Sub-committee Discussions with Auditors:

The City's financial statements were audited by White Nelson Diehl. Members of the Sub- Committee discussed issues with the auditors without city staff being present. A table of questions and answers follows:

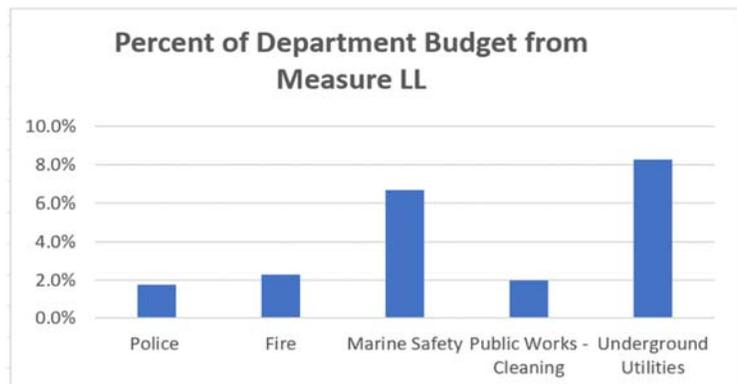
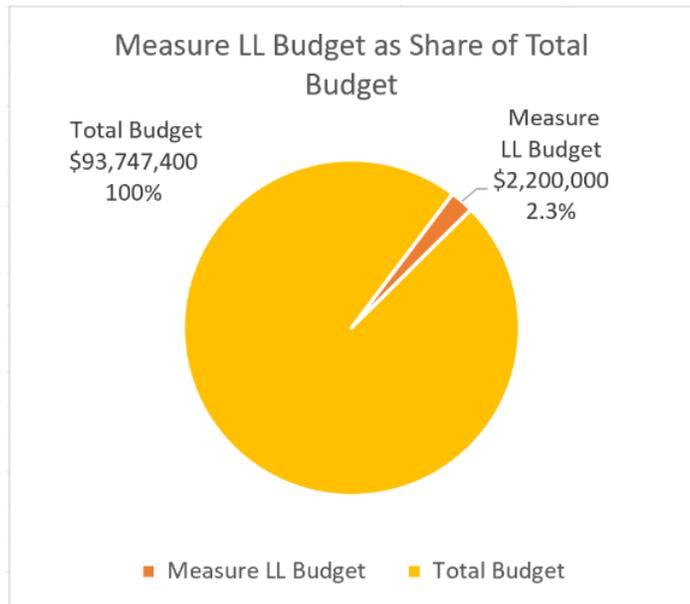
Questions for auditors:	Response from Auditors:
1. Did the audit confirm that Measure LL receipts and expenditures are accurately reported in the internal city accounting documents?	There are no specific Measure LL audit procedures, however the audit of Measure LL funds as a part of the audit of the General Fund found nothing indicating non-compliance.
2. Are there any other comments regarding the accounting for Measure LL funds that the auditors care to make?	There were no other issues indicated by the auditors.

Subsection Six – Five: Review and Discussion of Performance Criteria:

For perspective, fiscal year 2017-2018 revenue attributable to Measure LL of \$2,188,000 is equivalent to 3.5% of General Fund Revenue of \$62,198,900 (excluding Measure LL funds) and 2.3% of the city's total budget of \$93,747,400 (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	
Police	1.8%
Fire	2.3%
Marine Safety	6.7%
Public Works - Cleaning	2.0%
Underground Utilities	8.3%



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 the Assistant City Manager/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.

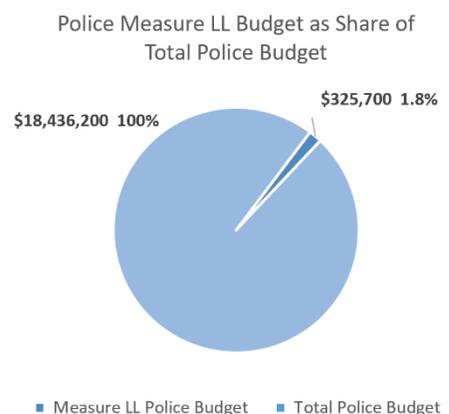
Since Measure LL revenue is intended as supplementary funding, the committee recommended the operating departments in receipt of LL funds develop performance measures to identify and highlight how the funding has served to enhance service delivery. In Resolution 16.068, the City Council expressed its 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 2017-2018 Measure LL fund allocation of \$325,700 (excluding carryovers) to the Police Department represents 1.8% of the Police department budget of \$18,436,200 (including Measure LL Funds).



Beach Patrol Productivity

Beach Patrol	2017	2018	Comments
All BPOs	3,284	2,320	South Laguna Surge
Measure LL BPOs Only	N/A	1101	Half by LL BPOs!
OCC	#1 Violation	#3 Violation	Alcohol on the Beach
LBMC	#2 Violation	#1 Violation	Open Container
OCC	#3 Violation		Glass on the Beach
LBMC		#3 Violation	Smoking

County Beaches are Aliso Beach south to city limits.

nuisance activity (Open Container, Alcohol, Smoking). Moreover, the department has experienced a decrease in nuisance complaints (Per Chief Farinella during her public presentation to the committee) in that specific geographic area. 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 in 2018. Both Measure LL funded Beach Patrol Officer positions along with general fund employees were redeployed strategically, resulting in the problems being addressed swiftly.

Additional Community Outreach Officer:

- An additional COO was funded through Measure LL to work with the homeless and mentally ill populations by connecting them to the necessary services, resources, and long-term solutions with the assistance of the County of Orange.
 - Officer Zach Martinez was selected for this position
 - Works in conjunction with and on opposite days of Cpl. Farris
 - 7 Day Coverage
 - OCHCA – Outreach & Engagement Team works with Martinez
 - OnE Team + OCHCA Clinician
 - 20 people referred to OnE Team
 - 5 Project Homecoming success stories
 - OCTA Bus Passes Provided
 - Main Beach Booth – works with BPOs and Marine Safety
 - Drone used for Canyon and Beach Hillsides

(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 in the manner in which they are most needed and most effective. These mobile jailers perform the essential and time-consuming tasks of transporting, processing and

Hired primarily to 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, contacts, citations and arrests all showed a marked increase since these positions were added (Section 6-1 of this report). Notably, the Measure LL funded Beach Patrol Officers represent approximately 50% of the total citations issued by Beach Patrol Officers citywide, and focused on illegal conduct directly related to

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, through a partnership with the Orange County Health Care Agency, the Community Outreach Officer position resulted in twenty

Positive Impacts: Lowest Crime Rate in History!

PROPERTY CRIMES	2016	2017	2018	Change 2017-2018
Burglary	82	90	42	-48
Larceny	436	358	316	-42
Auto Theft	36	30	25	-5
Arson	7	1	3	+2
Totals	561	479	386	-93= -19%

- Continued decrease in thefts from the beach and vehicles.
- Increase in citations:
 - Alcohol and glass on the beach, and smoking

VIOLENT CRIMES	2016	2017	2018	Change 2017-2018
Murder	0	0	0	0
Sexual Assault	12	7	5	-2
Robbery	15	13	6	-7
Aggravated Assaults	25	21	21	0
Simple Assaults	153	149	158	+9
Totals	205	190	190	0

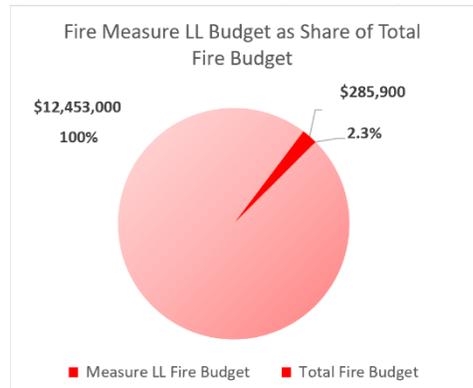
booking of suspected offenders. Without the burden of performing these functions, Patrol resources remain in the field and available for emergency response, to perform proactive crime prevention and address quality of life concerns.

An assessment of annual crime rate reductions from 2017 to 2018 reveals a dramatic 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.

Fire – Assessment of Measurable Enhanced Service Delivery

For perspective: Fiscal Year 2017-2018 Measure LL fund allocation of \$285,900 (excluding carryovers) to the Fire Department represents 2.3% of the Fire department budget of \$12,453,000 (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 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. While there is currently less measurable data, the committee believes it is reasonable to expect that with trained paramedics at each station and on every shift, the response time whereby qualified personnel begin administering advanced lifesaving treatment will decrease.

The Fire Department provided the following Summary of Measure LL’s impacts on the Fire Department services to Laguna Beach:

- 1) Hired a full-time civilian Fire Marshal July 2017
 - a) 2018 Fire Prevention Services – Fire Marshal Conducted: (approximations used)
 - i) Inspections – 40 p/month / 477 p/year

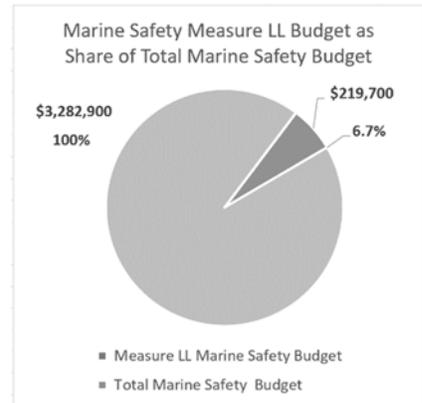
- ii) Plan Reviews – 44 p/month / 531 p/year
- iii) Pre-build consultations – 27 p/month / 327 p/month
- b) Plan reviews conducted within 2-week turnaround window approx. 95%
- c) Inspections conducted within 1 week of request 95%
- d) Consultations are completed within 2 days of receipt 90%

- 2) Increased Advanced Life Support (ALS) capabilities, by adding 3 Paramedics and needed equipment to support their role.
- a) Purchased a total of 3 cardiac heart monitors
 - b) Purchased 3 full sets of Advanced Life Support gear.
 - c) Reconfigured Engine 2 and Engine 3 from BLS units to ALS units
 - d) Activated the following individuals:
 - i) FF/PM – Activated August 2017 (previously trained as a paramedic)
 - ii) FF/PM – Activated December 2017 – Provided partial support through PM School
 - iii) FF/PM – Activated September 2018 – Provided partial support through PM school

Prior to Measure LL, the only fire units with Advanced Life Support capabilities were Laguna Engine 1 and 4. Now with Measure LL, every primary engine has Advanced Life Support capabilities. We are also now able to surge staff 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 2017-2018 Measure LL fund allocation of \$219,700 (excluding carryovers) to the Marine Safety Department represents 6.7% of the Marine Safety Department budget of \$3,282,900 (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. Now a year-round destination, Laguna Beach draws millions of visitors throughout the year – 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.

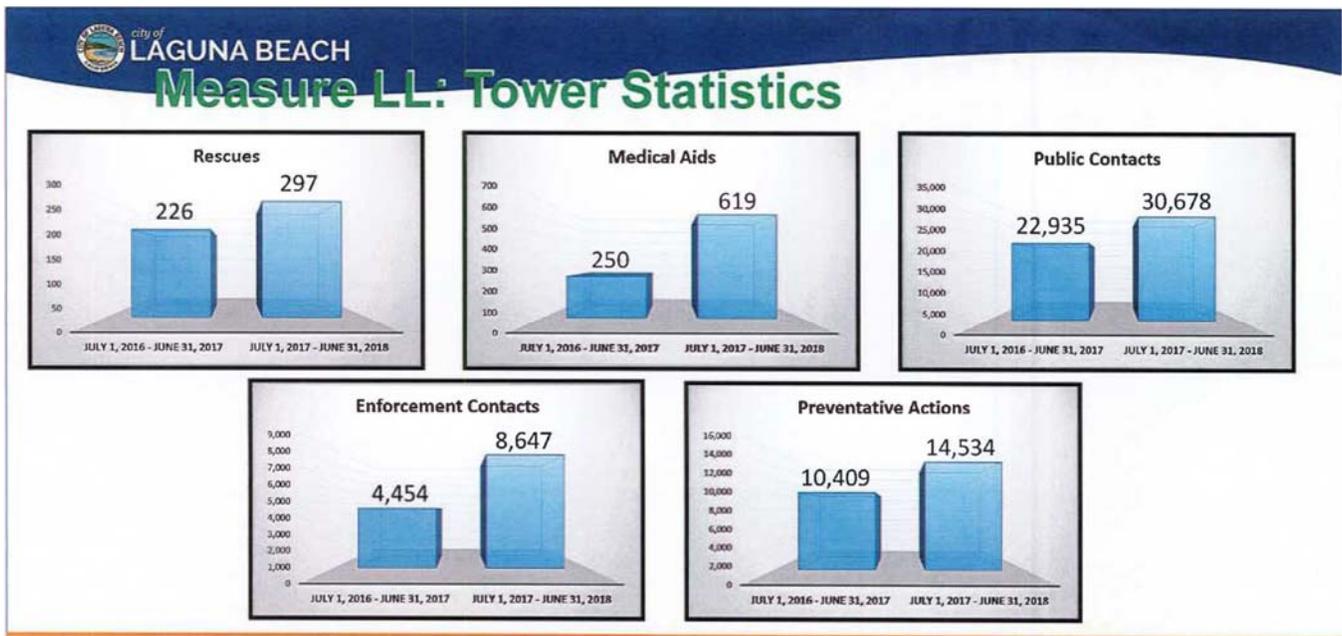
An examination of the impacts of the Marine Safety Officers hired with Measure LL funding reveals they delivered a direct and significant public safety enhancement to the city’s marine environment. The chart below demonstrates that impact, with the two newly hired Marine Safety Officer responsible for well over 17,000 public contacts and 373 rescues since they have been added to the department. One of the most notable figures is the 8,615 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. It is clear that without these added positions funded through Measure LL, these contacts, preventive actions and rescues would 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.

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 of local ordinances by Marine Safety Officer staff complements the efforts of the Beach Patrol Officers and other police employees, thereby delivering a greater impact toward resolving trends long term.

Measure LL Marine Safety Officer - Combined Totals				
Rescue	Medical	Ordinance	Public Contacts	Prevents
373	198	3371	17453	8615

Similarly, the additional 100 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 including Crescent Bay, Main Beach and Treasure Island. Without lifeguards in these towers on these days, beach-goers 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. The data from the additional 100 tower days are compelling. The fiscal year 2017-2018 allocation of Measure LL funds toward seasonal salaries for this purpose resulted in 297 rescues, 619 medical aids, 14,534 preventative actions and 8,647 ordinance enforcement incidents.



Public Works - Assessment of Measurable Enhanced Service Delivery

For perspective: On the surface, Fiscal Year 2017-2018 Measure LL fund allocation of \$1,368,700 (excluding carryovers) to the Public Works Department represents 4.4% of the total Public Works department budget of \$30,512,000. However, that is distorted because Public Works is responsible for Capital Improvements. Accordingly, the Public Works department budget includes \$12,085,000 for Capital Improvements which includes undergrounding of utilities budgeted for \$1,000,000. Therefore, the share of Measure LL funds allocated to Public Works excluding Undergrounding is \$368,700 which represents 2.0% of the Public Works budget excluding Capital Improvements. The \$1,000,000 of Measure LL funds (excluding carryovers) allocated to Undergrounding represents 8.3% of Capital Improvements.

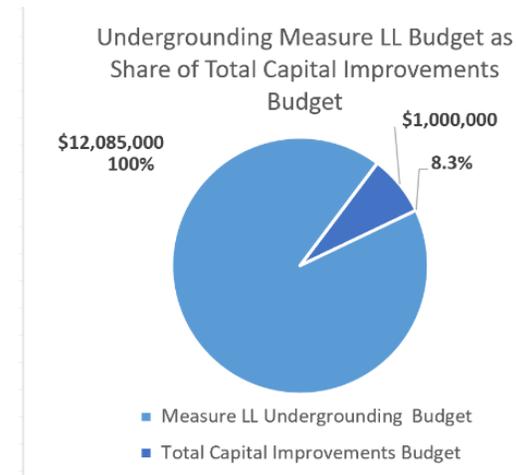
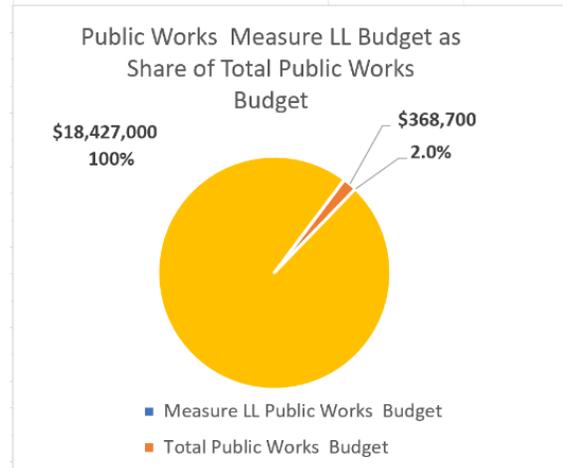
The Public Works Department is using Measure LL funding in three (3) broad categories: utility undergrounding; cleanliness of public sidewalks, restrooms and public spaces; and downtown enhancements.

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 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. And approximately 700 tons of kelp 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.

Lastly, Public Works allocated some Measure LL funding toward downtown enhancement projects including irrigation repairs and landscaping enhancements including the trimming of vegetation. These projects contributed not only to a more visually aesthetic downtown, but enhanced public safety through the removal of standing water and dense vegetation which contributed to unwanted behavior.



Section Six – Six: Public Input

As mentioned in Section Five above, members of the public attended most of the full committee meetings and provided input at those meetings. This active participation by the public in the committee meetings led to a number of questions including:

- **Scope of committee’s responsibilities:** Section Four of this report describes the scope of the review as specified by the City Council in Resolution 18.009 (See Attachment B.) and Section Five describes the methodology followed by the committee in carrying out its duties. However, a number of comments and questions by members of the public attending committee meetings addressed the topic of whether this committee or another committee or task force comprised of residents should have broader responsibilities pertaining to public funds. In addition to its responsibility to review use of Measure LL funds, this committee also has a separate responsibility to review the city’s Comprehensive Annual Financial Report. In both cases, committee’s responsibility is limited to a review of results, though in the case of the review of the Comprehensive Annual Financial Report, the responsibility is somewhat broader, also including review of internal controls and legal compliance. The committee is not required or requested to go beyond these relatively limited review functions and address issues of financial policy. Members of the public questioned whether there would be benefit to the community if the city did solicit more input on such matters.
- **Estimate of additional costs attributable to tourists:** As described in Section Three, the premise for the ballot measure to increase TOT is that costs attributed to tourists add to the city’s costs of providing necessary services, however, no estimate of the amount of additional costs was included in ballot materials. Members of the public inquired as to whether the city has such an estimate or, if it does not, whether it should provide such an estimate.
- **Additional services and capital improvements:** Members of the public explained that it had been their understanding that the intent of Measure LL is to provide funds for additional services that are not already being provided by the city. While ballot material does not so state directly, and since Measure LL is a general tax that can be used for any purpose that would normally be paid from the General Fund, there were questions about assurances that the Measure LL funds would be used for additional services rather than to provide alternative funding for services currently paid from the General Fund.
- **Vital Services:** The title of the ballot measure was “Laguna Beach Vital Services Measure”. Ballot related material used the same term. Without questioning whether Measure LL funds are being used in compliance with uses allowed under the ballot measure, questions addressed whether use of some Measure LL funds would be characterized as used for “vital services.”

Definition of terms used in Section Six:

Reserve: After the end of the fiscal year 2016-2017, the committee recommended that a portion of the funds that had been budgeted for that fiscal year, that had been collected, but had not been spent, and were not rolled over for use in the following time period, would be set aside as a reserve for times when revenues fell below projections but people had been hired or the city had otherwise made commitments for use of Measure LL funds. Reserve funds are sometimes referred to as funds for “smoothing” purposes.

Carryover: Carryovers refer to funds budgeted for expenditures in a prior fiscal year that have not been spent by the end of that fiscal year and are carried over to the next fiscal year. An example would be funds for purchase of a vehicle which were not spent in the period when the funds were initially budgeted to be spent, but which are expected to be spent in a later time period.

Available Funds: Available funds refers to funds that have been received but that have not been appropriated or carried over for a future use. Available funds can consist of savings where budgeted funds will not be needed for the budgeted purpose or can be due to revenues being collected in excess of the amount anticipated as budgeted revenue. These funds can roll forward from period to period and are available for use by the City Council in future budgets, though available funds are commonly thought of as most appropriately used for funding one-time expenditures rather than for funding recurring obligations.

Section Seven -- Findings and Conclusion:

Conclusion: Based on its review, and consistent with its findings below, the committee concludes that use of Measure LL funds is consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and the Comprehensive Annual Financial Report and that the use of funds is having a positive impact on the Community.

Key Finding:

After a review of ballot measure material, the approved budget, modifications to the approved budget, internal accounting reports, and the Comprehensive Annual Financial Report, and after discussion with the city's auditors at White Nelson Diehl, the Citizens' Audit Review and Measure LL Oversight Committee finds the City's expenditures of Measure LL funds are consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and the Comprehensive Annual Financial Report.

Other Findings:

1. Department Data Tracking Results: From meeting with the Chiefs of the Police Department, Fire Department, Marine Safety, and the Assistant City Manager/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 was pleased to learn that these City departments appeared mindful of tracking not only taxpayer "inputs" of resources but also "outputs" in terms of improved service deliverables. From the standpoint of data provided by the departments:
 - a. The Police and Marine Safety data that was provided made the most compelling case of the effectiveness to the community of their use of Measure LL funds.
 - b. While input from the Fire Department was less data driven, use of Measure LL funds by fire was considered to be equally effective.
 - c. Because of the intrinsic nature of its responsibilities, Public Works was challenged to provide data regarding results. The data that was provided was essentially based on complaints received, and receiving few complaints was interpreted to indicate that Measure LL funds were used by public works effectively.
 - d. However, while the ballot measure was predicated on the impacts on city services and the costs of providing those services, performance data generally did not distinguish between additional costs or impacts on the departments attributable to visitors versus those attributable to residents.
2. Level of Value brought by Measure LL: In addition to simply reviewing whether Measure LL funds were spent according to the ballot measure and the approved city budget, the committee also attempted to determine the level of value brought to the citizens of Laguna Beach by use of Measure LL funds. In doing so, the committee reviewed performance criteria related to the expenditure of Measure LL funds and the performance criteria data supplied by the departments provided useful insight into the most cost effective uses of public funds. As a result, the committee finds that not only were Measure LL expenditures consistent with the ballot measure material, resolutions related to the ballot measure, the approved budget, and the Comprehensive Annual Financial Report but the committee also found that the use of funds is having a positive impact on the Community.
3. Cost due to Visitors: Members of the public attending the committee meetings raised the issue that while the ballot measure was predicated on the premise that millions of tourists or visitors

come to Laguna Beach every year, which increases traffic and demand for city services and resources which then results in higher costs for the city, the dollar amount of these increased costs was not specified in ballot material. The members of the Measure LL committee discussed the potential benefits of quantifying the impacts of visitors and other non-residents in terms of vital service demands. And, while committee members agree there is little doubt these demands have a substantial impact on the community and on city resources, the committee found that this assessment and evaluation is beyond its purview.

4. Vital Services: The language of Resolution 16.063 (See Attachment B.) titled the ballot measure “Laguna Beach Vital Services Measure” and stated the measure was 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...” Since the terminology included the words “and other services and improvements”, and considering that use and apportionment of Measure LL funds are within the discretion 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. Never-the-less, committee members as well as members of the public attending the committee meetings found there was some question about whether all of over \$365,000 budgeted for purposes such as a fourfold increase in downtown and Coast Highway sidewalk steam cleaning, a fivefold increase in restroom cleaning during peak periods, enhanced beach cleaning and kelp removal, beautification treatments, and special planting areas were all truly “vital services.”
5. Enhanced Services: Though there were questions from members of the public regarding whether Measure LL funds were used for providing additional or enhanced public services rather than for providing alternate sources of funding for existing services, the review by the committee of the city’s use of Measure LL funds found that the funds have been used for the purpose of funding enhanced or additional services rather than for providing alternate sources of funding for existing services.
6. Community Survey: In the course of its review, the committee found that prior to the City Council agreeing to put the TOT ballot measure before the voters, the city commissioned a community survey with questions about the feasibility of generating new revenue from sources including transient occupancy. The survey found that over 60% of respondents said they would support a transient occupancy tax increase of 4% which was projected to provide approximately \$4 million to the city annually. The ballot measure actually pursued by the The City Council was a ballot measure to increase transient occupancy tax 2% instead of 4%.
7. Reserve Fund: With projected expenditures of \$2,427,100 for the 2018-2019 fiscal year, the committee finds the reserve account is below 10% of projected 2018-2019 expenditures.
8. Possibility of future unfunded pension liabilities attributable to employees funded by Measure LL: If the retirement contributions for employees paid from Measure LL were eventually to result in an 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, 2017, the committee found that all three recommendations of the committee in that report have been adopted by the city. Those recommendations were:

- a. To use the one-time savings of \$147,284 and the revenue received in excess of the budget estimate of \$64,721 to create a 10% reserve. The total amount transferred to the reserve was \$212,005.
- b. To request City Departments to develop performance measurements to help recognize success and identify problem areas in the services funded by Measure LL.
- c. To consider redistributing 30% of the cost of the salary and benefits of the Civilian Fire Marshal, hired June 2017, from the Measure LL Fund to the General Fund to adjust for costs linked to providing plan checks and inspection services for the Community Development Department.

Section Eight – Recommendations and Considerations:

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

1. The committee recommends that city request 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.
2. The committee recommends that, to the extent practical, the departments attempt to identify additional services and improvements needed, and additional costs to accommodate Laguna's millions of visitors.
3. Inclusion of the words "and other services and improvements" in the ballot measure contributed to the conclusion that use of Measure LL funds is consistent with the ballot measure material. However, based on questions of whether 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 Council better define the meaning of the term "Vital Services."
4. 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.

Considerations: Though resulting from observations during its review, since the following may fall outside the strict definition of the responsibilities of the committee, rather than being characterized as recommendations, the committee simply encourages the City Council to give consideration to the following:

1. Consider expanded use of performance measures beyond the Measure LL budget: The use of the departments' metrics to measure performance was of considerable value to the committee in determining first whether Measure LL funds enhanced service levels as intended and second, to what degree. During its evaluation the committee recognized the potential broader value that performance measurement could provide if applied more generally. Therefore, to the extent the city isn't already doing this, the Committee encourages the city to consider extending the use of performance measurement and long-term tracking with respect to the city's overall expenditures.
2. Though the ballot measure was predicated on increases in costs to the city attributable to tourists, the increased amounts were not quantified. Therefore, the committee encourages the city to consider whether there would be benefit to the community of providing an estimate to the public of the amount of additional costs the city incurs due to visitors.

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.

Attachments

- a. Measure LL Informational Flyers
- b. Resolutions 16.063, 16.068, 16.102, 17.011, 18.009
- c. Revenue Report, Source City Finance Division
- d. Expenditure Report, Source City Finance Division
- e. Staff Report: March 22, 2016 Item 1
- f. Staff Report: March 22, 2016 Item 2
- g. Staff Report: May 10, 2016
- h. Staff Report: June 28, 2016 with Survey Questions and Results
- i. Staff Report: July 26, 2016
- j. Staff Report: December 13, 2016 Measure LL Recommended Service Enhancements, Accounting, And Oversight Committee
- k. Staff Report: February 7, 2017, Mid-year budget update
- l. Staff Report: June 27, 2017 Adoption of Fy 2017-18 And Fy 2018-19 Budget and Revisions to The Fy 16-17 Budget
- m. Staff Report: Feb. 27 2018, Mid-Year Budget Update and presentation of the first Measure LL Annual Report.
- n. Staff Report: June 12, 2018 Modifications to FY 2017-18 and 2018-19 Adopted Budget
- o. Police Department Information
- p. Fire Department Information
- q. Marine Safety Department Information
- r. Public Works Information
- s. Water Quality Information
- t. Minutes of City Council meetings June 28, 2016; July 26, 2016

Attachment A

Measure LL Informational Flyers



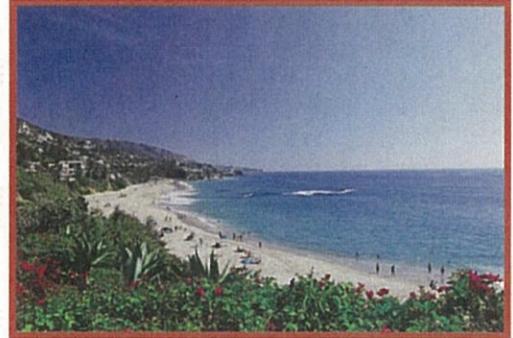
Measure LL: Laguna Beach Vital Services Measure

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

Prsrt. 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?

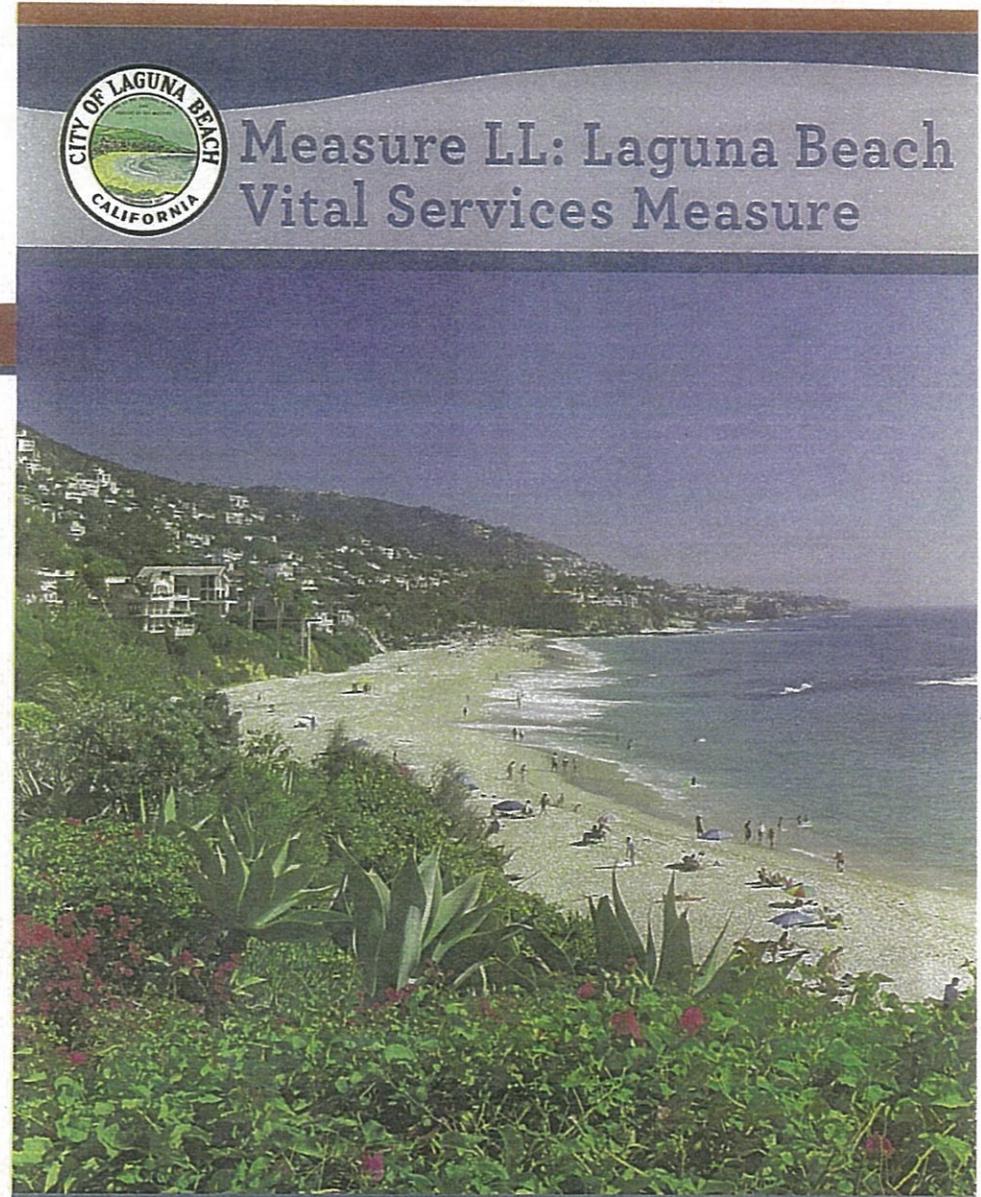
In order to pass, Measure LL needs the support of over 50% of those who vote on it.

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.OCVote.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) 345-8683



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:



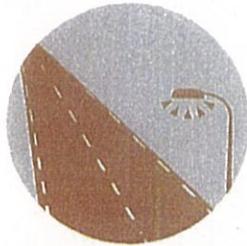
Protect beaches from pollution



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



ATTACHMENT B

Resolution 16.063

Resolution 16.068

Resolution 16.102

Resolution 17.011

Attachment B

Resolution 16.063

Resolution 16.068

Resolution 16.102

Resolution 17.011

Resolution 18.009

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.

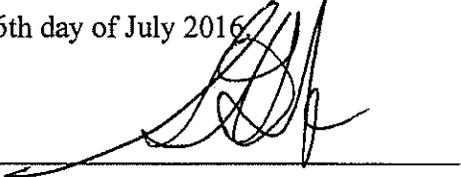
8 **SECTION 11.** In all particulars not recited in this Resolution, the election shall be held and
9 conducted as provided by law for holding municipal elections.

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 Dicterow, Mayor

25 ATTEST:



28 Lisette Chel-Walker, City Clerk

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;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 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.

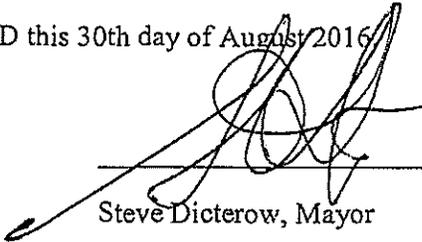
SECTION 4. Although this Resolution expresses the intent of the current City Council to prioritize spending options for future Measure LL revenues for certain purposes, this Resolution is non-binding on this or any future or subsequently constituted City Council, and the TOT is and shall remain a general 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.

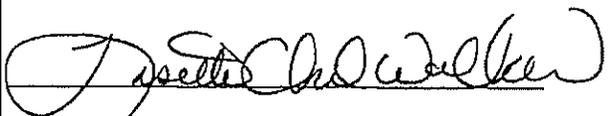
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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



Steve Dicterow, Mayor

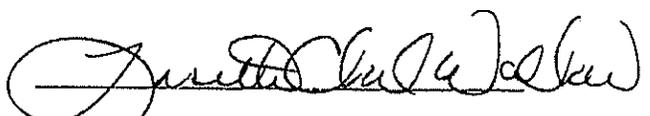
ATTEST:



Lisette Chel-Walker, City Clerk

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

- AYES: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow
- NOES: COUNCILMEMBERS: None
- ABSTAIN: COUNCILMEMBERS: None
- ABSENT: COUNCILMEMBERS: None



City Clerk, City of Laguna Beach, California

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

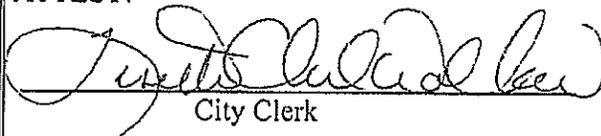
City Council as to whether the Measure LL funds have been expended on items of the type described in Resolution 16.068 or the other items described in the Measure LL ballot measure.

ADOPTED this 13th day of December, 2016.



Toni Iseman, Mayor

ATTEST:



City Clerk

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

- AYES: COUNCILMEMBER(S): Dicterow, Whalen, Zur Schmiede, Boyd, Iseman
- NOES: COUNCILMEMBER(S):
- ABSENT: COUNCILMEMBER(S):



City Clerk of the City of Laguna Beach, CA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the foregoing **Resolution No. 16.063** was duly adopted at a regular meeting of the City Council of said City held on July 26, 2016, by the following vote:

- AYES: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow
- NOES: COUNCILMEMBERS: None
- ABSTAIN: COUNCILMEMBERS: None
- ABSENT: COUNCILMEMBERS: None


City Clerk, City of Laguna Beach, California

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. 16.063 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 17.011

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH,
CALIFORNIA, MODIFYING RESOLUTION NO. 16.102 TO INCREASE THE SIZE OF
THE CITIZENS' MEASURE LL AUDIT OVERSIGHT COMMITTEE FROM FIVE
MEMBERS TO SEVEN MEMBERS**

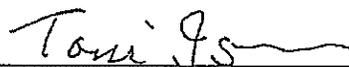
WHEREAS, on November 8, 2016, Laguna Beach residents voted to approve Measure LL to increase the Transient Occupancy Tax rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%; and

WHEREAS, on December 13, 2016, the City Council adopted Resolution No. 16.102 to establish a Citizens' Measure LL Audit Oversight Committee consisting of five members appointed by the City Council; and

WHEREAS, on January 31, 2017, the City Council determined that the size of the Citizens' Measure LL Audit Oversight Committee should be expanded to seven members;

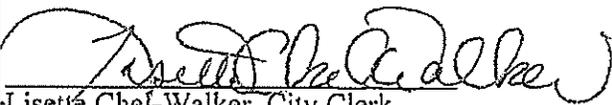
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH HEREBY RESOLVES to increase the size of the Citizens' Measure LL Audit Oversight Committee from five members to seven members.

ADOPTED this 28th day of February, 2017.



Toni Iseman, Mayor

ATTEST:



Lisette Chef-Walker, City Clerk

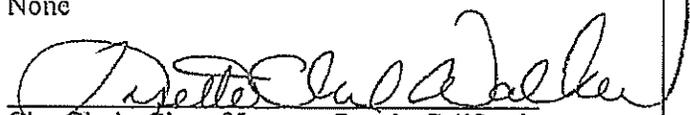
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the 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:

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

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


City Clerk, City of Laguna Beach, California

ATTACHMENT C

December 13, 2016

Agenda Bill

Service Enhancement, Accounting and Oversight

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

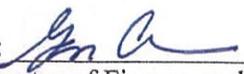
At its August 30, 2016 meeting, the City Council passed Resolution 16.068 expressing its intent, and among other things, to prioritize spending options for future Measure LL revenue. Prioritization of spending options included: protect beaches from pollution; provide fire and police protection, and emergency 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.

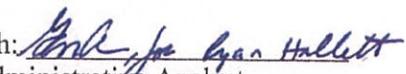
RECOMMENDATION: It is recommended that the City Council

(See Pages 5)

Appropriations Requested: _____

Coordinated with: 
Gavin Curran, Director of Finance and IT

Fund: _____

Coordinated with: 
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, 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	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)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(2,158,700)
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		
17	Police	Civilian Investigator			41,300
18	Fire	2 Fire Prevention Inspectors	(5,000)		(82,500)
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)

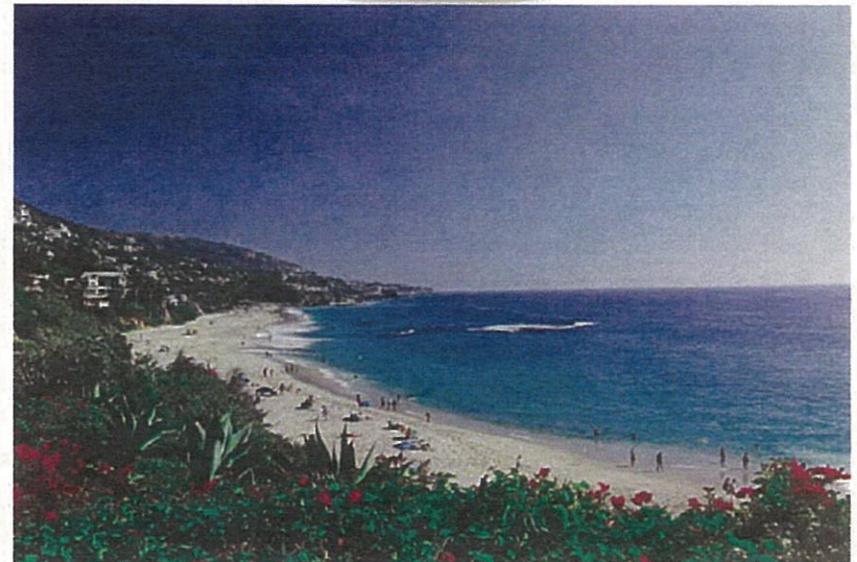


Measure LL

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

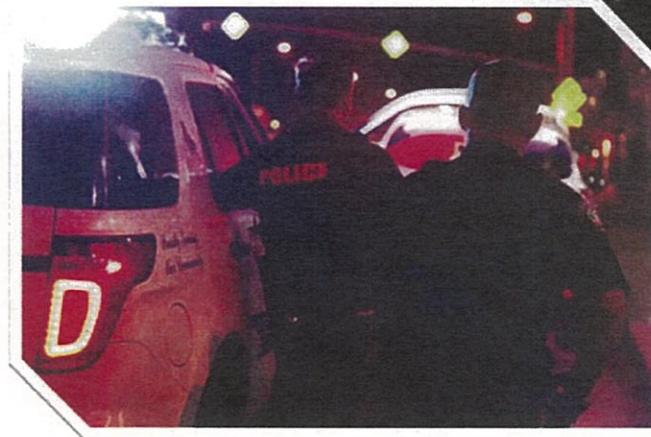
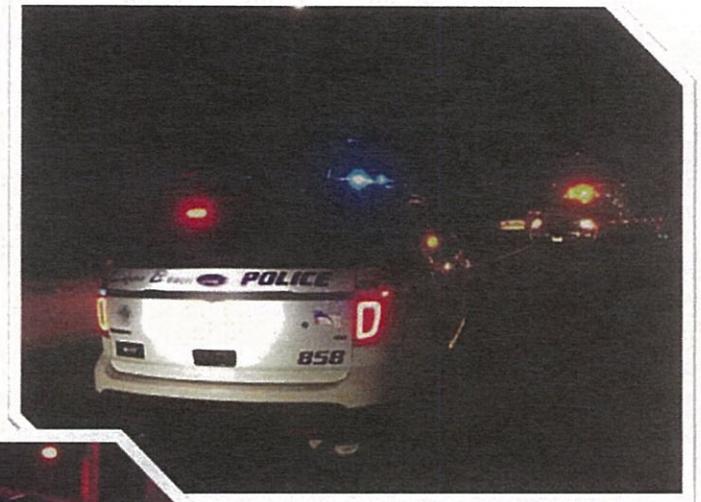




POLICE

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

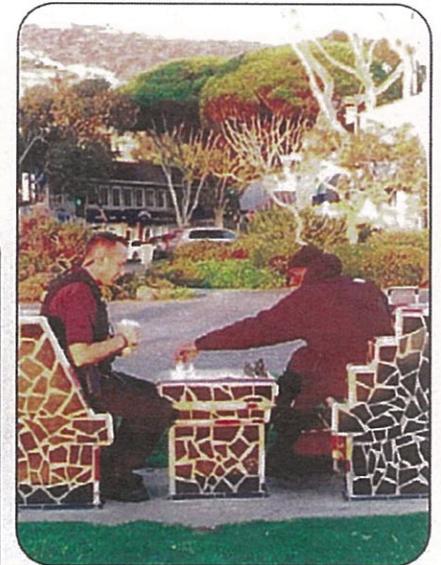




POLICE

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

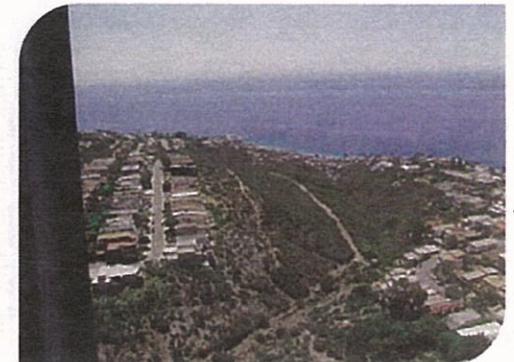
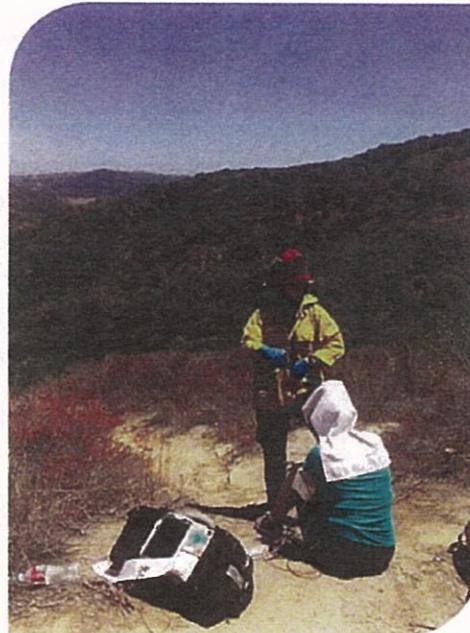




Increased Demand for Services

- 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





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

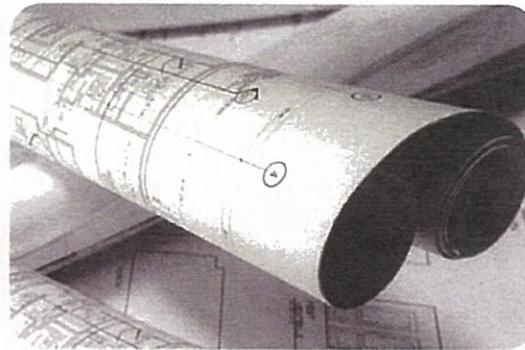




FIRE

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



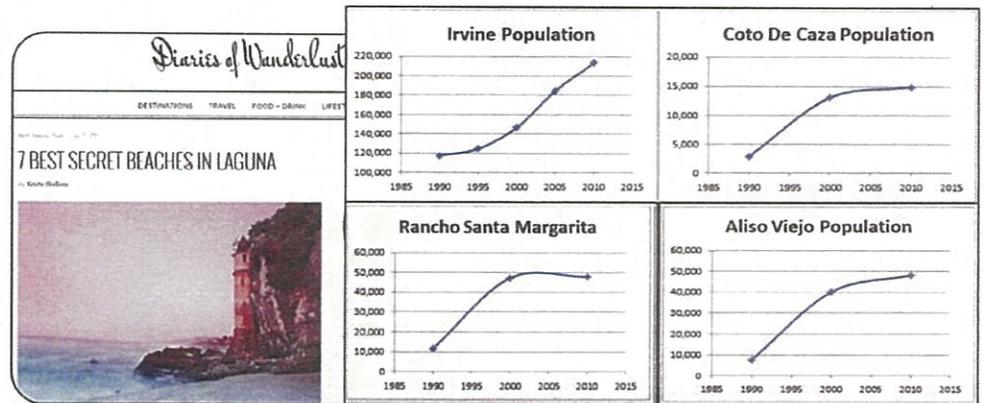
MARINE SAFETY

Increased Year-Round Demand

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

Lead to an Increase in:

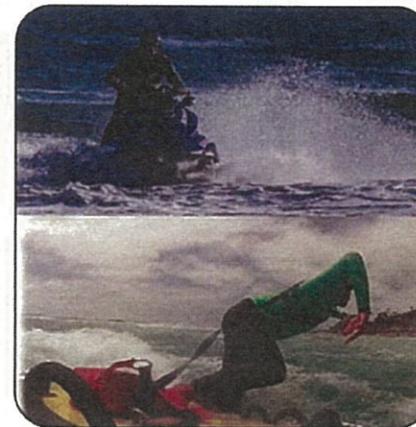
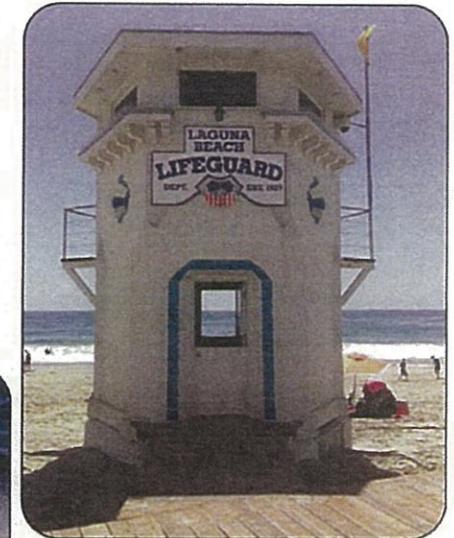
- Beach Attendance
- Aquatic Rescues (nearly 400% in 5 years)
- Lifeguard activities
 - Diver & Cliff Rescues; Offshore Responses



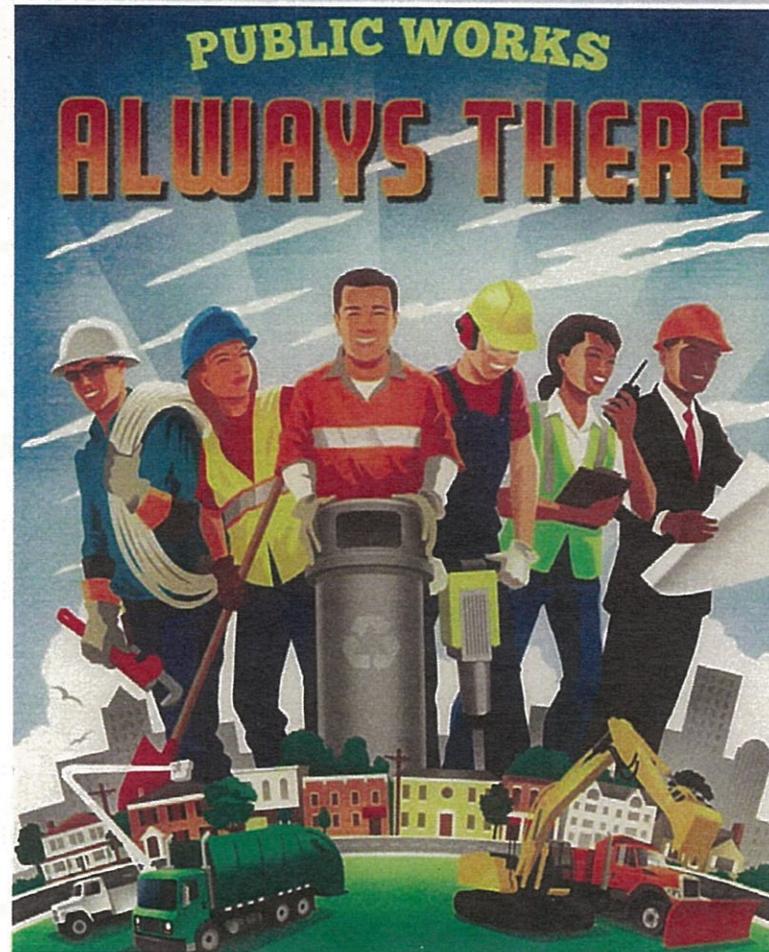
MARINE SAFETY

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



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)

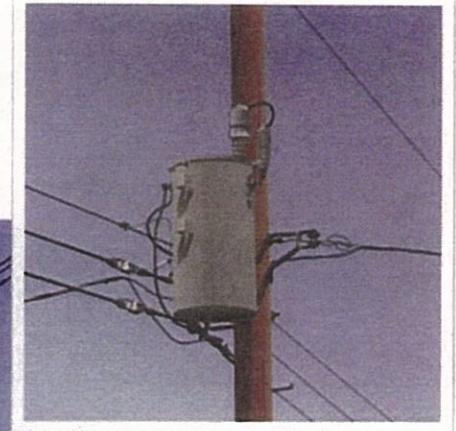
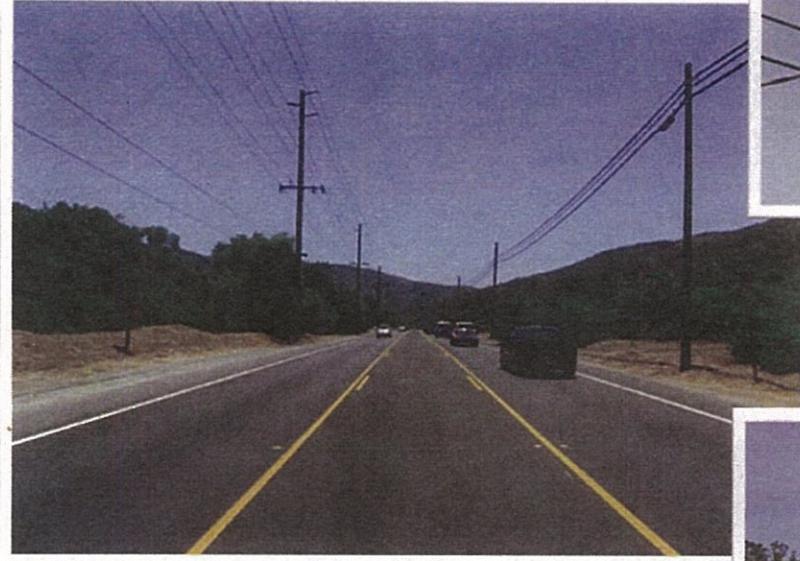
PUBLIC WORKS

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



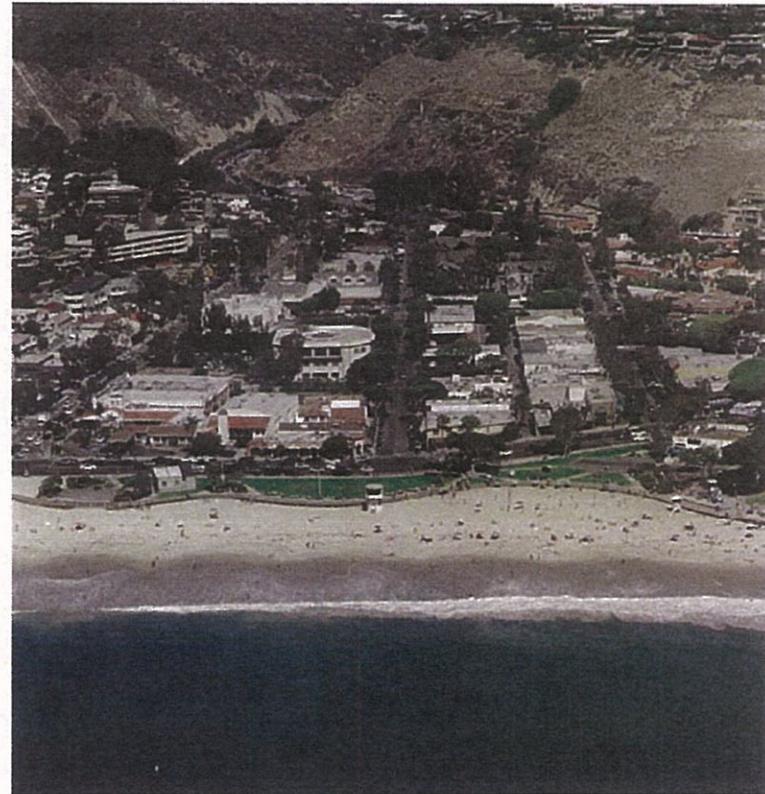
OTHER ONE-TIME FUNDING ITEMS

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



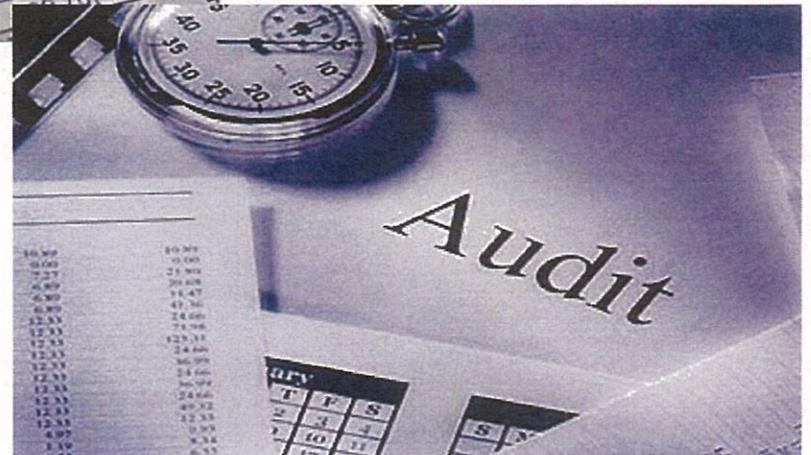
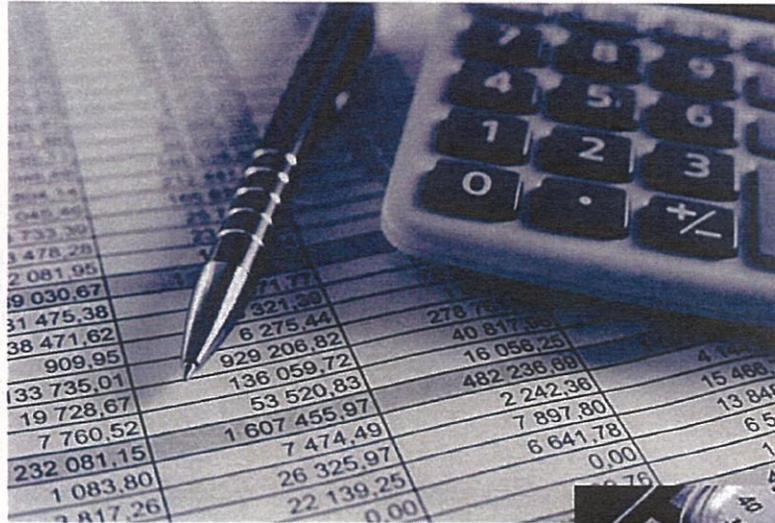
CITY MANAGER RECOMMENDATION

			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	2 Additional Beach Patrol Officers	(5,000)	(54,800)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(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

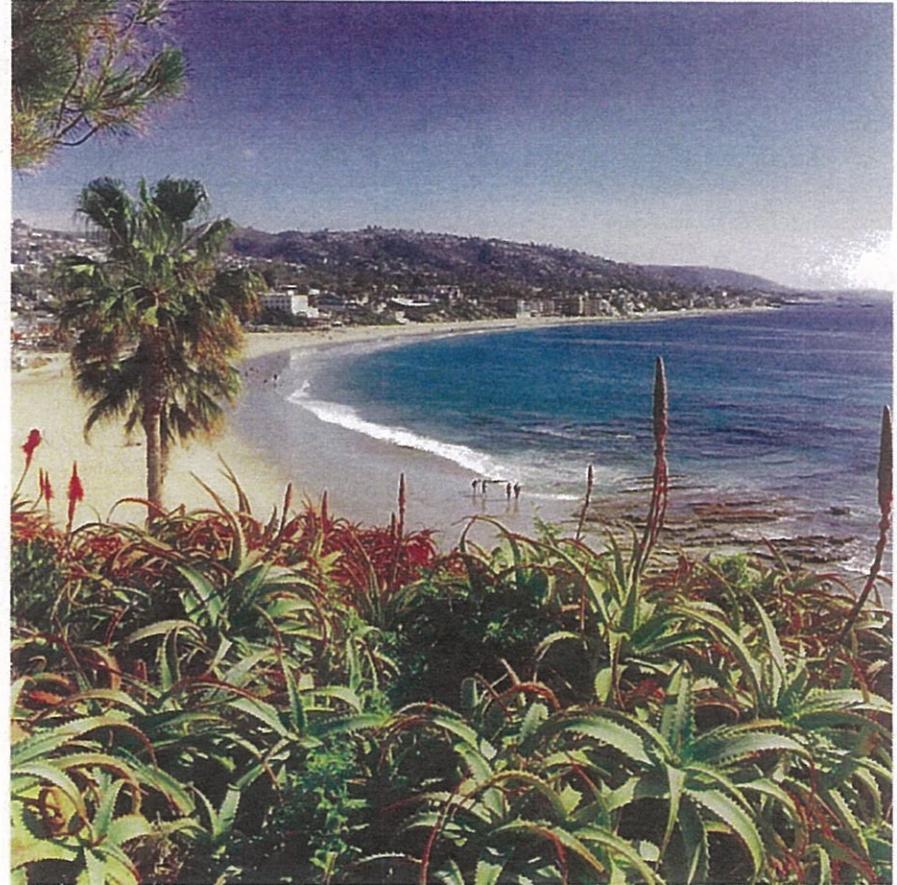
Accounting

- 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

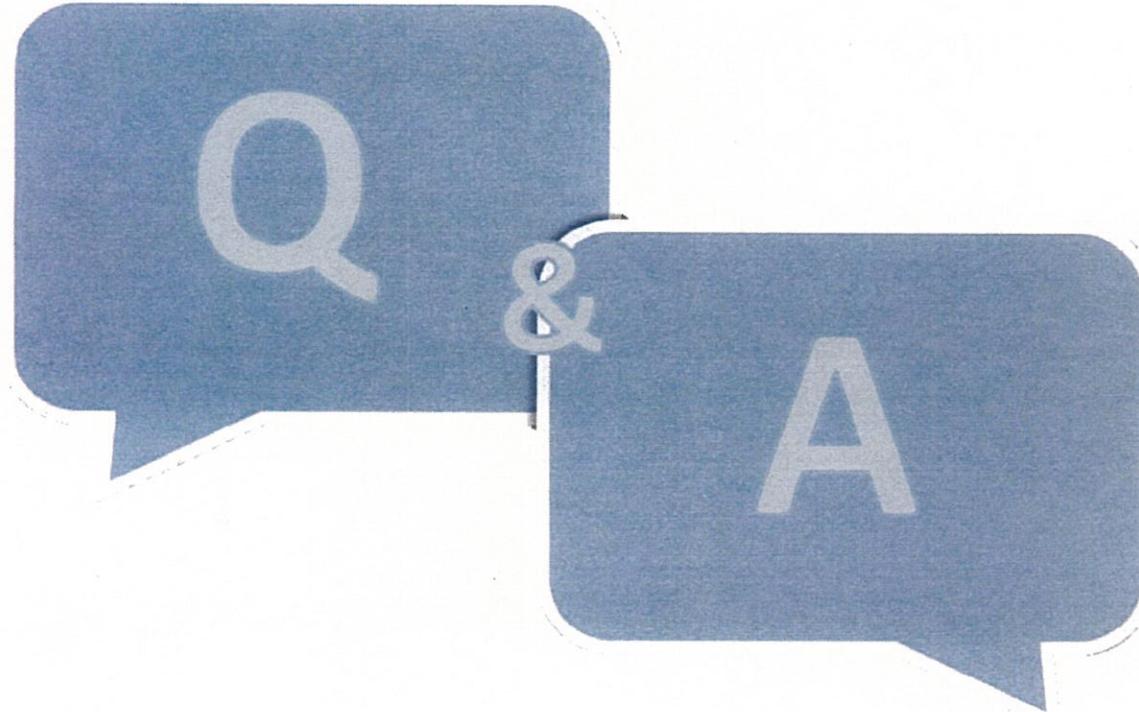
RECOMMENDATIONS



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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

City Council.

ADOPTED this 13th day of December, 2016.

, Mayor

ATTEST:

City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 16.xx was duly adopted at a Regular Meeting of the City Council of said City held on December 13, 2016, by the following vote:

AYES: COUNCILMEMBER(S):
NOES: COUNCILMEMBER(S):
ABSENT: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

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

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

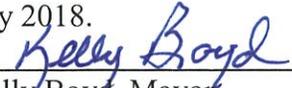
4 8. CONFLICT OF INTEREST

5 Current members of Citizens' Audit Review and Measure LL Oversight Committee
6 terms, are not designated filers for the Statement of Economic Interests form (Form
7 700) for the remainder of their current terms. Thereafter, all new and existing members
8 of the Citizens' Audit Review and Measure LL Oversight Committee are subject to the
9 requirements of the Conflict of Interest provisions of the Laguna Beach Municipal
10 Code and the conflict of interest laws of the State of California. All members shall be
11 designated filers for the Statement of Economic Interests form (Form 700) required by
12 the California Fair Political Practices Commission.
13

14 9. SUPERSEDE AND REPLACE RESOLUTION 18.006

15 This resolution is intended to supersede and replace Resolution 18.006 adopted by the
16 City Council on January 23, 2018.
17

18 ADOPTED this 27th day of February 2018.

19 
Kelly Boyd, Mayor

20 ATTEST:

21 
22 City Clerk

23 I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby
24 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:

25 AYES: COUNCILMEMBER(S): Dicterow, Iseman, Whalen, Zur Schmiede, Boyd
26 NOES: COUNCILMEMBER(S): None
ABSENT: COUNCILMEMBER(S): None

27 
City Clerk of the City of Laguna Beach, CA
28

Attachment C

Revenue Report, Source City Finance Division

General Ledger
00Revenue Budget vs Actual



User: GCurran
Printed: 01/19/19 15:05:42
Period 12 - 12
Fiscal Year 2018

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Uncollected	% Bud vs Actual-Uncoll	One Year Prior Actual
113 0000	Measure LL Trans Occupancy Tax-Other Other Taxes							
113-00-0000-3112	Trans Occupancy	-2,200,000.00	-2,188,000.00	-584,641.09	-2,359,733.54	171,733.54	-7.85	-1,029,946.68
113-00-0000-3114	Tax-Other TOT-Short Term Lodging	<u>0.00</u>	<u>0.00</u>	<u>-24,151.05</u>	<u>-89,471.62</u>	<u>89,471.62</u>	<u>0.00</u>	<u>-34,773.60</u>
	Other Taxes	-2,200,000.00	-2,188,000.00	-608,792.14	-2,449,205.16	261,205.16	-11.94	-1,064,720.28
	Use of Money and Property							
113-00-0000-3500	Investment Revenue	<u>0.00</u>	<u>0.00</u>	<u>-6,321.00</u>	<u>-11,706.00</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>-6,321.00</u>	<u>-11,706.00</u>	<u>11,706.00</u>	<u>0.00</u>	<u>0.00</u>
0000	Investment Revenue	<u>-2,200,000.00</u>	<u>-2,188,000.00</u>	<u>-615,113.14</u>	<u>-2,460,911.16</u>	<u>272,911.16</u>	<u>-12.47</u>	<u>-1,064,720.28</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>
00	Revenues	<u>-2,200,000.00</u>	<u>-2,188,000.00</u>	<u>-615,113.14</u>	<u>-2,460,911.16</u>	<u>272,911.16</u>	<u>-12.47</u>	<u>-1,064,720.28</u>
113	Measure LL	<u>-2,200,000.00</u>	<u>-2,188,000.00</u>	<u>-615,113.14</u>	<u>-2,460,911.16</u>	<u>272,911.16</u>	<u>-12.47</u>	<u>-1,064,720.28</u>

Attachment D

Expenditure Report, Source City Finance Division

General Ledger

Expenditure Budget vs Actual



User: GCurran
 Printed: 01/19/19 14:58:49
 Period 12 - 12
 Fiscal Year 2018

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Encumber Date	Unencum. Bal	42% Used	Prior Actual	Two Year Prior Actual	
113	Measure LL									
2102	Police Field Services									
	Salaries & Wages									
113-20-2102-1001	Salaries, Full Time	195,500.00	195,500.00	17,023.86	216,442.05	0.00	-20,942.05	110.71	31,969.77	0.00
113-20-2102-1006	Salaries, Overtime	0.00	0.00	-737.94	0.00	0.00	0.00	0.00	1,928.14	0.00
113-20-2102-1009	Salaries, Redistributed	39,400.00	39,400.00	3,307.00	39,400.00	0.00	0.00	100.00	0.00	0.00
113-20-2102-1038	New Sick Leave Payoff	1,000.00	1,000.00	87.00	1,000.00	0.00	0.00	100.00	0.00	0.00
113-20-2102-1040	Vacation Payoff	1,100.00	1,100.00	88.00	1,100.00	0.00	0.00	100.00	0.00	0.00
113-20-2102-1053	Holiday Allowance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,106.58	0.00
113-20-2102-1101	P.E.R.S. Retirement	23,400.00	23,400.00	2,771.58	31,533.09	0.00	-8,133.09	134.76	6,641.56	0.00
113-20-2102-1201	Workers' Compensation	3,000.00	3,000.00	250.00	3,000.00	0.00	0.00	100.00	0.00	0.00
113-20-2102-1300	Employee Group Insurance	55,500.00	55,500.00	4,625.00	55,500.00	0.00	0.00	100.00	0.00	0.00
113-20-2102-1318	Medicare Insurance	2,800.00	2,800.00	313.52	3,370.40	0.00	-570.40	120.37	522.52	0.00
	Salaries & Wages	321,700.00	321,700.00	27,728.02	351,345.54	0.00	-29,645.54	109.22	43,168.57	0.00
	Maintenance & Operations									
113-20-2102-2001	Uniforms And Laundry	1,000.00	11,000.00	0.00	1,066.44	0.00	9,933.56	9.69	0.00	0.00
113-20-2102-2031	Telephone	0.00	0.00	30.46	395.98	0.00	-395.98	0.00	30.46	0.00
113-20-2102-2170	General Insurance	3,000.00	3,000.00	250.00	3,000.00	0.00	0.00	100.00	0.00	0.00
	Maintenance & Operations	4,000.00	14,000.00	280.46	4,462.42	0.00	9,537.58	31.87	30.46	0.00
2102	Police Field Services	325,700.00	335,700.00	28,008.48	355,807.96	0.00	-20,107.96	105.99	43,199.03	0.00

<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>Unencum. Bal</u>	<u>42% Used</u>	<u>Prior Actual</u>	<u>Two Year Prior Actual</u>
20	Police Department	325,700.00	335,700.00	28,008.48	355,807.96	0.00	-20,107.96	105.99	43,199.03	0.00
2401	Fire Operations									
	Salaries & Wages									
113-24-2401-1001	Salaries, Full Time	57,200.00	57,200.00	1,355.93	10,169.50	0.00	47,030.50	17.78	5,071.10	0.00
113-24-2401-1006	Salaries, Overtime	33,600.00	33,600.00	6,421.35	33,552.80	0.00	47.20	99.86	0.00	0.00
113-24-2401-1101	P.E.R.S. Retirement	9,600.00	9,600.00	155.75	1,594.40	0.00	8,005.60	16.61	74.10	0.00
113-24-2401-1318	Medicare Insurance	<u>1,300.00</u>	<u>1,300.00</u>	<u>112.78</u>	<u>678.18</u>	<u>0.00</u>	<u>621.82</u>	<u>52.17</u>	<u>72.65</u>	<u>0.00</u>
	Salaries & Wages	101,700.00	101,700.00	8,045.81	45,994.88	0.00	55,705.12	45.23	5,217.85	0.00
	Maintenance & Operations									
113-24-2401-2011	Training Travel and Dues	<u>6,000.00</u>	<u>6,000.00</u>	<u>0.00</u>	<u>602.00</u>	<u>0.00</u>	<u>5,398.00</u>	<u>10.03</u>	<u>0.00</u>	<u>0.00</u>
	Maintenance & Operations	6,000.00	6,000.00	0.00	602.00	0.00	5,398.00	10.03	0.00	0.00
	Special Programs									
113-24-2401-8721	Paramedics	<u>0.00</u>	<u>32,600.00</u>	<u>7,869.04</u>	<u>28,466.78</u>	<u>0.00</u>	<u>4,133.22</u>	<u>87.32</u>	<u>18,017.10</u>	<u>0.00</u>
	Special Programs	0.00	32,600.00	7,869.04	28,466.78	0.00	4,133.22	87.32	18,017.10	0.00
2401	Fire Operations	107,700.00	140,300.00	15,914.85	75,063.66	0.00	65,236.34	53.50	23,234.95	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	42% Used	Prior Actual	Two Year Prior Actual
2501	Fire Prevention									
	Salaries & Wages									
113-24-2501-1001	Salaries, Full Time	123,400.00	123,400.00	9,588.92	119,448.57	0.00	3,951.43	96.80	0.00	0.00
113-24-2501-1006	Salaries, Overtime	0.00	0.00	-2,916.57	0.00	0.00	0.00	0.00	0.00	0.00
113-24-2501-1038	New Sick Leave Payoff	1,000.00	1,000.00	87.00	1,000.00	0.00	0.00	100.00	0.00	0.00
113-24-2501-1040	Vacation Payoff	1,100.00	1,100.00	88.00	1,100.00	0.00	0.00	100.00	0.00	0.00
113-24-2501-1101	P.E.R.S. Retirement	20,700.00	20,700.00	870.76	10,847.01	0.00	9,852.99	52.40	0.00	0.00
113-24-2501-1201	Workers' Compensation	1,000.00	1,000.00	87.00	1,000.00	0.00	0.00	100.00	0.00	0.00
113-24-2501-1300	Employee Group Insurance	18,500.00	18,500.00	1,538.00	18,500.00	0.00	0.00	100.00	0.00	0.00
113-24-2501-1318	Medicare Insurance	<u>1,800.00</u>	<u>1,800.00</u>	<u>139.04</u>	<u>2,220.18</u>	<u>0.00</u>	<u>-420.18</u>	<u>123.34</u>	<u>0.00</u>	<u>0.00</u>
	Salaries & Wages	167,500.00	167,500.00	9,482.15	154,115.76	0.00	13,384.24	92.01	0.00	0.00
	Maintenance & Operations									
113-24-2501-2001	Uniforms And Laundry	1,000.00	1,000.00	0.00	1,000.00	0.00	0.00	100.00	262.80	0.00
113-24-2501-2031	Telephones	800.00	800.00	107.50	1,672.16	0.00	-872.16	209.02	0.00	0.00
113-24-2501-2051	Gas And Lubricants	1,200.00	1,200.00	70.91	222.70	0.00	977.30	18.56	0.00	0.00
113-24-2501-2101	Materials And Supplies	0.00	0.00	0.00	38.75	0.00	-38.75	0.00	0.00	0.00
113-24-2501-2150	Rents And Leases	6,700.00	6,700.00	558.00	6,696.00	0.00	4.00	99.94	0.00	0.00
113-24-2501-2170	General Insurance	<u>1,000.00</u>	<u>1,000.00</u>	<u>87.00</u>	<u>1,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100.00</u>	<u>0.00</u>	<u>0.00</u>
	Maintenance & Operations	10,700.00	10,700.00	823.41	10,629.61	0.00	70.39	99.34	262.80	0.00
	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>40,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Capital Equipment	0.00	40,000.00	0.00	0.00	0.00	40,000.00	0.00	0.00	0.00
2501	Fire Prevention	<u>178,200.00</u>	<u>218,200.00</u>	<u>10,305.56</u>	<u>164,745.37</u>	<u>0.00</u>	<u>53,454.63</u>	<u>75.50</u>	<u>262.80</u>	<u>0.00</u>

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	42% Used	Prior Actual	Two Year Prior Actual
24	Fire Department	285,900.00	358,500.00	26,220.41	239,809.03	0.00	118,690.97	66.89	23,497.75	0.00
2601	Marine Safety									
	Salaries & Wages									
113-26-2601-1001	Salaries, Full Time	132,200.00	132,200.00	10,680.00	137,204.29	0.00	-5,004.29	103.79	36,272.40	0.00
113-26-2601-1003	Salaries, Part Time	19,000.00	19,000.00	5,304.97	19,007.96	0.00	-7.96	100.04	0.00	0.00
113-26-2601-1006	Salaries, Overtime	0.00	0.00	-24.99	0.00	0.00	0.00	0.00	0.00	0.00
113-26-2601-1038	New Sick Leave Payoff	1,000.00	1,000.00	87.00	1,000.00	0.00	0.00	100.00	0.00	0.00
113-26-2601-1040	Vacation Payoff	1,100.00	1,100.00	88.00	1,100.00	0.00	0.00	100.00	0.00	0.00
113-26-2601-1053	Holiday Allowance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
113-26-2601-1101	P.E.R.S. Retirement	21,000.00	21,000.00	1,533.99	16,299.65	0.00	4,700.35	77.62	4,170.46	0.00
113-26-2601-1103	P.A.R.S. Retirement	700.00	700.00	25.69	539.55	0.00	160.45	77.08	0.00	0.00
113-26-2601-1201	Workers' Compensation	2,000.00	2,000.00	163.00	2,000.00	0.00	0.00	100.00	0.00	0.00
113-26-2601-1300	Employee Group Insurance	37,000.00	37,000.00	3,087.00	37,000.00	0.00	0.00	100.00	5,500.00	0.00
113-26-2601-1318	Medicare Insurance	2,200.00	2,200.00	237.76	2,458.20	0.00	-258.20	111.74	526.00	0.00
	Salaries & Wages	216,200.00	216,200.00	21,182.42	216,609.65	0.00	-409.65	100.19	46,468.86	0.00
	Maintenance & Operations									
113-26-2601-2001	Uniforms And Laundry	500.00	1,700.00	0.00	0.00	0.00	1,700.00	0.00	0.00	0.00
113-26-2601-2011	Training, Travel And Dues	1,000.00	1,300.00	0.00	0.00	0.00	1,300.00	0.00	0.00	0.00
113-26-2601-2170	General Insurance	2,000.00	2,000.00	163.00	2,000.00	0.00	0.00	100.00	0.00	0.00
	Maintenance & Operations	3,500.00	5,000.00	163.00	2,000.00	0.00	3,000.00	40.00	0.00	0.00
2601	Marine Safety	219,700.00	221,200.00	21,345.42	218,609.65	0.00	2,590.35	98.83	46,468.86	0.00

<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>Unencum. Bal</u>	<u>42% Used</u>	<u>Prior Actual</u>	<u>Two Year Prior Actual</u>
26	Marine Safety	219,700.00	221,200.00	21,345.42	218,609.65	0.00	2,590.35	98.83	46,468.86	0.00
3104	Park & Building Maintenance Maintenance & Operations									
113-30-3104-2401	Contractual Services	<u>80,700.00</u>	<u>84,700.00</u>	<u>12,285.00</u>	<u>53,362.00</u>	<u>0.00</u>	<u>31,338.00</u>	<u>63.00</u>	<u>13,595.00</u>	<u>0.00</u>
	Maintenance & Operations	80,700.00	84,700.00	12,285.00	53,362.00	0.00	31,338.00	63.00	13,595.00	0.00
	Special Programs									
113-30-3104-8720	Downtown Beautification	<u>0.00</u>	<u>40,000.00</u>	<u>17,247.27</u>	<u>26,041.58</u>	<u>0.00</u>	<u>13,958.42</u>	<u>65.10</u>	<u>0.00</u>	<u>0.00</u>
	Special Programs	0.00	40,000.00	17,247.27	26,041.58	0.00	13,958.42	65.10	0.00	0.00
3104	Park & Building Maintenance	80,700.00	124,700.00	29,532.27	79,403.58	0.00	45,296.42	63.68	13,595.00	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	42% Used	Prior Actual	Two Year Prior Actual
3106	Street Maintenance									
	Salaries & Wages									
113-30-3106-1001	Salaries, Full Time	82,400.00	82,400.00	4,968.00	56,619.68	0.00	25,780.32	68.71	0.00	0.00
113-30-3106-1006	Salaries, Overtime	0.00	0.00	481.28	481.28	0.00	-481.28	0.00	0.00	0.00
113-30-3106-1038	New Sick Leave Payoff	1,000.00	1,000.00	87.00	1,000.00	0.00	0.00	100.00	0.00	0.00
113-30-3106-1040	Vacation Payoff	1,100.00	1,100.00	88.00	1,100.00	0.00	0.00	100.00	0.00	0.00
113-30-3106-1053	Holiday Allowance	0.00	0.00	0.00	248.40	0.00	-248.40	0.00	0.00	0.00
113-30-3106-1101	P.E.R.S. Retirement	17,100.00	17,100.00	453.00	5,187.50	0.00	11,912.50	30.34	0.00	0.00
113-30-3106-1201	Workers' Compensation	2,000.00	2,000.00	163.00	2,000.00	0.00	0.00	100.00	0.00	0.00
113-30-3106-1300	Employee Group Insurance	18,500.00	18,500.00	1,538.00	18,500.00	0.00	0.00	100.00	0.00	0.00
113-30-3106-1318	Medicare Insurance	1,200.00	1,200.00	79.02	866.92	0.00	333.08	72.24	0.00	0.00
	Salaries & Wages	123,300.00	123,300.00	7,857.30	86,003.78	0.00	37,296.22	69.75	0.00	0.00
	Maintenance & Operations									
113-30-3106-2001	Uniforms And Laundry	1,300.00	1,300.00	0.00	0.00	0.00	1,300.00	0.00	0.00	0.00
113-30-3106-2051	Gas & Lubricants	1,000.00	1,000.00	405.90	2,670.81	0.00	-1,670.81	267.08	0.00	0.00
113-30-3106-2222	Repairs and Maint. Other	3,000.00	3,000.00	0.00	2,842.11	0.00	157.89	94.74	0.00	0.00
113-30-3106-2401	Contractual Services	159,400.00	159,400.00	12,180.00	163,671.00	0.00	-4,271.00	102.68	59,992.00	0.00
	Maintenance & Operations	164,700.00	164,700.00	12,585.90	169,183.92	0.00	-4,483.92	102.72	59,992.00	0.00
	Capital Equipment									
113-30-3106-5510	Automotive Equipment	0.00	48,200.00	0.00	38,246.94	0.00	9,953.06	79.35	24,786.94	0.00
	Capital Equipment	0.00	48,200.00	0.00	38,246.94	0.00	9,953.06	79.35	24,786.94	0.00
3106	Street Maintenance	288,000.00	336,200.00	20,443.20	293,434.64	0.00	42,765.36	87.28	84,778.94	0.00

<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>Unencum. Bal</u>	<u>42% Used</u>	<u>Prior Actual</u>	<u>Two Year Prior Actual</u>
3107	Utility Undergrounding									
	Capital Improvements									
113-30-3107-9742	Faciliate Evacuation RtSafety	900,000.00	1,350,000.00	-1,349,564.60	0.00	0.00	1,350,000.00	0.00	0.00	0.00
113-30-3107-9743	Legislative & Regulation Costs	<u>100,000.00</u>	<u>100,000.00</u>	<u>-81,199.00</u>	<u>0.00</u>	<u>0.00</u>	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Capital Improvements	<u>1,000,000.00</u>	<u>1,450,000.00</u>	<u>-1,430,763.60</u>	<u>0.00</u>	<u>0.00</u>	<u>1,450,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
3107	Utility Undergrounding	<u>1,000,000.00</u>	<u>1,450,000.00</u>	<u>-1,430,763.60</u>	<u>0.00</u>	<u>0.00</u>	<u>1,450,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</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>Unencum. Bal</u>	<u>42% Used</u>	<u>Prior Actual</u>	<u>Two Year Prior Actual</u>
30	Public Works	1,368,700.00	1,910,900.00	-1,380,788.13	372,838.22	0.00	1,538,061.78	19.51	98,373.94	0.00
3303	Water Quality Special Programs									
113-37-3303-8314	WQ Education Video	<u>0.00</u>	<u>14,300.00</u>	<u>0.00</u>	<u>-110.29</u>	<u>0.00</u>	<u>14,410.29</u>	<u>-0.77</u>	<u>675.87</u>	<u>0.00</u>
	Special Programs	<u>0.00</u>	<u>14,300.00</u>	<u>0.00</u>	<u>-110.29</u>	<u>0.00</u>	<u>14,410.29</u>	<u>-0.77</u>	<u>675.87</u>	<u>0.00</u>
3303	Water Quality	<u>0.00</u>	<u>14,300.00</u>	<u>0.00</u>	<u>-110.29</u>	<u>0.00</u>	<u>14,410.29</u>	<u>-0.77</u>	<u>675.87</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>Unencum. Bal</u>	<u>42% Used</u>	<u>Prior Actual</u>	<u>Two Year Prior Actual</u>
37	Water Quality	<u>0.00</u>	<u>14,300.00</u>	<u>0.00</u>	<u>-110.29</u>	<u>0.00</u>	<u>14,410.29</u>	<u>-0.77</u>	<u>675.87</u>	<u>0.00</u>
113	Measure LL	2,200,000.00	2,840,600.00	-1,305,213.82	1,186,954.57	0.00	1,653,645.43	41.79	212,215.45	0.00

Attachment E

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

1

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

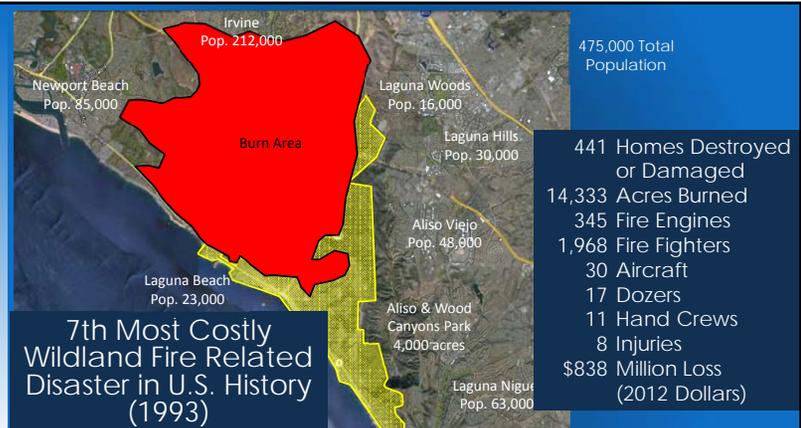
March 22, 2016

2



March 22, 2016

3



March 22, 2016

4



SCE Pole/Car Fire Laguna Cyn. (2007)



March 22, 2016

9

Arcing SCE Pole Fire (2011)



475,000 Total Population

March 22, 2016

10

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)



475,000 Total Population

March 22, 2016

12

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)

Irvine Pop. 212,000

Newport Beach Pop. 85,000

Wilderness Area 12,000 acres

Laguna Woods Pop. 16,000

Laguna Hills Pop. 30,000

Aliso Viejo Pop. 48,000

Aliso & Wood Canyons Park 4,000 acres

Laguna Beach Pop. 23,000

Laguna Niguel Pop. 63,000

475,000 Total Population

March 22, 2016

15

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 undergrounding 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

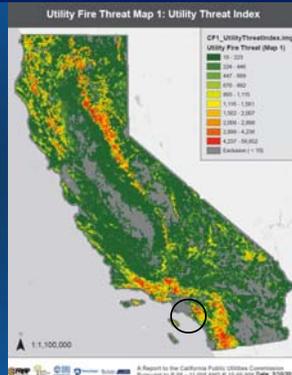
March 22, 2016

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



1. City finance undergrounding citywide
2. City finance undergrounding along LCR
3. City attempt to incentivize residential assessment district formation
4. City acquisition of existing electrical system
5. 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

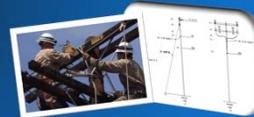


March 22, 2016

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

March 22, 2016

48

Attachment F

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.

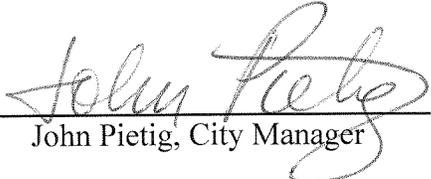
Appropriations Requested: None

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.

Attachment G

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, Assistant City Manager

Attachments: _____

Approved: 
John Pietig, City Manager

May 10, 2016

Page 2

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

Attachment H

**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:

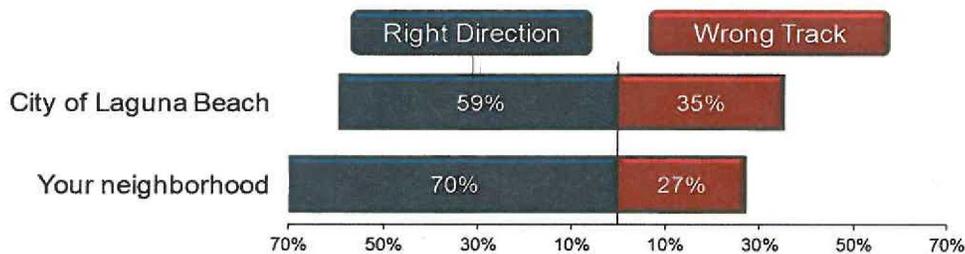
- 1) **Survey respondents were generally positive about the direction of Laguna Beach overall and even more so for their own neighborhood.** Nearly six-in-ten (59 percent) said things in the City are generally headed in the right direction. Opinions about respondents' own neighborhoods were even more 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:

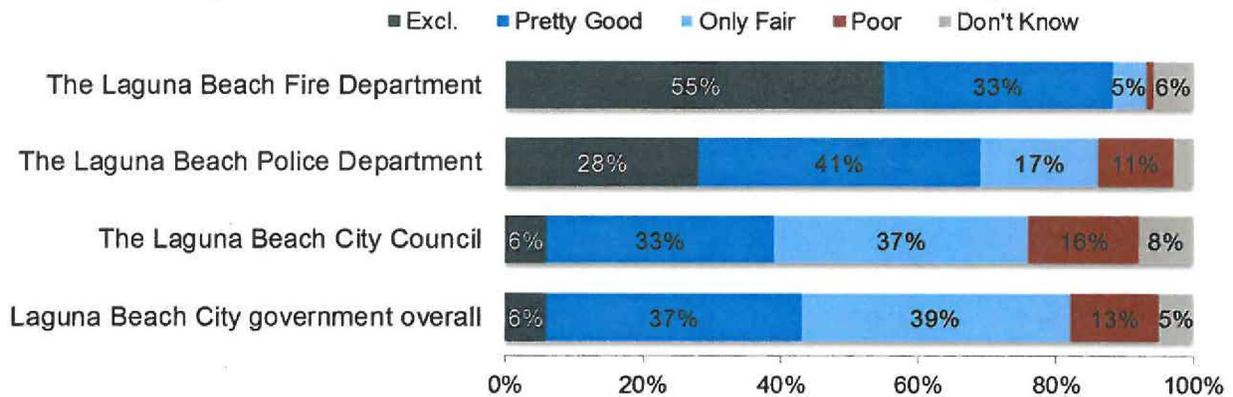
Nearly six-in-ten (59 percent) said things in the City are generally headed in the right direction (Figure 1). Thirty-five percent of respondents felt that things are off on the wrong track, while six percent were unsure. **Opinions about respondents’ own neighborhoods were even more positive, with seventy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



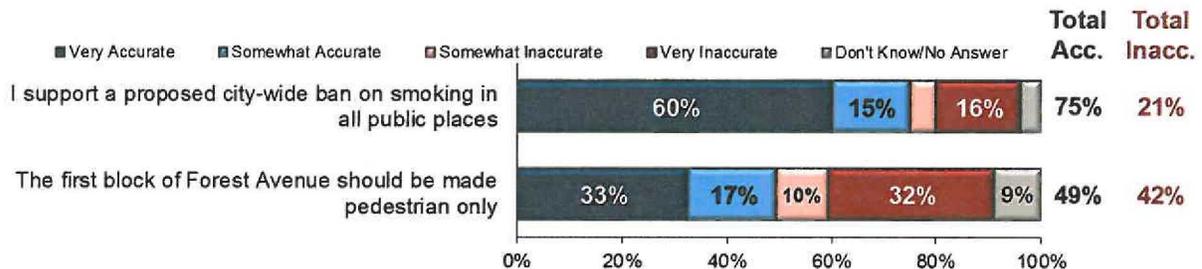
Agencies of the Laguna Beach government were also rated well in the survey (see Figure 2 below). Respondents were overwhelmingly positive about the performance of the City’s fire department and police department. The Laguna Beach Fire Department received the most positive ratings of the entities tested 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



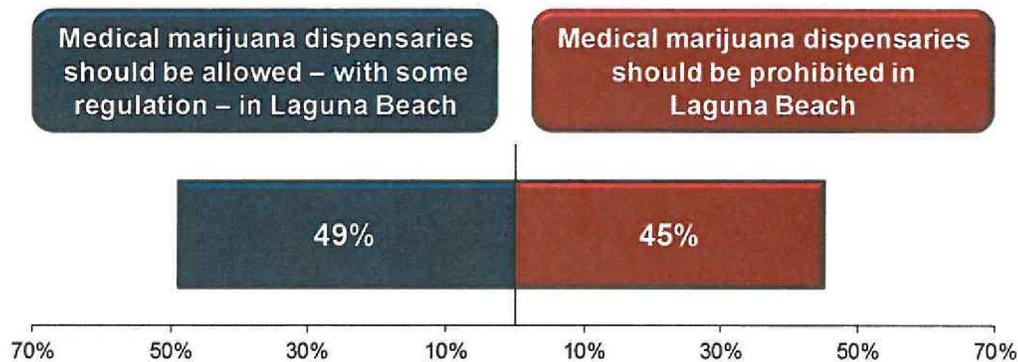
The survey tested opinions on local issues, including the proposed smoking ban in public places, potentially making the first block of Forest Avenue into a pedestrian-only street, and allowing medical marijuana dispensaries in Laguna Beach. **A strong majority of respondents (75 percent) indicated support 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%

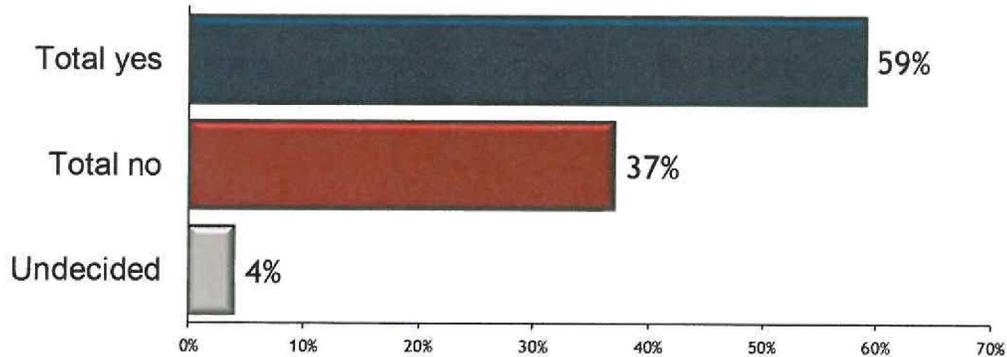
Local Funding:

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.

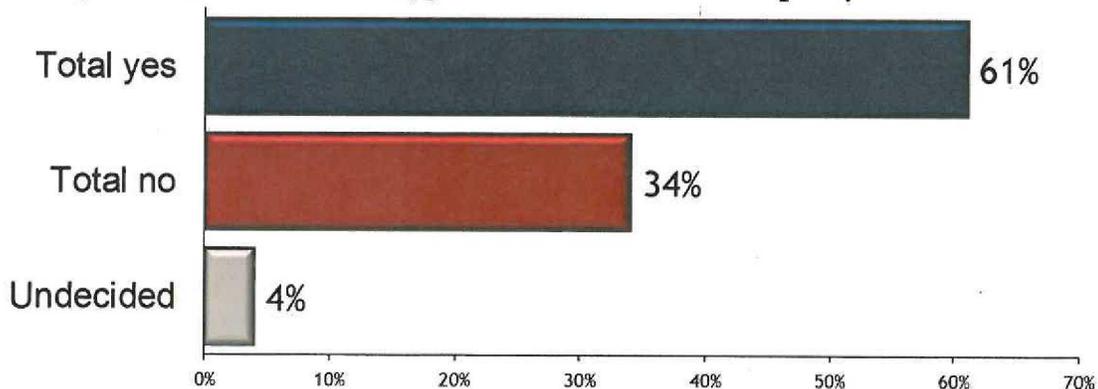
Figure 5: Initial Vote on Hypothetical Local Sales Tax Measure



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

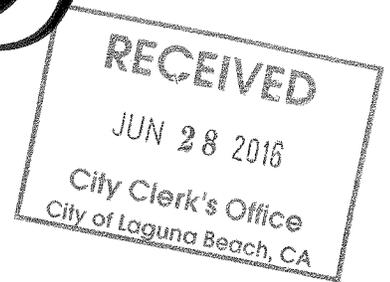
City	Rate
Anaheim	15.00%
Garden Grove	15.00%
Buena Park	12.00%
Seal Beach	12.00%
Santa Ana	11.00%
Aliso Viejo	10.00%
Brea	10.00%
Cypress	10.00%
Dana Point	10.00%
Fullerton	10.00%
Huntington Beach	10.00%
Laguna Beach	10.00%*
Laguna Hills	10.00%
Laguna Woods	10.00%
Lake Forest	10.00%
Orange	10.00%
Placentia	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

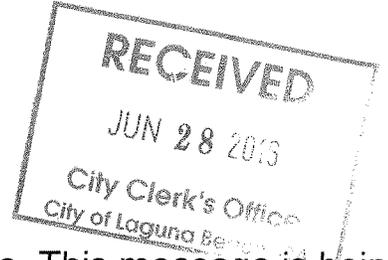
Director of Sales
Montage Laguna Beach
Visit Laguna Beach Board Member At-Large

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

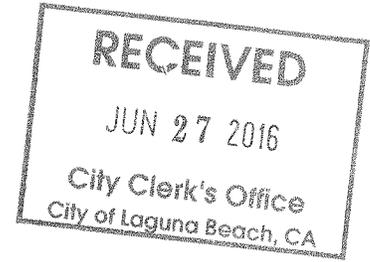
Chel, Lisette CC

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*



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: 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.

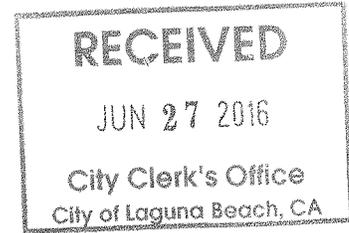
Another question I have is what exactly is the extra money generated from the tax raise going towards?

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.

ChamberMaster is a registered trademark of MicroNet Incorporated.

2016 Community Survey Laguna Beach

Summary of Results

**Survey Conducted:
June 2-12, 2016**

*Fairbank,
Maslin,
Maullin,
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: $\pm 4.2\%$

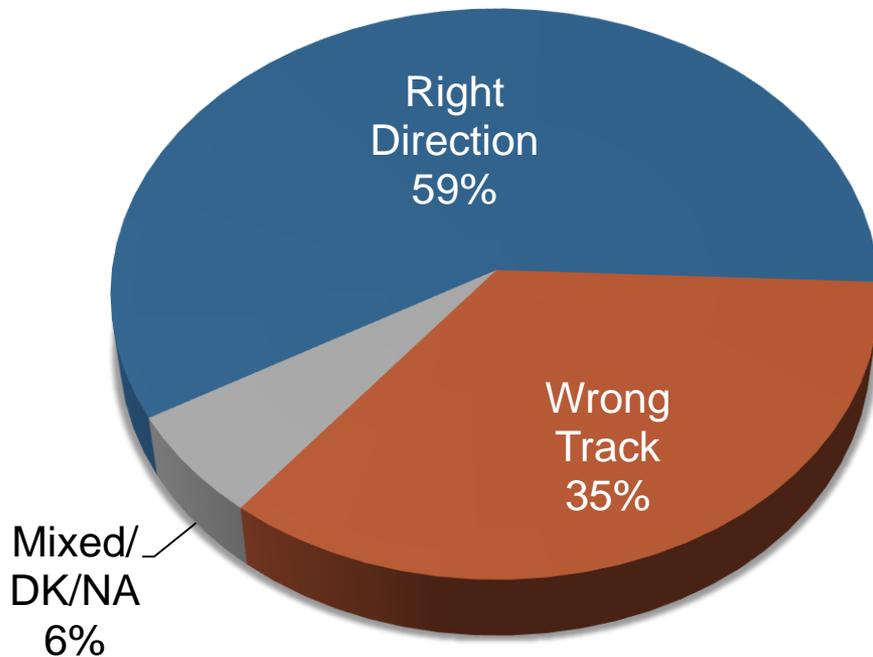
Key Findings

- 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.

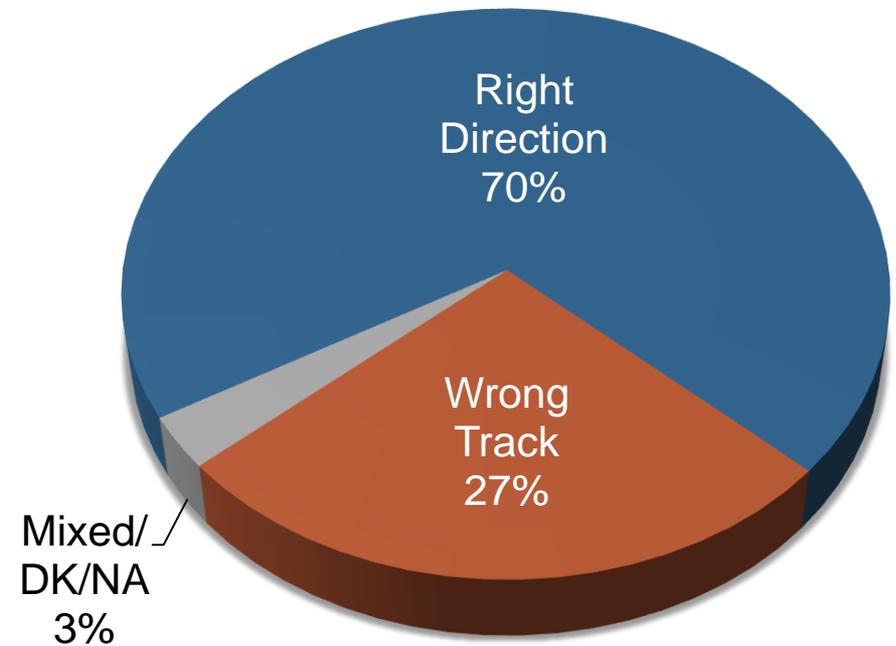
Residents are mostly optimistic about the direction of the City and even more so about their own neighborhood.

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

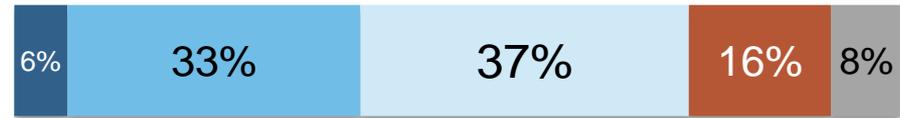
*The Laguna Beach Fire Department



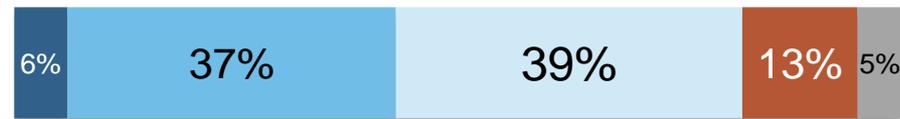
*The Laguna Beach Police Department



The Laguna Beach City Council



Laguna Beach City government overall



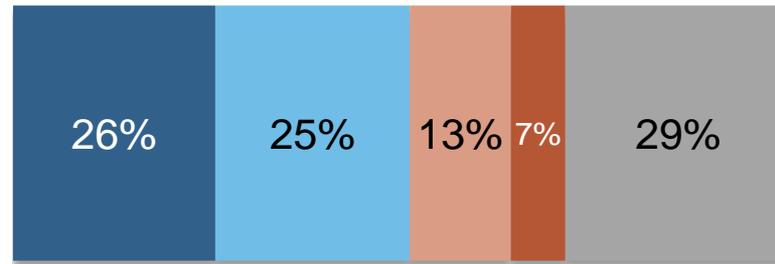
0% 20% 40% 60% 80% 100%

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

■ Very Acc. ■ Smwt. Acc. ■ Smwt. Inacc. ■ Very Inacc. ■ DK/NA

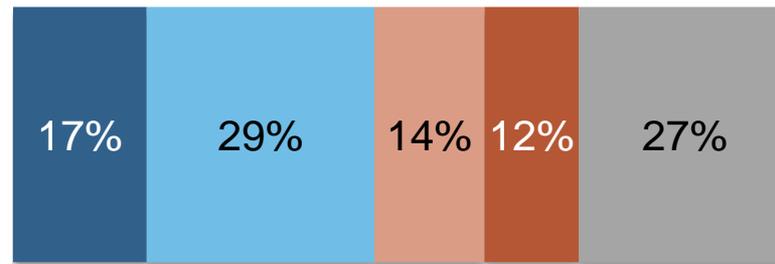
Total Acc. **Total Inacc.**

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



51% **20%**

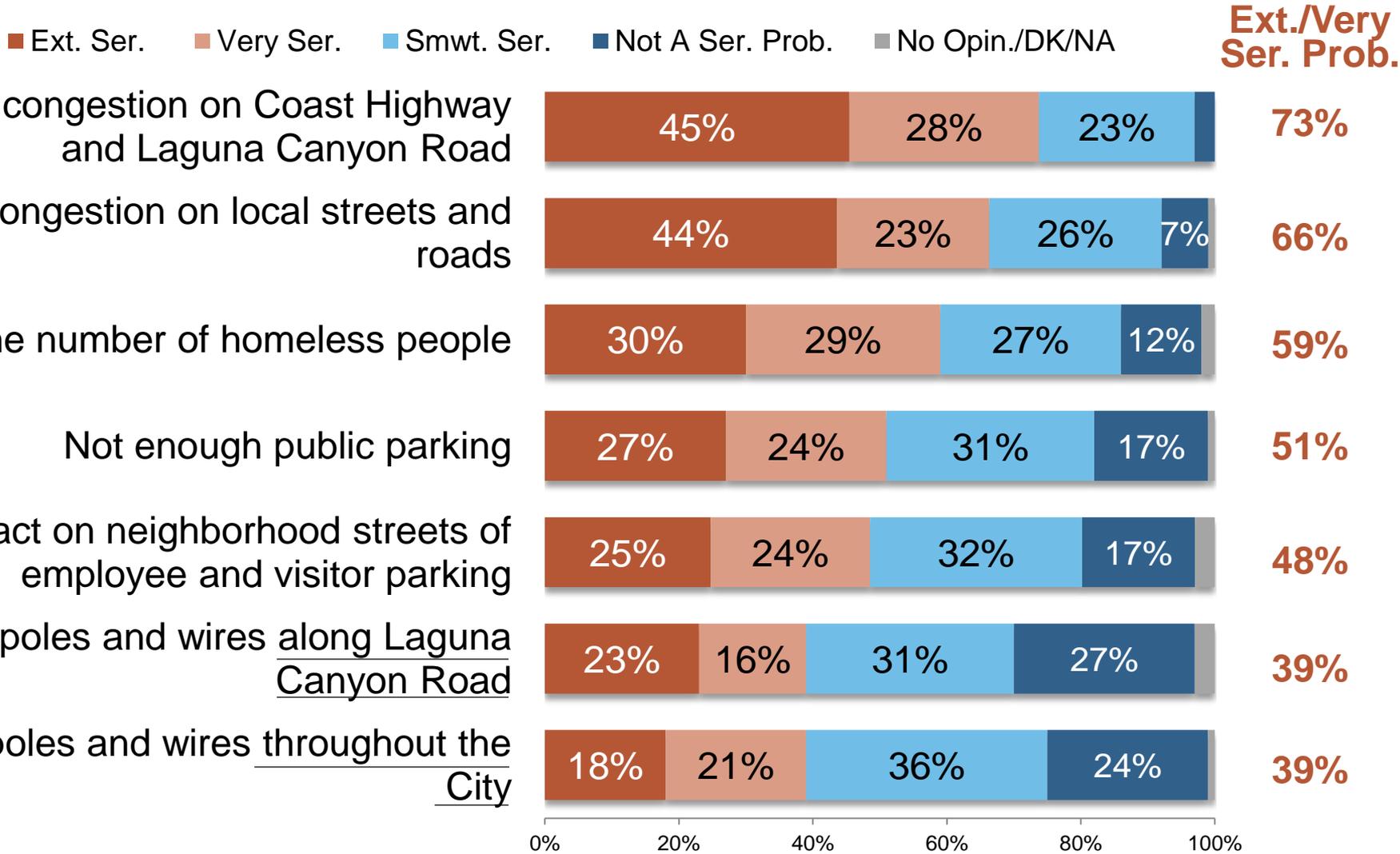
Laguna Beach's city finances are generally well-managed



46% **26%**

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

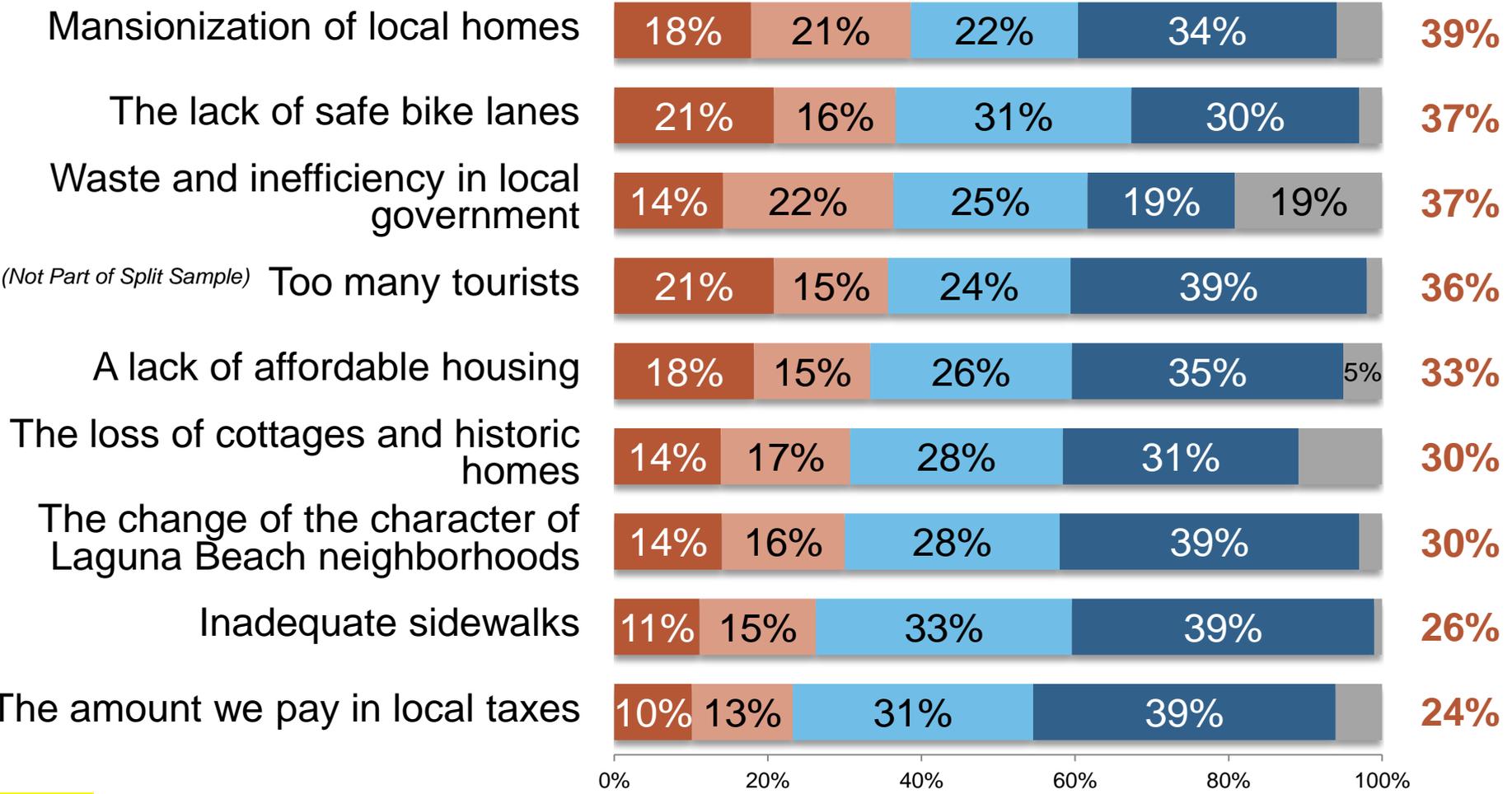
Traffic, homelessness and a lack of parking, are seen as the most serious problems in Laguna Beach.



Q10. I am going to read you a series of issues some people say are problems in Laguna Beach. Please tell me whether you personally consider it to be an extremely serious problem, very serious problem, somewhat serious problem or not really a problem at all in Laguna Beach. ^Not Part of Split Sample

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

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

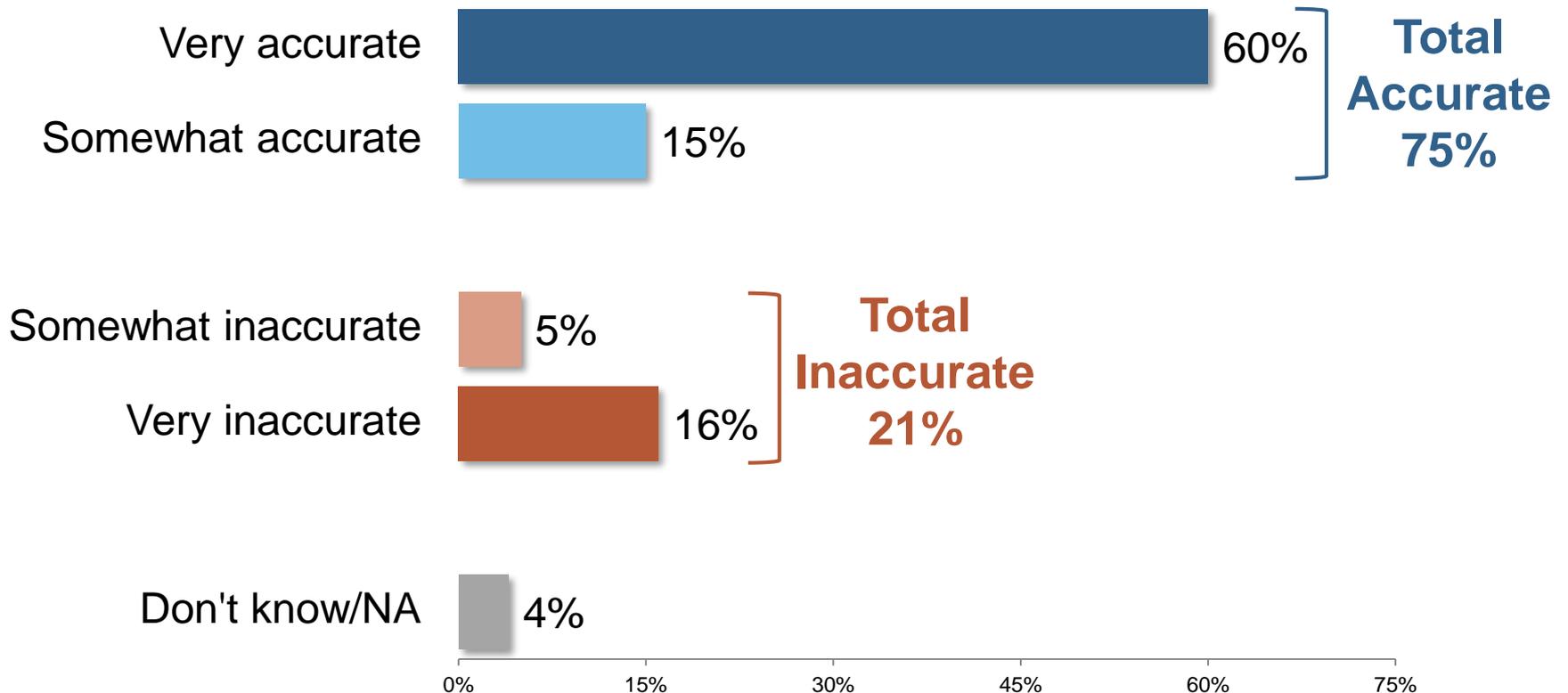


Q10. I am going to read you a series of issues some people say are problems in Laguna Beach. Please tell me whether you personally consider it to be an extremely serious problem, very serious problem, somewhat serious problem or not really a problem at all in Laguna Beach.

Local Policy Issues

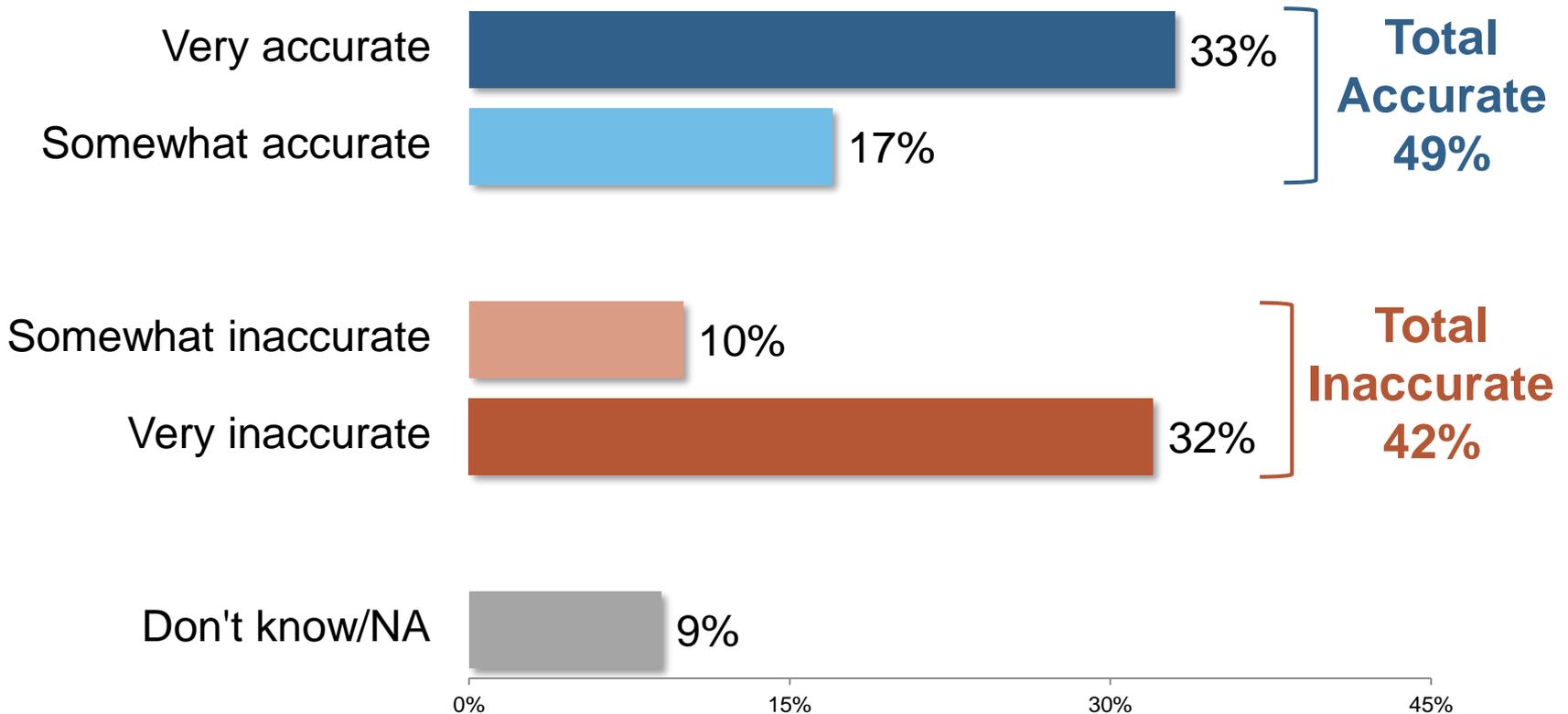
By a three-to-one margin, voters support a city-wide ban on smoking in all public places

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

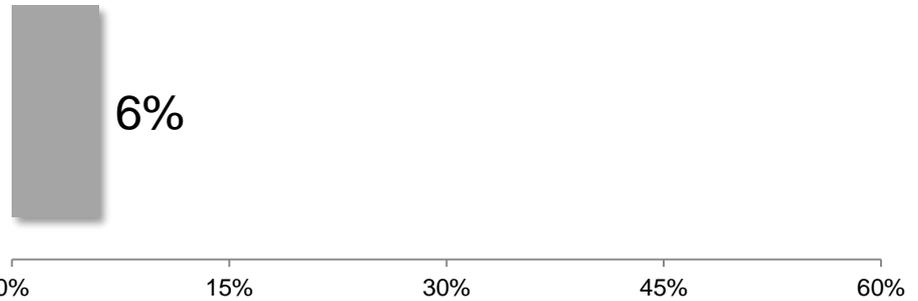


OR

Medical marijuana dispensaries should be prohibited in Laguna Beach



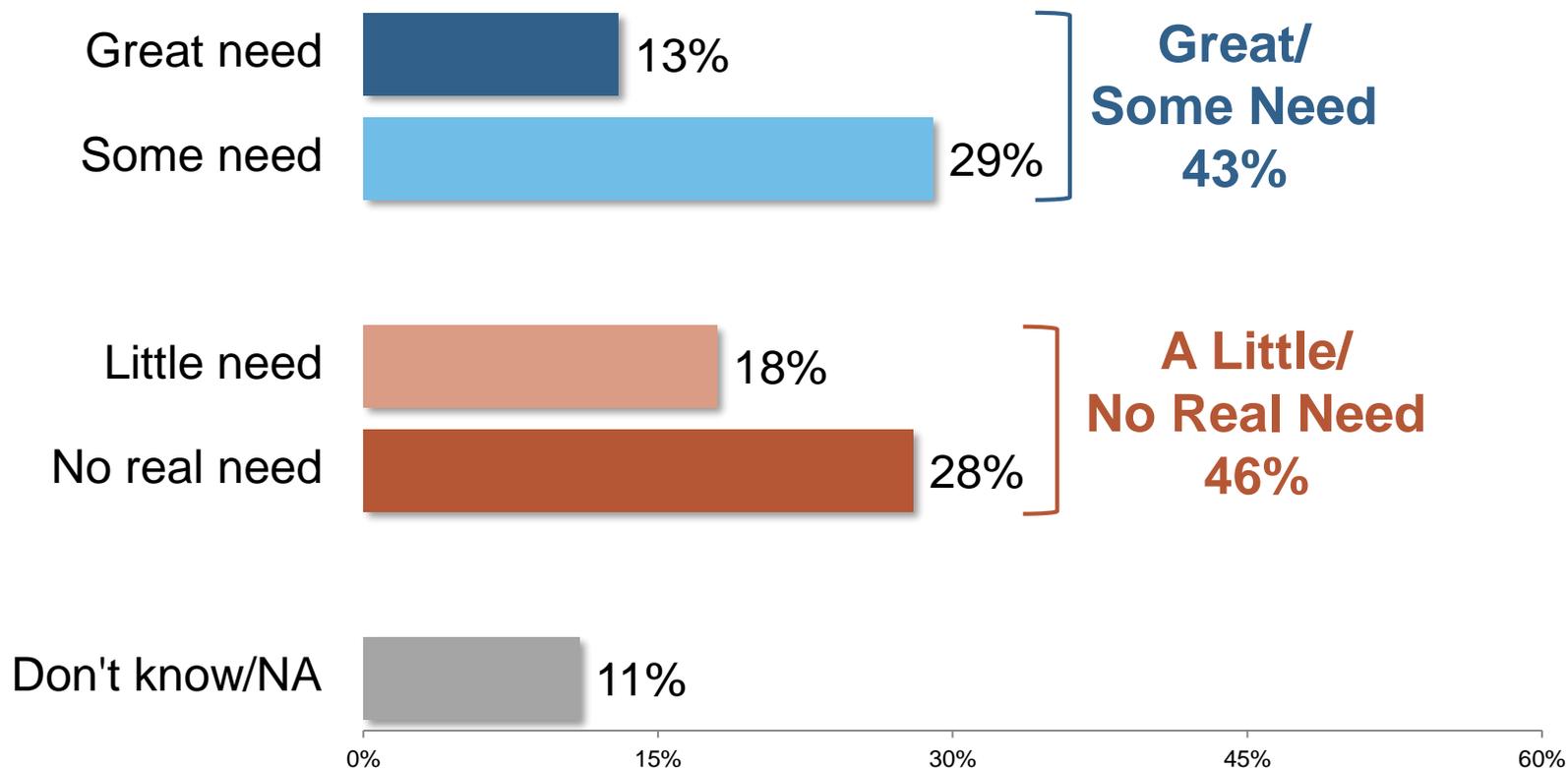
Both/Neither/DK/NA



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?

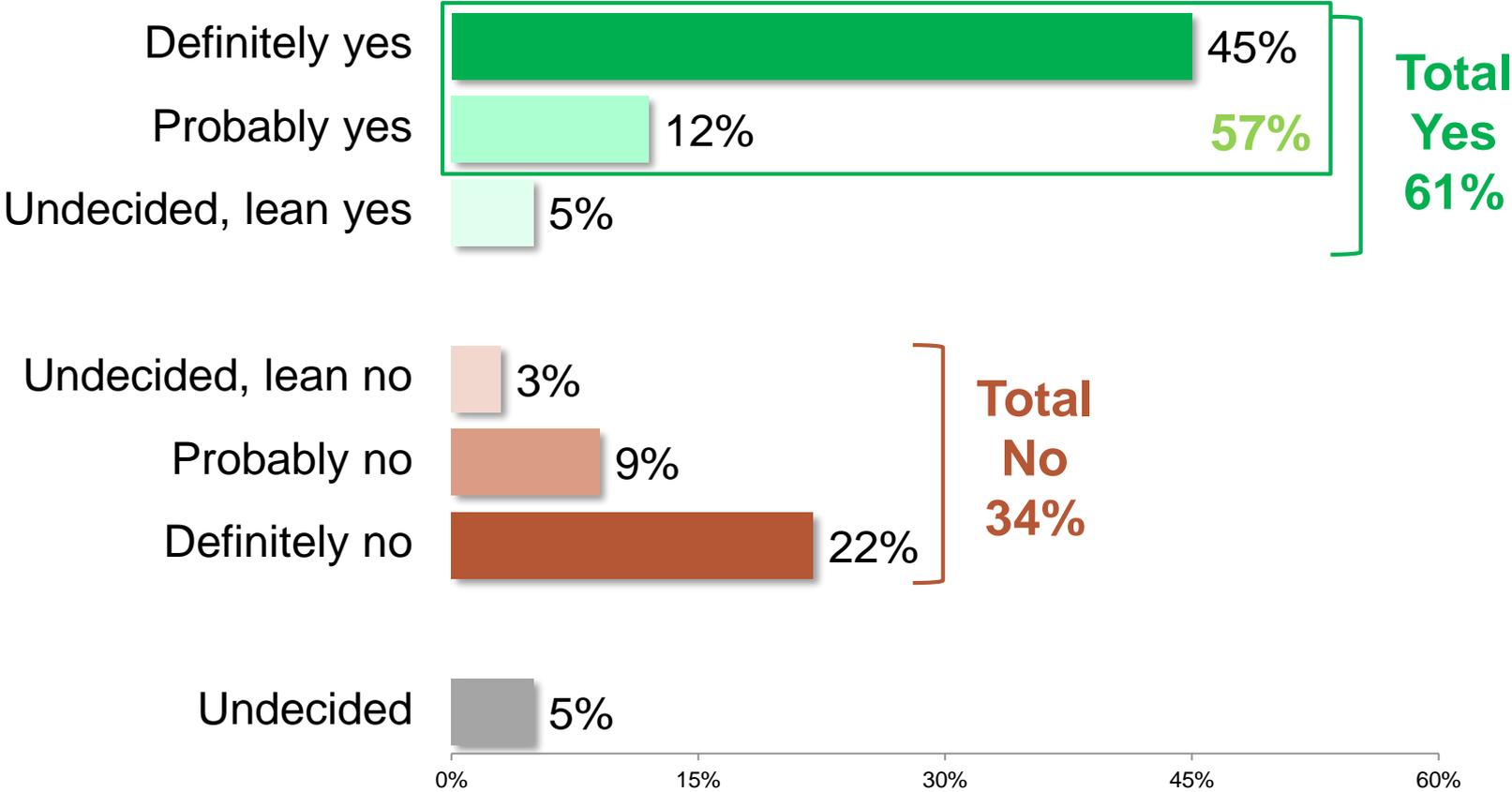


Hypothetical Transient Occupancy Tax Measure

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.

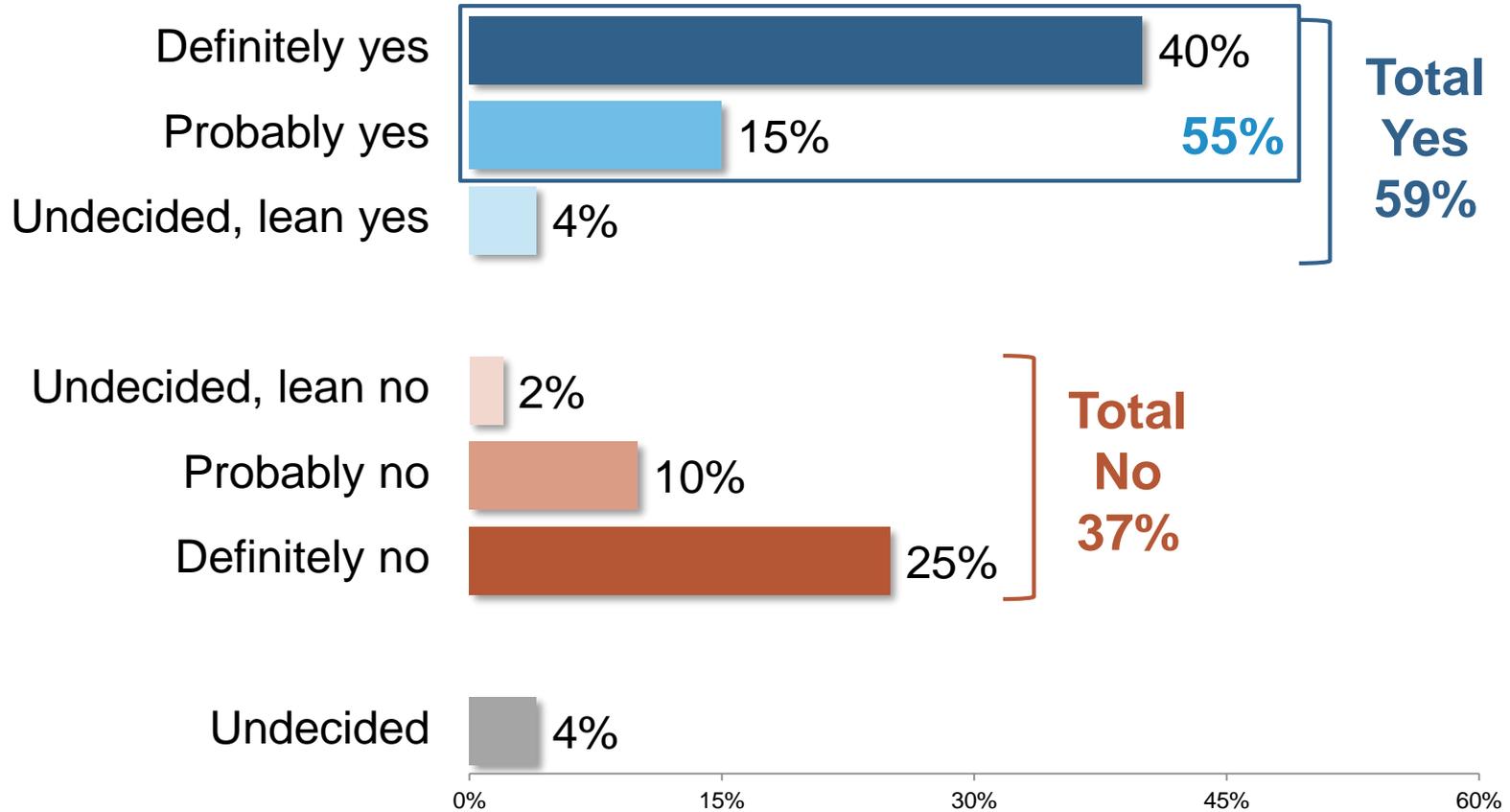


Hypothetical Sales Tax Measure

Laguna Beach Public Safety and Essential Services Protection Measure

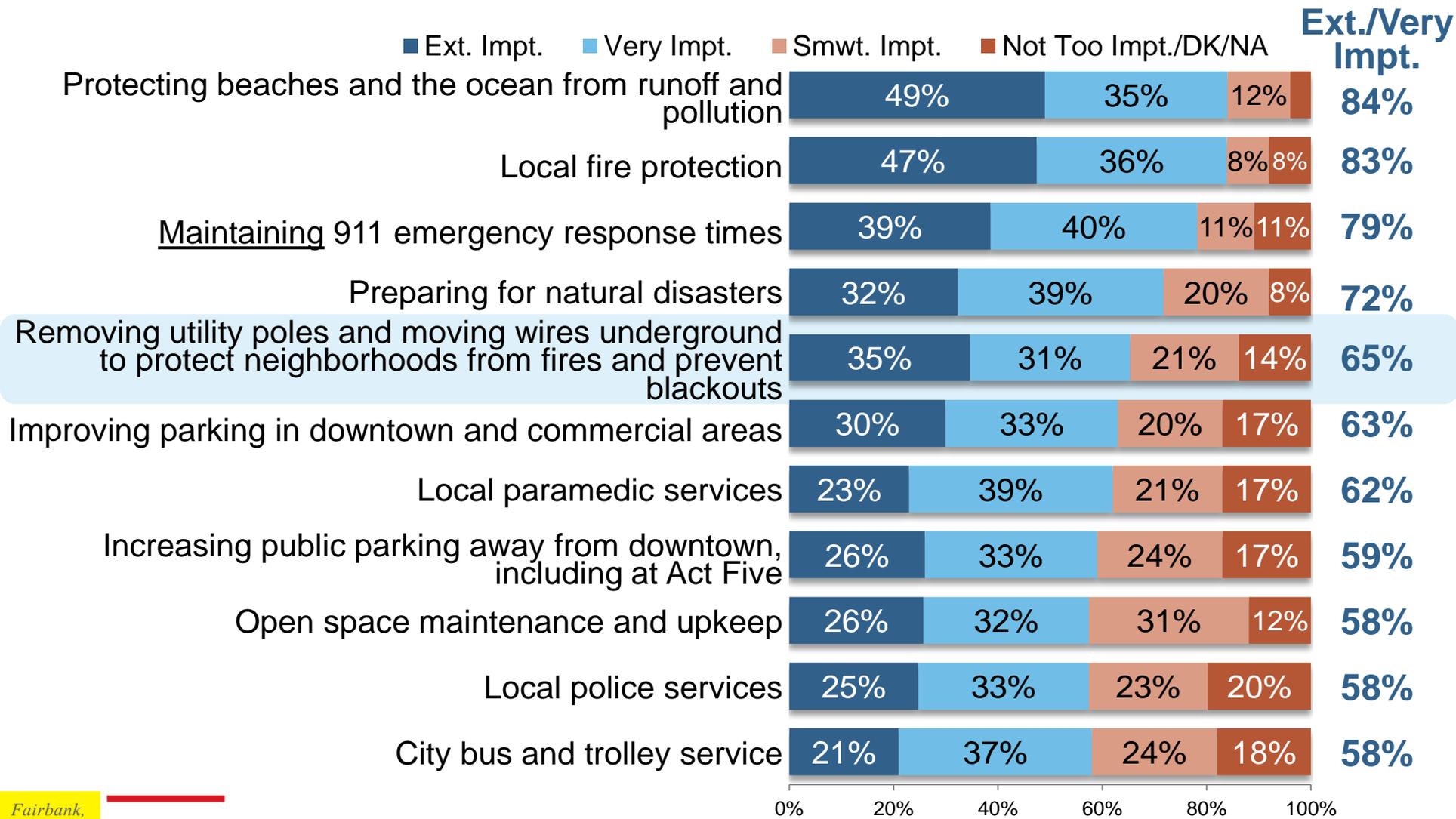
To maintain and improve police, fire, paramedics, 911 emergency response, marine safety services; improve safety, remove utility poles, move wires underground; add pedestrian improvements/sidewalks/parking; expand community arts/recreation opportunities; provide other general services, shall the City 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.



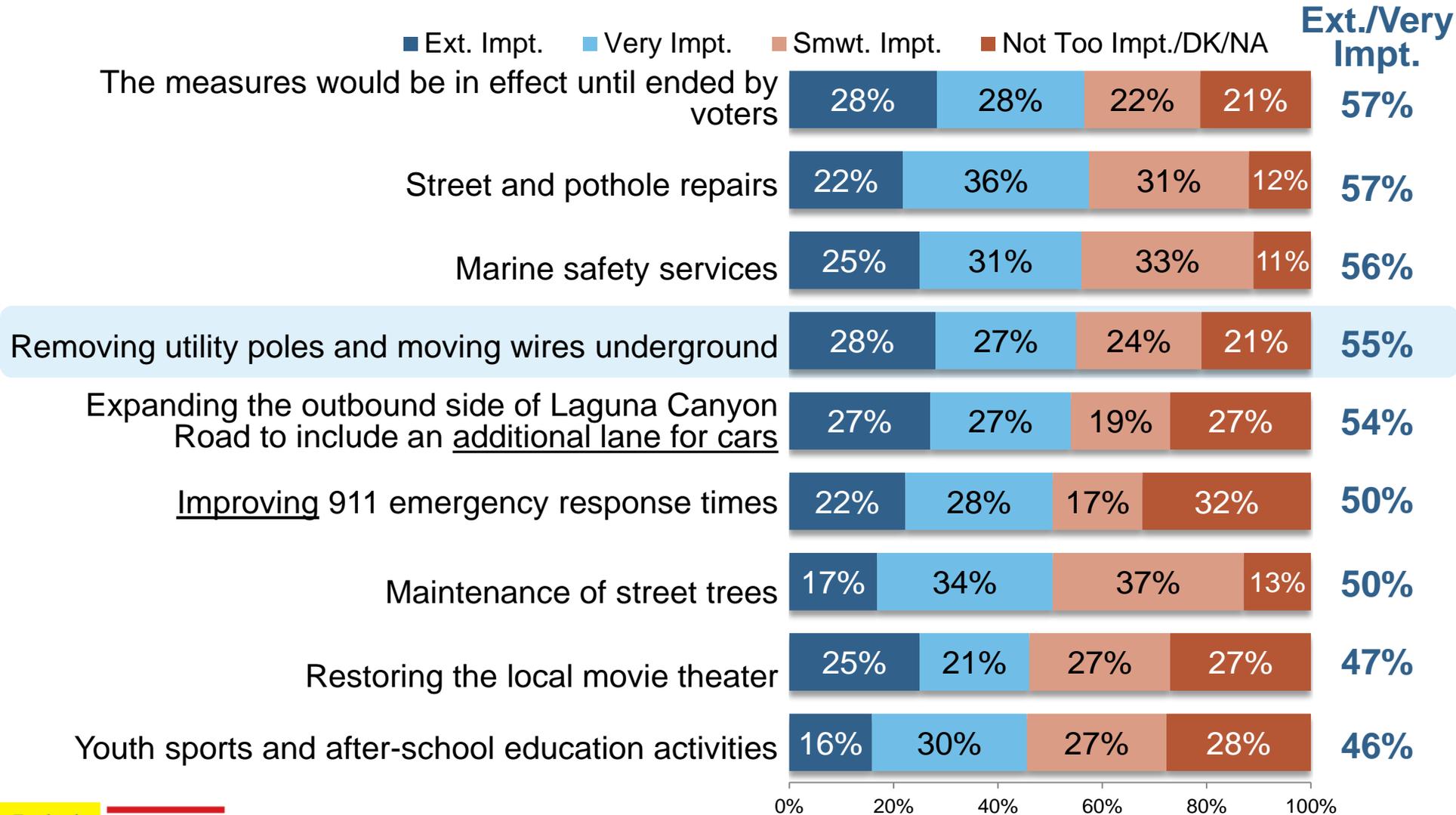
Local Priorities

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



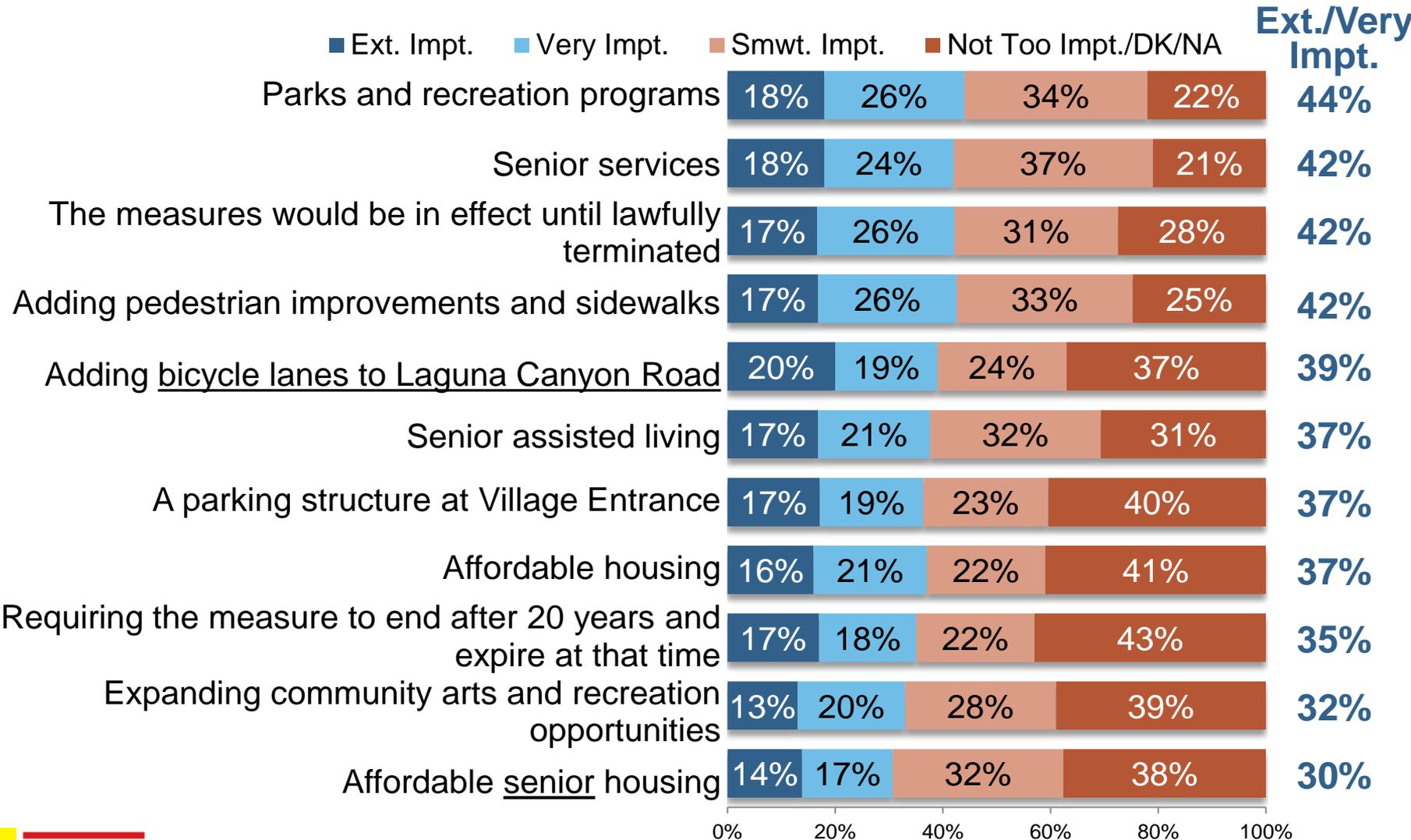
Q13. I am going to read you a list of ways in which the funds generated by these ballot measures could be spent and provisions that could be included. Regardless of your opinion of the measures overall, after Please tell me how important that provision or use of funds is to you personally: Is it extremely important, very important, somewhat important, or not too important? Split Sample

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



Q13. I am going to read you a list of ways in which the funds generated by these ballot measures could be spent and provisions that could be included. Regardless of your opinion of the measures overall, after Please tell me how important that provision or use of funds is to you personally: Is it extremely important, very important, somewhat important, or not too important? Split Sample

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



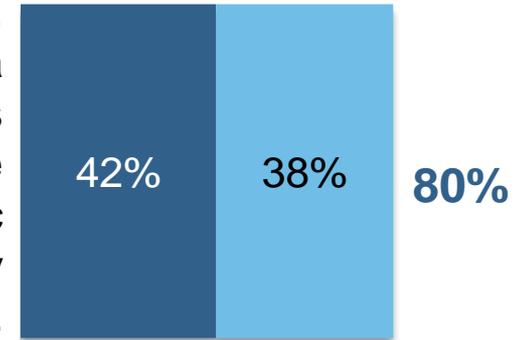
Q13. I am going to read you a list of ways in which the funds generated by these ballot measures could be spent and provisions that could be included. Regardless of your opinion of the measures overall, after Please tell me how important that provision or use of funds is to you personally: Is it extremely important, very important, somewhat important, or not too important? Split Sample

Impact of Information

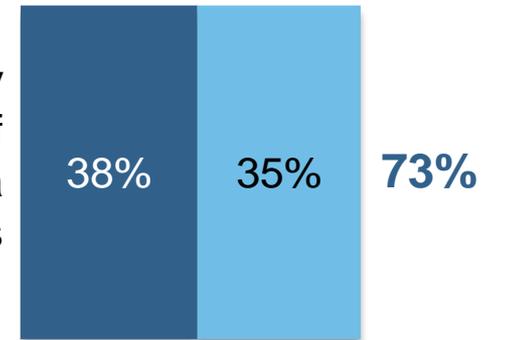
Informational statements about the sales tax measure – including the impact of tourism and fiscal accountability – resonate strongly.

(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 measure 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.

■ Very Conv. ■ Smwt. Conv.



(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.

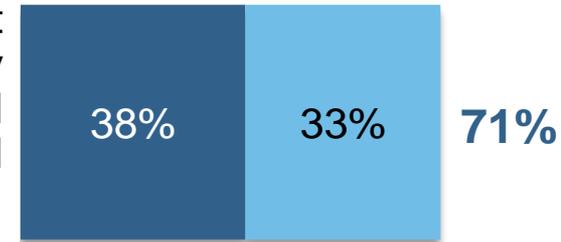


0% 20% 40% 60% 80% 100%

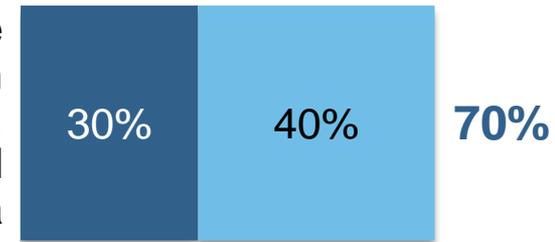
A statement about utility undergrounding resonates with a nearly equal number of respondents.

■ 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.

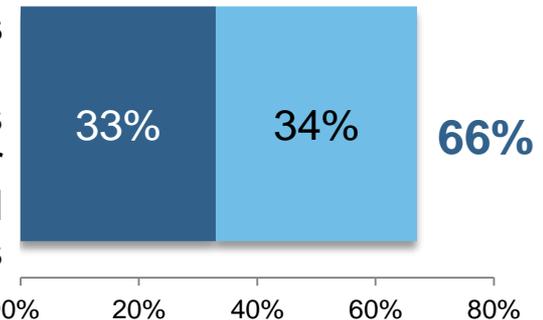


(QUALITY OF LIFE) People live in Laguna Beach because it offers a better quality of life and better services than some other cities in the area. Passing this ballot measure will make sure Laguna Beach can maintain our public safety and 911 emergency response services, improve our roads, maintain our 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.



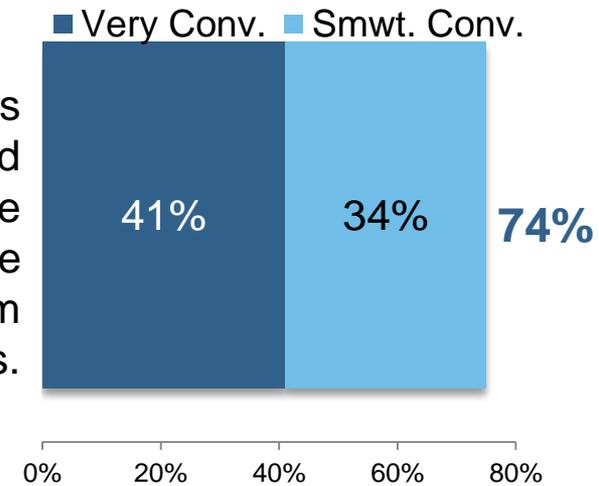
***(PUBLIC SAFETY)** Our police, fire and marine safety departments have seen a dramatic increase in calls for service in the past few years.

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.

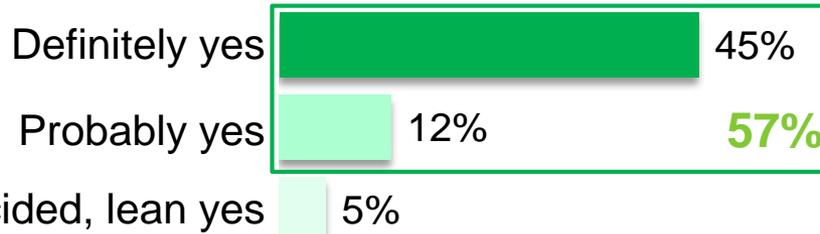
(TOT STATEMENT) Supporters of the measure say that it allows the City to make substantial improvements to local services and invest in maintaining our local quality of life. And, since the measure is paid only by guests at hotels and short-term rentals like Air BNB, virtually all of the dollars for city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



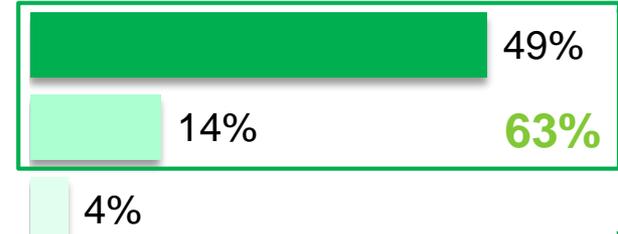
Support for the TOT measure grows significantly after information.

Initial Vote

After Information



Total Yes 61%



Total Yes 68%

Total No 34%

Total No 25%

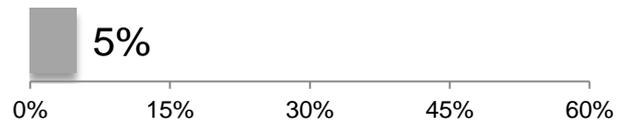
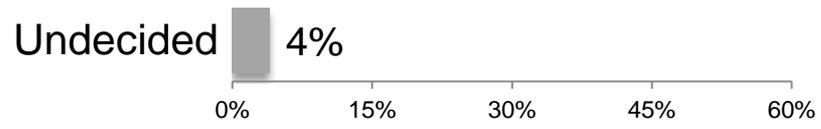
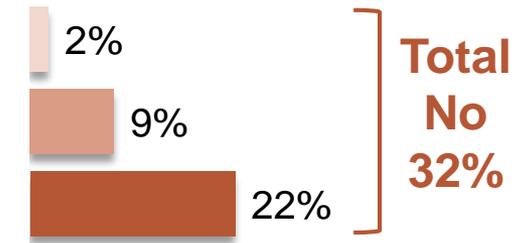
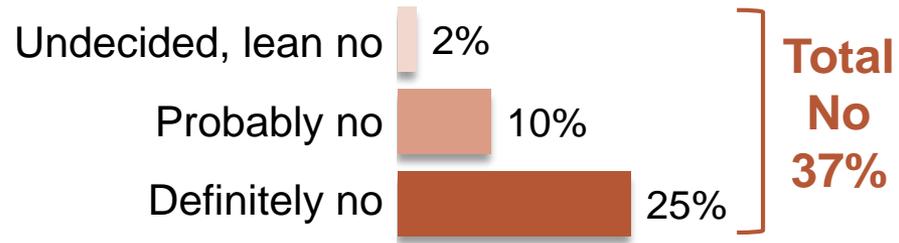
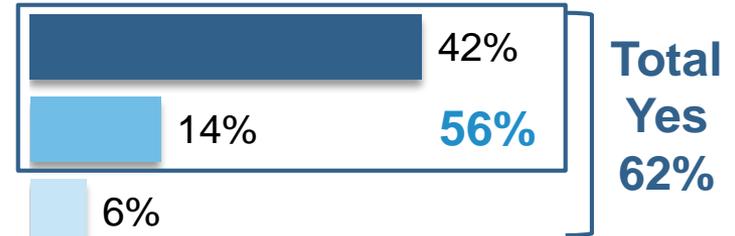
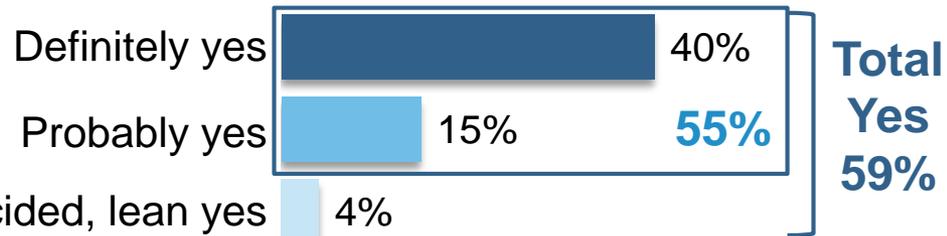
0% 15% 30% 45% 60%

0% 15% 30% 45% 60%

Support for sales tax also grows somewhat after information.

Initial Vote

After Information



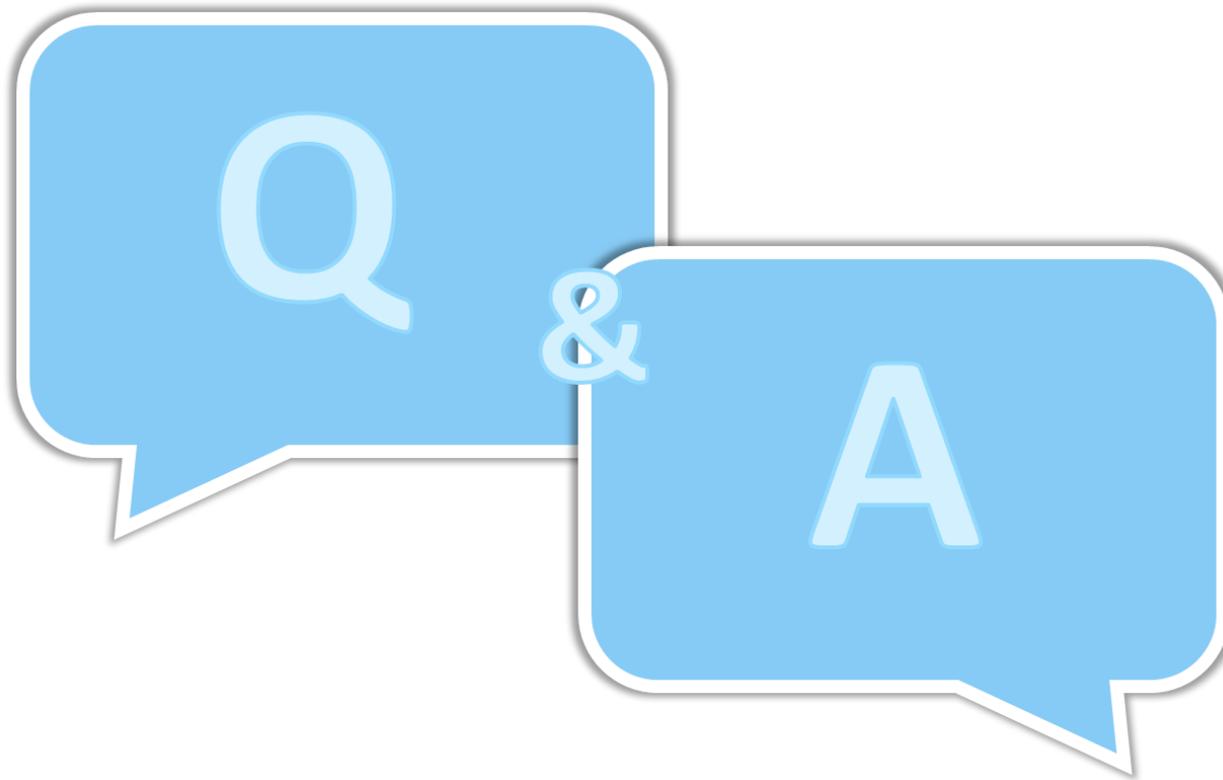
Action Items

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

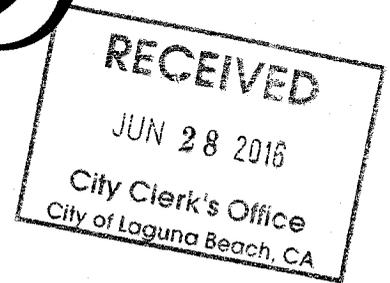
Event	Scheduled Date
1) Resolution adoption to include: <ul style="list-style-type: none"> a) Ballot language b) Proposed ordinance c) Instruct City Attorney to prepare impartial analysis d) Authorize City Manager to prepare fiscal impact e) Establish deadlines to receive arguments for and against as well as rebuttal arguments (legal noticing) f) Authorize City Council member(s) to author arguments 	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



VISIT Laguna Beach™

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.

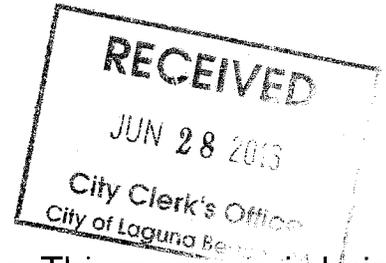
As always, we appreciate you bringing Visit Laguna Beach into the conversation and we look forward to continuing our partnership with the City of Laguna Beach.

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

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

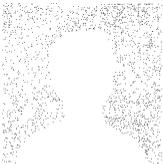


Tom Rotert from South Laguna Village 6d ago

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 Urth 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.

kellyboyd2006@gmail.com / (949) 463-8089
sdicterow1121@yahoo.com / (949) 500-1132
tiseman2@aol.com / (949) 494-7648
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 Vizolay 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 unlocks 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 truely 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

Attachment I

Staff Report: July 26, 2016

City of Laguna Beach
AGENDA BILL

No. 21

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.

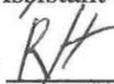
RECOMMENDATION: It is recommended that the City Council:

(See Page 3)

Appropriations Requested: (None)

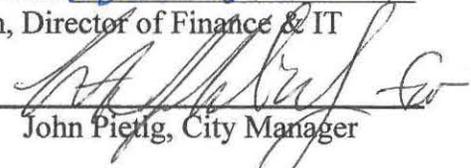
Submitted by: 
Christa Johnson, Assistant City Manager

Fund: N/A

Coordinated with: 
Ryan Hallett, Administrative Analyst

Attachments: Attachment A: Draft Resolution

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:

<p>Laguna Beach Vital Services Measure</p> <p>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?</p>	<p>YES</p> <hr/> <p>NO</p>
---	----------------------------

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 _____
27 Lisette Chel-Walker, City Clerk
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.

Attachment J

Agenda Bill:

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

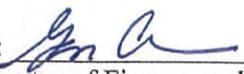
At its August 30, 2016 meeting, the City Council passed Resolution 16.068 expressing its intent, and among other things, to prioritize spending options for future Measure LL revenue. Prioritization of spending options included: protect beaches from pollution; provide fire and police protection, and emergency 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.

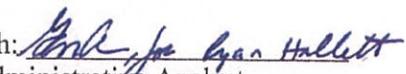
RECOMMENDATION: It is recommended that the City Council

(See Pages 5)

Appropriations Requested: _____

Coordinated with: 
Gavin Curran, Director of Finance and IT

Fund: _____

Coordinated with: 
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, 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	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)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(2,158,700)
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	
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)

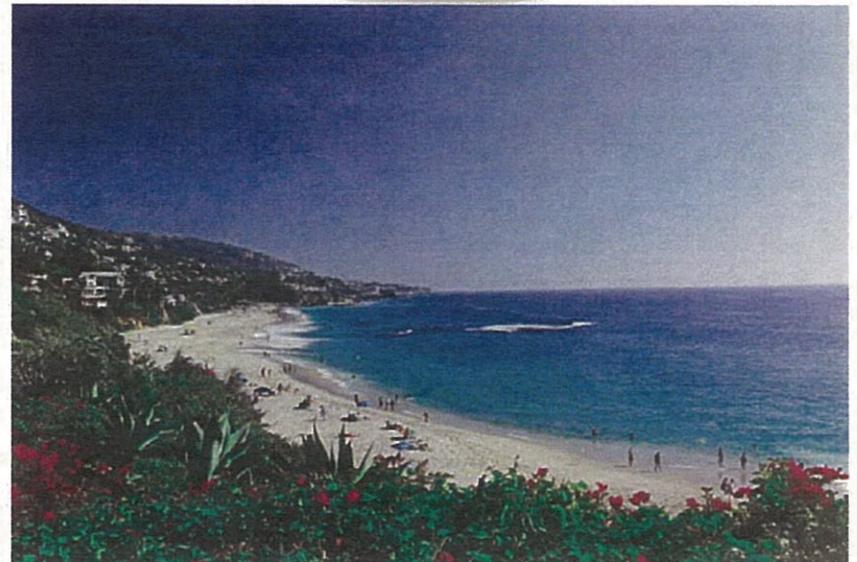


Measure LL

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

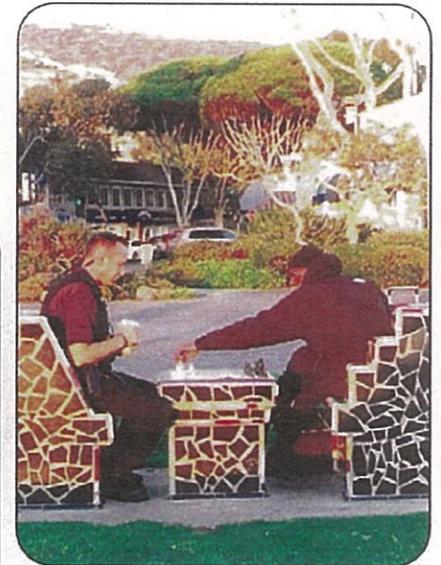




POLICE

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

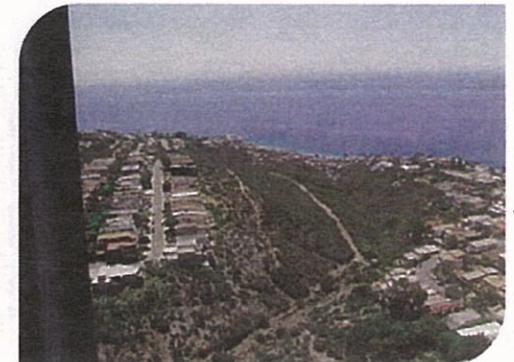
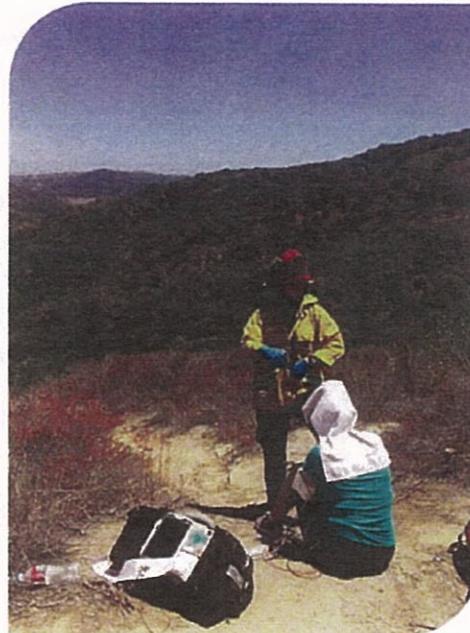




Increased Demand for Services

- 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





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

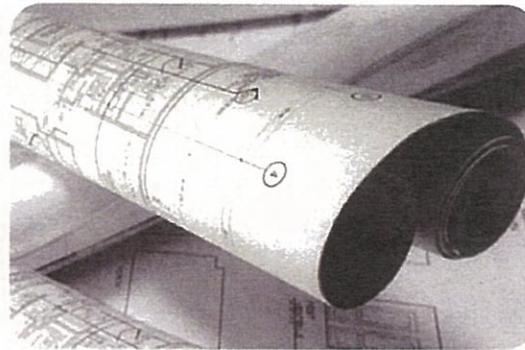




FIRE

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



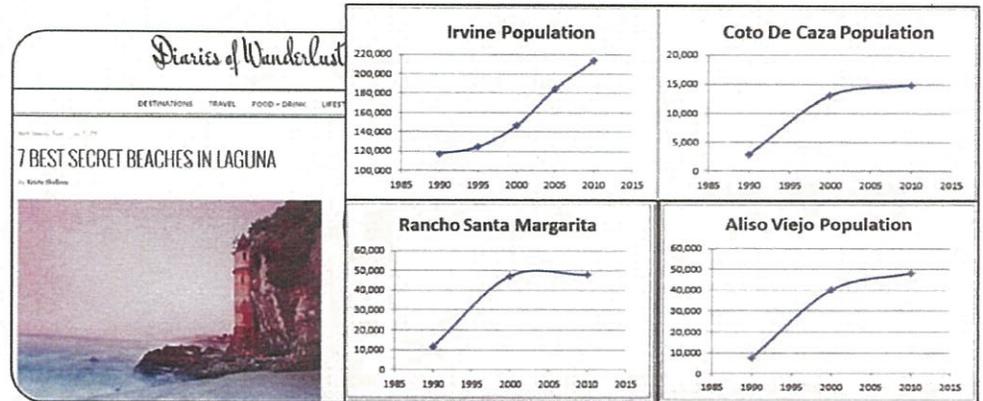
MARINE SAFETY

Increased Year-Round Demand

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

Lead to an Increase in:

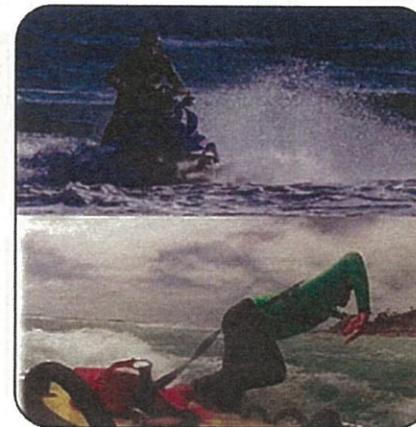
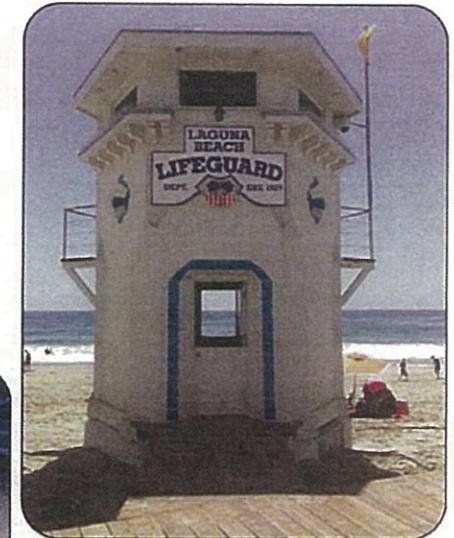
- Beach Attendance
- Aquatic Rescues (nearly 400% in 5 years)
- Lifeguard activities
 - Diver & Cliff Rescues; Offshore Responses



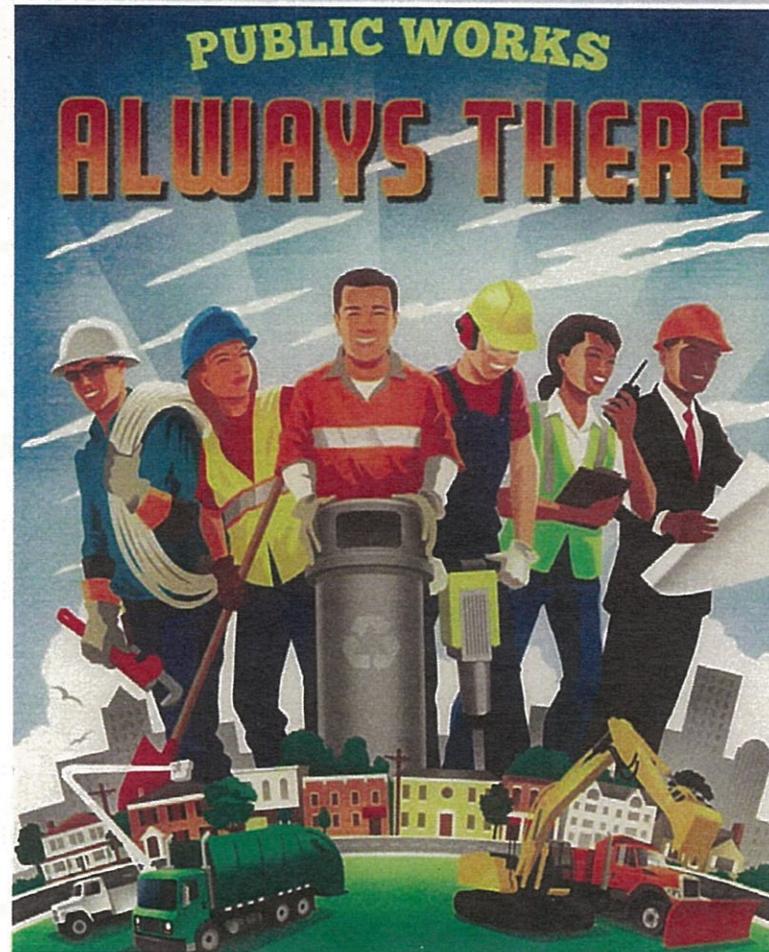
MARINE SAFETY

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



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)

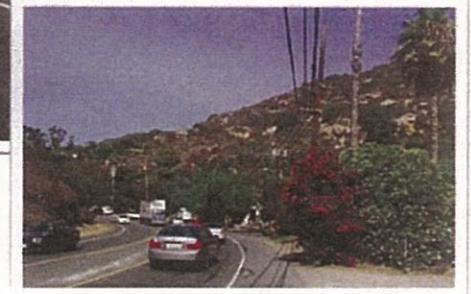
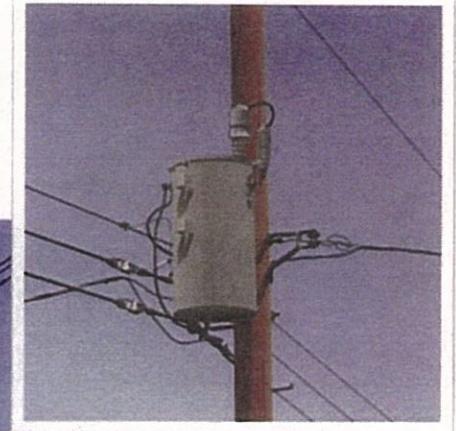
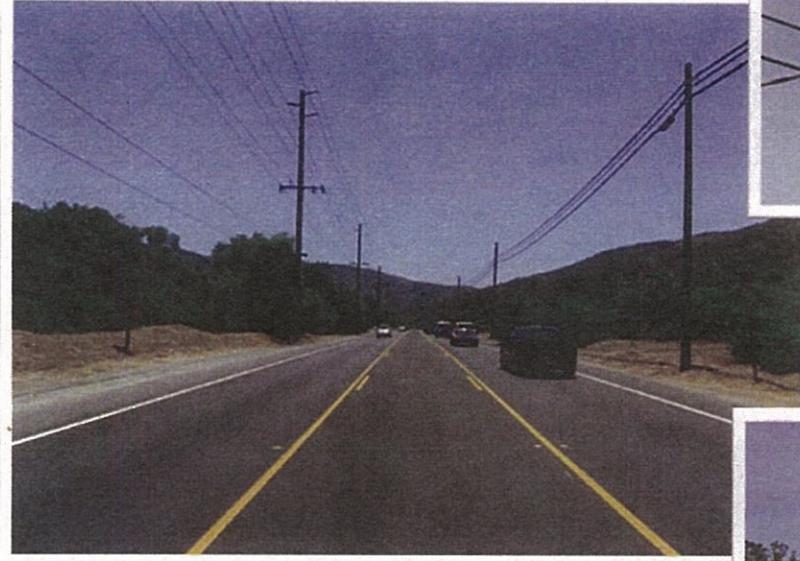
PUBLIC WORKS

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



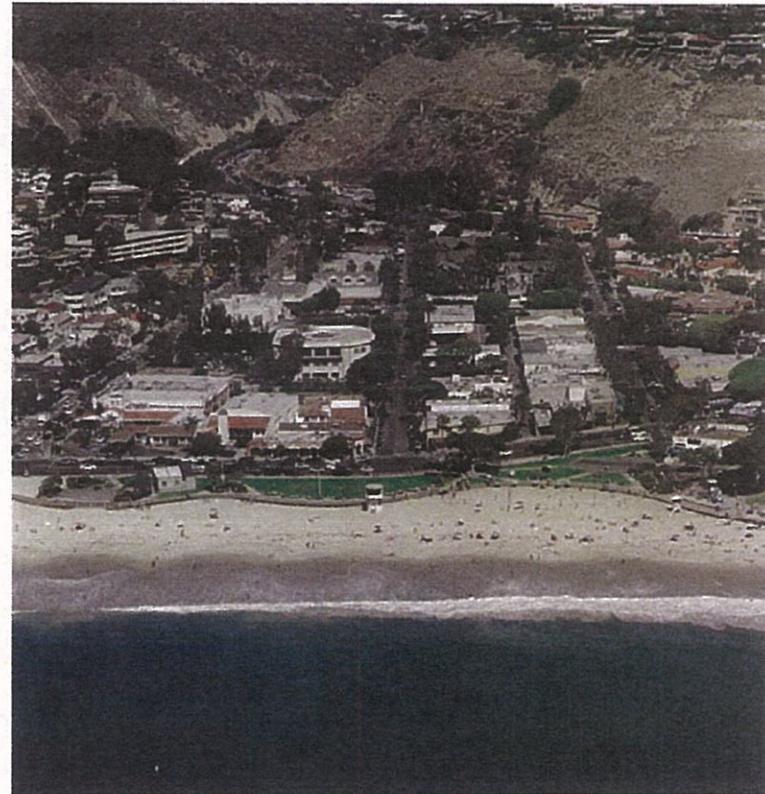
OTHER ONE-TIME FUNDING ITEMS

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	2 Additional Beach Patrol Officers	(5,000)	(54,800)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(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)

ACCOUNTABILITY AND OVERSIGHT

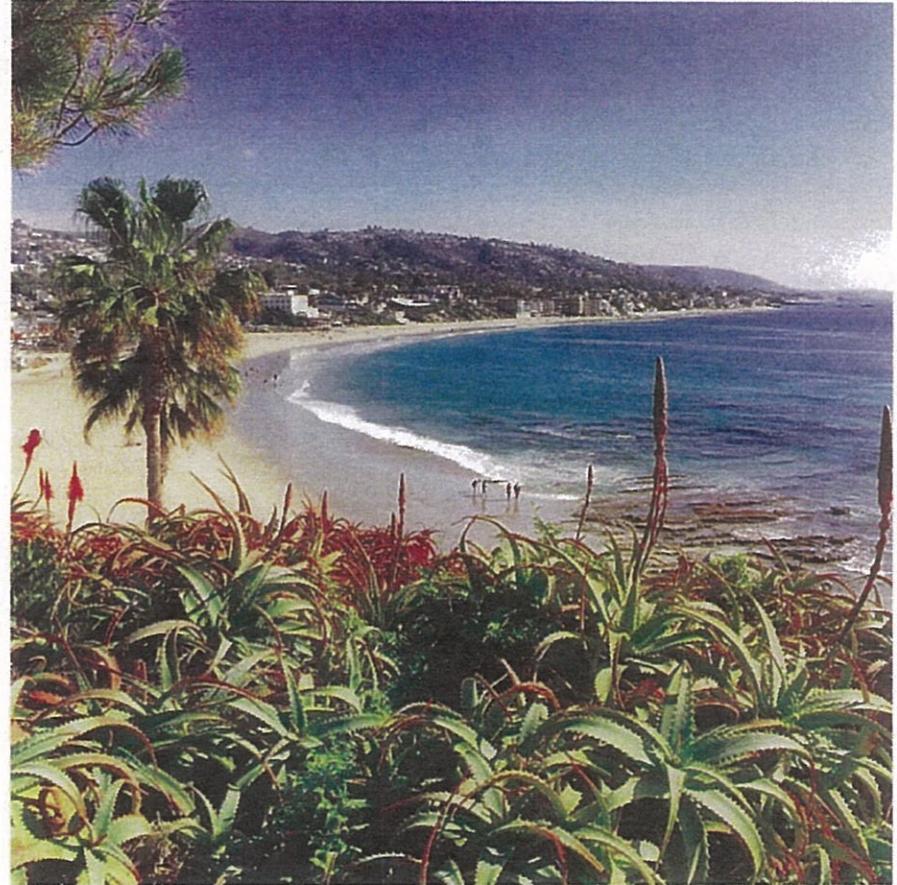
Accounting

- 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

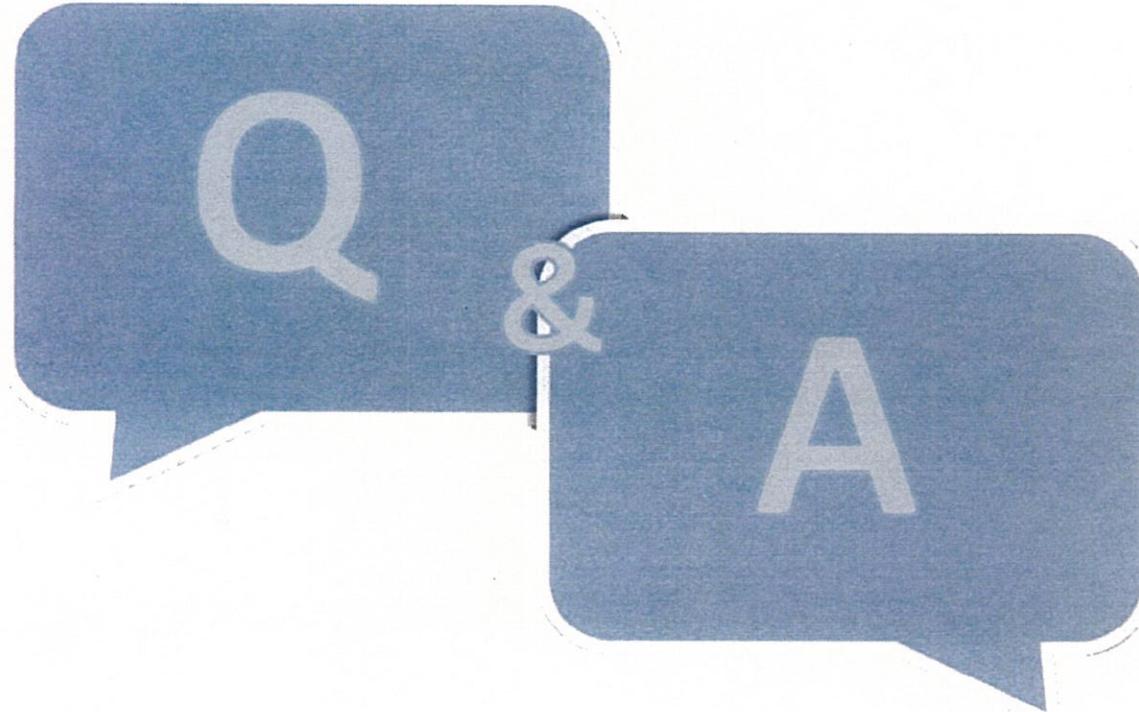
RECOMMENDATIONS



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



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

City Council.

ADOPTED this 13th day of December, 2016.

, Mayor

ATTEST:

City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 16.xx was duly adopted at a Regular Meeting of the City Council of said City held on December 13, 2016, by the following vote:

AYES: COUNCILMEMBER(S):
NOES: COUNCILMEMBER(S):
ABSENT: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

Attachment K

Staff Report: Feb 7, 2017, Mid-year budget update

City of Laguna Beach
AGENDA BILL

No. 9
Meeting Date: 2/7/2017

SUBJECT: MID-YEAR BUDGET UPDATE

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

With the independent audit for fiscal year 2015-16 recently completed, staff is returning to the City Council to update the current budget with the revised fund balance figures and for a mid-year budget revision.

II. EXECUTIVE SUMMARY

The City ended Fiscal Year 2015-16 in a strong financial position. The General Fund ended the year \$4.7 million above the 20% reserve, the Parking Fund budget estimates were up by \$1.1 million, and the Capital Improvement Fund added \$559,000 to its fund balance. Just some of the highlights include: better than expected increases in property taxes (up 6.75%), hotel taxes (up 8.9%), sales tax (up 3%), and Community Development Fee Revenues (up 20%), while responsible spending by departments kept expenditures under budget by \$800,000.

Some of the revenue increases in the General Fund were the result of one-time events, such as sales tax due to the completion of the state "triple flip" program, others are expected to continue in the current year. For example, the City was notified in late June that this year's property tax revenue would be \$760,000 more than the original budget estimate and Community Development fees are already exceeding budget expectations for the year. That being said, not all the news is good. Recently the City was notified that CalPERS will be lowering its assumed rate of return on investment from 7.5% to 7%. Over the next six years, this single change will increase the City's pension costs by roughly \$2-\$3 million.

Finally, this report includes recommendations to use the savings in the General Fund, the Parking Fund, Capital Improvement Fund, and Sewer Fund. The recommendations are designed with the purpose to fund items necessary to maintain current service levels and to address City Council priorities. The report also include recommendations regarding mid-year salary changes and capital equipment requests.

RECOMMENDATION: It is recommended that the City Council: (See Page 6)

Appropriations Requested: \$ _____

Fund: _____

Attachments: See Page (6)

Coordinated with: Nancy Pauley
Nancy Pauley, Finance Officer
Coordinated with: Gavin Curran
Gavin Curran, Director of Finance and IT

Approved: John Fiebig
City Manager

Mid-Year Budget Update

February 7, 2017

Page 2

III. PRESENTATION OF FINAL ENDING BALANCES ON JUNE 30, 2016

Each year when the staff has calculated the June 30 ending balances for the various city funds, the City Council updates the current budget by adopting the revised fund balance figures. Attachment 1 depicts the actual balances for each budget fund and shows the difference between the expected (budgeted) ending fund balance and the actual balances for the fiscal year. The list below highlights the material differences:

- The ending fund balance for the General Fund is \$4.7 million higher than originally anticipated. Factors that lead to that result include:
 - a. The City received higher than estimated property taxes in the amount of \$1.2 million due to an increase in the collection of secured property taxes including a higher collection rate, higher than expected payments of “prior years” property taxes, and higher (almost triple the original estimate) supplemental property taxes.
 - b. The City benefited from a one-time increase in sales tax revenue due to a clean-up of the State of California “Triple Flip”. That one-time cleanup combined with sales tax increasing by roughly 3% over the prior year allowed sales tax revenue to exceed the budget estimate by \$487,000.
 - c. Transient Occupancy Tax (TOT) was higher than expected by approximately \$305,000 compared to the budget. Higher TOT revenue and the reopening of The Ranch provide 8.9% growth in TOT revenue over the prior year.
 - d. Franchise taxes and business license taxes were higher than expected by \$101,000.
 - e. Investment earnings were higher than expected by \$552,300 compared to the budget due primarily to large cash balances.
 - f. Community Development fee revenue continues to improve. Building permits, plan check-zoning fees, and real property reports added \$558,000 compared to budget, overall fee revenue increased 20% increase over the prior year. Later in this report, staff will be recommending increasing the current year revenue estimate for Community Development Fees by \$130,000 which will help recover the cost of some of the added staff and contract services.
 - g. On the expenditure side, City departments saved approximately \$800,000.
- In the Capital Improvement Fund, the ending fund balance was higher than expected by \$559,000. This was due to higher than expected revenues in real property transfer tax, and fines and penalties.
- The Parking Fund ending fund balance was higher by \$1.1 million. Parking meter revenue exceeded budget projections by \$400,000 while parking lot revenue was higher by \$259,000. Additionally, the Transit Fund had operational savings reducing the transfer from the Parking Fund to the Transit Fund saving \$257,400.

Not all the news is positive. The city’s net pension liability (unfunded liability) for FY 2015-16 increased by \$7 million compared to the prior year reaching a total for all plans of \$49 million. Over the last three years, the City has paid an additional \$6.4 million toward the unfunded liability; however, lower than expected investment returns at CalPERS have had a significant impact on the pension plan. This is in addition to CalPERS recently lowering its assumed rate of return from 7.5% to 7%. This impact on the budget of both these issues will be discussed in more detail during the presentation of the long-term financial plan and the two-year budget.

Mid-Year Budget Update
February 7, 2017
Page 3

IV. CHANGES TO THE 2016-17 GENERAL FUND BUDGET

In addition to recognizing the new balances, the City Council should consider items 1-19 in the table below and modify the General Fund adopted budget. Most requests are one-time costs, impacting the current year only, but others have an ongoing impact to the budget. It is recommended that the cost for ongoing requests be limited to ongoing funding. Therefore, it is recommended the City Council:

		Appropriate	
		One-time	Ongoing
Beginning Balance		\$4,700,000	
1	Increase Property Tax Revenue (\$760,000 Estimate + \$240,000 higher collection rate)		1,000,000
2	Increase in Community Development Fees (Increase Design Review, Building Permits)		130,000
3	Clean up items for various city departments	(12,100)	(59,300)
4	Additional expected costs related to the 2016-17 storms	(100,000)	
5	Labor Negotiations and other Salary Adjustments (\$850,000 represents a full year)	470,000	(870,000)
6	Increase in part-time salaries (\$60,000 represent a full year)	40,000	(60,000)
7	Laguna Art Museum and Laguna Playhouse Grants	(500,000)	
8	Transfer to Open Space Fund	(300,000)	
9	Increase Contractual Services for City Attorney (ACLU, Short-term lodging)	(500,000)	
10	Transfer to Insurance Fund due to higher than expected tort claims above reserves	(1,500,000)	
11	Additional Funding for Wayfinding Signage	(300,000)	
12	Increase Contract Services for Building Inspector (revenue offset)		(73,000)
13	Additional Contract Services for review of private development in public right-of-way		(30,000)
14	Increase in contract services for Downtown Specific Plan and Landscape and Scenic Highway Plan (staff currently reviewing request, costs maybe less)	(110,000)	
15	Safety Improvements at City Facilities and Employee Safety Training	(100,000)	
16	Supplemental Funding for IT Master Plan	(30,000)	
17	Lang Park Community Pool Geotechnical Environmental Investigation, Public Outreach	(80,000)	
18	Pickle Ball Pilot Program (Attachment 6)	(2,500)	(3,200)
19	Funding necessary to maintain General Fund 20% reserve)	(220,000)	
Remaining One-time Balance		\$1,455,400	
Remaining Ongoing Balance			\$ 34,500

If the City Council approves items 1-19, this would bring the available fund balance of one-time funds to \$1.4 million and \$34,500 in ongoing funds. The City Council could set aside all or a portion of the funding in the Capital Improvement Fund for capital improvement projects. Just some of projects that will require additional funding include:

		Appropriation	
		One-time	Ongoing
1	Supplemental Funding for sidewalks on Pacific Coast Highway	(7,700,000)	
2	Lang Park Community Pool	(15,000,000)	
3	Supplemental Funding for possible relocation of Fire Station 4	(3,000,000)	
4	Land purchase at the Community Garden, South Laguna	(750,000)	
Remaining Balance		(\$26,450,000)	\$0

Mid-Year Budget Update

February 7, 2017

Page 4

V. PENDING LABOR AGREEMENT AND OTHER SALARY CHANGES

Negotiations have concluded with the Laguna Beach Police and Fire Management Association (PFMA) and continue with the Fire Association. As noted in Section IV, staff is recommending setting aside \$650,000 in ongoing funding toward the implementation of those agreements. In addition, staff is recommending the City Council appropriate \$200,000 in ongoing funds to accommodate salary adjustment that will likely be necessary for certain positions to remain competitive. Just some of the positions currently being reviewed include Police Chief, Fire Chief, Chief of Marine Safety and Marine Safety Lieutenant. In total, staff is recommending an appropriation of \$870,000; however, only \$400,000 of that amount is expected to be needed in the current year, FY 2016-17.

Also, the budget already includes ongoing funding to comply with the state minimum wage requirements (currently \$10.50/hour). However, staff is recommending that part-time salaries receive a 3% adjustment in hourly pay rates to continue to remain competitive in the market place for such staffing. The cost will be approximately \$90,000 of which \$30,000 has already been provided for in the budget. In order to implement this recommendation, the City Council will need to appropriate an additional \$60,000 and adopt the resolutions shown in Attachment 4.

VI. CAPITAL EQUIPMENT REQUESTS

City departments submitted approximately \$600,000 in capital equipment and technology system requests. The FY 2016-17 budget included \$719,000 for capital equipment, of which \$219,000 was allocated during the budget process, leaving a balance of \$500,000. Attachment 4 lists all the departmental requests and the City Manager's recommendations. It is recommended the City Council approve the recommended capital equipment requests.

VII. CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund ended the year \$559,000 higher than expected. In addition, the City Council recently transferred \$345,000 back to Capital Improvement Fund (CIP) available fund balance. These two items when combined with the remaining balance in the storm reserve bring the available balance in the Capital Improvement fund to approximately \$1,904,000. There are several capital improvement projects that, in total, need roughly \$1.7 million in additional funding. To accommodate this request, staff is recommending the City Council use the \$1.9 million of available CIP funds, and \$128,400 in available asset forfeiture funds, and \$106,000 in available funding from the Sewer Fund for the projects listed in the table below. A more detailed descriptions of the requests are include in Attachment 3.

		One-time	Ongoing
Beginning Balance (Savings, Storm Reserve, Asset Forfeiture, Sewer Fund)		\$2,138,400	\$ -
1	Additional Funding for Recreation Building Improvements	(190,000)	
2	Community Center Improvements for Community Services Staff	(80,000)	
3	Additional Funding for Police Lobby Renovation (funded by Asset Forfeiture)	(128,400)	
4	Additional Funding for remodel at 479 Ocean Avenue	(550,000)	
5	Additional Funding for Agate and Thalia Beach Access Improvement Projects	(630,000)	
6	Repairs to sewer lines as part of Anita Storm Drain Project (funded by Sewer Fund)	(106,000)	
7	Balance to Capital Improvement Fund	(454,000)	
Remaining Balance		\$0	\$0

VIII. PARKING FUND AND TRANSIT FUND

The Parking Fund ended the year \$1.1 million higher than expected. This was due to higher than expected revenues in both parking meter and parking lot activity and a lower than operating subsidy (Transfer) to the Transit Fund.

On February 1, the City Council approved a supplemental appropriation of \$700,000 to address additional items that may come up during the Village Entrance design review process. Therefore, staff is recommending appropriating \$700,000 from the Parking Fund.

IX. STREET LIGHTING FUND

The street lighting fund ended the year \$119,000 higher than expected. No appropriations are requested at this time.

X. WASTEWATER (SEWER) FUND

The Wastewater (Sewer) Fund ended the year \$480,000 higher than expected. It is recommended the Council use the savings for projects listed in the table below. A more detailed descriptions of each request is include in Attachment 3.

		Appropriate	
		One-time	Ongoing
Savings		\$480,000	\$ -
1	Installation of back-up emergency generators at Anita, Cleo, and Bluebird lift stations	(75,000)	
2	Supplemental Funding for Laguna SOCWA Wet Well Rehab	(66,300)	
3	Emergency repair between Mountain Road and Calliope Street	(18,000)	
4	Transfer to Capital Improvement Fund for Sewer Repairs Anita Storm Drain Project	(106,000)	
5	Balance to Sewer Fund	(214,700)	
Remaining Balance		\$0	\$0

XI. INSURANCE FUND

Early in this report, staff recommended transferring \$1.5 million from the General Fund savings to help offset unexpected costs related to tort claims. In addition to that request, it is necessary for the City Council to appropriate \$1.4 million for the Klein case. The Klein case involves a federal court action by three individuals who claimed their First Amendment rights were violated by the City's regulations concerning the use of sound amplification equipment (bullhorns) to broadcast messages from the sidewalk adjacent to Laguna Beach High School and City Hall and in the downtown area. The federal appeals court ruled that while the regulations were valid as to the high school, the regulations were overbroad as to the other locations. The trial court awarded damages of \$3 to each plaintiff. The appeals court also determined that the plaintiffs were entitled to an award of attorneys' fees. The plaintiffs' attorneys requested approximately \$3.2 million and the trial court awarded them approximately \$1.4 million. The plaintiffs have filed an appeal, asserting they are entitled to the full amount claimed. The City is independently seeking coverage for the award through its pooled insurance contract. However, staff is recommending the City Council authorize the City Manager to make payments of up to \$1.4 million toward settlement of the Klein Case.

XII. UNDERSTANDING THE CITY'S BUDGET

As part of the City's community outreach efforts, the Finance staff will be holding the 3rd annual budget symposium for the community where the Finance Officer and Director of Finance will help interested residents better understand the components of the city's budget by discussing the timeline and processes for adopting the budget, and an overview of City's revenue and expenditures. The budget symposium is tentatively scheduled for March 23, 2017, at 6 p.m. in the City Council Chambers. This presentation is independent of the Long-Term Financial Plan presentation on March 6th, 2017, and the City Council Budget Workshop scheduled for May 23, 2017.

XIII. RECOMMENDATIONS

It is recommended that the City Council:

1. Update the FY 2016-17 Budget by accepting the June 30, 2016, ending fund balances depicted in Attachment 1.
2. Modify the Fiscal Year FY 2016-17 Adopted Budget and approve the additional appropriations, adjustments and award of contracts as recommended in Sections IV, V, VI, VII, VIII, IX, X, and XI, and as described on Attachment 3.
3. Approve the capital equipment purchases as part of the Fiscal Year 2016-17 Budget as depicted in Attachment 4.
4. Adopt the resolution which ratifies the compensation for hourly part-time employees as described in Section V and included as Attachment 5.

Attachments:

1. Comparison of projected vs. actual fund balances
2. All funds budget summary
3. Descriptions of Possible Additions to the Budget
4. Capital Equipment Requests
5. Resolution approving compensation changes for hourly/part-time
6. Memo regarding Pickle Ball Program

ATTACHMENT 1
All Funds Budget Summary

RECONCILIATION OF FY 2014-15 AUDIT ENDING BALANCES TO FY 2016-17 BUDGET ESTIMATED BEGINNING BALANCES

Fund	Actual Available for new Appropriations (Incl. Carryovers)	Budgetary Adjustments			Revised Available for new Appropriations	Estimate Estimated Beginning Balance - FY 16/17 Adopted Budget	Difference Over/(Under) Estimate
		Carryovers - Revenues (+)	Carryovers - Expenditures (-)	Other Adjustments			
General	23,956,169		6,817,000	(11,330,000)	5,809,169	1,099,865	4,709,304
Open Space	800,163		125,000		675,163	662,507	12,656
Capital Improvements	22,444,195	50,000	18,201,200	(2,800,000)	1,492,995	934,239	558,756
Parking Authority	12,763,795		6,665,300		6,098,495	4,966,912	1,131,583
Parking In-lieu	896				896	157	739
Park In-lieu	179,580				179,580	156,661	22,919
Art In-lieu	215,240		14,700		200,540	167,565	32,975
Drainage	68,991				68,991	68,281	710
Housing In-lieu	289,897		6,500		283,397	278,677	4,720
GENERAL FUNDS	60,718,925	50,000	31,829,700	(14,130,000)	14,809,224	8,334,864	6,474,361
Transportation Infrastructure	1,212,450		85,000		1,127,450	495,504	631,946
Gas Tax	1,695,476		1,623,100		72,376	3,159	69,217
Street Lighting	4,985,131		2,130,400		2,854,731	2,735,584	119,147
Disaster Contingency	6,153,059				6,153,059	6,134,679	18,380
SPECIAL REV.FUNDS	14,046,116	0	3,838,500	0	10,207,616	9,368,926	838,690
Wastewater	1,806,772	3,035,300	4,320,100		521,972	41,104	480,868
Transit	378,800		376,800		2,000	2,000	0
ENTERPRISE FUNDS	2,185,572	3,035,300	4,696,900	0	523,972	43,104	480,868
GENERAL, SPECIAL REVENUE, DEBT SERVICE, & ENT. FUNDS	76,950,613	3,085,300	40,365,100	(14,130,000)	25,540,812	17,746,894	7,793,919
Insurance & Benefits	1,612,521				1,612,521	2,748,647	(1,136,126)
Auto Replacement	4,123,295		817,600		3,305,695	3,155,065	150,630
INTERNAL SERVICE FUNDS	5,735,816	0	817,600	0	4,918,216	5,903,712	(985,496)
TOTAL CITY	82,686,429	3,085,300	41,182,700	(14,130,000)	30,459,027	23,650,606	6,808,423
(w/o Assessment Districts)							

Notes:

1. 20% General Fund Reserve

ATTACHMENT 2
ALL FUNDS BUDGET SUMMARY

Beginning and Ending Balances Fiscal Year 2016-17

All Funds¹

	Estimated Beginning Balance July 1, 2016	Estimated Revenues	Transfers In (Out)	Estimated Expenditures	Estimated Ending Balance June 30, 2017
<u>Operating and Capital Project Funds</u>					
General	5,809,169	58,353,600	(3,174,400) ²	60,947,700	\$40,669 ⁷
Open Space	675,163		1,532,000	1,753,000	454,163
Capital Improvement	4,292,995	6,088,000	657,800 ³	9,134,260	1,904,535
Parking Authority	6,098,495	7,089,000	(2,042,400) ⁴	4,044,100	7,100,995
Measure LL	0	1,000,000		1,000,000	0
Parking in Lieu	896				896
Park in Lieu	179,580				179,580 ⁸
Art in Lieu	200,540				200,540
Drainage	68,991				68,991
Housing in Lieu	283,397				283,397
Gas Tax	72,376	963,000		950,000	85,376
Street Lighting	2,854,731	1,313,100		680,300	3,487,531
Wastewater	521,972	9,621,000	(206,000) ⁵	9,371,100	565,872
Disaster Contingency	6,153,059	45,000			6,198,059
Transportation Infrastructure	1,127,450	15,000		115,000	1,027,450
Transit	2,000	2,348,000	817,400	3,165,400	2,000
Total	28,340,814	86,835,700	(2,415,600)	91,160,860	21,600,054
<u>Internal Service Funds</u>					
Insurance	1,411,521	8,705,600	2,203,200 ⁶	10,221,100	2,099,221
Vehicle Replacement	3,155,642	1,456,200	500,000	1,660,700	3,451,142
Total	\$4,567,163	\$10,161,800	\$2,703,200	\$11,881,800	\$5,550,363

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, a transfer out of \$300,000 to the Open Space Fund, \$1,500,000 to the Insurance Fund, \$1,455,400 to the Capital Improvement Fund, and \$444,000 to maintain the General Fund 20% reserve.

³Includes a transfers in of \$200,000 from the Parking Authority Fund, a transfer in of \$106,000 from the Sewer Fund, a transfer in of \$128,400 from Asset Forfeiture funds, a transfer in of \$1,455,400 from the General Fund, and a transfer out of \$1,232,000 to the Open Space Fund.

⁴Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$200,000 to the Capital Improvement Fund, a transfer out of \$817,400 to the Transit Fund, and a transfer out of \$500,000 to the Vehicle Replacement Fund.

⁵Includes a transfer out of \$100,000 to the Sewer Fund Reserve, and a transfer out of \$106,000 to the Capital Improvement Fund.

⁶Includes a transfer in of \$703,200 from the principle payment of the Side Fund Loan.

⁷The City Council approved a goal of a 20% General Fund reserve equal to \$11,545,600 which is not shown in this fund balance. A reserve for solid waste/refuse of \$363,000 and a reserve of \$250,000 to mitigate fluctuations in investments are also not shown in this fund balance.

⁸In FY 2014-15, the City Council earmarked \$251,252 for a period of up to three years for a Community Garden in South Laguna. This amount is not shown in this fund balance.

ATTACHMENT 3
Description of Possible Additions to the
FY 2016-17 Budget

ATTACHMENT 3
MID-YEAR MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 7, 2017

General Fund

1. Increase the Secured Property Tax estimate by \$1 million in FY 2016-17. This increase is based on a higher than expected increase in assessed value (original estimate 3.5%, actual 6.7%) and an anticipated higher collection rate.
2. Increase the Community Development fee revenue by \$130,000 in FY 2016-17. This increase is due to higher than expected fee revenue of \$80,000 in Design Review Fees and \$50,000 in Building Inspection Fees.
3. Appropriate \$12,000 from *one-time* funds and \$59,300 in *on-going* for the following:

		Appropriate	
		One-time	Ongoing
1	Nixle Contract (Police Department Text Messaging Service)		(7,000)
2	Additional Funding needed for Loma Terrace Acquisition	(2,100)	
3	Waste Management Grant Program (grant funding inadvertently not in the budget)		(29,600)
4	County Importation Fees of \$62,000 (increase revenue and matching appropriation)		0
5	Increase in maintenance costs for the Alternative Sleeping Location (ASL)		(12,000)
6	Cost Associated for Summer Olympic Event at City Hall	(5,000)	
7	Interfaith Council-Cold Weather Shelter (assistance with overflow shelter)	(5,000)	
8	Friendship Shelter (City Council already approved, funding needs to be appropriated)		(10,700)
Total One-time Requests		(\$12,100)	
Total Ongoing Requests			\$ (59,300)

4. Appropriate \$100,000 in *one-time* funds for expected costs related to the 2016-17 winter storms. Costs for the preparation and response may exceed funding included in the budget. Therefore, is recommend the City Council appropriate additional funding to accommodate this additional department spending.
5. Appropriate \$650,000 in *ongoing* funds for expected salary changes related to the labor negotiations and \$200,000 in *ongoing* funds to accommodate salary adjustment positions to remain competitive in the current market. Some of the positions being reviewed include Police Chief, Fire Chief, Chief of Marine Safety and Marine Safety Lieutenant.
6. Appropriate \$60,000 in *ongoing* funds for part-time salaries. Part-time salaries will receive a 3% adjustment to continue to remain competitive in the market place for such staffing. The cost is approximately \$90,000 of which \$30,000 has already been provided in the budget.
7. Appropriate \$500,000 in *one-time* funds toward grant funding of \$250,000 for Laguna Art Museum and \$250,000 for Laguna Playhouse.
8. Transfer \$300,000 in *one-time* funds toward the purchase of Open Space. At the budget adoption in June 2015, the City Council agreed to consider setting aside funding annually

ATTACHMENT 3
MID-YEAR MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 7, 2017

at the mid-year budget update for the future purchase and maintenance of, and projects and programs to protect and enhance, open space including coastal resources.

9. Appropriate an additional \$500,000 in one-time funds for legal costs associated with the defense of the ACLU lawsuit and Short-Term Lodging. The City Council unanimously decided to vigorously defend the City against the misguided American Civil Liberties Union (ACLU) lawsuit.
10. Transfer \$1,500,000 in one-time funds to the Insurance Fund due to higher than expected tort claims over the past several year. Costs incurred to date and the amount needed for required reserves have exceeded budget expectations and additional funding is necessary.
11. Appropriate \$300,000 in one-time funds for wayfinding signage. A consultant is currently working with the Wayfinding Subcommittee on the preparation of a comprehensive City wayfinding sign program. It is expected that the first phase of sign implementation, involving installation of signs, could be as early as June/July 2017. The request for a \$300,000 appropriation would cover sign manufacturing and installation.
12. Appropriate \$73,000 in ongoing funds toward a contractual building inspector to maintain the growth in current services. Due to the increase in permit activity and to ensure timely inspection response for customer service, it is requested that the City continue to have a full-time contract building inspector in the Building Division. The amount requested for this service for the remainder of FY16/17 is \$73,000. This amount is covered through an increase of revenue over the current estimated budget amount.
13. Appropriate \$30,000 in ongoing funds toward additional contract services needed for review of private development in the public right of way.
14. Appropriate \$110,00 in one-time funds toward additional services for the Downtown Specific Plan and services for the Landscape and Scenic Highway Plan and authorize the City Manager to modify the various contracts to accommodate cost increases associated with the change or increase in the scope of services. The urban planning firm, MIG, hired to assist with the preparation of a comprehensive update to the Downtown Specific Plan and to review zoning and development issues for the Laguna Canyon area (Laguna Canyon Planning Study), is requesting a contract augmentation for additional services beyond the approved scope of work. The consultant indicates a two year expanded time frame for the project has increased project management efforts above the original budget, additional project meetings have occurred beyond what is identified in the scope, and cost adjustments are needed to cover several project technical memos revisions. Staff is working with the consultant to lower this amount. Landscape and Scenic Highways Consultant Contract. The City consultants (Greg Vail –Selva Partners, Ann Christoph Landscape Architect, and Bob Borthwick – BGB Design Group) who were hired to prepare the Landscape and Scenic Highways Element and Landscape and Scenic Highways Resource Document, are requesting an amendment to their consultant agreement for extra services beyond the approved scope of services. The consultant list a 3.5 year expanded time frame for the project, an additional nine meetings beyond the eight listed in the scope, and extensive

ATTACHMENT 3
MID-YEAR MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 7, 2017

rewrite of the LSHE requested to respond to Fire Department and the Emergency Disaster Preparedness Committee concerns as the extra services provided. Staff is working with the consultant to lower this amount.

15. Appropriate \$100,000 in *one-time* funds toward safety improvements at City facilities and additional employee safety training.
16. Appropriate \$30,000 in *one-time* funds to provide supplemental funding for the Information Technology Master Plan. The IT staff preparing a request for proposal for assistance in preparing a IT Master Plan, a plan that help identify technology gaps in the city's existing technology, outline strategic goals for departments and the IT division, and help identify objectives and initiatives of the City's information technology division. It is likely the development and implementation of the plan will require additional funding of \$35,000.
17. Appropriate \$80,000 in *one-time* funds for preliminary geotechnical and environmental investigations and public outreach for a community pool at to move forward on the planning of a community pool at Lang Park.
18. Appropriate \$2,500 in *one-time* funds in 2016-17 and \$3,200 from *ongoing* funds for a pilot Pickelball program. The Pickelball Program is going to be held at Lang Park by converting two tennis courts into two pickleball courts. If the pilot program is successful in terms of participation and operational costs a full conversion program can be considered in the future.
19. Transfer \$220,000 in *one-time* funds to the General Fund 20% reserve.

Capital Improvement Fund, Parking Authority Fund and Sewer Fund

Capital Improvement Fund

1. Appropriate \$190,000 in *one-time* funds for the Recreation Building Improvement Project. The Council approved \$500,000 in funding for the Receptions Building project. This project converts the un-used dance floor area into offices and a work areas. The improvements include lighting, mechanical, and plumbing for the new workspaces, existing work areas will be renovated, the roof will be renovated, and wood damage will be repaired. Total project costs based on actual bid received and additional modification needed for the building requires this additional funding.
2. Appropriate \$80,000 in *one-time* funds for the relocation of staff. Four Community Services employees will need to be relocated to the Susi Q Center during construction and will be permanently moved there, and will be provided working stations, cubical spaces including partition walls, and IT modifications.
3. Appropriate and transfer \$128,400 in *one-time* Asset Forfeiture funds for the Police Lobby renovation project. Last year, the Council approved a Police Lobby renovation project in the amount of \$60,000. Since that time, the renovation project has been enlarged to include

ATTACHMENT 3
MID-YEAR MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 7, 2017

expanding the lobby by approximately 100 sq. ft. by reconfiguring the services counter. The new counter will include bullet resistant glass and walls. In addition, glass entry doors will be installed and cabinets will be replaced in the report writing room and the jail booking area. The City has enough Police Asset Forfeiture funding to cover the additional cost; therefore, staff is recommending using \$128,400 in available asset forfeiture funds to supplement the project.

4. Appropriate \$550,000 in one-time funds for improvements to 479 Ocean Avenue. The improvements will provide additional office and cubicle space for employees, air-conditioning, building modules and ADA access.
5. Appropriate \$630,000 in one-time funds for necessary to complete Agate and Thalia Beach Access Improvement Projects.
6. Appropriate and transfer \$106,000 in the available Sewer Fund funds to cover repairs needed to the sewer system as part of the Anita Storm Drain Project.

Parking Fund:

1. Appropriate \$700,000 in one-time funds for supplemental funding for the Village Entrance Project.

Sewer Fund:

1. Appropriate \$75,000 in one-time funds for the purchase and installation of emergency back-up generators. The City Council approved the purchase and installation of emergency back-up generators at Anita, Cleo and Bluebird Canyon lift stations in the budget. Currently staff intends to standardize emergency generator systems at all applicable life stations as it 1) decreases the learning curve for maintaining specific product types, 2) it reduces the size of the inventory for replacement parts, and 3) reduces the number of outside vendors for resourcing parts and repairs. The new generators will serve to replace the existing dilapidated emergency generator systems currently at the lift stations. Therefore, staff is recommended an additional appropriation of \$75,000 from mid-year savings to bring the total project budget to \$150,000.
2. Appropriate \$66,300 in one-time funds for the Laguna SOCWA Wet Well Rehabilitation Project. On September 16, 2016 the City Council awarded contracts for inspection services and construction of the Laguna SOCWA Wet Well Rehabilitation Project. The total estimated cost of the project is \$2.3 million which included Odor Control Treatment, Laguna SOCWA Emergency Valve Replacement, and Laguna SOCWA Odor Control Improvements. The project is underway and the \$66,300 includes funding for sales tax discovered to be omitted in the original purchase order for the by-pass pumps essential to the project. Therefore, staff is recommended an additional appropriation \$66,300 for this project.

ATTACHMENT 3
MID-YEAR MODIFICATIONS TO THE FY 2016-17 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 7, 2017

3. Appropriate \$18,000 in *one-time* funds for urgent repair to a sewer pipeline between Mountain Road and Calliope Street. A closed-circuit television inspection (CCTV) recently discovered the sewer pipeline located between Mountain Road and Calliope Street in the alley inland of Coast Highway requires repair.
4. Transfer \$106,000 to the Capital Improvement Fund. While construction is taking place at The Anita/Seaview Street Storm drain project it was discovered that repairs need to be made to the sewer system. It is recommended a transfer of \$106,000 to the Capital Projects Fund to supplement the repair work from the savings.

Insurance Fund:

1. Appropriate \$1,400,000 for payment related to the Klein Case. The Klein case involves a federal court action by three individuals who claimed their First Amendment rights were violated by the City's regulations concerning the use of sound amplification equipment (bullhorns) to broadcast messages from the sidewalk adjacent to Laguna Beach High School and City Hall and in the downtown area. The federal appeals court ruled that while the regulations were valid as to the high school, the regulations were overbroad as to the other locations. The trial court awarded damages of \$3 to each plaintiff. The appeals court also determined that the plaintiffs were entitled to an award of attorneys' fees. The plaintiffs' attorneys requested approximately \$3.2 million and the trial court awarded them approximately \$1.4 million. The plaintiffs have filed an appeal, asserting they are entitled to the full amount claimed. The City is independently seeking coverage for the award through its pooled insurance contract.

ATTACHMENT 4
CAPITAL EQUIPMENT REQUESTS

City of Laguna Beach
General Fund Capital Outlay Requests Mid-Year 2016-17

Attachment 4

Division	Div	Obj	Description	Dept. Request	City Manager Recommended
General Government					
City Manager	1201	5408 (A)	Computer Surface Tablet	2,400	2,400
				Total	2,400
Admin Services					
Information Technology	1603	5622 (R)	Non-Wired Microphones at staff table in Council Chambers	2,500	2,500
				Total	2,500
Police Department					
Support Services	2101	5622 (A)	Additional Police Cameras	6,000	6,000
				Total	6,000
Fire Department					
Fire Operations	2401	5622 (R)	Upgrades to Chief SCBA Masks	8,000	6,000
Fire Operations	2401	5622 (R)	Food Supplies at Fire Stations for Disaster Preparation	15,000	15,000
Fire Operations	2401	5305 (R)	Painting Exterior/Interior Station #4	17,000	17,000
Fire Operations	2401	5622 (A)	Thermal Imaging Cameras (3)	30,000	10,000
Fire Operations	2401	5622 (R)	IPADS for EMS & Fire Inspections	10,000	10,000
Fire Operations	2401	5622 (R)	Wildland Firefighting Protective Clothing	12,000	12,000
Fire Operations	2401	5622 (R)	Turnout Modifications for new Radios	9,000	9,000
Fire Operations	2401	5622 (R)	Firefighting Protective Hoods (40)	5,000	5,000
Fire Operations	2401	5622 (R)	Firefighting Protective Gloves (40)	4,000	4,000
Fire Operations	2401	5622 (A)	Air Conditioning Unit for Training Room at Station #2	5,000	5,000
Fire Operations	2401	5622 (R)	Ventilation/Forcible Entry Upgrades	20,000	20,000
Fire Operations	2401	5622 (R)	Heater for Station #4	9,000	9,000
Fire Operations	2401	5622 (R)	Apparatus Bay Heaters at Station #2 & #3	28,000	28,000
Fire Prevention	2501	5622 (R)	Investigation Camera Systems	16,000	16,000
Fire Prevention	2401	5622 (R)	Laptop Computer (1)	3,000	3,000
Fire Operations	2401	5305 (R)	Remodel Work at Station #1	82,000	120,000
Fire Operations	2401	5622 (A)	Exhaust Fan/Heater for Apparatus Room at Station #1	9,000	9,000
Fire Prevention	2401	5622 (R)	Exercise Equipment	7,000	7,000
Fire Prevention	2401	5622 (R)	Structural Firefighting Turnouts (40)	88,000	
				Total	377,000
					305,000
Marine Safety					
Marine Safety	2601	5622 (A)	Marine Predator Monitoring System	8,000	8,000
Marine Safety	2601	5622 (A)	Portable Public Emergency Communication Device	6,500	6,500
Marine Safety	2601	5622 (R)	Junior Lifeguard Paddleboards (35)	8,500	8,500
Marine Safety	2601	5622 (A)	Go Pro Cameras (3) Social Media Production Equipment	5,500	3,000
Marine Safety	2601	5408 (R)	Computer (3)	7,600	7,600
				Total	36,100
					33,600
Public Works					
Engineering & Admin	3101	5408 (A)	Computer Surface Tablets (5)	14,400	14,400
				Total	58,100
					55,600
Community Services					
Recreation	5101	5408 (R)	Computers (2)	4,400	4,400
Recreation	5101	5622 (A)	Emergency Generator at Community Center (Primary Shelter)	40,000	
Recreation	5101	5408 (R)	Furniture (Couch & 2 Arm Chairs)	4,000	
Recreation	5101	5408 (A)	Projector and Audio Visual for Multi Purpose Room	11,000	11,000
Pool	5102	5408 (A)	Ventilation System for First Aid and Team Room and Office	12,000	12,000
Recreation	5101	5305 (A)	Window Tinting the Art Room	1,500	1,500
Pool	5102	5408 (R)	Starting Blocks at Pool	24,000	24,000 *
Pool	5102	5408 (R)	Lane Lines for Pool	6,000	6,000 *
Recreation	5101	5305 (R)	Table for Community Room	6,000	6,000
Pool	5102	5622 (R)	Backflow Device	6,000	6,000 *
Pool	5102	5305 (R)	Replace In-operable Window	9,000	9,000 *
				Total	123,900
					79,900
				Total General Fund	606,000
					485,000

*Per LBUSD Joint Use Agreement the District will pay 30% of project

Notes:

(A) = Additional Equipment (New Equipment)
(R) = Replacement Equipment

ATTACHMENT 5
RESOLUTION APPROVING PART-TIME
PAY RANGES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 17.XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, AMENDING RESOLUTION 16.XXX AND ESTABLISHING A PAY RATE INCREASE FOR CERTAIN HOURLY/PART-TIME POSITIONS.

WHEREAS, the City Council wishes to amend Resolution 16.005 to establish new pay rates for certain temporary hourly/part-time employees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows: The Hourly/Part-Time Pay Schedule for the hourly/part-time positions of employment in the various City departments as set forth in Exhibit A attached hereto is hereby approved with an effective date of April 24, 2017.

ADOPTED this 7th day of February, 2017.

Toni Iseman, Mayor

ATTEST:

City Clerk

I, Lisette Chel, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 17.xxx was duly adopted at a Regular Meeting of the City Council of said City held on February 7, 2017, 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 Salary Table
 Hourly/Part-Time
 FY 16-17

DRAFT 01/30/17 - 3% COLA

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Job Title
615	8.97	9.34	9.72	10.10	10.47	10.84	11.21	Office Assistant I, Laborer I, Community Services Leader, Parking Lot Attendant.
635	10.47	10.84	11.21	11.59	11.97	12.34	12.71	Office Assistant II, Community Services Specialist, Trolley Steward
650	11.59	11.97	12.34	12.71	13.09	13.46	13.83	Kennel Aide I, Laborer II
655	11.97	12.34	12.71	13.09	13.46	13.83	14.20	Community Services Coordinator
660	12.34	12.71	13.09	13.46	13.83	14.20	14.59	Parking Control Officer
665	12.72	13.09	13.46	13.83	14.20	14.59	14.96	Swim Instructor/Pool Lifeguard
673	13.09	13.46	13.83	14.21	14.58	14.95	15.33	Typist Clerk
675	13.46	13.83	14.20	14.59	14.96	15.33	15.70	Laborer III, Kennel Aide II, Police Aide
685	14.20	14.59	14.96	15.33	15.70	16.08	16.45	Weed Abatement Coord., Sr. Community Svcs. Coordinator, Sr. Pool Lifeguard, Community Bch Patrol, Sr. Police Aide
695	14.96	15.33	15.70	16.08	16.45	16.82	17.19	Admin Intern, Aquatics Spvstr, Bus Driver I
705	15.70	16.08	16.45	16.82	17.19	17.58	17.95	Laborer IV
710	16.08	16.45	16.82	17.19	17.58	17.95	18.32	Sr. Community Beach Patrol, Tidepool Educator, Civilian Enforcement Officer
725	17.19	17.58	17.95	18.32	18.69	19.07	19.44	Bus Driver II, Fire Prevention Officer
745	19.23	19.61	20.01	20.41	20.79	21.18	21.59	Marine Safety Dispatcher
755	19.44	19.81	20.19	20.57	20.94	21.31	21.68	Jailer
780	21.31	21.68	22.06	22.44	22.81	23.18	23.56	Bus Driver III
795	22.44	22.81	23.18	23.56	23.93	24.30	24.67	Summer Festival Transit Supervisor
797	27.44	27.99	28.55	29.12	29.70	30.29	30.90	Arts Program Coordinator, Digital Communications Coordinator
799	49.00	49.00	49.00	49.00	49.00	49.00	49.00	Transit Programs Coordinator

ATTACHMENT 6
MEMO: PICKLE BALL

11/17/16
JP → CJ
→ GC
→ am Mid-yr
budget file
This should be
considered at
mid-year.

MEMORANDUM

DATE: October 31, 2016
TO: John Pietig, City Manager
FROM: Christa Johnson, Assistant City Manager
SUBJECT: Pilot Pickleball Program

(B)

Pickleball enthusiasts led by resident Johanna Felder, spoke to the Recreation Committee at multiple meetings asking the Committee to consider re-striping and converting existing tennis courts into pickleball courts or multi-use courts. The Recreation Committee moved to request that staff investigate a pilot pickleball program at Lang Park in one tennis court, take into account time of use, costs involved with net changes, storage and movement of equipment, and attenuated costs potentially associated with the conversion of the court. The Committee motioned to approve staff's recommendation, to establish a pilot program, however, they changed the proposal from four to two pickleball courts.

Proposal and Schedule:

The proposed program will include light striping Lang Tennis Court into two temporary courts using the existing tennis net as a barrier between the courts. The tennis court lines will remain dominant. The City will provide two rolling picklenets which will be brought out during specific hours. Staff will provide an honor system sign-in sheet for both tennis and pickleball players to track court usage for the specific activities. There will not be a charge to the players to play as it is the same as anyone playing tennis at the park. The City no longer offers contract tennis classes at the Lang tennis court and the court is not heavily used which is why this is the proposed court location. The City will continue to maintain the tennis court.

The proposed Pickleball times are:

The designated pickleball hours will tentatively be Tuesday and Wednesday from 8:00 am to 5:00 p.m., with the potential to add additional days based on demand. Signs will be posted on the fence with the hours of play. The players provide their own equipment for play such as balls and racquets.

Storage and Movement of Equipment:

The portable nets will be stored in the City's outdoor storage area directly behind the tennis court. The Community Services staff will set up the portable nets on Tuesday and then take down the nets on Wednesday evenings.

Estimated Expenses Associated with the Pilot Program:

In order to implement this pilot pickleball program minimal costs will be incurred that are not in the current budget. Staff would like your recommendation to see if this should go to City Council as an agenda item requesting the funds to implement the program soon or to wait and request the funds during the mid-year budget review.

Additional hours for current part-time staff will need to be allocated to accommodate the set-up and take-down of the nets. If the pilot program is successful in terms of participation and operational costs a full conversion program can be considered in the future. The cost for the first three months of the pilot program are listed below. The striping will last for three years and the nets will be replaced annually.

Pilot Program Expenses	Costs
Two (2) Portable Nets	\$ 700.00
Striping of Courts	\$1,300.00
Part-Time Staff Costs (3 months)	\$ 500.00
Total	\$2,500.00

Annual Expenses	Costs
Two (2) Portable Nets	\$ 700.00
Share of tri-annual striping	\$ 500.00
Part-Time Staff Costs	\$2,000.00
Total	\$3,200.00

Recommendation:

The Recreation Committee approved this pilot program, pending City Council approval of funds, staff recommends that the program be implemented by Spring 2017 with evaluation by the Recreation Committee in Summer 2017. Due to the community interest, department goal of promoting a healthy community, and moderate annual cost, staff recommends that the City implement a pilot pickleball program at Lang tennis court.

- Attachment:
- 1) Memo to Recreation Committee-Pilot Pickleball Program Recommendation
 - 2) September 12, 2016 – Recreation Committee Meeting Minutes
 - 2) Proposal from Taylor Tennis
 - 3) Multi-Use Court Proposed Layout for two courts on existing tennis court
 - 4) Sample Permanent Pickleball Court Layout

CJ: AB

MEMORANDUM

DATE: October 3, 2016
TO: Recreation Committee
FROM: Alexis Braun, Recreation Supervisor *AB*
SUBJECT: Pilot Pickleball Program Recommendation

Several residents of the Community addressed the Recreation Committee over the past couple years asking the Committee to consider re-striping and converting existing tennis courts into pickleball courts or multi-use courts. The Recreation Committee moved to request that staff investigate a pilot pickleball program at Lang Park in one tennis court, take into account time of use, costs involved with net changes, storage and movement of equipment, and attenuated costs potentially associated with the conversion of the court.

Sample Proposal and Schedule of the Program would include:

The proposed program will include light striping Lang Tennis Court into four temporary courts using the existing tennis net as a barrier between the courts. The tennis court lines will remain dominant. The City will provide four rolling picklenets which will be brought out during specific hours. Staff will have an honor system sign-in sheet for both tennis and pickleball players to sign-in to track court usage for the specific activities. There will not be a charge to the players to play as it is the same as anyone playing tennis at the park. The City will continue to maintain the tennis court.

The proposed Pickleball times are:

The designated pickleball hours will tentatively be Tuesday and Wednesday from 8:00 am to 5:00 p.m., to start with the potential to add additional days based on demand. Signs will be posted on the fence with the hours of play. The players provide their own equipment for play such as balls and racquets.

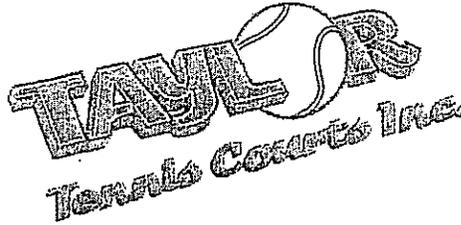
Storage and Movement of Equipment:

The portable nets will be stored in the City's outdoor storage area directly behind the tennis court. The Community Services staff will set up the portable nets on Tuesday and then take down the nets on Wednesday evenings.

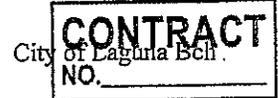
Estimated Expenses Associated with the Pilot Program:

Since this is a proposed pilot program using temporary nets minimal costs are associated with the temporary conversion to a multi-use court. Additional hours for current part-time staff will need to be allocated to accommodate the set-up and take-down of the nets. If approved, staff will request the funds during the mid-year budget cycle. If the pilot program is successful in terms of participation and operational costs a full conversion program will be considered in the future.

Rancho Santa Margarita, CA 92688
31441 Santa Margarita Pkwy.
Suite A-158
Tel: (949) 858-3147
Fax: (949) 713-7878



Contractors License
373423



TO City of Laguna Bch Owner Lessee DATE October 12, 2016

Business Address Attn: Alexis Braun abraun@lagunabeachcity.net Telephone (626)590-6378

Residence Address Lang Park Telephone _____

Job Address _____ Lot _____ Blk _____ Track _____

Owner(s) _____
Applicable if this contract is with a lessee

Res. Add. _____ Bus. Add. _____

CONTRACTOR AND OWNER AGREE AS FOLLOWS:

- CONTRACTOR** shall furnish at following submitted specifications and costs, all material, labor, equipment, transportation and perform all work necessary for the complete installation of: Convert tennis to Pickle Ball
- CONTRACT PERIOD AND RIGHT TO WORK:** Prices quoted in this contract are valid for thirty (30) days from date of presentation. Contractor reserves right to commence work within thirty (30) days of contract acceptance.

ADD2 SETS OF PICKLEBALL LINES TO TENNIS COURT

PREPARATION: *Clean courts surface and prepare for line application*

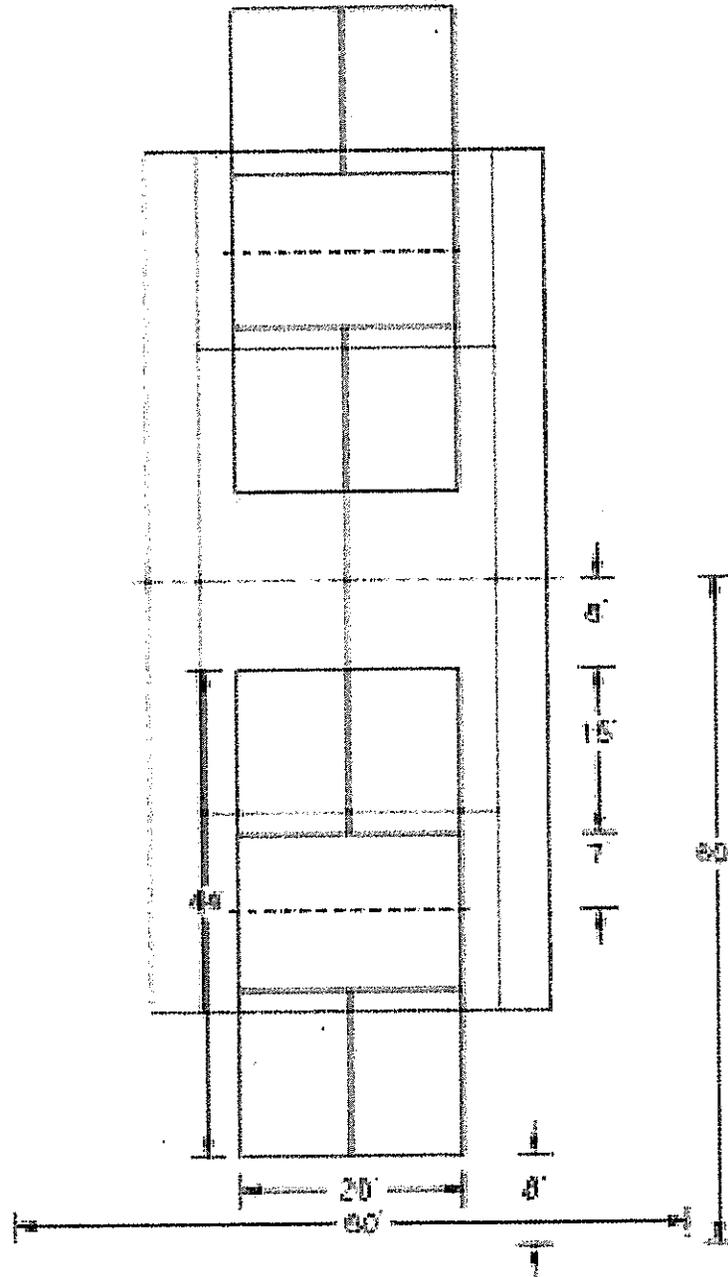
PLAY LINES: *The play lines shall be sharp and accurate according to the U.S.P.A. White or colored textured line paint shall be applied by hand brush between strips of masking tape.*

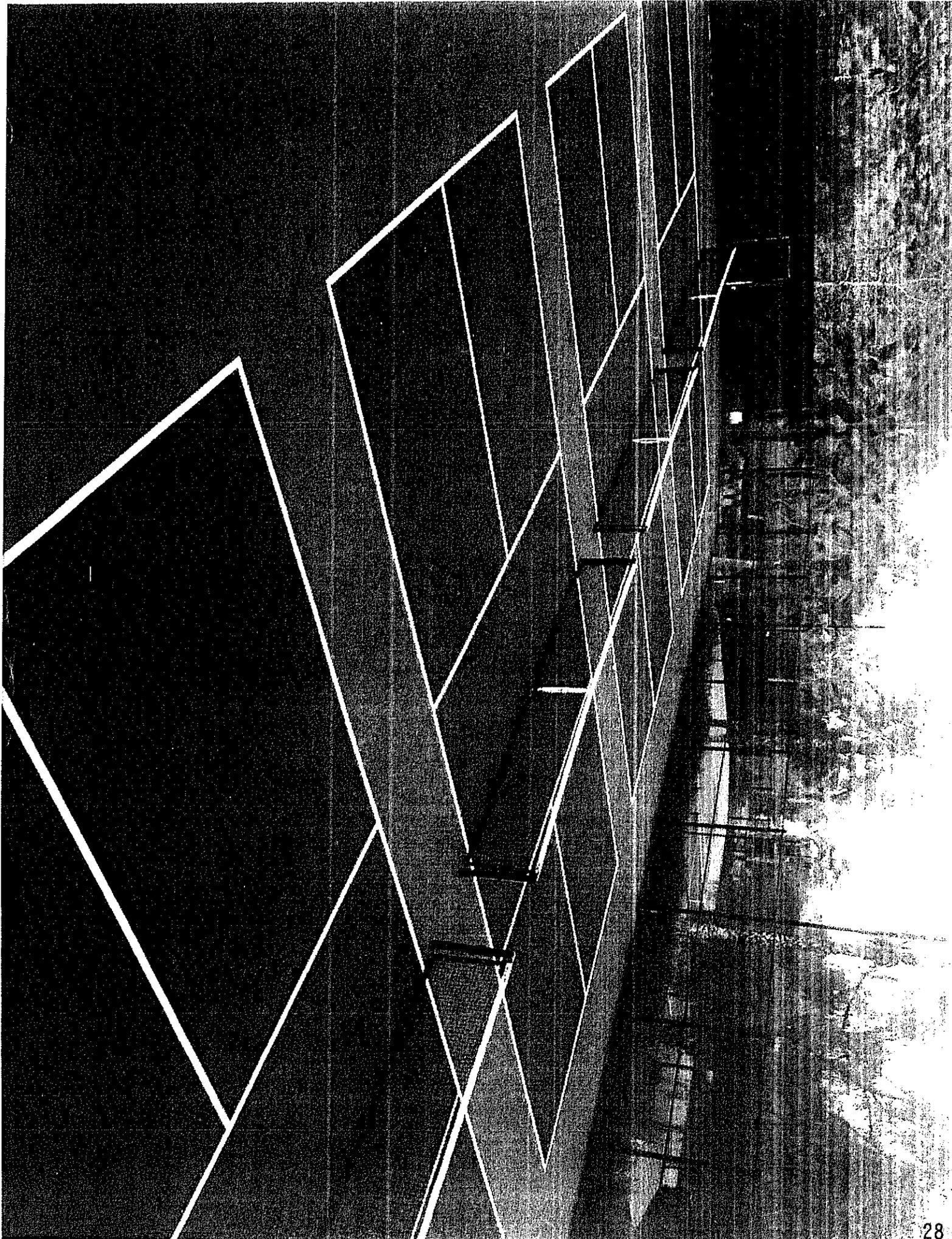
ALL OF THE ABOVE WORK TO BE COMPLETED IN A SUBSTANTIAL AND WORKMAN-LIKE MANNER FOR THE sum of: **\$1,300.00**

The contract to be paid upon completion of the work. Any addition, alteration from the above specifications will become and extra charge over the sum mentioned in this contract and owner shall pay for same weekly as such additional work, alteration or deviation progresses.

*** Please sign and return one copy ***

One Tennis Court Converted to Two Pickleball Courts





Attachment L

Staff Report: June 27, 2017 Adoption of Fy 2017-18 And Fy 2018-19 Budget and Revisions to The Fy 16-17 Budget

City of Laguna Beach
AGENDA BILL

No. **18**

Meeting Date: 06/27/2017

**SUBJECT: ADOPTION OF FY 2017-18 AND FY 2018-19 BUDGET AND REVISIONS TO THE
FY 16-17 BUDGET**

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

Following the release of the preliminary budget for FY 2017-18 and FY 2018-19, the City Council held a budget workshop and public meeting on May 23, 2017. 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 2016-17 budget are also recommended to update project and program authorizations.

All the items discussed 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. As part of the budget adoption, the City Council must also address the Community Assistance Grants and the recommendations for the distribution of \$286,700, which are included as Attachment A, Exhibit C. Other items that need to be addressed include setting the salary of the City Clerk and City Treasurer, adopting the FY 2017-18 GANN Limit, and approving revisions to the current year FY 2016-17 budget. 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: It is recommended that the City Council

(See Page 6)

Appropriations Requested: \$ Two-Year Budget

Fund: _____

Attachments: See Page 6

Submitted by: Nancy Pauley
Nancy Pauley, Finance Officer

Coordinated with: Gavin Curran

Gavin Curran, Director of Finance and IT

Approved: John Pebe
City Manager

Adoption of FY 17-18 and FY 18-19 Budget & FY 16-17 Adjustments

June 27, 2017

Page 2

II. CHANGES TO THE PROPOSED GENERAL FUND BUDGET

A list of budget changes approved by the City Council at the Budget Workshop are summarized in Table A below. In addition, two items, #9 and #10, were added after the workshop and are recommended by the City Manager. Additional details for each item are provided in Attachment A.

TABLE A

		Request		
		One-Time	Ongoing	
		Available Balance	\$40,500	\$527,100
A	Budget Clean-up Items (page 9-A)			38,000
B	Measure LL ongoing revenue (Restricted)			59,400
C	Increase in Police Department and Animal Service Fees (As requested by City Council, fees are in line with other cities in Orange County) (Attachment B)			106,000
		Revised Available Balance	\$40,500	\$730,500
1	Contribution to Pension Strategy (Pension Smoothing Reserve)			300,000
2	Increase Funding Cross Cultural Task Force Day Laborer Site			15,000
3	Coastal Facilitator (\$60K total, \$30K Paid by Street Lighting)			30,000
4	Increase CERT Budget In Police Department			5,000
5	Police Dept.: Two (2) full-time Jailor Positions (\$39,400 funded by Measure LL)	5,000		135,000
6	Police Dept.: School Resource Officer (If LBUSD funds \$46K)			25,000
7	Non-summer Tower Lifeguards in high demand areas (100 additional lifeguard days) (100% funded by Measure LL)			20,000
8	Moved to Community Assistance Grants	35,500		
9	City Clerk Records Mgmt/Retention Program (Added after Workshop)	15,000		
10	Community Develop: Planning Intern (Added after Workshop)	50,000		
		Recommended Budget Additions	\$65,000	\$530,000
		Remaining Balance		\$135,500

At the budget workshop the Chamber of Commerce requested funding of \$200,000 (\$100,000 annually) towards an Economic Development Action Plan (included with Attachment E). As show in Table B below, the item has been added to the wish list as item #6 with a possible option of \$50,000 (\$25,000 annually) from the Parking Fund. The City Council could formally appropriate funding for any of items up to the remaining balance of \$135,500, or continue to leave the remaining balance for other purposes, including potential needs that could include items identified in the upcoming Fire Department Strategic Plan.

TABLE B

		One-Time	Ongoing	
		\$0	\$135,500	
1	Fire Department Strategic Plan (in addition to new fees)		100,000	
2	Digital Communications Coordinator from part-time to full-time		85,000	
3	Finance Division: full-time Senior Administrative Analyst		115,000	
4	Historical Inventory Consultant		50,000	
5	Police Department: Civilian Investigator		100,000	
6	Chamber of Commerce Economic Development Action Plan (\$25,000 annually)	50,000	0*	
		Recommended Budget Changes Requests	\$50,000	\$450,000
		Remaining Balance		-\$364,500

* Parking Fund

Adoption of FY 17-18 and FY 18-19 Budget & FY 16-17 Adjustments

June 27, 2017

Page 3

Finally, in addition to the budget changes, staff is recommending that the City Council authorize the City Manager to continue retaining Bob Burnham. Mr Burnham's expertise continues to be invaluable in projects such as the Burn Site Remediation and Restoration Project, which should be nearing completion and consultation services related to the John Wayne Airport issues Mr. Burnham's costs will be covered by funding already set aside for these projects.

With the modifications listed in Table A above, the General Fund budget is balanced and a 20% General Fund reserve of \$11.8 million remains intact. The proposed expenditures total \$61,534,900 million in FY 2017-18 and \$63,794,900 million in FY 2018-19. Revised fund balance schedules are included in Attachment A, Exhibit B.

Fiscal Year	Starting Balance	Revenues	Net Transfers	Expenditures	Ending Balance
FY 2017-18	40,669	62,304,900	(675,000)	61,534,900	135,669 *
FY 2018-19	135,669	64,234,100	125,000	63,794,900	699,869 *

* The 20% reserve of \$11,800,000 in FY 2017-18 and \$12,400,000 in FY 2018-19 is not shown in the Ending Fund Balance

III. CHANGES TO OTHER FUNDS

At the budget workshop, the City Council approved minor changes to the Capital Improvement Fund, the Parking Fund, and the Street Lighting Fund. Those changes are highlighted below with additional details also provided in Attachment A:

- In the Capital Improvement Fund, appropriate \$50,000 in FY 2017-18 and in FY 2018-19 for Hortense Miller Gardens (City owned) for projects related to the repairs and maintenance of the property.
- In the Capital Improvement Fund, appropriate \$50,000 in FY 2018-19 in the Capital Improvement Fund for supplemental Funding for Tree Planting and Care and Enhanced Tree Trimming.
- In the Street Lighting Fund, appropriate \$30,000 from one-time funds in FY 2018-19 for a contract Coastal Facilitator to assist with local coastal program amendments and utility undergrounding. The estimated cost is \$60,000 with \$30,000 paid by the Street Lighting Fund and \$30,000 paid by the General Fund.

At the budget workshop, the City Council also approved continuing to earmarking \$251,252 from the Park in Lieu Fund for a Community Garden in South Laguna. The South Laguna Civic Association is requesting an extension of the earmark for an additional two years as they continue to pursue purchase of the property.

Adoption of FY 17-18 and FY 18-19 Budget & FY 16-17 Adjustments

June 27, 2017

Page 4

IV. COMMUNITY ASSISTANCE GRANTS

Councilmember Boyd 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 C, depicts their recommendations for the distribution of \$286,720.

V. SALARY CHANGES

The FY 2017-18 and 2018-19 budget already includes salary adjustments for City employees based on current Memorandum of Understanding (MOU) with each bargaining group. However, every year the City Council must approve the salary of the City Treasurer and City Clerk. The attached salary schedule includes a recommendation to increase the salary range for the City Treasurer and the City Clerk by 3%, matching the increases awarded to management and continuing the salary for the City Treasurer and the City Clerk at the top of the salary range. The City Council could also consider awarding up to 5% of exceptional performance pay for each position. A resolution approving the salary schedules is included as Attachment C.

VI. PENSIONS

At the budget workshop the City Council approved new strategies to further accelerate the payoff of the City's unfunded pension liability. For reference, a copy of the budget workshop presentation related to the pension has been included in Attachment F. The City Council also requested staff return with additional strategies using one-time funding, like General Fund Reserves or Disaster Contingency Reserves, toward a large one-time lump sum payment to CalPERS.

Unfortunately, CalPERS is not expected to release new actuarial reports for the City until later this year, possibly in July or August. These updated actuarial reports will provide updated information regarding the impact of the change in the discount rate. More importantly, the reports will help staff provide a better estimate of the impact a lump sum payment will have on future CalPERS rates, future pension savings, and the overall pension outlook for the City. Staff is requesting to return to the City Council later this year with a staff report and formal recommendation on this issue.

VII. REVENUE FROM VISITORS VS. RESIDENTS

Also, at the Budget Workshop, the City Council established a subcommittee to look into more effective ways of having visitors pay for their impact on City services, and designated Councilmember Whalen and Councilmember Zur Schmiede to serve on the subcommittee. The subcommittee is expected to return to the City Council with the results of their analysis.

VIII. CONSTITUTIONAL APPROPRIATION LIMIT

Each year the City must adopt annually 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. Staff has calculated the FY 2017-18 Gann Limit to be \$58.7 million. The annual appropriations subject to the limit

Adoption of FY 17-18 and FY 18-19 Budget & FY 16-17 Adjustments

June 27, 2017

Page 5

are about \$18 million below the appropriations limit for FY 2017-18. 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.

IX. MODIFICATION OF THE 2016-17 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:

1. The City was recently awarded a FEMA Homeland Security 2016 Assistance to Firefighters Grant of \$59,700 with a matching requirement of approximately \$6,000 (10% matching). The grant is designated for the purchase of new VHF radios placed inside the fire apparatus. Therefore, it is recommended the City Council appropriate in the General Fund \$59,700 for this FEMA grant and increase grant revenues by the same amount, and use \$6,000 in available funding from the capital equipment budget for the matching requirement. The total budget for this project is \$65,700.
2. In the General Fund, transfer \$23,900 from capital equipment budget to: \$4,000 for new desktop microphones and digital media receiver as part of the Council Chambers audio/visual system; \$2,700 for the replacement of the City Treasurers computer and monitor; \$4,300 to replace the Code Enforcement sound meter, \$4,700 for the a replacement of the Community Development high-end document scanner, and \$8,200 for two computer workstations including laptop computers for Fire Operations.
3. In the General Fund, transfer savings of \$20,000 from the Network Switches Replacement Project, toward the purchase of the City's storage-area network device (SAN) at \$12,000 and a new write once read many (WORM) device (\$8,000). The current SAN has recently required above normal maintenance indicating replacement of this critical network component is necessary. As recommending for the City's records retention and management program, staff is recommending purchasing a WORM device.
4. On August 18, 2015, the City Council approved an application for Grant Funds from the California River Parkways Grant Program for the Dewitt Habitat Restoration, Recreation and Interpretive Project and appropriated \$125,000 from the Open Space Fund for this project. The City was recently awarded the grant from the California River Parkways of \$500,000. Therefore, staff is recommending the City Council appropriate \$500,000 in grant revenues and \$500,000 in grant expenditures in the Sewer Fund. This will bring the total project budget to \$625,000 (\$125,000 + \$500,000).
5. On December 13, 2016, the City approved the acquisition of 1199 Lewellyn Drive (Attachment H) and appropriated \$1,632,000 for the purchase of the property. The purchase price is being renegotiated to cover costs anticipated to restore and remediate the hillside and prevent surficial slippage of dirt and debris from the slope. The restoration and remediation costs are anticipated to cost \$668,000 above the funds already appropriated. To accommodate the expected additional costs, staff is requesting the City Council appropriate available funding of \$300,000 from the Open Space Fund, and transfer savings of \$368,000 from the Alta Laguna and Top of the World Park Renovation Project.

These modifications do *not* change the estimated ending fund balance in the General Fund, Capital Improvement Fund, and Sewer Fund for fiscal year 2016-17; however, the available fund balance in the Open Space Fund is lower by \$300,000.

Adoption of FY 17-18 and FY 18-19 Budget & FY 16-17 Adjustments
June 27, 2017
Page 6

X. RECOMMENDATIONS

It is recommended that the City Council:

1. Adopt the resolution (Attachment A) approving the City budget for fiscal years 2017-18 and 2018-19 with the changes to the preliminary budget that are recommended in Sections II, III, and IV;
2. Adopt the resolution (Attachment B) modifying the Police Department and Animal Services Fee Schedules with an effective date of July 1, 2017;
3. Adopt the resolution (Attachment C) which ratifies an updated Classification Title and Range Assignment; and salary schedules for the Municipal Employees Association, elected and non-elected management positions, Fire Association, Police Association, and the Fire and Police and Management Association for Fiscal Year 2017-18;
4. Modify the budget for the FY 2016-17 fiscal year as recommended in section IX of this report;
5. Adopt the resolution (Attachment E) approving the City's annual appropriations limit;
6. Earmark \$251,252 from the Park in Lieu Fund for a Community Garden in South Laguna for an additional two years to June 30, 2019;
7. Request staff to return to City Council later this year with a report and recommendation on possible strategies to use one-time funds for a lump-sum payment to CalPERS to further pay down the City's unfunded liability;
8. Authorize the City Manager to continue retaining Bob Burnham for the Burn Site Restoration and Remediation Project and review of the John Wayne Airport issues; and
9. Provide direction to the City Manager regarding the salary and exceptional performance pay for the City Clerk and the City Treasurer.

Attachments:

1. Attachment A: Resolution adopting the annual budget Attachment A
 - Exhibit A Modifications to the Fiscal Years 2017-18 and 2018-19 Budget
 - Exhibit B Beginning and Ending Fund Balance for Fiscal Years 2017-18 and 2018-19
 - Exhibit C Recommended Community Assistance Funds for Fiscal Year 2017-18
 - Exhibit D Capital Equipment Requests for Fiscal Year 2017-18 and 2018-19
2. Attachment B: Resolution modifying the Police Department and Animal Services Fee Schedule with an effective Date of July 1, 2017
3. Attachment C: Resolution approving compensation changes and Salary Tables/Schedules for Fiscal Years 2017-18 and 2018-19
4. Attachment D: Resolution approving the annual appropriations limit Exhibit E
5. Attachment E: Wish List
6. Attachment F: Pension PowerPoint Slides from Budget Workshop

ATTACHMENT A

RESOLUTION APPROVING THE CITY
BUDGET FOR FY2017-18 AND FY2018-19

RESOLUTION NO. 17.xx
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAGUNA BEACH, CALIFORNIA, ADOPTING THE CITY BUDGET
FOR THE 2017-18 FISCAL YEAR AND 2018-19 FISCAL YEAR

The City Council of the City of Laguna Beach does hereby RESOLVE and ORDER as follows:

Section 1: The budget for the City of Laguna Beach for the 2017-18 and 2018-19 fiscal years as submitted to the City Council on April 30, 2017, is hereby adopted with the modifications delineated in Exhibits A, B, C, D which are attached to this Resolution and made a part hereof.

ADOPTED this 27th day of June, 2017.

Toni Iseman, Mayor

ATTEST:

City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 17.xxx was duly adopted at a Regular Meeting of the City Council of said City held on June 27, 2017, 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

EXHIBIT A
MODIFICATIONS TO THE FY 2017-18 AND FY 2018-19
PROPOSED BUDGET
AS ADOPTED BY THE CITY COUNCIL ON JUNE 27, 2017

		Request	
		One-Time	Ongoing
Available Balance		\$40,500	\$527,100
A	Budget Clean-up Items		38,000
B	Measure LL ongoing revenue (Restricted)		59,400
C	Increase in Police Department and Animal Service Fees (As requested by City Council, fees are in line with other cities in Orange County) (Attachment B)		106,000
Revised Available Balance		\$40,500	\$730,500
1	Contribution to Pension Strategy (Pension Smoothing Reserve)		300,000
2	Increase Funding Cross Cultural Task Force Day Laborer Site		15,000
3	Coastal Facilitator (\$60K total, \$30K Paid by Street Lighting)		30,000
4	Increase CERT Budget In Police Department		5,000
5	Police Dept.: Two (2) full-time Jailor Positions (\$39,400 funded by Measure LL)	5,000	135,000
6	Police Dept.: School Resource Officer (If LBUSD funds \$46K)		25,000
7	Non-summer Tower Lifeguards in high demand areas (100 additional lifeguard days) (100% funded by Measure LL)		20,000
8	Moved to Community Assistance Grants	35,500	
9	City Clerk Records Mgmt/Retention Program (Added after Workshop)	15,000	
10	Community Develop: Planning Intern (Added after Workshop)	50,000	
Recommended Budget Additions		\$65,000	\$530,000
Remaining Balance			\$135,500

General Fund

- A. Several Budget clean up items include: 1) decreasing the Marine Safety budget ongoing expenditures by \$50,000 in both FY 2017-18 and FY 2018-19 as some salary costs were inadvertently included twice; 2) reclassify Senior Administrative Analyst to Senior Administrative Analyst/Solid Waste Program Coordinator and include the expected ongoing costs of \$12,000.
- C. Increase estimated revenues for Police Department and Animal Service Fees by \$106,000, in both FY 2017-18 and FY 2018-19. The City Council requested that the Police Department increase estimated Police Department and Animal Services Fees to be in line with other cities in Orange County. This request increased fees by an additional \$106,600 in both FY 2017-18 and FY 2018-19. It is recommended the City Council adopt the resolution, Attachment B, modifying the Police Department and Animal Service Fee Schedules with an effective date of July 1, 2017.
1. Appropriate \$300,000 in FY 2017-18, towards the pension strategy outlined in the budget workshop presentation.
 2. Appropriate \$15,000 from ongoing funds in both FY 2017-18 and FY 2018-19 toward the funding of Cross Cultural Task Force Day Laborer Site: This would bring the City's contribution to the Cross Cultural Task Force to \$30,000 in both FY 2017-18 and FY 2018-19.
 3. Appropriate \$30,000 from ongoing funds in both FY 2017-18 and FY 2018-19 toward the contract services Coastal Facilitator to assist with local coastal program amendments and

EXHIBIT A
MODIFICATIONS TO THE FY 2017-18 AND FY 2018-19
PROPOSED BUDGET
AS ADOPTED BY THE CITY COUNCIL ON JUNE 27, 2017

utility undergrounding. Estimated cost is \$60,000 with \$30,000 paid by the Street Lighting Fund and \$30,000 paid by the General Fund.

4. Appropriate \$5,000 from ongoing funds in both FY 2017-18 and FY 2018-19 toward the Police Department CERT program to supplement funding for the growth in the program. The funding will provide supplies such as CERT kits and training materials.
5. Appropriate \$5,000 from one-time funds in FY 2017-18 and \$135,000 (\$39,400 funded by Measure LL) from ongoing funds in both FY 2017-18 and FY 2018-19 for two (2) full-time jailor positions.
6. Appropriate \$25,000 from ongoing funds in both FY 2017-2018 and FY 2018-19 toward a full-time School Resource Officer assigned to the four public, and two private, schools in Laguna Beach. If Laguna Beach Unified School district provides ongoing funding of \$46,000 to fund one-third of a full-time position, the City will fund the other two-thirds of the position for an additional \$25,000.
7. Appropriate \$35,500 from one-time funds in FY 2017-18 toward the Community Assistance Grants to be recommended by the subcommittee with recommendations to the City Council.
8. Appropriate \$15,000 from ongoing funds in both FY 2018-19 and FY 2018-19 for part-time temporary staff to assist the City Clerk's office with records management/retention.
9. Appropriate \$50,000 from one-time funds in FY 2017-18 to fund the Planning Intern position in Community Development for an additional year and, as part of the proposal, give the City Manager authority to offer a one-time retention incentive of up to \$5,000 to incentives employee retention for this position through FY 2017-18.

**EXHIBIT A
MODIFICATIONS TO THE FY 2017-18 AND FY 2018-19
PROPOSED BUDGET
AS ADOPTED BY THE CITY COUNCIL ON JUNE 27, 2017**

Measure LL, Capital Improvement Fund, Parking Fund and Street Lighting Fund

Measure LL

		Funding Sources	
		One-Time	Ongoing
10	Non-summer Tower Lifeguards in high demand areas (100 additional lifeguard days) (100% funded by Measure LL)		\$20,000
11	Police Dept.: Two (2) full-time Jailor Positions (\$39,400 funded by Measure LL)		39,400
Recommended Budget Additions		\$0	\$59,400

Capital Improvement Fund

		Funding Sources	
		One-Time	Ongoing
12	Repairs and Maintenance Hortense Miller Gardens		\$50,000
13	Tree Planting and Care - Supplemental Funding	50,000	
Recommended Budget Additions		\$50,000	\$50,000

Street Lighting Fund

		Funding Sources	
		One-Time	Ongoing
14	Coastal Facilitator (\$60K total, \$30K Paid by General Fund)	30,000	
Recommended Budget Additions		\$30,000	\$0

10. Appropriate \$20,000 from Measure LL for ongoing funds in both FY 2017-18 and FY 2018-19 toward an additional 100 tower lifeguard days for coverage at Crescent Bay, Laguna Beach and the Treasure Island area for non-summer lifeguard towers in high demand areas.
11. Appropriate \$39,400 from Measure LL from ongoing funds in both FY 2017-18 and FY 2018-19 for two (2) full-time jailor positons. The program is \$140,000 in total with \$100,600 funded by the General Fund.
12. Appropriate \$50,000 from one-time funds in FY 2017-18 and in FY 2018-19 in the Capital Improvement Fund for Hortense Miller Gardens (City owned) for projects related to the repairs and maintenance of the property.
13. Appropriate \$50,000 from one-time funds in FY 2017-18 in the Capital Improvement Fund for supplemental Funding for Tree Planting and Care and Enhanced Tree Trimming.
14. Appropriate \$30,000 from Street Light one-time funds in FY 2017-18 for a contract Coastal Facilitator to assist with local coastal program amendments and utility undergrounding. Estimated cost is \$60,000 with \$30,000 paid by the Street Lighting Fund and \$30,000 paid by the General Fund.

Beginning and Ending Balances Fiscal Year 2017-18

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	\$40,669	\$62,304,900	(\$675,000) ²	61,534,900	\$135,669 ⁷
Measure LL	-	2,200,000		2,200,000	-
Open Space	454,163			20,000	434,163
Capital Improvement	1,374,035	6,489,000	(318,000) ³	7,337,000	208,035
Parking Authority	7,064,490	6,703,000	(1,840,200) ⁴	4,115,300	7,811,990
Parking in Lieu	896				896
Park in Lieu	179,580				179,580
Art in Lieu	200,540				200,540
Drainage	68,991				68,991
Housing in Lieu	283,397				283,397
Gas Tax	85,376	1,097,000	318,000	1,500,000	376
Street Lighting	4,487,531	1,505,000	(2,201,931) ⁸	3,790,600	-
Wastewater	565,872	11,014,000	(100,000) ⁵	10,415,000	1,064,872
Disaster Contingency	6,198,059	60,000			6,258,059
Transportation Infrastructure	624,000	15,000			639,000
Transit	2,000	2,465,500	815,200	3,280,700	2,000
Total	21,629,599	93,853,400	(4,001,931)	94,193,500	17,287,568
<u>Internal Service Funds</u>					
Insurance	1,999,221	9,575,500	515,200 ⁶	9,399,500	2,690,421
Vehicle Replacement	3,423,142	2,000,200	500,000	1,702,200	4,221,142
Total	\$5,422,363	\$11,575,700	\$1,015,200	\$11,101,700	\$6,911,563

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

²Includes a transfer in of \$525,000 from the Parking Authority Fund, a transfer out of \$1,000,000 to the Street Lighting Fund, and a transfer out of \$255,000 to maintain the 20% General Fund Reserve.

³Includes a transfer out of \$318,000 to the Gas Tax Fund.

⁴Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$815,200 to the Transit Fund, and a transfer out of \$500,000 to the vehicle replacement fund.

⁵Includes a transfer in of \$100,000 to the Sewer Fund Reserve.

⁶Includes a transfer in of \$1,000,000 from the General Fund and \$515,200 from the principle payment of the Side Fund Loan.

⁷The City Council established a goal of a 20% General Fund Operating Reserve equal to \$11,800,000 which is not shown in this fund balance. A reserve for solid waste/refuse of \$363,000 and a reserve of \$250,000 to mitigate fluctuations in investments are also not shown in this fund balance.

⁸Balance of \$3,201,931 transferred to reserved for utility undergrounding including legal expenses.

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	135,669	\$64,234,100	\$125,000 ²	63,794,900	\$699,869 ⁷
Measure LL	-	\$2,288,000		2,256,400	31,600
Open Space	434,163			20,000	414,163
Capital Improvement	208,035	6,649,000	(84,000) ³	6,512,000	261,035
Parking Authority	7,811,990	7,628,000	(1,921,700) ⁴	4,824,100	8,694,190
Parking in Lieu	896				896
Park in Lieu	179,580				179,580
Art in Lieu	200,540				200,540
Drainage	68,991				68,991
Housing in Lieu	283,397				283,397
Gas Tax	376	1,366,000	84,000	1,450,000	376
Street Lighting	-	1,552,000	(250,500) ⁸	1,301,500	-
Wastewater	1,064,872	12,398,000	(100,000) ⁵	12,745,300	617,572
Disaster Contingency	6,258,059	60,000			6,318,059
Transportation Infrastructure	639,000	15,000			654,000
Transit	2,000	2,466,700	896,700	3,363,400	2,000
Total	17,287,568	98,656,800	(1,250,500)	96,267,600	18,426,268
<u>Internal Service Funds</u>					
Insurance	2,690,421	10,059,300		10,282,500	2,467,221
Vehicle Replacement	4,221,142	2,000,200	500,000	920,000	5,801,342
Total	\$6,911,563	\$12,059,500	\$500,000	\$11,202,500	\$8,268,563

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 \$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, and a transfer out of \$500,000 to the vehicle replacement fund.

⁵Includes a transfer in of \$100,000 to the Sewer Fund Reserve.

⁶Includes a transfer in of \$703,200 from the principle payment of the Side Fund Loan.

⁷The City Council approved a goal of a 20% General Fund Operating Reserve equal \$12,400,000 which is not shown in this fund balance. A reserve for solid waste/refuse of \$363,000, and a reserve of \$220,500 to mitigate fluctuations in investments are also not shown in this also not shown in this fund balance.

⁸ Transfer out of \$250,500 to reserve for utility undergrounding including legal expenses bring reserve to a total of \$3,422,431.

COMMUNITY ASSISTANCE FUNDS
FY 2017-2018

ORGANIZATION	Request FY 2015-16	Approved FY 2015-16	Request FY 2016-17	Approved FY 2016-17	Request FY 2017-18	Subcommittee Recommendations FY17-18
Age Well Senior Services	\$9,000	\$6,000	\$8,500	\$4,000	\$4,000	\$3,000
Blue Bell Foundation for Cats	\$2,500	\$1,500	\$2,500	\$1,500	\$2,000	\$1,500
Boys & Girls Club of L.B., Inc.	\$45,000 (See 1)	\$20,000	\$45,000	\$30,000	\$45,000	\$30,000
Changing Souls	\$10,000	\$2,000	\$0	\$0	\$0	\$0
Crystal Cove Alliance (CCA)	\$0	\$0	\$10,000	\$0	\$10,000	\$0
Friends of the Hortense Miller Garden	\$6,000	\$4,000	\$0	\$0	\$4,000	\$3,000
Friends of Laguna Beach Library	\$15,000	\$15,000	\$15,000	\$12,000	\$0	\$0
Friendship Shelter, Inc.	\$4,000	\$2,000	\$4,000	\$2,000	\$4,000	\$2,000
Glennwood House of Laguna Beach	\$5,000	\$3,000	\$0	\$0	\$0	\$0
Greater Laguna Coast Fire Safe Council	\$0	\$0	\$3,500	\$2,000	\$950	\$950
Helping Hand World Wide	\$10,000	\$0	\$0	\$0	\$5,000	\$0
Housing & Human Services Committee	\$26,100	\$3,000	\$9,500	\$3,000	\$10,000	\$3,000
Laguna Beach Beautification Council	\$10,000	\$3,000	\$6,450	\$3,000	\$0	\$0
Laguna Beach Chamber of Commerce	\$35,000	\$14,000	\$75,000	\$25,000	\$70,800	\$25,000
Laguna Beach Chamber Singers	\$3,500	\$0	\$0	\$0	\$0	\$0
Laguna Beach Community Clinic	\$30,000	\$23,000	\$30,000	\$21,000	\$25,000	\$25,000
Laguna Beach Historical Society	\$0	\$0	\$5,000	\$1,000	\$6,000	\$1,000
Laguna Beach HIV-Advisory Committee	\$30,000	\$13,950	\$30,000	\$14,000	\$0	\$0
Laguna Beach Live!	\$17,000	\$12,000	\$19,500	\$13,000	\$20,000	\$13,000
Laguna Beach Performing Arts Boosters	\$0	\$0	\$0	\$0	\$35,750	\$0
Laguna Beach Seniors Inc.	\$30,000	\$0	\$20,000 (See 5)	\$0	\$30,000	\$15,000
Laguna Beach Sister Cities Assoc.	\$1,000	\$1,000	\$0	\$0	\$1,500	\$1,500
Laguna Beach Walks	\$19,740	\$0	\$0	\$0	\$0	\$0
Laguna Canyon Foundation	\$10,000	\$2,500	\$12,000	\$3,000	\$10,000	\$3,000
Laguna Community Concert Band	\$85,554	\$9,000	\$15,000	\$9,000	\$12,000	\$9,000
Laguna Dance Festival (CA Dance)	\$23,150	\$8,000	\$18,900	\$7,000	\$25,600	\$6,500
Laguna Food Pantry	\$8,600	\$4,000	\$14,660	\$5,000	\$16,700	\$6,000
Laguna Ocean Foundation	\$20,000	\$5,000	\$6,000	\$5,000	\$10,000	\$5,000
Laguna Open Volleyball Tournament	\$0	\$0	\$0	\$0	\$10,000	\$5,000
Laguna Outreach Comm.Arts (LOCA)	\$28,263	\$5,000	\$14,900	\$6,000	\$14,000	\$6,000

COMMUNITY ASSISTANCE FUNDS
FY 2017-2018

ORGANIZATION	Request FY 2015-16	Approved FY 2015-16	Request FY 2016-17	Approved FY 2016-17	Request FY 2017-18	Subcommittee Recommendations FY17-18
Laguna Plein Air Painters Assn	\$30,000	\$9,000	\$40,000 (See 6)	\$8,000	\$30,000	\$15,000
Laguna Radio, Inc. (KX93.5)	\$15,000 (See 2)	\$5,000	\$10,000 (See 7)	\$2,000	\$20,000	\$15,000
Laura's House	\$3,500	\$1,500	\$3,500	\$1,500	\$3,500	\$1,500
Master Chorale of Saddleback Valley	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0
Mission Hospital Regional Medical Ctr.	\$0	\$0	\$25,000	\$0	\$0	\$0
Music in Common, Inc.	\$0	\$0	\$2,500	\$2,500	\$7,500	\$3,500
No Square Theatre	\$15,000	\$10,000	\$30,000	\$16,000	\$78,000	\$20,000
Ocean Institute	\$5,000	\$0	\$0	\$0	\$0	\$0
Pacific Marine Mammal Center	\$15,000	\$10,000	\$15,000	\$10,000	\$10,000	\$10,000
Protecting Unwanted Pets (PUP)	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0
Public Health Foundation	\$16,227	\$0	\$0	\$0	\$0	\$0
Rotary Club of Laguna Beach	\$500 (See 3)	\$0	\$0	\$0	\$0	\$0
Sally's Fund, Inc.	\$10,000 (See 4)	\$7,000	\$7,000	\$5,000	\$5,000	\$5,000
Sawdust Art Festival	\$3,500	\$0	\$3,000	\$0	\$3,000	\$0
Seaside Legal Services	\$20,000	\$3,000	\$25,000	\$3,000	\$25,000	\$3,000
SEEDS Arts and Education	\$8,600	\$0	\$0	\$0	\$10,000	\$0
South County Crosscultural Council	\$23,000	\$23,000	\$25,000	\$23,000	\$25,000	\$25,000
South County Safe Rides	\$750	\$750	\$0	\$0	\$0	\$0
South Laguna Community Garden	\$5,000	\$0	\$0	\$0	\$0	\$0
The Heart Way	\$7,500	\$0	\$10,000	\$200	\$10,000	\$0
TLC Branch Laguna Club for Kids	\$0 (See 1)	\$8,000	\$0	\$0	\$0	\$0
TOW Elementary PTA	\$12,600	\$0	\$0	\$0	\$0	\$0
Trauma Intervention Program	\$20,000	\$0	\$0	0	\$0	\$0
Woman's Club of Laguna Beach	\$2,700	\$1,000	\$2,500	\$1,000	\$25,000	\$3,000
	\$706,284	\$235,200	\$571,910	\$238,700	\$632,300	\$265,450
AMOUNT AVAILABLE FOR 2017-2018 = \$286,720.		\$286,720				
TOTAL APPROVED		-\$265,450				
		<u>\$21,270</u>				

(1) In prior years, the Boys and Girls Club requested separate funding for Main Branch and TLC Bluebird. The 2015-16 and 2016-2017 requests of \$45,000 covers both facilities.

(2) City Council approved \$5,000 in grant funding to supplement \$13,000 in GF funding for emergency broadcasting.

**COMMUNITY ASSISTANCE FUNDS
FY 2017-2018**

ORGANIZATION	Request FY 2015-16	Approved FY 2015-16	Request FY 2016-17	Approved FY 2016-17	Request FY 2017-18	Subcommittee Recommendations FY17-18
---------------------	-------------------------------	--------------------------------	-------------------------------	--------------------------------	-------------------------------	---

- (3) Rotary Club also requests \$1,500 of in-kind support for use of the FLC lot and meter bags on Laguna Canyon Rd.
- (4) Sally's Fund received first 50% installment at grant award, and second 50% installment in January 2015 upon renewal of senior transportation contract.
- (5) Laguna Beach Seniors received an additional \$120,600 in financial assistance during FY 2015-2016.
- (6) LPAPA received an additional \$50,000 in matching grant funding in May 2016.
- (7) On June 28, 2016, the City Council appropriated \$23,000 to fund emergency equipment and \$20,000 as a match for an operating subsidy.

Highlighted amounts were increased or added based upon City Council meeting dated 7/12/17. See recap.

City of Laguna Beach
Capital Outlay Requests Budget FY17-18 and FY18-19

Attachment C

Division	Div	Obj	Description	Department Request	
				Fiscal Year 2017-2018	Fiscal Year 2018-2019
City Treasurer	1401	5622 (A)	Investment Software	5,000	
				5,000	
Admin Services					
Information Technology	1603	5408 (R)	Computer	3,000	3,000
Information Technology	1603	5408 (R)	Network Access Control Device	4,000	
				7,000	3,000
Police Department					
Support Services	2101	5622 (R)	Computers (9)	16,200	16,200
Support Services	2101	5408 (R)	Reconfiguration of Detective and Crime Lab Workspace	70,000	
Support Services	2101	5622 (A)	Body Cameras for Downtown Footbeat Officers (2)	6,500	
Support Services	2101	5622 (R)	Optics for obsolete Patrol Rifles (13)	7,800	
Support Services	2101	5622 (A)	Tactical Vests and Armor Plating (15)	6,900	
Support Services	2101	5622 (A)	Upgrade and Server Migration	6,500	
Support Services	2101	5622 (R)	Traffic Message Trailer	23,000	
Support Services	2101	5622 (R)	Cameras (3)	11,700	11,700
Support Services	2101	5622 (A)	Handheld P-25 Compliant Radios (15)		60,000
Support Services	2101	5622 (R)	Property/Evidence Locker		10,000
Support Services	2101	5622 (R)	Men's Locker Room Upgrades		50,000
Support Services	2101	5622 (R)	Handheld Citation Writers (4)		20,000
Support Services	2101	5622 (R)	Handheld Stationary Lidar Units (4)		17,000
				148,600	184,900
Fire Department					
Fire Operations	2401	5622 (R)	Fire Hose	17,000	
Fire Operations	2401	5622 (R)	New Equipment to properly fit the New Fire Engine	60,000	
Fire Operations	2401	5622 (R)	Upgrade Telestaff Staffing Program	5,000	
Fire Operations	2401	5408 (R)	Computers (5)	13,000	
Fire Operations	2401	5408 (A)	Gasboy at Fire Station #2	20,000	
Fire Operations	2401	5408 (R)	Mobile Data Computers for Fire Apparatus (14)	70,000	
				185,000	
Marine Safety					
Marine Safety	2601	5622 (R)	Lifeguard Towers (2)	40,000	
Marine Safety	2601	5622 (R)	Computer Aided Dispatch Computers (CAD) (2)		15,000
Marine Safety	2601	5622 (A)	Go-Pro (5)	2,400	
Marine Safety	2601	5408 (A)	Training Software	5,000	
Marine Safety	2601	5622 (R)	Computers (3)	6,600	
Marine Safety	2601	5408 (R)	Ocean Observation Camera	6,500	
Marine Safety	2601	5622 (R)	Copy Machine Lease	4,500	4,500
				65,000	19,500
Public Works					
Administration	3101	5408 (A)	Surface Pro Tablets (2)	4,400	
Parking & Bldg Maint	3104	5408 (A)	Smart Phones (2)	2,000	
Equipment Maintenance	3102	5408 (A)	Smart Phones (1)	1,000	
Street Maintenance	3106	5408 (A)	Smart Phones (2)	2,000	
Equipment Maintenance	3102	5622 (R)	Welding Machine	8,000	
				17,400	
Community Development					
Zoning Division	4102	5408 (R)	Computers (2)	4,800	
Building Safety	4104	5408 (R)	Computers (1)	2,200	
Planning	4106	5408 (R)	Computers (1)	2,200	
				9,200	
Total General Fund				437,200	207,400

Parking

**City of Laguna Beach
Capital Outlay Requests Budget FY17-18 and FY18-19**

Attachment C

Division	Div	Obj	Description	Department Request	
				Fiscal Year 2017-2018	Fiscal Year 2018-2019
Facilities Maintenance	3501	5408 (A)	Surface Pro Tablets (1)	2,200	
				2,200	
Total Parking Fund				2,200	
<u>Water Quality</u>					
Sewer	3301	5408 (R)	Computers (2)	7,400	
Sewer	3301	5622 (A)	800 MHS Radios for Emergency Response (7)	12,000	
Sewer	3301	5408 (R)	Surface Pro Tablets (1)		2,600
				19,400	2,600
Total Sewer Fund				19,400	2,600
<u>Transit</u>					
Transit Operations	3404	5408 (R)	Conference Room Chairs	1,600	
Transit Operations	3404	5408 (A)	Surface Pro Tablets (1)	2,200	
				3,800	
Total Parking Fund				7,600	
Total Request for Capital Outlay				466,400	210,000

Notes:

(A) = Additional Equipment (New Equipment)

(R) = Replacement Equipment

ATTACHMENT B

ADOPT RESOLUTION MODIFYING THE
POLICE DEPARTMENT AND ANIMAL
SERVICES FEE SCHEDULES.

RESOLUTION NO. 17. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, UPDATING THE LIST OF POLICE USER AND ANIMAL SERVICE FEES, AND RESCINDING PRIOR INCONSISTENT RESOLUTIONS AND ACTIONS.

WHEREAS, the City Council of the City of Laguna Beach desires to update the Police User and Animal Services Fees for services; and

WHEREAS, the City Council finds that the following proposed fee schedules are reasonable and necessary;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Laguna Beach hereby establishes the following Police User and Animal Services Fees, and rescinds all prior resolutions and minute actions of the City Council inconsistent with this Resolution.

<u>Police User Fees</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>
Copy of Police Report	\$10	\$15
Fingerprinting	\$15	\$20
Fingerprinting (Non-Residents)	\$15	\$25
Copies of Photos	\$10	\$40
Copies of Video	\$10	\$40
Letter of Clearance	\$15	\$25
Subpoena for Records	\$15	\$30
Tow Releases	\$40	\$100
Tow Releases for 120 Day Holds	\$40	\$150
Parking Boot Release	\$35	\$50
Citation Sign Off (Non-Residents Only)	None	\$15
Tow Truck Driver Permits	\$92	\$92
Concealed Weapons Permit	\$124	\$250
Residential Alarm Permit	\$25	\$35
Business Alarm Permit	\$50	\$50
More than 3 False Alarms in 12 Months	\$50	\$100
More than 6 False Alarms in 12 Months	\$100	\$150
False Robbery Alarm	\$150	\$150
False Alarm w/o Permit	\$100	\$100
Booking Fee (upon conviction)	\$195	\$250

<u>Animal Services Fees</u>	<u>Existing Fee</u>	<u>Proposed Fee</u>
Animal License (<u>not</u> spayed/neutered)	\$24	\$36
Animal License (spayed/neutered)	\$12	\$18
Animal License (Senior Citizen 65+, <u>not</u> spayed/neutered)	\$12	\$18
Animal License (Senior Citizen 65+, spayed/neutered)	\$6	\$9
Animal License (late registration)	\$15	\$15
Animal License (replacement tag)	\$3	\$5
Animal Adoption Fee (puppies, 4 months or less)	\$100	\$150
Animal Adoption Fee (dogs over 4 months old)	\$100	\$125
Animal Adoption Fee (kittens, 4 months or less)	\$85	\$100
Animal Adoption Fee (cats over 4 months old)	\$85	\$50
Animal Adoption Fee (other animals-Rabbits, pigs, etc.)	None	\$50
Impound Fee (1 st time within 12 month period)	\$25	\$35
Impound Fee (2 nd time within 12 month period)	\$35	\$45
Impound Fee (3 rd time within 12 month period)	\$55	\$65
Impound Fee (4 th time within 12 month period)	\$80	\$90
Impound Fee (5 th time within 12 month period)	\$105	\$115
Impound Fee (6 th time within 12 month period)	\$130	\$140
Impound Fee (7 th time within 12 month period)	\$150	\$160
Boarding Fee (per day)	\$15	\$15
In-Home Quarantine for Bite	\$30	\$50
Quarantine at Animal Shelter for Bite	\$20	\$25
Commercial Facility/Kennel Permit (1-9 animals)	\$55	\$75
Commercial Facility/Kennel Permit (10-29 animals)	\$85	\$125
Commercial Facility/Kennel Permit (30-59 animals)	\$115	\$150
Commercial Facility/Kennel Permit (60+ animals)	\$150	\$200
Private Kennel Permit (2 year permit for 5-6 animals)	\$75	\$100
Pet Store/Grooming Permit	\$50	\$100
Exotic Animals Permit (per year)	\$50	\$100
Temporary Animal Permit	\$35	\$50
Bee Hive Permit (9 hives and under)	\$50	\$75
Bee Hive Permit (10 or more hives)	\$125	\$150
Event Fee for Circus (1 st day)	\$150	\$150
Event Fee for Circus (each day thereafter)	\$100	\$100
Event Fee for Rodeo (per day)	\$250	\$250
Event Fee for Dog or Cat Show (per day-50 animals or less)	\$25	\$25
Event Fee for Dog or Cat Show (per day-51 to 100 animals)	\$50	\$50
Event Fee for Dog or Cat Show (per day-Over 100 animals)	\$75	\$75

ADOPTED this _____ day of _____,

Toni Iseman, Mayor

ATTEST:

Lisette Chel, City Clerk

I, Lisette Chel, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 17. _____ was duly adopted at a regular meeting of the City Council of said City held on _____, by the following vote:

AYES: COUNCILMEMBER(S)

NOES: COUNCILMEMBER(S)

ABSENT: COUNCILMEMBER(S)

City Clerk, City of Laguna Beach, CA

**LAGUNA BEACH POLICE DEPARTMENT
MEMORANDUM**

TO: City Manager John Pietig
FROM: Chief Laura Farinella (LF)
DATE: June 7, 2017
SUBJECT: Service Fee Reviews for Police and Animal Services

As part of the budget review process, staff conducted surveys of surrounding communities to compare Police Department user and Animal Services fees. Most of these fees have remained unchanged for the past 10-15 years.

The proposed changes were brought to Council for review on May 23, 2017. Councilmembers asked that the fee schedule be amended to bring the increases closer to the averages of the surveyed cities. At the conclusion of this budget meeting, the City Council voted unanimously to direct staff to "bring back the proposed fee increases for police services" to the June 23, 2017 City Council Meeting.

Staff has readjusted the fee increases to bring them closer to the averages (see Attachment A and Attachment B). The newly adjusted fees are estimated to increase annual revenues by \$106,000.

Surveyed Communities for Police and/or Animal Services Fees:

- | | |
|--------------------|------------------------------------|
| * Huntington Beach | * Seal Beach |
| * Costa Mesa | * Fountain Valley |
| * Garden Grove | * Cypress |
| * Santa Ana | * Los Alamitos |
| * Orange | * La Habra |
| * Fullerton | * Placentia |
| * Newport Beach | * Irvine |
| * Buena Park | * Westminster |
| * Mission Viejo | * San Clemente |
| * Dana Point | * County of Orange |
| * Long Beach | * Los Angeles Sheriff's Department |
| * La Verne | * Chula Vista |
| * Solano Beach | |

Attachments: A & B

Police Department User Fees

(Last Increased in 2007)

Service Provided	Current Fee	Avg. of Surveyed Cities	Requested Fee Change	\$ Increase
Copy of Police Report	\$10	\$16	\$15	+\$5
Fingerprinting	\$15	\$26	\$25	+\$10
Fingerprinting (Non-Resident)	\$15	\$26	\$25	+\$10
Copies of Photos	\$10	\$41	\$40	+\$30
Copies of Video	\$10	\$41	\$40	+\$30
Letter of Clearance	\$15	\$24	\$25	+\$10
Subpoena for Records	\$15	\$59	\$55	+\$40
Weapon Storage	None	\$169	\$170	+\$170
Tow Releases	\$40	\$157	\$150	+\$110
Tow Releases for 120 day holds-New Fee	\$40	\$207	\$200	+\$160
Parking Boot Release	\$35	\$121	\$120	+\$85
Citation Sign Off (Non-Residents Only)	None	\$24	\$25 (no charge for residents)	+\$25
Tow Truck Driver Permits	\$92	\$153	\$150	+\$58
Concealed Weapons Permit	\$124	\$305	\$300	+\$176
Residential Alarm Permit	\$25	\$39	\$35	+\$10
Business Alarm Permit	\$50	\$44	No Change	No Change
More than 3 false alarms in 12 months	\$50	\$127	\$125	+\$75
More than 6 false alarms in 12 months	\$100	\$274	\$275	+\$175
False Robbery Alarm	\$150	\$110	No Change	No Change
False Alarm w/o permit	\$100	\$120	\$120	+\$20
Booking Fee (upon conviction)	\$195	\$225	\$250	+\$55

Animal Services User Fees

(Last Increased in 2002)

Service Provided	Current Fee	Avg. of Surveyed Cities	Requested Fee Change	\$ Increase
Animal License Registration Fee: (not spayed/neutered) per year	\$24	\$58	\$48	+\$24
Animal License Registration Fee: (spayed/neutered) per year	\$12	\$22	\$24	+\$12
Animal License Registration Fee: Senior Citizen (65 years of age or older) (not spayed/neutered) per year	\$12	\$21	\$24	+\$12
Animal License Registration Fee: Senior Citizen (65 years of age or older) (spayed/neutered) per year	\$6	\$15	\$12	+\$6
Animal Registration: late fee (per year)	\$15	\$17	\$17	+\$2
Animal Registration: replacement tag	\$3	\$8	\$5	+\$2
Animal Adoption fee: Puppies (4 months or less)	\$100	\$171	\$150	+\$50
Animal Adoption fee: Dogs (Over 4 months)	\$100	\$146	\$125	+\$25
Animal Adoption fee: Kittens (4 months or less)	\$85	\$120	\$100	+\$15
Animal Adoption fee: Cats (Over 4 months)	\$85	\$100	\$75	-\$10
Animal Adoption fee: Other Animals (Rabbits/Pigs/Etc.)	None	Unknown	\$50	New Fee
Impound Fee: 1 st within 1 year period	\$25	\$54	\$35	+\$10
Impound Fee: 2 nd within 1 year period	\$35	\$69	\$45	+\$10
Impound Fee: 3 rd within 1 year period	\$55	\$80	\$65	+\$10
Impound Fee: 4 th within 1 year period	\$80	\$96	\$90	+\$10
Impound Fee: 5 th within 1 year period	\$105	\$114	\$115	+\$10
Impound Fee: 6 th within 1 year period	\$130	\$128	\$140	+\$10
Impound Fee: 7 th within 1 year period	\$150	\$138	\$160	+\$10
Boarding Fee: (per day)	\$15	\$15	No change	No change

Bite (In-Home Quarantine) fee	\$30	\$68	\$40	+\$10
Bite (Quarantine at Animal Shelter) fee/day	\$20	\$25	\$25	+\$5
Commercial Facility/Kennel Permit:				
1-9 animals	\$55	\$188	\$150	+\$95
10-29 animals	\$85	\$228	\$200	+\$115
30-59 animals	\$115	\$266	\$250	+\$135
60 or more animals	\$150	\$307	\$300	+\$150
Private Kennel Permit: (2 year permit) 5-6 animals	\$75	Unknown	\$150	+\$75
Pet Store/Grooming Permit: (per year)	\$50	Pet Store: \$276 Grooming: \$239	\$200	+\$150
Exotic Animals Permit: (per year)	\$50	\$347	\$200	+\$150
Temporary Animal Permit	\$35	Unknown	\$50	+\$15
Bee Hive Permit: 9 hives and under	\$50	No Permits (Not allowed)	\$75	+\$25
Bee Hive Permit: 10 or more hives	\$125	No Permits (Not allowed)	\$150	+\$25
Event Fee: Circus (1 st Day) (each day thereafter)	\$150 \$100	Unknown Unknown	No change No change	No change No change
Event Fee: Rodeo (per day)	\$250	Unknown	No change	No change
Event Fee: Dog or Cat Show: (Per Day) 50 animals or less: 51 to 100 animals: Over 100 animals:	\$25 \$50 \$75	Unknown Unknown Unknown	No change No change No change	No change No change No change

ATTACHMENT C

RESOLUTION APPROVING SALARY SCHEDULES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 17.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 27th day of June, 2017.

Toni Iseman, Mayor

ATTEST:

City Clerk

I, Lisette Chel, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 17.XXX was duly adopted at a Regular Meeting of the City Council of said City held on June 27, 2017, 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 Salary Schedule
Elected and Non-Elected Management Personnel
FY 17-18 Effective 06/19/2017**

<u>Non-Elected Management</u>	<u>Salary Range</u>	
Assistant City Manager	\$11,158	\$17,124
Assistant City Manager/Director of Public Works	\$11,158	\$17,124
Director of Administrative Services	\$11,158	\$17,124
Director of Community Development	\$11,158	\$17,124
Director of Water Quality	\$11,158	\$17,124
Fire Chief ¹	\$11,158	\$17,124
Police Chief ¹	\$11,158	\$17,124
City Engineer	\$10,157	\$15,588
Assistant City Engineer	\$8,744	\$13,465
Assistant Director of Community Development	\$8,744	\$13,465
Chief of Marine Safety	\$8,744	\$13,465
Finance Officer	\$8,744	\$13,465
Human Resources/Risk Manager	\$8,744	\$13,465
Undergrounding Program Manager	\$8,744	\$13,465
Building Official	\$8,242	\$12,360
Deputy Director of Public Works/Parking & Transit Manager	\$8,242	\$12,360
Deputy Director of Public Works/Public Services Manager	\$8,242	\$12,360
Planning Manager	\$8,242	\$12,360
Project Director	\$8,242	\$12,360
Zoning Administrator	\$8,242	\$12,360
Executive Assistant	\$4,705	\$7,057
<u>Elected Officials</u>		
City Clerk ²	\$8,242	\$12,360
City Treasurer - (25 Hrs/Week) ³	\$5,151	\$7,725
<u>Police and Fire Management Association</u>		
Fire Division Chief and Fire Battalion Chief ⁴	\$9,023	\$13,894
Police Captain ⁵	\$9,023	\$13,894
Police Lieutenant ⁵	\$8,504	\$12,753
Civilian Services Administrator ⁶	\$8,240	\$12,360
<u>Contract</u>		
City Manager ⁷		\$22,694

¹ Both the Police Chief and Fire Chief are eligible to receive 5% in certification/education incentives.

² Actual for FY 17-18 including 5% Exceptional Performance Pay is \$12,978.

³ Actual for FY 17-18 including 5% Exceptional Performance Pay is \$8,111.

⁴ Incumbents in the positions of Fire Division Chief and Fire Battalion Chief are eligible to receive 2.5% for a Fire Officer certification and 2.5% for a Chief Officer certification.

⁵ Incumbents in the positions of Police Captain and Police Lieutenant are eligible to receive 2.5% for a Management POST certificate and 2.5% for a Bachelor's Degree.

⁶ Eligible to receive 2.5% for a Bachelor's Degree.

⁷ Salary includes 5% Exceptional Performance Pay.

**City of Laguna Beach Classification Title and Range Assignment
Fire, Police, & Municipal FY 17-18**

<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	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/Records Specialist	95
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
Marine Safety Lieutenant	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 17-18**

<u>Classification Title</u>	<u>Salary Range</u>
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 Aide	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 Aide	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
Traffic Maintenance Technician	88
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 Table
Municipal
FY 17-18

Unit Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC									
66	\$3,360	\$3,525	\$3,703	\$3,885	\$4,084	\$4,289	\$4,505	\$4,732	Custodian, Maintenance Worker, Office Specialist
71	\$3,553	\$3,732	\$3,921	\$4,114	\$4,318	\$4,538	\$4,769	\$5,010	Account Specialist, Maintenance Worker I, Senior Office Specialist
77	\$3,810	\$4,003	\$4,199	\$4,406	\$4,634	\$4,866	\$5,111	\$5,365	Administrative Office Specialist, Bus Driver, Permit Aide, Records Management Coordinator
83	\$4,105	\$4,313	\$4,534	\$4,751	\$4,989	\$5,241	\$5,504	\$5,779	Aquatics Coordinator, Maintenance Worker II, Parks Gardener, Senior Account Specialist, Senior Permit Aide, Planning Technician, Engineering Technician, Parking & Transit Technician, Instrumentation & Electrical Technician
88	\$4,339	\$4,556	\$4,784	\$5,019	\$5,266	\$5,530	\$5,814	\$6,106	Administrative Assistant, Deputy City Clerk, Equipment Operator, Lead Mainline Bus Driver, Traffic Maintenance Technician, Motor Sweeper Operator
96	\$4,766	\$4,999	\$5,245	\$5,512	\$5,784	\$6,073	\$6,379	\$6,694	Accounting Technician, Administrative Analyst, Code Enforcement Officer, Environmental Specialist, Equipment Mechanic, Senior Services Coordinator
98	\$4,880	\$5,122	\$5,382	\$5,647	\$5,933	\$6,226	\$6,538	\$6,866	Maintenance Lead Worker, Senior Instrumentation & Electrical Technician, Transit Supervisor
104	\$5,240	\$5,502	\$5,775	\$6,063	\$6,370	\$6,684	\$7,024	\$7,371	Marine Protection Officer, Marine Safety Officer
106	\$5,370	\$5,631	\$5,914	\$6,211	\$6,521	\$6,850	\$7,193	\$7,553	Accountant, Assistant Planner, Building Inspector, Recreation Supervisor, Senior Administrative Analyst
114	\$5,899	\$6,195	\$6,506	\$6,835	\$7,173	\$7,531	\$7,907	\$8,303	Associate Planner, Code Enforcement Supervisor, Cultural Arts Manager, Maintenance Supervisor, Project Coordinator, Senior Building Inspector, Senior Recreation Supervisor
120	\$6,330	\$6,642	\$6,976	\$7,323	\$7,697	\$8,084	\$8,487	\$8,914	Emergency Operations Coordinator
122	\$6,490	\$6,814	\$7,156	\$7,517	\$7,890	\$8,286	\$8,701	\$9,134	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	\$6,988	\$7,340	\$7,702	\$8,085	\$8,491	\$8,921	\$9,366	\$9,832	Principal Planner, Senior Information Technology Analyst
133	\$7,383	\$7,750	\$8,136	\$8,543	\$8,972	\$9,420	\$9,895	\$10,388	Associate Civil Engineer, Civilian Fire Marshal, Deputy Building Official, Marine Safety Captain, Network Administrator, Senior Plan Checker

**City of Laguna Beach Salary Table
Municipal
FY 18-19, Effective 07/01/2018**

Job Title	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
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 Aide, 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 Aide, 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, Traffic Maintenance Technician, 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
120	\$6,520	\$6,841	\$7,185	\$7,543	\$7,928	\$8,326	\$8,742	\$9,182
								Emergency Operations Coordinator
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
Police
FY 17-18

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	\$3,068	\$3,212	\$3,375	\$3,545	\$3,727	\$3,908	\$4,099	\$4,303	Beach Patrol Officer
	71	\$3,449	\$3,623	\$3,807	\$3,994	\$4,192	\$4,406	\$4,630	\$4,864	Kennel Aide, Records Specialist
	77	\$3,699	\$3,886	\$4,076	\$4,278	\$4,499	\$4,724	\$4,962	\$5,209	Parking Services Officer
	83	\$3,986	\$4,188	\$4,402	\$4,613	\$4,844	\$5,088	\$5,343	\$5,610	Community Services Officer I, Computer Operator
	84	\$4,034	\$4,238	\$4,455	\$4,669	\$4,902	\$5,150	\$5,408	\$5,678	Animal Services Officer, Kennel Manager
	88	\$4,213	\$4,423	\$4,645	\$4,873	\$5,112	\$5,369	\$5,645	\$5,928	Community Services Officer II, Senior Parking Services Officer
	95	\$4,574	\$4,796	\$5,033	\$5,282	\$5,555	\$5,825	\$6,122	\$6,426	Jail Supervisor/Records Specialist, Police Fleet Coordinator
	96	\$4,627	\$4,853	\$5,092	\$5,351	\$5,616	\$5,896	\$6,193	\$6,499	Public Safety Dispatcher
	106	\$5,213	\$5,467	\$5,742	\$6,030	\$6,332	\$6,650	\$6,984	\$7,333	Senior Public Safety Dispatcher
	133	\$7,304	\$7,666	\$8,048	\$8,451	\$8,875	\$9,319	\$9,788	\$10,275	Spvstr. 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	\$5,800	\$6,097	\$6,399	\$6,725	\$7,055	\$7,409	\$7,772	\$8,158	Police Officer
	122	\$6,545	\$6,872	\$7,217	\$7,582	\$7,957	\$8,357	\$8,775	\$9,212	Police Corporal
	133	\$7,446	\$7,816	\$8,205	\$8,616	\$9,048	\$9,501	\$9,980	\$10,476	Police Sergeant

City of Laguna Beach Salary Table
Fire
FY 17-18

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
FIRE										
	100	\$5,325	\$5,592	\$5,874	\$6,164	\$6,472	\$6,799	\$7,136	\$7,497	Firefighter
	110	\$5,992	\$6,292	\$6,603	\$6,940	\$7,285	\$7,646	\$8,033	\$8,434	Fire Engineer
	122	\$6,926	\$7,273	\$7,638	\$8,023	\$8,420	\$8,844	\$9,287	\$9,750	Fire Captain

City of Laguna Beach Salary Table
 Hourly/Part Time (Full-Time Equivalent)
 FY 17-18

Miscellaneous

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
MISC-HRLY										
FTE	900	\$19.38	\$20.34	\$21.37	\$22.41	\$23.56	\$24.74	\$25.99	\$27.30	Office Specialist (FT Range No. 066)
	920	\$25.03	\$26.28	\$27.60	\$28.96	\$30.38	\$31.90	\$33.54	\$35.22	Parking and Transit Technician
	945	\$30.98	\$32.49	\$34.12	\$35.84	\$37.62	\$39.52	\$41.50	\$43.58	Recreation Supervisor (FT Range 106)
	960	\$34.04	\$35.74	\$37.53	\$39.43	\$41.39	\$43.45	\$45.62	\$47.89	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	\$21.34	\$22.42	\$23.52	\$24.68	\$25.95	\$27.26	\$28.63	\$30.05	Senior Records Specialist (FT Range 77)
	920	\$24.30	\$25.52	\$26.80	\$28.12	\$29.50	\$30.97	\$32.57	\$34.20	Community Services Officer II (FT Range 88)
	930	\$26.70	\$28.00	\$29.38	\$30.88	\$32.40	\$34.02	\$35.73	\$37.49	Public Safety Dispatcher (FT Range 96)
	940	\$30.08	\$31.54	\$33.13	\$34.78	\$36.54	\$38.37	\$40.29	\$42.30	Senior Public Safety Dispatcher (FT Range 106)
	950	\$33.46	\$35.17	\$36.92	\$38.80	\$40.70	\$42.74	\$44.84	\$47.07	Police Officer (FT Range 112)

City of Laguna Beach Salary Table
 Laguna Beach Marine Safety Association
 FY 17-18

Unit	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Job Title
LBMSA										
	599	\$10.50								Lifeguard Trainee*
	740	\$18.13	\$19.04	\$19.43	\$19.83	\$20.22	\$20.59	\$20.98	\$21.38	Ocean Lifeguard I
	750	N/A	\$19.83	\$20.22	\$20.59	\$20.98	\$21.38	\$21.77	\$22.16	Ocean Lifeguard II
	790	N/A	\$22.94	\$23.33	\$23.71	\$24.09	\$24.49	\$24.88	\$25.27	Ocean Lifeguard III
	800	\$30.77								Recurrent Hourly Lifeguard

* Lifeguard Trainees are not covered under the LBMSA agreement

City of Laguna Beach Salary Table
 Hourly/Part-Time
 FY 17-18

Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Job Title
615	8.97	9.34	9.72	10.10	10.47	10.84	11.21	Office Assistant I, Laborer I, Community Services Leader, Parking Lot Attendant.
635	10.47	10.84	11.21	11.59	11.97	12.34	12.71	Office Assistant II, Community Services Specialist, Trolley Steward
650	11.59	11.97	12.34	12.71	13.09	13.46	13.83	Kennel Aide I, Laborer II
655	11.97	12.34	12.71	13.09	13.46	13.83	14.20	Community Services Coordinator
660	12.34	12.71	13.09	13.46	13.83	14.20	14.59	Parking Control Officer
665	12.72	13.09	13.46	13.83	14.20	14.59	14.96	Swim Instructor/Pool Lifeguard
673	13.09	13.46	13.83	14.21	14.58	14.95	15.33	Typist Clerk
675	13.46	13.83	14.20	14.59	14.96	15.33	15.70	Laborer III, Kennel Aide II, Police Aide
685	14.20	14.59	14.96	15.33	15.70	16.08	16.45	Weed Abatement Coord., Sr. Community Svcs. Coordinator, Sr. Pool Lifeguard, Community Bch Patrol, Sr. Police Aide
695	14.96	15.33	15.70	16.08	16.45	16.82	17.19	Administrative Intern, Aquatics Supervisor, Bus Driver I, Planning Intern
705	15.70	16.08	16.45	16.82	17.19	17.58	17.95	Laborer IV
710	16.08	16.45	16.82	17.19	17.58	17.95	18.32	Sr. Community Beach Patrol, Tidepool Educator, Civilian Enforcement Officer
725	17.19	17.58	17.95	18.32	18.69	19.07	19.44	Bus Driver II, Fire Prevention Officer
745	19.23	19.61	20.01	20.41	20.79	21.18	21.59	Marine Safety Dispatcher
755	19.44	19.81	20.19	20.57	20.94	21.31	21.68	Jailer
780	21.31	21.68	22.06	22.44	22.81	23.18	23.56	Bus Driver III
795	22.44	22.81	23.18	23.56	23.93	24.30	24.67	Summer Festival Transit Supervisor
797	27.44	27.99	28.55	29.12	29.70	30.29	30.90	Arts Program Coordinator
798	35.43	36.16	36.89	37.65	38.42	39.20	40.00	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 17-18 Effective January 1, 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
	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	\$4,209	\$4,422	\$4,648	\$4,871	\$5,115	\$5,373	\$5,642	\$5,924	Animal Services Officer, Kennel Manager
	88	\$4,339	\$4,566	\$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/Records Specialist, 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
	133	\$7,523	\$7,896	\$8,289	\$8,705	\$9,141	\$9,598	\$10,082	\$10,584	Spvrs. 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

ATTACHMENT D

RESOLUTION APPROVING THE ANNUAL
APPROPRIATIONS LIMIT (GANN LIMIT)

RESOLUTION NO. XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, DETERMINING AND ADOPTING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2017-2018 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, 2017; 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, 2017 is \$58,008,120.

SECTION 2. The adjustment factors for fiscal year 2016-2017 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.

ADOPTED this 27th day of June, 2017.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Tony Iseman, 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. XX.XXX was duly adopted at a Regular Meeting of the City Council of said City held on June 27, 2017, by the following vote:

- AYES: COUNCILMEMBER(S): Boyd, Whalen, Zur Schmiede, Iseman, Dicterow
- 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 2017-2018
 Budget X
 Actual _____

	Amount	Source
A. Last Years Limit	55,558,012	
B. Adjustments		
1. Population % (County)	1.0069	Workpaper 5.1, "Percent Change" State Finance or Assessor
2. Inflation %	1.0369	
Total %	1.0441	(B1*B2)
C. Annual Adjustment (\$)	2,450,108	((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	2,450,108	(C+D)
F. Current Year Limit	58,008,120	(A+E)



May 2017

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2017-18 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2017.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2017-18 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

2017-18:

Per Capita Cost of Living Change = 3.69 percent
 Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.69 + 100}{100} = 1.0369$

Population converted to a ratio: $\frac{0.85 + 100}{100} = 1.0085$

Calculation of factor for FY 2017-18: $1.0369 \times 1.0085 = 1.0457$

Fiscal Year 2017-18

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017

County City	Percent Change 2016-2017	--- Population Minus Exclusions ---		Total Population
		1-1-16	1-1-17	1-1-2017
Orange				
Aliso Viejo	-0.06	50,341	50,312	50,312
Anaheim	0.80	355,675	358,529	358,546
Brea	1.39	43,606	44,214	44,214
Buena Park	1.01	83,042	83,884	83,884
Costa Mesa	-0.05	113,906	113,848	114,044
Cypress	0.24	49,535	49,655	49,655
Dana Point	0.17	33,643	33,699	33,699
Fountain Valley	-0.04	56,730	56,709	56,709
Fullerton	0.22	141,918	142,234	142,234
Garden Grove	0.00	176,285	176,277	176,277
Huntington Beach	0.51	196,564	197,574	197,574
Irvine	3.85	257,181	267,086	267,086
Laguna Beach	-0.02	23,509	23,505	23,505
Laguna Hills	2.63	30,736	31,544	31,544
Laguna Niguel	1.60	65,637	66,689	66,689
Laguna Woods	-0.06	16,329	16,319	16,319
La Habra	0.13	62,003	62,084	62,084
Lake Forest	1.87	83,376	84,931	84,931
La Palma	-0.14	16,006	15,984	15,984
Los Alamitos	-0.02	11,741	11,739	11,739
Mission Viejo	-0.05	96,763	96,718	96,718
Newport Beach	-0.15	85,045	84,915	84,915
Orange	0.09	140,761	140,882	140,882
Placentia	-0.05	52,292	52,268	52,268
Rancho Santa Margarita	-0.07	48,636	48,602	48,602
San Clemente	0.11	65,904	65,975	65,975
San Juan Capistrano	0.40	36,118	36,262	36,262
Santa Ana	0.40	339,997	341,341	341,341
Seal Beach	-0.14	24,393	24,359	24,890
Stanton	0.13	39,560	39,611	39,611
Tustin	0.44	82,015	82,372	82,372
Villa Park	-0.02	5,945	5,944	5,944
Westminster	0.17	93,375	93,533	93,533
Yorba Linda	0.38	67,632	67,890	67,890
Unincorporated	0.47	125,209	125,792	125,792
County Total	0.69	3,171,408	3,193,280	3,194,024

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

ATTACHMENT E

WISH LIST

WISH LIST

TABLE B

		One-Time	Ongoing
		\$0	\$135,500
1	Fire Department Strategic Plan (in addition to new fees)		100,000
2	Digital Communications Coordinator from part-time to full-time		85,000
3	Finance Division: full-time Senior Administrative Analyst		115,000
4	Historical Inventory Consultant		50,000
5	Police Department: Civilian Investigator		100,000
6	Chamber of Commerce Economic Development Action Plan (\$25,000 annually)	50,000	0
Recommended Budget Changes Requests		\$50,000	\$450,000
Remaining Balance			-\$364,500

* Parking Fund

1. Fire Department Strategic Plan: The Fire Department is currently working on a strategic plan. It is expected the plan and recommendations will be presented to City Council in early 2018. It is too soon to estimate an ongoing cost for the plan; however, \$100,000 is recommended to be set aside. This would be in addition to any new fees recommended as part of the strategic plan.
2. Full-time Digital Communications Coordinator: With the City's increase use of social media, including Nextdoor, and the City website to inform and engage its residents, the Digital Communications Coordinator position is quickly becoming a full-time position. To continue to increase services in these areas, the City Council should consider making this position fulltime. The ongoing costs is \$85,000.
3. 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 support special projects throughout the year including semi-annual financial system training for departments. The ongoing costs is \$115,000.
4. Historical Inventory Consultant: The City is currently underway in revising its Historic Preservation Ordinance and Inventory. One of the goals of the draft Ordinance is to provide clarity in the processing of historic structures. The draft Ordinance proposes 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/or prepare reports as provided for in the Ordinance upon its adoption. The ongoing costs is \$50,000.
5. Civilian Investigator: In order to police more effectively, a civilian investigator position would use techniques to help the police department become more effective through better information of both crime and nuisance related issues as needed. This position will work with the newly purchased Bair Analytics Software that will pull information from the current system. This is being done now but not effectively and done quickly. The ongoing costs is \$100,000.
6. During the budget workshop funding assistance was requested by the Chamber of Commerce to play a major role in the City's Economic Development Action Plan. The Chamber is requesting \$100,000 annually for the next two years. In response to the

WISH LIST

Chamber of Commerce's request for substantial annual funding, staff recommends that the City Council set aside \$25,000 in each year of the two year budget from the Parking Fund on the condition that City and Chamber staff bring back for City Council approval a proposed scope of work for a Two Year Pilot Program whereby the Chamber will provide specific services that will aid in the implementation of the Economic Development Action Plan such as small business education and addressing commercial vacancies.



LAGUNA BEACH
Chamber of Commerce

**2017 Board of
Directors**

Ken Fischbeck
President

Laguna Crest Enterprises

Dave Rubel
President Elect
Fredric H. Rubel
Fine Jewelers

Kavita Reddy
Vice President
Buy Hand

Carmelit Green
Treasurer
Troy Lee Designs

Scott Sanchez
Secretary
Firebrand Media

Aaron Talarico
Director
Talarico & Associates

Dawn Knepper
Director
Ogletree Deakins

Mauricio Souza
Director
Montage Resorts

Cary Redfearn
Director
Lumberyard

Chris Tebbutt
Director
Berkshire Hathaway

Ginger Weston
Director
Seaside Soles

Norm Grossman
Director

Laura Henkels
Executive Director

May 25, 2017

To: City Manager John Pietig

John,

I want to apologize for our oversight in not including you in our letter to the Council regarding our request to be placed in the continuing City budget and removed from the current Community Assistance Grant program. I can assure you that it was merely a result of inexperience in protocol and definitely not in any way circumventing your role in the process.

The letter outlines the Chamber's position and vision for the future, identifying the current work and roles the Chamber has undertaken. Our vision is to do more, which will require a greater investment in the Chamber by the City if we are to be successful.

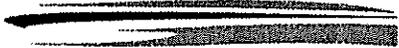
Please review the letter; we are requesting funds so that the Chamber continually grow our services (events and advertising) that go directly back to the community and our businesses in our fine city.

I would urge you to review our request in light of the fact that our purpose is help our businesses, which in turns creates vitality in our town and ultimately makes life better our Residents.

Yours truly,

Ken Fischbeck

Ken Fischbeck
Laguna Beach Chamber of Commerce
President of The Board



LAGUNA BEACH
Chamber of Commerce

May 22, 2017

2017 Board of
Directors

Ken Fischbeck
President
Laguna Crest Enterprises

Dave Rubel
President Elect
Fredric H. Rubel
Fine Jewelers

Kavita Reddy
Vice President
Buy Hand

Carmelit Green
Treasurer
Troy Lee Designs

Scott Sanchez
Secretary
Firebrand Media

Aaron Talarico
Director
Talarico & Associates

Dawn Knepper
Director
Ogletree Deakins

Mauricio Souza
Director
Montage Resorts

Cary Redfearn
Director
Lumberyard

Chris Tebbutt
Director
Berkshire Hathaway

Ginger Weston
Director
Seaside Soles

Norm Grossman
Director

Laura Henkels
Executive Director

Honorable Mayor Iseman and City Council
City of Laguna Beach
505 Forest Avenue
Laguna Beach, CA 92651

RE: Chamber of Commerce Economic Development Activities

Dear Mayor Iseman and City Councilmembers,

On behalf of The Laguna Beach Chamber of Commerce Board of Directors, I would like to submit this request for consideration at the budget hearing on May 23, 2017.

The Chamber of Commerce has traditionally been a part of the City of Laguna Beach's Community Assistance Grant process. While we have always been given a fair share of this pool, we would like to be considered a permanent part of the city budget process and to be taken from the pool so as to free up our portion of the Community Assistance Grant funds for other non-profits in town.

At last year's Community Assistance Grant request meeting, Mayor Toni Iseman postulated as to the Chamber's "rightful place" in this process and on the possibility of being an ongoing budget item. The Chamber agrees and would like for this request to be considered as a redirection of our Community Assistance Grant request now and into the future. During the past three years, the Chamber has been in need of funding beyond the scope of this program and, as an ongoing economic development partner with the City, we would like to be considered for annual contracts through the budget process.

For 100 years, The Laguna Beach Chamber of Commerce has been serving the business needs of our community and residents; we believe we are the longest standing non-profit in town and are proud of this accomplishment. As our business community's needs grow, and support becomes more crucial to the small business owner, so do the Chamber's funding needs. The Chamber is proud to play a major role in the City's Economic Development Action Plan and is steadfast in our completion and ongoing work with the goals of:

1. **Business retention, expansion and attraction** – The Chamber plays a major role in 14 of the 15 strategies and is the lead on 7, nearly 50%, of all strategies therein.
2. **Enhance the customer experience for residents in a way that visitors also enjoy** – The Chamber plays a major role in 9 of the 12 strategies and is lead on 2.

357 Glenneyre, Laguna Beach, California 92651
Phone: 949-494-1018
www.LagunaBeachChamber.org
Tax I.D. # 95-0918918

The Chamber is responsible for producing City events such as the annual State of The City Mayor's Luncheon, Hospitality Night, and Open For Construction Workshops. The Chamber produces these events for no fee and does minimal to no fundraising through these events. Once staff time is considered, these events net a negative income to the Chamber's bottom line.

The Chamber's "Think Laguna First" initiative, which aims to keep residents' dollars in town (retail, professional services, dining and entertainment are all included), has been a huge success since its inception three years ago. Our signature event, "Small Business Saturday", has grown from 24 participating businesses to 151; that's over 600% growth. Our vision of producing quarterly "Think Laguna First" events for our residents and business community relies on funding. These events are not fundraising events and the Chamber believes these events are crucial to the economic development of our city. These events encourage residents to stay in town and also reach out to visitors to shop in town. As an example of a possible "Think Laguna First" event, we would like to produce a Mother's Day Build a Bouquet day. Participants would visit shops, restaurants, and entertainment venues for Mother's Day gift ideas and receive a flower. The residents and would be offered passports that they bring to participating businesses where they receive a flower. Last stop would be The Flower Stand, where the proprietor wraps up their bouquet for presentation to Mom. Funds are needed for marketing, supplies and staff time. It is important to note that these events are open to ALL businesses in town, not just Chamber members

The Chamber has been approached by Joe Hanauer on behalf of The HIP District to assume responsibility for ongoing branding and marketing management of the area. We would like to take the district concept to the next level, whereby businesses, in their specific geographic districts, can be branded and marketed.

The Chamber believes the district marketing concept will help *all* businesses throughout Laguna Beach, including the downtown district businesses. The Chamber would like to work with each district area and assist businesses located within each district with the coordination of branding and marketing. The initial program would cost the Chamber \$10,000 over membership dues and net us 40 new members (10% membership increase).

To continue to provide such exemplary services and programs, and, most importantly, to EXPAND our business outreach, the Chamber is requesting a contract with the City for economic development. We need to continue our vital work with not only the above referenced Economic Development Committee, but also with our efforts on way-finding, parking demand/codes, building maintenance codes, DSP improvements to name a few.

Looking ahead, the Chamber wishes to continually evolve our programs/services, grow participation and training for organizations of all sizes and provide business education to our community.

The Chamber is requesting a \$200,000, 2 year contract with the City. Specific activities to be undertaken if the contract is approved include:

1. Ongoing completion of all tasks/strategies outlined in the City's Economic Development Plan – 20% of personnel salary	\$20,000
2. Quarterly Think Laguna First citywide events at \$10,000/event	\$40,000
3. Quarterly business education workshops, including the "Open For . . ." workshops and specialized others on marketing, fraud prevention and customer service.	\$8,000
4. Community calendar and Chambermaster software	\$7,000
5. State of the City sponsorship	\$5,000
6. Hospitality Night and Lights sponsorship	\$5,000
7. District marketing, beginning with the HIP district	\$15,000
ANNUAL TOTAL	\$100,000

The total 2016 Chamber expenditures was **\$353,000**. Of that amount **\$211,800**, (roughly 60% of the budget), was spent working on the activities and programs listed above and identified in the Economic Development Action Plan.

The Chamber manages the time and activities of its staff to address the current needs of our economic development strategy and can therefore report that cost to the taxpayers. Personnel costs associated with economic development activities and programs totaled **\$93,000 in 2016**.

On the income side, the Chamber has three categories of revenue support for its operating budget. These include the Hospitality Night/Lights grant from the city of **\$54,000** (all spent on production costs), the Community Assistance Grant from the City which has averaged **\$20,000** the past two years, **\$116,000** from Chamber membership Investments and finally **\$162,300** from Chamber events and miscellaneous income.

As can be seen, to fully commit to fulfilling our economic development goals and to grow the Chamber, we will need additional funding. On the spending side, total expenditures and total income for the Chamber are basically level. For further economic development activities to occur, the Chamber will need additional financial support.

Thank you for your consideration,

Laura Ann Henkels

Laura Ann Henkels
Executive Director
Laguna Beach Chamber of Commerce

ATTACHMENT F

PENSION STRATEGY POWERPOINT SLIDES

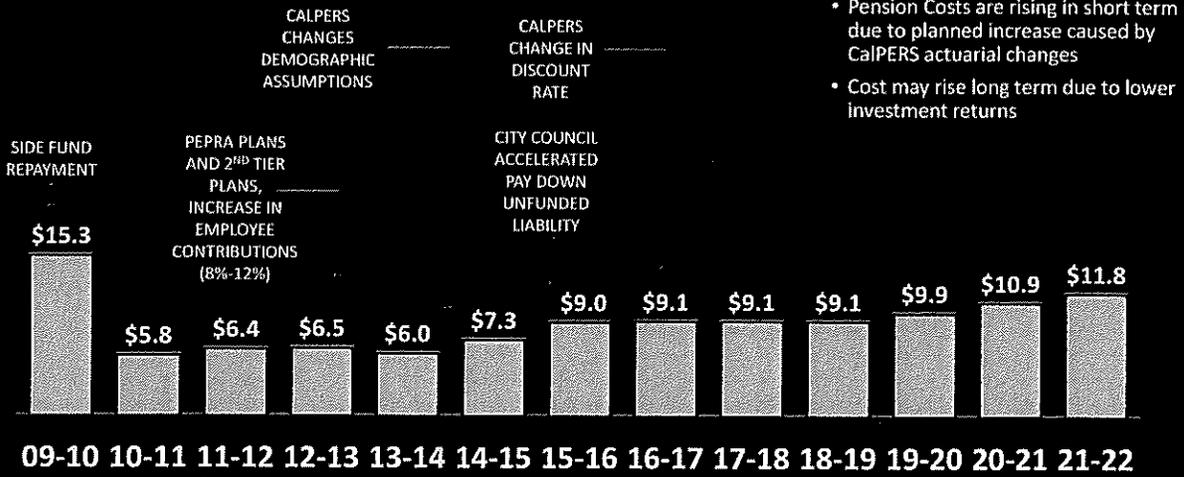
PENSION STRATEGY

Pensions

How Did we get here?

- Superfunded in 2000
- State approved enhanced employee benefit plans
- Changes in investment returns over the past 20 years
- Dotcom bubble in 2000 and recession in 2008
- Actuarial Changes: demographics people living longer

Pension Unfunded Liability Timeline (in millions)



Source: Finance Staff

Pension Strategies

PLAN A

1. Prepay unfunded liability each year and apply \$100,000 savings toward strategy
2. Reprogram side fund payment of \$850,000
3. Commit to programming 4% of revenue above estimates to pension costs over five years
4. Create smoothing fund to phase-in costs
5. Review of mid-year savings for possible additional lump sum payments to further reduce the unfunded liability

Pension Strategies

PLAN B

Revenues do not come in as hoped:

1. Increase employee contributions
2. Cut expenses or increase transfer from Parking Fund

Pension Strategies

	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	1,550,000	2,300,000	2,400,000	1,500,000	600,000	-
Ongoing Revenue over estimates (4%/5Y)	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
Plan B: Employee contrib, cut expenditures								
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)		(300,000)	(700,000)	(1,800,000)	(2,800,000)	(2,800,000)	(2,800,000)	(2,800,000)
Ending Balance Pension Smoothing	850,000	1,550,000	2,300,000	2,400,000	1,500,000	600,000	-	-

(1) This estimate is based on preliminary information from CalPERS. CalPERS will release new updated information in July.

- Strategy evaluated every six months
- Goal is to not reduce services or reserves

Disaster Fund

Disaster Contingency Reserve replaced with bank line of credit

- Pros:
 - Reduces unfunded liability
 - Significant savings over long-term
- Cons:
 - Intent of reserve was exclusively for disasters
 - Would incur debt service after a disaster
 - Does not help with \$2.8 million burden in FY 21-22

What if other cities file bankruptcy

- Agencies that can't or will not make payments (e.g. bankruptcy)
- CalPERS reduces benefits to retirees and active member to available assets
- Assets are moved from pool to Terminated Agency Pool (TAP)
- According to CalPERS, City of Laguna Beach pooled assets are not impacted

Attachment M

Staff Report: Feb. 27 2018, Mid-Year Budget Update and presentation of the first Measure LL Annual Report.

City of Laguna Beach
AGENDA BILL

No. **14**

Meeting Date: 2/27/18

SUBJECT: MID-YEAR BUDGET UPDATE

SUMMARY OF THE MATTER:

I. PURPOSE OF REPORT

With the independent audit for fiscal year 2016-17 recently completed, staff is returning to the City Council to update the current budget with the revised fund balance figures and for a mid-year budget revision.

II. EXECUTIVE SUMMARY

The City ended Fiscal Year 2016-17 in a sound financial position. The General Fund ended the year \$4.8 million above the 20% reserve, the Parking Fund exceeded the budget estimates by \$900 thousand, and the Capital Improvement Fund added \$1.3 million to its available fund balance. The City's major revenues exceeded budget expectations in the following categories: property taxes were up 6.7% compared to budget, hotel taxes were up 7.8%, and sales taxes were up 1.5% compared to budget. This was in addition to responsible spending by departments that kept costs under budget by \$1.7 million.

While some of the revenue changes in the General Fund were the result of one-time events, other revenues are expected to continue to beat budget estimates in the current year. For example, the City was notified in late June that this year's property tax revenue would be \$463,000 more than the current budget estimate and the hotel taxes estimate should be increased by \$250,000 due to higher than expected revenues this past year. However, not all the news is good, the California Public Employee Retirement System (CalPERS) is lowering its discount rate, or expected rate of return on investment, from 7.5% to 7% and recently the CalPERS Board approved shortening the amortization period for investment gains and losses from 30 years to 20 years. Just the change in the discount rate is expected to increase future pension costs by \$2.8 million.

This report highlights the differences between FY 2016-17 budget estimates and actual revenues and expenditures incurred for the major operational funds; includes recommendations for using both one-time and ongoing savings in the General Fund, Measure LL Fund, Capital Improvement Fund, Parking Fund, Sewer Fund, and Insurance Fund.

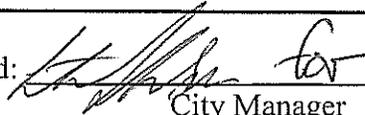
RECOMMENDATION: It is recommended that the City Council: (See Page 6 and Page 7)

Appropriations Requested: \$ _____

Fund: _____

Attachments: See Page (7)

Coordinated with: 
Gavin Curran, Director of Admin Services
Coordinated with: Nancy Pauley
Nancy Pauley, Finance Officer

Approved: 
City Manager

III. PRESENTATION OF FINAL ENDING BALANCES ON JUNE 30, 2017

Each year when the staff has calculated the June 30th ending balances for the various City funds, the City Council updates the current budget by adopting the revised fund balance figures. Attachment A depicts the actual balances for each budget fund and shows the difference between the expected (budgeted) ending fund balance and the actual balances for the fiscal year. The material differences between the approved budget for FY 2016-17 and the actual activity are highlighted below. It should be noted that most of the revenue increases highlighted below were anticipated and incorporated in the budget estimates for this year, FY 2017-18. Any recommended changes to revenue estimates for FY 2017-18 and FY 2018-19 are shown in Table 2.

- The ending fund balance for the General Fund is \$4.8 million higher than originally anticipated. Factors that lead to that result include:
 - a. The City received higher than anticipated property taxes of \$1.2 million due to higher than expected supplemental property taxes, an increase in the collection of secured property taxes (higher collection rate) and lower than expected county collection charges.
 - b. The City's sales taxes compared to the budget was higher than expected by \$87,000.
 - c. Transient Occupancy Tax (TOT) was higher than expected by \$700,000 compared to the FY 2016-17 budget estimate. Higher TOT revenue overall and the reopening of the Ranch provided 11.7% more in TOT over the original estimate.
 - d. Community Development fee revenues came in \$312,000 higher compared to the budget estimates. The increases were due to higher than the anticipated amount of building permits, plan check-zoning fees, real property reports, and water quality inspections. Many of the on-going revenues increases are incorporated in the current year budget; therefore, staff is not recommending any changes to these revenue estimates at this time.
 - e. On the expenditures side, City departments saved approximately \$1.7 million.
- In the Measure LL Fund, the ending fund balance was higher than expected by \$212,005. The increases were due to higher than expected revenue of \$64,721, and a one-time expenditure savings of \$147,284 due to programs coming online later than expected in the adopted budget.
- In the Capital Improvement Fund, the ending fund balance was higher than expected by \$1.3 million. This was due to higher than anticipated revenues from real property transfer taxes of \$135,000, building construction taxes of \$97,000, TOT revenues of \$121,000 along with savings of \$940,000 from several projects.
- In the Parking Fund, the ending fund balance was higher by approximately \$900,000. Parking meter revenue beat budget projections by \$560,000 while parking lot revenue was higher by \$200,000, and expenditures savings was approximately \$140,000.

IV. CHANGES TO THE 2017-18 GENERAL FUND BUDGET

In addition to recognizing the new balances, the City Council should consider items 1-22 as shown in Table 1 below and modify the General Fund adopted budget. Most requests are one-time costs impacting the current year only, but others have an ongoing impact on the budget. It is recommended that the cost for ongoing requests be limited to ongoing funding. Additional details on each item are described in Attachment C.

TABLE 1

			Appropriate	
			One-time	Ongoing
Beginning Balance (General Fund)			\$4,830,000	\$ 94,000
1	Administrative Services	Increase Property Tax Revenue		463,000
2	Administrative Services	Increase in TOT Tax Revenue		250,000
3	Administrative Services	Decrease in TOT for Hotel Laguna (for six months)	(120,000)	
4	Administrative Services	Laguna Art Museum and Laguna Playhouse Grants	(500,000)	
5	Administrative Services	Transfer to Open Space Fund	(300,000)	
6	Various Departments	Supplement expenditures associated with rallies	(90,000)	
7	Administrative Services	IT Master Plan, Future IT Equipment and Software Replacement	(1,000,000)	
8	Administrative Services	Programming Funding for CalPERS Increases (Approved in June 2017)		(450,000)
9	Administrative Services	Legal Costs	(500,000)	
10	Administrative Services	Consulting Services for Airplane Noise	(30,000)	
11	Various Departments	Budget Clean-up Items	(15,100)	(45,500)
12	City Manager	Public Outreach Services	(50,000)	
13	City Manager	Administrative Transition Support (1 month)	(11,000)	
14	Police Department	Emergency Operation Center Technology Improvements	(30,000)	
15	Police Department	CERT Outreach and Education	(20,000)	
16	Fire Department	Civilian Fire Marshal Salaries Redistributed		(62,000)
17	City Manager	Transfer to Insurance Fund	(1,000,000)	
18	Water Quality	Greenhouse Gas Emission Study	(20,000)	
19	Police Department	800 MHz (Need \$90,000, transfer savings from Burn Site project, net impact \$0)		
20	Community Services	Van for ASL	(52,000)	
21	Administrative Services	Increase working capital reserve for capital improvement projects	(500,000)	
22	Administrative Services	Maintain 20% Reserve	(100,000)	
Remaining One-time Balance			\$491,900	
Remaining Ongoing Balance				\$249,500

If the City Council approves items 1-22, this would bring the available balance of one-time funds to \$491,900 and \$249,500 in ongoing funds. Departments and Councilmembers have requested nine items, as shown in Table 2, some of which could be incorporated into the budget with the limited available funds. The City Manager is recommending item one and, given the City Council's recent discussion, that consideration be given to items two and three. Additional information on these items has been included with Attachment D.

TABLE 2

		Appropriate	
		One-time	Ongoing
		Beginning Balance General Fund	
1	Fire Department	\$491,900	\$249,500
2	Public Works	(200,000)	(160,000)
3	Community Development	(100,000)	
4	Administrative Services		(50,000)
5	Public Works		(117,800)
6	Public Works	(40,300)	(135,700)
7	Public Works	(35,500)	(93,400)
8	Administrative Services		(92,800)
9	Community Services		(85,000)
		Remaining Balance General Fund	
		\$116,100	
		Remaining Ongoing Balance	
			(\$485,200)

V. CHANGE TO PART-TIME HOURLY RATES

The budget already includes ongoing funding to comply with the state minimum wage requirements (currently \$11/hour) but it is necessary for the City Council to adopt the Resolution shown in Attachment F implementing the new hourly rates and incorporate a 3% increase to ensure that hourly rates are competitive in the marketplace for summer hires.

VI. CAPITAL EQUIPMENT REQUESTS

The budget includes ongoing funding for capital equipment. Also, the Fire Department has identified savings in several capital equipment purchases increasing the available funding in the current year by \$39,800. City departments have submitted capital equipment and technology system requests, by fiscal year, along with the City Manager’s recommendations, as listed in Attachment E. It is recommended the City Council transfer the \$39,800 in savings to the capital equipment available funding and approve the City Manager recommended capital equipment requests in the amount of \$735,400 and \$153,600 in vehicle purchases and conversion costs as shown in Attachment E.

VII. MEASURE LL FUND

The Measure LL available fund balance ended the year \$212,000 higher than expected. The increase was due to higher than anticipated Measure LL TOT revenue of \$64,700 and one-time expenditures savings of \$147,300. The Audit Review and Measure LL Oversight Committee (“Committee”) report recommends setting aside the remaining balance toward a Measure LL Fund Reserve. Also, the Committee recommends, moving the time spent (30%) by the Fire Marshal performing a plan check function to the General Fund. Staff agrees with this finding and recommends redistributing \$62,000 in salary costs to the General Fund in FY 2018-19. The recommendations are shown in Table 3 below.

TABLE 3

		Beginning Balance (Measure LL)	Appropriate	
			One-time	Ongoing
1	Admin Services	Decrease in TOT for Hotel Laguna	\$212,005	\$ -
			(12,000)	
2	Measure LL Committee	Set aside for Reserve	(200,005)	
3	Fire Department	Fire Marshal Plan Checker (30%) Salaries Redistributed (FY 2018-19)		62,000
Remaining Balance			\$0	\$62,000

With the \$62,000 added back, the available funding the Measure LL fund for next year, FY 2018-19, is approximately \$93,000. Staff will be returning to the City Council in the future with recommendations to program this funding.

VIII. CAPITAL IMPROVEMENT FUND

The Capital Improvement Fund ended the year approximately \$1.3 million higher than expected. Staff is recommending the City Council appropriate \$1,330,000, of available CIP funds for the projects listed in Table 4 below. A more detailed description of the requests is included in Attachment C.

TABLE 4

		Beginning Balance (Capital Improvement Fund)	Appropriate	
			One-time	Ongoing
1	Public Works	Supplemental Funding for Improvements at 479 Ocean	\$1,361,000	\$ -
			(225,000)	
2	Public Works	1477 Cerritos, Storm Drain	(850,000)	
3	Public Works	Downtown Improvements Implementation Plan	(75,000)	
4	Public Works	Tenant Improvements, Fixtures and Furnishings for Various City Buildings	(100,000)	
5	Community Services	Replace existing lights with LED Light at Irvine Bowl Tennis Courts	(35,000)	
6	Community Services	Replace existing lights with LED lights at Riddle Field (Total Cost \$90,000, LL Pays 1/2)	(45,000)	
Remaining Balance			\$31,000	\$0

IX. PARKING FUND

The Parking Fund ending fund balance was \$900,000 higher than anticipated. Parking meter revenue exceeded budget projections by \$560,000 while parking lot revenue was higher by \$200,000, along with lower than expected expenditures of approximately \$140,000. No new appropriations are requested at this time. However, there are a number of parking structure opportunities that not have been addressed by City Council.

X. STREET LIGHTING FUND

The street lighting fund ended the year \$98,000 higher than expected. No appropriations are requested at this time.

XI. WASTEWATER (SEWER) FUND

The Wastewater (Sewer) Fund ended the year \$314,000 higher than expected. Staff is recommending the City Council use \$296,200 of available funds for the projects listed in Table 5 below. A more detailed description of the requests is included in Attachment C.

TABLE 5

		Appropriate	
		One-time	Ongoing
		\$314,000	\$ -
1	Water Quality/Sewer	Supplemental funding for rehab of the Bluebird SOCWA Lift Station wet well lining	
		(78,000)	
2	Water Quality	Supplemental funding for Victoria Life Station Rehabilitation Project	
		(18,200)	
3	Water Quality	Legal Fees associated with Moulton Niguel Water District dispute	
		(215,000)	
		Remaining Balance	\$2,800
			\$0

XII. INSURANCE FUND

Early in this report, staff recommended transferring \$1 million from the General Fund to the Insurance Fund to help offset unexpected costs related to tort claims and possible additional costs related to the Klein case. The complaint in the Klein case was filed on December 4, 2008 and involves a federal court action by three individuals who claimed their First Amendment rights were violated by the City's regulations concerning the use of sound amplification equipment (bullhorns) to broadcast messages from the sidewalk adjacent to Laguna Beach High School and City Hall and in the downtown area. The federal appeals court ultimately ruled that while the regulations were valid as to the high school, the regulations were overbroad as to the other locations. The trial court awarded damages of \$3 to each plaintiff and denied a request for attorneys' fees. On appeal, the appeals court determined that the plaintiffs were entitled to an award of attorneys' fees. The plaintiffs' attorneys requested \$3.2 million and the trial court awarded them approximately \$1.3 million. The plaintiffs appealed, asserting they are entitled to the full \$3.2 million claimed. The appeals court vacated the trial court's award and remanded the issue for reconsideration.

XIII. PENSION LIABILITY – STRATEGIES

At this time, staff is not recommending augmenting the current pension strategy by adding lump sum payment. While the strategies discussed in Attachment G 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.

XIV. RECOMMENDATIONS

It is recommended that the City Council:

1. Update the FY 2017-18 and FY 2018-19 Adopted Budget by accepting June 30, 2017, ending fund balances as depicted in Attachment A;
2. Modify the Fiscal Year FY 2017-18 and FY 2018-19 Adopted Budget and approve the additional appropriations, and adjustments as recommended in Sections IV, VI, VII, VIII, XI, and XII as listed on Attachment C with any changes approved by the City Council;

Mid-Year Budget Update
February 27, 2018
Page 7

3. Approve the budgeted capital equipment and vehicle purchases, for which funding has already been set aside, as part of the Fiscal Year 2017-18 and Fiscal Year 2018-19 Budget as depicted in Attachment E;
4. Adopt the resolution, Attachment F, which ratifies the compensation for hourly part-time employees as described in Section V;
5. Direct the City Manager to return at the budget update in June with options to fund the ongoing costs related to the Urban Forest Management Plan with options to address management of the City's urban forest; and
6. Authorize the City Manager to enter into a contract for public outreach services up to the mid-year budget request of \$50,000.

Attachments:

- A. Comparison of projected vs. actual fund balances
- B. All funds budget summary
- C. Descriptions of Possible Additions to the Budget
- D. Description of Wish List Items
- E. Capital Equipment Requests
- F. Resolution approving compensation changes for hourly/part-time
- G. Memo summarizing City Pension strategies and discussion of Lump Sum Payment to CalPERS

ATTACHMENT A

Comparison of projected vs. actual fund balances

RECONCILIATION OF FY 2016-17 AUDIT ENDING BALANCES TO FY 2017-18 BUDGET ESTIMATED BEGINNING BALANCES

Fund	Actual Available for new Appropriations (Incl. Carryovers)	Budgetary Adjustments			Revised Available for new Appropriations	Estimate Estimated Beginning Balance - FY 16/17 Adopted Budget	Difference Over/(Under) Estimate
		Carryovers - Revenues (+)	Carryovers - Expenditures (-)	Other Adjustments			
General	24,921,810	214,300	8,464,750	(11,800,000) ¹	4,871,360	40,669	4,830,691
Measure LL	852,505		640,500		212,005	0	212,005
Open Space	2,465,654		2,304,500		161,154	154,163	6,991
Capital Improvements	22,214,293		19,478,500		2,735,793	1,374,035	1,361,758
Parking Authority	15,170,542		7,206,900		7,963,642	7,064,490	899,152
Parking In-lieu	904				904	896	8
Park In-lieu	267,485				267,485	179,580	87,905
Art In-lieu	222,234		10,800		211,434	200,540	10,894
Drainage	69,625				69,625	68,991	634
Housing In-lieu	292,976		6,500		286,476	283,397	3,079
GENERAL FUNDS	66,478,029	214,300	38,112,450	(11,800,000)	16,779,878	9,366,761	7,413,118
Transportation Infrastructure	723,666		11,200		712,466	624,000	88,466
Gas Tax	1,091,235		1,001,800		89,435	85,376	4,059
Street Lighting	6,865,758		2,280,100		4,585,658	4,487,531	98,127
Disaster Contingency	6,209,559				6,209,559	6,198,059	11,500
SPECIAL REV. FUNDS	14,890,219	0	3,293,100	0	11,597,119	11,394,966	202,153
Wastewater	3,335,557	540,300	2,995,700		880,157	565,872	314,285
Transit	344,000		342,000		2,000	2,000	(0)
ENTERPRISE FUNDS	3,679,557	540,300	3,337,700	0	882,157	567,872	314,285
GENERAL, SPECIAL REVENUE, DEBT SERVICE, & ENT. FUNDS	85,047,804	754,600	44,743,250	(11,800,000)	29,259,153	21,329,599	7,929,555
INTERNAL SERVICE FUNDS							
Insurance & Benefits	824,770				824,770	1,999,221	(1,174,451)
Auto Replacement	4,640,392		1,096,900		3,543,492 ²	3,243,142	300,350
INTERNAL SERVICE FUNDS	5,465,162	0	1,096,900	0	4,368,262	5,242,363	(874,101)

(w/o Assessment Districts)

Notes:

1. 20% General Fund Reserve
2. Reserved for Vehicle Replacement

ATTACHMENT B

All Funds Budget Summary

Beginning and Ending Balances Fiscal Year 2017-18

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	\$4,871,360	\$63,009,694	(\$1,675,000) ²	65,460,494	\$745,560 ¹⁰
Measure LL	212,005	2,188,000	(\$200,005) ³	2,200,000	-
Open Space	161,154			20,000	141,154
Capital Improvement	2,735,793	6,489,000	(318,000) ⁴	8,747,000	159,793
Parking Authority	7,963,642	6,703,000	(2,037,000) ⁵	5,630,598	6,999,044
Parking in Lieu	904				904
Park in Lieu	267,485				267,485
Art in Lieu	211,434			21,000	190,434
Drainage	69,625				69,625
Housing in Lieu	286,476				286,476
Gas Tax	89,435	1,097,000	318,000	1,500,000	4,435
Street Lighting	4,585,658	1,505,000	1,000,000 ⁶	4,062,600	3,028,058
Wastewater	880,157	11,014,000	(100,000) ⁷	11,061,200	732,957
Disaster Contingency	6,209,559	60,000			6,269,559
Transportation Infrastructure	712,466	15,000			727,466
Transit	2,000	2,465,500	1,012,000	3,477,500	2,000
Total	29,259,153	94,546,194	(2,000,005)	102,180,392	19,624,950
<u>Internal Service Funds</u>					
Insurance	824,770	9,575,500	1,515,200 ⁸	9,399,500	2,515,970
Vehicle Replacement	3,543,492	2,000,200	500,000	1,702,200	4,341,492 ⁹
Total	\$4,368,262	\$11,575,700	\$2,015,200	\$11,101,700	\$6,857,462

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

²Includes a transfer in of \$525,000 from the Parking Authority Fund, a transfer out of \$1,000,000 to the Street Lighting Fund, a transfer out of \$1,000,000 to the Insurance Fund, and a transfer out of \$200,000 to maintain the 20% General Fund Reserve.

³Includes a transfer out of \$200,005 to the Measure LL Fund Reserve

⁴Includes a transfer out of \$318,000 to the Gas Tax Fund.

⁵Includes a transfers out of \$525,000 to the General Fund, a transfer out of \$1,012,000 to the Transit Fund, and a transfer out of \$500,000 to the vehicle replacement fund.

⁶Includes a transfer in of \$1,000,000 from the General Fund.

⁷Includes a transfer out of \$100,000 to the Sewer Fund Reserve.

⁸Includes a transfer in of \$1,000,000 from the General Fund and a transfer out of \$515,200 from the principle payment of the Side Fund Loan.

⁹Balance is reserved for Vehicle Replacement.

¹⁰The City Council established a goal of a 20% General Fund Operating Reserve equal to \$11,900,000 which is not shown in this fund balance. A reserve for solid waste/refuse of \$363,000 and a reserve of \$250,000 to mitigate fluctuations in investments reporting are not shown in this 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	745,560	\$64,947,100	\$125,000 ²	64,347,500	\$1,470,160 ⁷
Measure LL	-	\$2,288,000		2,194,400	93,600
Open Space	141,154			20,000	121,154
Capital Improvement	159,793	6,649,000	(84,000) ³	6,512,000	212,793
Parking Authority	6,999,044	7,628,000	(1,921,700) ⁴	4,824,100	7,881,244
Parking in Lieu	904				904
Park in Lieu	267,485				267,485
Art in Lieu	190,434				190,434
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	3,028,058	1,552,000		1,301,500	3,278,558
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	727,466	15,000			742,466
Transit	2,000	2,466,700	896,700	3,363,400	2,000
Total	19,624,950	99,369,800	(1,000,000)	96,958,200	21,036,550
<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 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, and a transfer out of \$500,000 to the Vehicle Replacement Fund.

⁵Includes a transfer out of \$100,000 to the Sewer Fund Reserve.

⁶Balance is reserved for Vehicle Replacement.

⁷The 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, and a reserve of \$250,000 to mitigate fluctuations in investment reporting are also not shown in this not shown in this fund balance.

ATTACHMENT C

Description of Possible Additions to the Budget

ATTACHMENT C
MID-YEAR MODIFICATIONS TO THE FY 2017-18 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 27, 2018

General Fund

1. Increase the Secured Property Tax estimate by \$463,000 in FY 2017-18 and FY 2018-19. This increase is based on a higher than expected increase in assessed value (original estimate 4.5%, actual 6.08%).
2. Increase the Transient Occupancy Tax (TOT) revenue by \$250,000 in FY 2017-18 and FY 2018-19. Staff is recommending increasing the TOT estimated based actual revenues collected in FY 2016-17 were higher than the estimates used in calculating the FY 2017-18 and FY 2018-19 TOT revenue estimates.
3. Decrease in Transient Occupancy Tax (TOT) revenue by \$120,000 in FY 2017-18. This decrease is due to the expected closure of the Hotel Laguna for six months (January – June).
4. Appropriate \$500,000 in one-time funds toward matching grant funds of \$250,000 for Laguna Art Museum and \$250,000 for Laguna Playhouse.
5. Transfer \$300,000 in one-time funds toward the purchase of Open Space. At the budget adoption in June 2015, the City Council agreed to consider setting aside funding annually at the mid-year budget update, if savings exists, for the future purchase and maintenance of, and projects and programs to protect and enhance, open space including coastal resources.
6. Appropriate \$90,000 in one-time funds to augment funding for costs related to the recent protests.
7. Appropriate \$1,000,000 in one-time funds to provide funding future technology needs that will be identified through the Information Technology Master Plan. The funding will be used primarily to purchase and implement replacement/new software and hardware technology systems in the City to greatly improve efficiencies in City operations. Staff will be present the City Council with the IT Master Plan in the next year.
8. Appropriate \$450,000 in ongoing funds to implement the pension strategy approved by the City Council at the Budget adoption in June 2017.
9. Appropriate \$500,000 in one-time funds for anticipated legal expenses.
10. Appropriate \$20,000 in one-time funds to provide consulting services to continue addressing airplane noise issues.

ATTACHMENT C
MID-YEAR MODIFICATIONS TO THE FY 2017-18 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 27, 2018

11. Appropriate \$15,100 in *one-time* funds and \$45,500 in *ongoing* funds for the following:

			Appropriate	
			One-time	Ongoing
1	Police Department	Funding for Nixel, inadvertently not included in budget		(7,000)
2	Police Department	Firewall Upgrade	(8,500)	
3	Police Department	Replace SolarTech Screens for Message Boards	(6,600)	
4	Police Department	Automated License Plate Reader Service Annual Agreement		(5,500)
5	Marine Safety	Member Orange Council Drowning Taskforce		(5,000)
6	City Manager/PW	Copier Leases (479 Ocean & City Hall North)		(28,000)
Total One-Time Requests			(\$15,100)	
			Total Ongoing Requests	(\$45,500)

12. Appropriate \$50,000 in *one-time* funds toward public outreach services to enhance education and outreach within the community on several of the City's major initiatives including the Downtown Specific Plan, various planning studies, and utility undergrounding.
13. Appropriate \$11,000 in *one-time* funds toward the transition of the Administrative support in the City Manager's office (one month).
14. Appropriate \$30,000 in *one-time* funds toward the Emergency Operation Center Technology Improvements (EOC). An EOC that is properly equipped and designed will be able to enhance the provision of disaster related services for all departments.
15. Appropriate \$20,000 in *one-time* funds toward CERT Most Prepared City Outreach Flyers. Public education materials will be used to inform residents how to prepare for disasters.
16. Appropriate \$62,000 in *ongoing* funds in FY 2018-19 for redistributing 30% of the Civilian Fire Marshal salary and benefits from the Measure LL fund to cover costs for providing plan check and inspection services for the Fire Department.
17. Transfer \$1,000,000 in *one-time* funds to the Insurance Fund due to higher than expected tort claims over the past several years.
18. Appropriate \$20,000 in *one-time* funds toward the Greenhouse Gas Emission for research to measure the community's energy consumption and carbon emissions.
19. Appropriate \$90,000 in *one-time* funds to provide supplemental funding for the 800 MHZ project and approve a transfer of \$90,000 from savings in the Burn Site Capital Project from the Capital Improvement Fund to fund this appropriation.
20. Appropriate \$52,000 in *one-time* funds toward a seven-passenger van with a side wheelchair lift for Alternative Sleeping Location (ASL) transportation. The current van is at the end of its useful life.

ATTACHMENT C
MID-YEAR MODIFICATIONS TO THE FY 2017-18 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 27, 2018

21. Transfer \$500,000 in *one-time* funds to the Capital Improvement Fund to establish a reserve to mitigate impacts of revenue shortfalls or unanticipated project cost increases.
22. Transfer \$100,000 in *one-time* funds to maintain the General Fund Reserve at 20% of budgeted expenditures.

Measure LL Fund

1. Decrease in Transient Occupancy Tax (TOT) revenue by \$12,000 in FY 2017-18. This decrease is due to the closing of the Hotel Laguna.
2. Transfer \$200,000 in *one-time* funds to a Measure LL Fund Reserve.
3. In fiscal year 2018-19, appropriate \$62,000 in *ongoing* funds in the General Fund for redistributing 30% of the Civilian Fire Marshal salary and benefits from the Measure LL Fund to the General Fund for costs associated with plan check and inspection services for the Fire Department.

Capital Improvement Fund

1. Appropriate \$225,000 in *one-time* supplemental funds for improvements to 479 Ocean Avenue. The improvements will provide additional office and cubicle space for employees, air-conditioning, building modules and ADA access.
2. Appropriate \$850,000 in *one-time* funds for improvements to 1477 Cerritos Drive Storm Drain. Funding is needed to design and improve a storm drain at 1477 Cerritos Drive.
3. Appropriate \$75,000 in *one-time* funds for an Implementation Plan to implement improvements to the downtown that are consistent with planning studies that should be concluded over the next year. Funding is needed to develop the design elements and/or implementation plan for downtown street trees, fixtures and amenities including benches, trashcans, lighting; and improved downtown alley ways.
4. Appropriate \$100,000 in *one-time* funds for tenant improvements, fixtures and furnishings for various City buildings.
5. Appropriate \$35,000 in *one-time* funds for the replacement of existing lights with LED lights at Irvine Bowl Tennis Courts.
6. Appropriate \$45,000 in *one-time* funds for the replacement of existing lights with LED lights at Riddle Field. The total cost of the project is \$90,000 with \$45,000 paid for by Laguna Beach Little League.

ATTACHMENT C
MID-YEAR MODIFICATIONS TO THE FY 2017-18 ADOPTED BUDGET
AS PROPOSED TO THE CITY COUNCIL ON FEBRUARY 27, 2018

Waste Water Fund:

1. Appropriate \$78,100 in *one-time* funds for additional contractual costs associated with the rehabilitation of Bluebird SOCWA Lift Station wet well lining system.
2. Appropriate \$18,200 in *one-time* funds for additional design efforts to meet neighborhood and Design Review Board aesthetic recommendations for the Victoria Lift Station Rehabilitation Project.
3. Appropriate an additional \$215,000 in *one-time* funds to pay the City's portion of the legal expense and other costs related to the dispute with Moulton Niguel Water District. A public information campaign, found at www.DelinquentDistrict.com, has been launched to provide the public with facts regarding this issue. The website was launched by South Orange County Wastewater Authority (SOCWA) agencies.

Insurance Fund:

1. Transfer \$1 million in *one-time* funds from the General Fund due to higher than expected tort claims over the past several years.

ATTACHMENT D

Description Wish List Items

**ATTACHMENT D
WISH LIST**

		Appropriate	
		One-time	Ongoing
		Beginning Balance General Fund	
		\$491,900	\$249,500
1	Fire Department Fire Strategic Plan - Staff Fire Captain	(200,000)	(160,000)
2	Public Works PW Strategic Plan - Urban Forest Management Plan	(100,000)	
3	Community Development Historical Inventory Consultant		(50,000)
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 Services South Laguna Community Garden, amount currently reserved is \$251,000		
		Remaining Balance General Fund	\$116,100
		Remaining Ongoing Balance	
			(\$485,200)

1. Fire Department Strategic Plan: Appropriate \$200,000 in *one-time* funds to improve Fire Department facilities and \$160,000 for a Fire Captain to serve in an administrative capacity to support the department and its various initiatives.
2. 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 recommendation for future proactive maintenance of the urban forest.
3. 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 to 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/or prepare reports as provided for in the Ordinance upon its adoption. The *ongoing* costs are estimated to be \$50,000.
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 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.
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.

**ATTACHMENT D
WISH LIST**

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 increase 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. It was requested by a member of the City Council that possible additional funding for the South Laguna Community Garden could be considered during the mid-year budget update.

ATTACHMENT E

Capital Equipment Request

City of Laguna Beach
General Fund Capital Outlay Requests Mid-Year 2017-18

Attachment E

Division	Div	Obj	Description	Dept. Request	City Manager Recommended	
					FY 2017-18	FY 2018-19
General Government						
City Manager	1201	5408 (R)	Computer Surface Pro	2,400	2,400	
				Total	2,400	0
Admin Services						
IT	1603	5622 (R)	APC Unit IT Server Room	6,000	6,000	
IT	1603	5622 (R)	APC Unit Susie Q	1,000	1,000	
IT	1603	5622 (R)	Cell Phone Booster at Corp Yard	1,900		1,900
IT	1603	5622 (A)	Improvements to City Council Chambers Audio Visual System	11,000		11,000
				Total	19,900	12,900
Police Department						
Support Services	2101	5622 (A)	Detective Lockers (10)	30,000		30,000
Support Services	2101	5408 (A)	Bullet Proof Window	14,000	14,000	
Support Services	2101	5408 (R)	ShoreTel Phones (4)	2,200	2,200	
Support Services	2101	5408 (R)	Detective Desks (10)	30,000		30,000
Support Services	2101	5622 (A)	Public Safety Drone	35,000	35,000	
Field Services	2102	5408 (R)	Tasers	135,000	20,000	25,000
				Total	111,200	85,000
Fire Department						
Fire Prevention	2401	5622 (R)	Arson Investigators Body Armor	5,500		
Fire Prevention	2401	5622 (R)	Extrication Equipment	72,600	39,800	32,800
Fire Operations	2401	5622 (A)	Combination A/C-Heating Unit for Battalion Chief Dorm at Station #2	7,000		7,000
Fire Operations	2401	5622 (R)	Wildland Protective Jackets (40)	16,000		16,000
Fire Prevention	2401	5622 (R)	VHF Portable Radios (14)	21,400		21,400
Fire Prevention	2401	5622 (R)	Structural Firefighting Turnouts, Boots, Helmets and Gloves (40)	160,000		160,000
Fire Prevention	2401	5408 (A)	Drafting Table for Fire Marshall	1,300	1,300	
Fire Prevention	2401	5408 (R)	OptiPlex Mini Tower Station #2	1,300	1,300	
				Total	285,100	237,200
Marine Safety						
Marine Safety	2601	5408 (A)	Security Enhancements to Lifeguard Headquarters Entrance	40,000		40,000
Marine Safety	2601	5622 (R)	Protective Equipment Masks and Filters (20)	11,000	11,000	
Marine Safety	2601	5622 (R)	Mobile Radio (1)	9,000	9,000	
Marine Safety	2601	5622 (A)	Wireless Phone System Lifeguard Towers (5)	10,000	10,000	
Marine Safety	2601	5622 (R)	Rope Rescue Equipment	11,000	11,000	
Marine Safety	2601	5622 (R)	Self-Contained Underwater Breathing Apparatus (4)	10,000		10,000
Marine Safety	2601	5622 (A)	Cameras for Exterior Access Points at Lifeguard Headquarters	6,000	6,000	
				Total	97,000	50,000
Public Works						
Engineering & Admin	3101	5408 (A)	Printer/Plotter	14,400		14,400
Engineering & Admin	3101	5408 (R)	Computers (3)	7,500	7,500	
Engineering & Admin	3101	5408 (A)	Computer Surface Pro	2,200		2,200
				Total	24,100	16,600
Community Development						
Planning	4106	5408 (A)	Computers (1)	2,200	2,200	
Building	4104	5408 (A)	Computers (1)	2,200	2,200	
				Total	4,400	0
Water Quality						
Water Quality	3303	5408 (A)	Computer Surface Pro	2,400	2,400	
				Total	2,400	0

City of Laguna Beach
General Fund Capital Outlay Requests Mid-Year 2017-18

Attachment E

Division	Div	Obj	Description	Dept. Request	City Manager Recommended	
					FY 2017-18	FY 2018-19
Community Services						
Recreation	5101	5622 (A)	Pickle Ball Court Equipment	4,500	4,500	
Recreation	5101	5408 (A)	Window Blinds at Susi Q Center	4,000	4,000	
Pool	5102	5408 (R)	Community Services Event Stage	14,000		14,000
Total				22,500	8,500	14,000
Total General Fund				564,600	192,800	415,700
Total Available w/ Savings					192,800	542,600
Balance Remaining					0	126,900
Vehicle Replacement Fund						
Public Works						
Equipment Maint	3102	5510 (A)	Pick-up Truck	50,000	50,000	
Parking & Sign Maint	3501	5510 (R)	Ford Ranger	35,000	35,000	
Total				85,000	85,000	0
Water Quality						
Sewer	3301	5510 (R)	Supplemental Funding for Utility Truck #193	43,600	43,600	
Sewer	3301	5510 (R)	Supplemental Funding for Utility Truck #199	25,000	25,000	
Total				68,600	68,600	0
Total Vehicle Replacement Fund				153,600	153,600	0

Notes:

(A) = Additional Equipment (New Equipment)

(R) = Replacement Equipment

ATTACHMENT F

Resolution approving compensation changes for
hourly/part-time

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 18.xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, AMENDING RESOLUTION 17.007 AND ESTABLISHING A PAY RATE INCREASE FOR CERTAIN HOURLY/PART-TIME POSITIONS.

WHEREAS, the City Council wishes to amend Resolution 17.007 to establish new pay rates for certain temporary hourly/part-time employees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH does RESOLVE and ORDER as follows: The Hourly/Part-Time Pay Schedule for the hourly/part-time positions of employment in the various City departments as set forth in Exhibit A attached hereto is hereby approved with an effective date of April 23, 2018.

ADOPTED this 27th day of February, 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 February 27, 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 Salary Table
 Hourly/Part-Time
 FY 17-18 Effective 04/23/2018

Exhibit A

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

ATTACHMENT G

Lump Sum Payments to CalPERS



City of Laguna Beach
MEMORANDUM

Date: February 15, 2018
To: John Pietig, City Manager
From: Gavin Curran, Director of Administrative Services
Subject: CalPERS Lump Sum Payment

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

In June, 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 lump sum payment made today the City would save \$2.7 million over the next 30 years. This calculation is shown in Attachment 1. There are several options the City Council could consider.

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 1

Schedule of Payments toward Unfunded Pension Liability

CURRENT STRATEGY PLUS ADDITIONAL \$1 MILLION PAYMENT

Additional Payment	Year	Beginning Balance	Payment	Ending Balance	Interest
-	16-17	66,520,700	5,125,745	66,520,700	7.375%
2,042,000	17-18	66,115,204	2,980,029	66,115,204	7.250%
1,400,000	18-19	64,980,171	3,747,383	64,670,213	7.000%
0	19-20	64,930,894	4,447,570	63,886,693	7.000%
0	20-21	64,447,985	4,860,820	63,790,939	7.000%
0	21-22	63,453,544	5,322,658	63,274,573	7.000%
0	22-23	62,026,056	5,674,005	62,261,480	7.000%
0	23-24	60,337,240	5,830,040	60,832,087	7.000%
0	24-25	58,364,364	5,990,366	59,143,475	7.000%
0	25-26	56,082,983	6,155,101	57,173,122	7.000%
0	26-27	53,466,816	6,324,366	54,896,807	7.000%
0	27-28	50,487,614	6,498,286	52,288,494	7.000%
0	28-29	47,115,015	6,676,989	49,320,195	7.000%
0	29-30	43,316,400	6,860,607	45,961,830	7.000%
0	30-31	39,327,259	6,787,736	42,181,084	7.000%
0	31-32	35,506,878	6,354,639	38,213,775	7.000%
0	32-33	31,606,418	6,173,522	34,419,539	7.000%
0	33-34	27,873,863	5,747,253	30,549,917	7.000%
0	34-35	24,235,275	5,403,823	26,853,300	7.000%
0	35-36	20,721,267	5,037,158	23,256,188	7.000%
0	36-37	17,365,647	4,646,241	19,789,664	7.000%
0	37-38	15,369,272	3,105,129	16,488,042	7.000%
0	38-39	13,289,829	3,050,336	14,552,724	7.000%
0	39-40	10,978,055	3,134,220	12,541,980	7.000%
0	40-41	8,385,758	3,248,970	10,307,175	7.000%
0	41-42	6,300,981	2,582,908	7,800,792	7.000%
0	42-43	4,267,580	2,392,160	5,811,596	7.000%
0	43-44	2,351,201	2,141,428	3,884,221	7.000%
0	44-45	1,365,821	1,111,712	2,085,148	7.000%
0	45-46	871,561	570,247	1,199,629	7.000%
0	46-47	217,440	691,343	785,042	7.000%
0	47-48	-	224,921	187,409	7.000%
0	48-49	-	-	-	7.000%
3,442,000.00			4,442,000.00		

Total Payments 128,008,171
 Total Interest 63,337,959
 Total Savings 12,136,214
 Difference 2,783,764

CURRENT STRATEGY

Additional Payment	Year	Beginning Balance	Payment	Ending Balance	Interest
-	16-17	66,520,700	5,125,745	66,115,207	7.375%
2,042,000	17-18	66,115,204	2,980,029	65,706,432	7.250%
1,400,000	18-19	65,706,432	3,747,383	64,980,171	7.000%
0	19-20	64,980,171	4,447,570	64,930,894	7.000%
0	20-21	64,930,894	4,860,820	64,447,985	7.000%
0	21-22	63,453,544	5,322,658	63,453,544	7.000%
0	22-23	62,026,056	5,674,005	62,026,056	7.000%
0	23-24	60,337,240	5,830,040	60,337,240	7.000%
0	24-25	58,364,364	5,990,366	58,364,364	7.000%
0	25-26	56,082,983	6,155,101	56,082,983	7.000%
0	26-27	53,466,816	6,324,366	53,466,816	7.000%
0	27-28	50,487,614	6,498,286	50,487,614	7.000%
0	28-29	47,115,015	6,676,989	47,115,015	7.000%
0	29-30	43,316,400	6,860,607	43,316,400	7.000%
0	30-31	39,327,259	6,787,736	39,327,259	7.000%
0	31-32	35,506,878	6,354,639	35,506,878	7.000%
0	32-33	31,606,418	6,173,522	31,606,418	7.000%
0	33-34	27,873,863	5,747,253	27,873,863	7.000%
0	34-35	24,235,275	5,403,823	24,235,275	7.000%
0	35-36	20,721,267	5,037,158	20,721,267	7.000%
0	36-37	17,365,647	4,646,241	17,365,647	7.000%
0	37-38	15,369,272	3,105,129	15,369,272	7.000%
0	38-39	13,289,829	3,050,336	13,289,829	7.000%
0	39-40	10,978,055	3,134,220	10,978,055	7.000%
0	40-41	8,385,758	3,248,970	8,385,758	7.000%
0	41-42	6,300,981	2,582,908	6,300,981	7.000%
0	42-43	4,267,580	2,392,160	4,267,580	7.000%
0	43-44	2,351,201	2,141,428	2,351,201	7.000%
0	44-45	1,365,821	1,111,712	1,365,821	7.000%
0	45-46	871,561	570,247	871,561	7.000%
0	46-47	217,440	691,343	217,440	7.000%
0	47-48	-	224,921	-	7.000%
0	48-49	-	-	-	7.000%
3,442,000.00			4,442,000.00		

Total Payments 130,791,935
 Total Interest 65,085,503
 Total Savings 9,352,451

ATTACHMENT 2

Disaster Contingency Fund

1 RESOLUTION NO. 05.107

2 A RESOLUTION OF THE CITY COUNCIL
3 OF THE CITY OF LAGUNA BEACH, CALIFORNIA,
4 ESTABLISHING A DISASTER CONTINGENCY FUND.

5
6 WHEREAS, the City of Laguna Beach historically has been beset with natural
7 disasters, including but not limited to landslides, mudslides, fires and floods, and is
8 susceptible to earthquakes and tsunamis as well as to manmade disasters such as nuclear
9 accidents, terrorist attacks or armed conflict; and
10

11 WHEREAS, the City does not presently have sufficient reserves to address these
12 emergencies as they occur periodically, which creates disruption in the City budget process
13 and interruption of essential City services; and
14

15 WHEREAS, the City Council has placed a proposed temporary sales tax increase
16 on the ballot for December 13, 2005 for the purpose of continuing essential public services
17 and capital improvements that otherwise would be reduced or eliminated due to the
18 expenditure of substantial funds for emergency and permanent repairs associated with the
19 Bluebird Canyon landslide that occurred in June of 2005; and
20

21 WHEREAS, the proposed sales tax increase, if approved by the voters, is estimated
22 to generate about \$1.7 million per year for a six-year period;
23

24 NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
25 CITY OF LAGUNA BEACH AS FOLLOWS:

- 26 1. There shall be established a Disaster Contingency Fund, which shall be used
27 exclusively for (a) the repair of public facilities and (b) the emergency protection of public
28

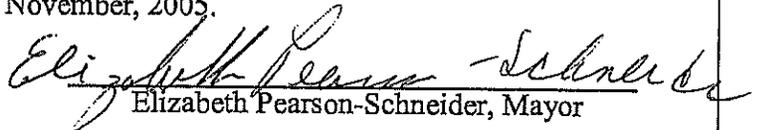
1 and private property and lives during natural or manmade disasters, including but not
2 limited to landslides, mudslides, fires, floods, earthquakes, tsunamis, nuclear accidents,
3 terrorist attacks, or armed conflict. Through the annual budget process, the City Council
4 shall appropriate money to the Fund. Any expenditure from the Fund shall require four
5 affirmative votes of the Councilmembers. Within 36 months following the allocation of
6 money from the Fund, the City Council intends to use its best efforts to replenish the Fund
7 to at least its original amount, in accordance with and subject to the annual budget process.

8
9 2. As a goal, the amount of the Disaster Contingency Fund shall ultimately be equal to
10 ten percent (10%) of the General Fund budget of the City in each fiscal year.

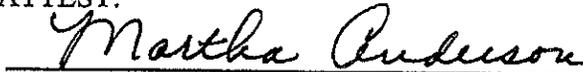
11 3. The City Council hereby indicates its intent to use its best efforts to appropriate
12 \$1.5 million per fiscal year to the Disaster Contingency Fund, commencing with fiscal year
13 2009-10, or earlier if Federal or State disaster funding is received, until the amount in the
14 Fund reaches ten percent (10%) of the General Fund.

15
16 4. The foregoing provisions shall become effective and apply only in the event that
17 the City's voters approve the proposed sales tax increase.

18 ADOPTED this 1st day of November, 2005.

19 
Elizabeth Pearson-Schneider, Mayor

20 ATTEST:

21 
City Clerk

22
23 I, Martha Anderson, City Clerk of the City of Laguna Beach, California, do hereby certify
that the foregoing Resolution No. 05.107 was duly adopted at a Regular Meeting of the City
Council of said City held on November 1, 2005 by the following vote:

24 AYES COUNCILMEMBER(S): Kinsman, Egly, Iseman, Dicterow, Pearson-Schneider
25 NOES COUNCILMEMBER(S): None
26 ABSENT COUNCILMEMBER(S): None
27 ABSTAIN COUNCILMEMBER(S): None

28 
City Clerk of the City of Laguna Beach, CA

City of Laguna Beach
AGENDA BILL

No. **13**
Meeting Date: 02/27/18

SUBJECT: CITIZENS' AUDIT REVIEW AND MEASURE LL OVERSIGHT COMMITTEE - ANNUAL MEASURE LL REPORT FOR FISCAL YEAR 2016-17

SUMMARY OF THE MATTER:

The Citizens' Audit Review and Measure LL Oversight Committee is pleased to present the first annual Measure LL report to the City Council for Fiscal Year 2016-17.

The City of Laguna Beach Measure LL Vital Services Measure was approved by the voters in November 2016 and enacted a 2% in room taxes paid by tourists who stay in local hotels and other lodging establishments. The Transient Occupancy Tax became effective January 1, 2017. On December 13, 2016, the City Council passed Resolution 16.102 (Attachment 4.2 in the annual report) establishing a Citizens' Audit Review and Measure LL Oversight Committee ("Committee"). The Committee's responsibilities include annually reviewing the expenditures of the Measure LL Fund and provide a subsequent public report to the City Council as to whether the Measure LL funds were expended on items of the type described in Resolution 16.068 (Attachment 4.2 in the annual report) and the ballot measure.

Based on the Committee's review of the Measure LL revenues and expenditures for Fiscal Year Ended June 30, 2017, the Committee agrees with the findings in the report and that the programs are operating as intended and are having a positive impact on the Community.

It is recommended that the City Council receive a brief report from the Citizens' Audit Review and Measure LL Oversight Committee regarding the Annual Measure LL Report for Fiscal Year 2016-17.

RECOMMENDATION: The Citizens' Audit Review and Measure LL Oversight Committee recommended that the City Council:

Receive and file the Annual Measure LL report for Fiscal Year 2016-17 from the Citizens' Audit Review and Measure LL Oversight Committee.

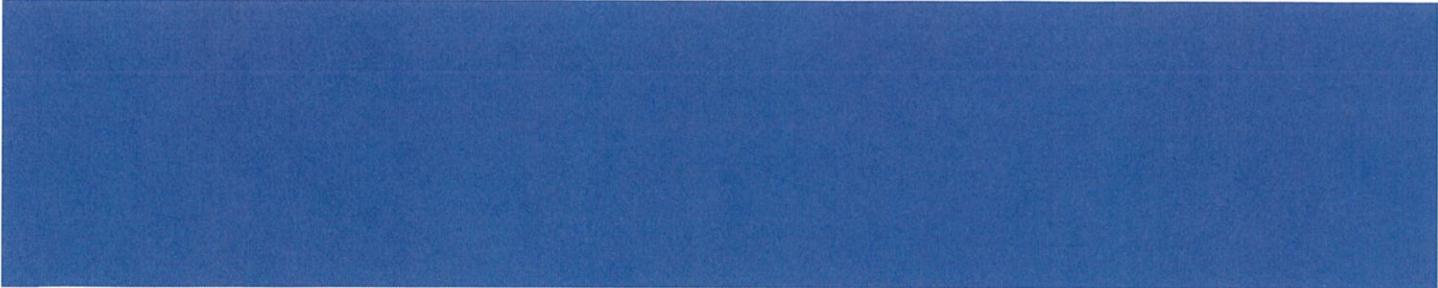
Appropriations Requested: \$ _____

Fund: _____

Attachments: _____

Submitted by: Nancy Pauley
Nancy Pauley, Finance Officer
Coordinated with: Gavin Curran
Gavin Curran, Director of Admin Services

Approved: [Signature]
City Manager



**CITIZENS' AUDIT REVIEW AND MEASURE LL OVERSIGHT
COMMITTEE - ANNUAL MEASURE LL REPORT FOR FISCAL
YEAR 2016-17**



Anne McGraw, Chair

John Thomas, Co-Chair

Julian Harvey

Matt Lawson

Charity Mersey

Deborah Schlesinger

Peter L. Stevenson

Approved Report

February 27, 2018

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

Mayor and Members of the Laguna Beach City Council:

On behalf of the Citizens' Audit Review and Measure LL Oversight Committee, we are pleased to present this report to the Laguna Beach City Council. The City of Laguna Beach Measure LL Vital Services Measure was approved by the voters in November 2016 and enacted a 2% in room taxes paid by tourists who stay in local hotels and other lodging establishments. The Transient Occupancy Tax became effective January 1, 2017.

This is the first report prepared by the Committee and describes:

1. The amount of revenue generated by Measure LL from January 2017 through June 2017.
2. The services and programs funded by Measure LL from January 2017 through June 2017.
3. The findings of the Committee are based on its review of the ballot measure, relevant City Council resolutions and agenda bills, the City's annual independent audit report, applicable City financial reports, and the Adopted Budget.

Finally, the report includes the Committee's recommendations. We look forward to ensuring that the goals of Measure LL continue to be realized.

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	3
	Findings	4
	Recommendations for City Council Consideration.....	4
2	BACKGROUND.....	6
2.1	What is Measure LL?	6
2.2	Tracking Measure LL Funds	6
2.3	Citizens' Measure LL Audit Oversight Committee	6
2.4	Source of Report Data	7
2.5	Methodology	7
3	MEASURE LL ANNUAL REPORT OVERVIEW	7
3.1	Measure LL Revenues to Date	7
3.2	Measure LL Expenditures to Date.....	8
3.3	Description of Program and Services	9
3.3.1	Police Department	9
3.3.2	Fire Department.....	9
3.3.3	Marine Safety Department	10
3.3.4	Public Works Expenditures including Utility Undergrounding	10
3.3.5	Water Quality	11
4	ATTACHMENTS	11
4.1	Attachment A: Measure LL Informational Flyers.....	11
4.2	Attachment B: Resolution 16.063, 16.068, 16.102, 17.011	11
4.3	Attachment C: Agenda Bill Council Approved Service Enhancements	11
4.4	Attachment D: Revenue Report, Source City Finance Division	11
4.5	Attachment E: Expenditure Report, Source Laguna Beach Finance Division	11
4.6	Attachment F: Police Department	11
4.7	Attachment G: Fire Department	11
4.8	Attachment H: Marine Safety Department.....	11
4.9	Attachment I: Public Works	11
4.10	Attachment J: Water Quality.....	11

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

1 EXECUTIVE SUMMARY

On November 8, 2016, Laguna Beach residents approved Measure LL. A ballot measure that increased the Transient Occupancy Tax ("TOT") rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%. This two percent TOT is expected to generate approximately \$2.2 million annually for the City.

The ballot measure to increase the Transient Occupancy Tax was City Council Resolution 16.063 was passed and approved on July 26, 2016 and City Council Resolution 16.068 approved on August 30, 2016 prioritized spending of 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 to provide other services and improvements.

On December 13, 2016, the City Council passed Resolution 16.102 establishing a Citizens' Measure LL Audit Oversight Committee ("Committee"). The Committee's responsibility is to annually review the expenditures of the Measure LL Fund and provide a subsequent public report to the City Council as to whether the Measure LL funds were expended on items of the type described in Resolution 16.068 and ballot measure.

This is the first annual report prepared by the Committee. In summary, for FY 2016-17:

- ✓ The Committee finds that Measure LL expenditures and budget carryovers are consistent with the voter-approved ballot measure, City Council Resolution 16.063, City Council Resolutions 16.068 and the programs approved by the City Council Resolution 16.102 on December 13, 2016.
- ✓ The 2% Measure LL TOT generated \$1,064,721 in revenue for the collection period of January 1, 2017, through June 30, 2017. This is \$64,721 above the budget estimate of \$1 million.
- ✓ Measure LL expenditures totaled \$212,216 for the period of January 1, 2017, through June 20, 2017. The Police Department spent \$43,199, the Fire Department spent \$23,498, the Marine Safety Department spent \$46,469, the Public Works Department spent \$98,374, and the Water Quality Department spent \$676.
- ✓ City Departments carried over \$640,500 in Measure LL budget appropriations from FY 2016-17 to FY 2017-18.
- ✓ The Measure LL expenditures for FY 2016-17 (\$212,216) and budget carryovers (\$640,500) total \$852,716. This is below the budget estimate of \$1 million for FY 2016-17 resulting in one-time savings of \$147,284.

In conclusion, based on the Committee's review of the Measure LL revenues and expenditures for Fiscal Year Ended June 30, 2017, the Committee agrees with the findings and that the programs are operating as intended and are having a positive impact on the Community.

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

Findings

Based on our review of the City's financial records and the annual independent financial audit prepared by White Nelson Diehl Evans, the Committee finds that the Measure LL revenues are spent on items described in Resolution 16.068, the ballot measure, and as approved by the City Council on December 13, 2016 and June 27, 2017. There were both savings and carryovers. Carryovers were requested to complete the programs that were delayed and appear reasonable. Departments that hired new staff started hiring as early as February 2017, and for existing Marine Safety employees who were transferred to Measure LL started in February and March.

Recommendations for City Council Consideration

Based on the review of the Measure LL revenue and expenditures, the Committee is recommending the following:

1. Use the one-time savings of \$147,284 and the revenue over the budget estimate of \$64,721 toward a 10% reserve. The total amount transferred to the reserve would be \$212,005.
2. Request City Departments to develop performance measurements to help recognize success and identify problem areas in the services funded by Measure LL. Examples of performance measurements have been included in Section 3.
3. Consider Redistributing 30% of the Civilian Fire Marshal, hired June 2017, salary and benefits from the General Fund to the Measure LL fund to cover costs for providing plan checks and inspection services for the Community Development Department.

Summary of Measure LL Activity

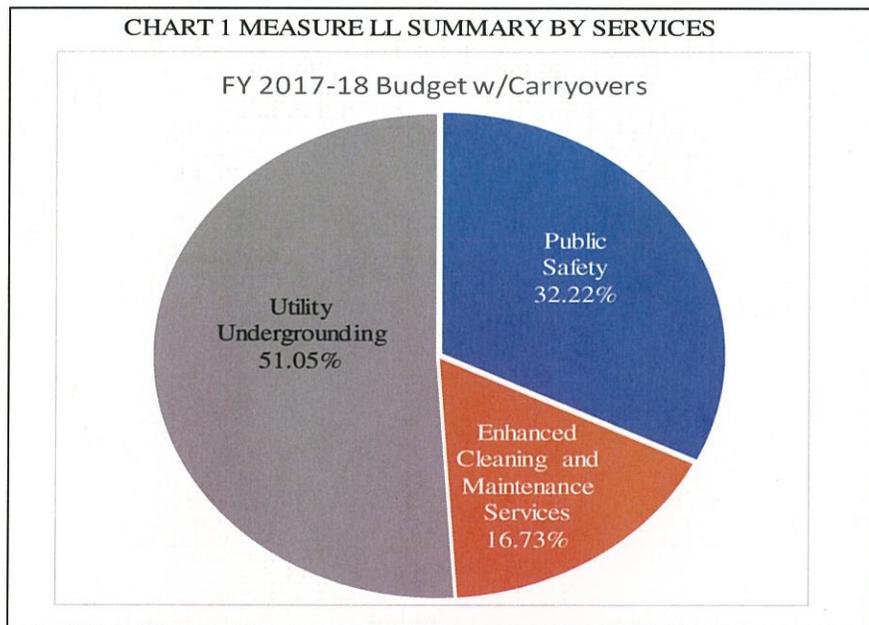
As shown in Table 1, the Budget for FY 2017-18 includes a revenue projection for Measure LL of \$2.2 million and spending of \$2.84 million when City Council approved budget carryovers are added. The FY 2017-18 Adopted Budget incorporates the service enhancements approved by the City Council, with appropriations of \$750,000 for new public safety services, \$450,000 for enhanced cleaning and maintenance services, and \$1 million toward utility undergrounding. The Committee will review these programs expenditures as part of next year's annual report.

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

TABLE 1: MEASURE LL REVENUE AND EXPENDITURES

	2016-17 Actual	2017-18 Budget	2017-18 Carryovers	2017-18 Budget w/Carryovers
Measure LL TOT Tax Revenue	\$1,064,721	\$2,200,000		\$2,200,000
Prior Year Measure LL Carryover			\$640,500	\$640,500
Total Sources	\$1,064,721	\$2,200,000	\$640,500	\$2,840,500
Police Department	\$43,199	\$325,700	\$10,000	\$335,700
Fire Department	\$23,498	\$285,900	\$72,500	\$358,400
Marine Safety	\$46,469	\$219,700	\$1,500	\$221,200
Public Works	\$98,374	\$368,700	\$92,200	\$460,900
Utility Undergrounding		\$1,000,000	\$450,000	\$1,450,000
Water Quality	\$676	\$0	\$14,300	\$14,300
Total Uses	\$212,216	\$2,200,000	\$640,500	\$2,840,500
Net Sources and Uses	\$852,505	\$0	\$0	\$0
<Less> Measure LL Carryover	\$640,500	\$0	\$0	\$0
Balance Measure LL Fund	\$212,005	\$0	\$0	\$0
<Less> Recommended Reserve	(\$212,005)	\$0	\$0	\$0
Balance Measure LL Fund	\$0	\$0	\$0	\$0

Chart 1 compares Measure LL spending by service category FY 2017-18 Budget with carryovers.



2 BACKGROUND

What is Measure LL?

On November 8, 2016, nearly 79% of Laguna Beach residents voted to approve Measure LL, which increased the Transient Occupancy Tax (TOT) rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%. A 2% TOT rate is expected to generate approximately \$2.2 million annually.

At its August 30, 2016, meeting, the City Council passed Resolution 16.068 expressing its intent to prioritize spending options for future Measure LL revenue. The revenue could be used for the following purposes: 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.

On the November 8, 2016 ballot, Laguna Beach residents were asked the following ballot question:

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
	No

Measure LL educational flyers are included in Attachment A and Measure LL resolutions are included in Attachment B.

On December 13, 2016, and as part of the Adopted Budget, the City Council approved the service enhancements funded by Measure LL. The programs are described in Section 4 of this report with additional details provided in Attachment C.

Tracking Measure LL Funds

On December 13, 2016, the City Council passed Resolution 16.102 establishing a Measure LL Fund. The Fund is used exclusively for the accounting and tracking of (a) revenue generated by the 2% TOT and (b) expenditures, by city department and program approved by the City Council. Also, Measure LL appropriations are listed by line item detail in the adopted budget.

Citizens' Measure LL Audit Oversight Committee

As part of Resolution 16.102 adopted on December 13, 2016, and Resolution 17.011 adopted on February 28, 2017, the City Council established a seven-member Citizens' Measure LL Audit Oversight Committee ("Committee"). The Committee's mission is to review the fiscal year expenditures of the Measure LL Fund annually and provide a subsequent public report to the City Council as to whether the Measure LL funds are expended on items of the type described in

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

Resolution 16.068 and Resolution 16.063 or the other items described in the ballot measure. The seven Member 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.

Methodology

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

Source of Report Data

The financial data in this report was taken directly from the City of Laguna Beach Comprehensive Annual Financial Report (CAFR) and financial information provided by City of Laguna Beach Finance Division.

3 MEASURE LL ANNUAL REPORT OVERVIEW

The Measure LL Annual Report includes year-end financial information of the Measure LL Fund and the accomplishments of the programs funded by Measure LL. Because the Annual Report features actual costs of programs and expenditures for the prior fiscal year, the data is typically audited and made available to the Committee in late December. Therefore, the Annual Report and presentation by the Measure LL Citizens Audit Oversight Committee to the City Council will typically take place in February or March.

Measure LL Revenues to Date

Measure LL revenues by quarter are included in Table 2.

TABLE 2: MEASURE LL REVENUE BY QUARTER		
QUARTER	FY 2016-17 Actuals	FY 2017-18 Estimate*
January through March	468,256.38	
April through June	596,463.90	
July through September		
October through December		
Total	<u>\$1,064,720.28</u>	<u>\$2,200,000.00</u>
* Actuals are added at the end of the Fiscal Year		

The FY 2016-17 Finance Division revenue reports are included as Attachment D. Additional financial information is also available in the FY 2016-17 Comprehensive Annual Financial Report (CAFR).

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

Measure LL Expenditures to Date

A summary of annual Measure LL income, expenditures, and carryovers is included in Table 3. The FY 2016-17 Finance Division expenditures reports are included as Attachment E.

TABLE 3: Measure LL EXPENDITURES										
FY 2016-17							FY 2017-18			
Division	A		B		=A-B=C		D	= A - (B+D)		
	Proposed Budget	Adopted Budget	Actual	*Unencumbered	Carryover	Available Balance		Proposed Budget	Adopted Budget	Budget w/Carryovers
Revenue Received										
Measure LL TOT Revenue	\$1,000,000	\$1,000,000	\$1,064,721	\$64,721	\$640,500	\$564,721	\$2,200,000	\$2,200,000	\$2,840,500	
Expenditures										
Police Department										
Two (2) Beach Patrol Officers	2102	54,800	54,800	32,402	22,398		22,398	147,400	147,400	147,400
Beach Patrol Equipment and Uniforms	2102-2001	5,000	5,000	-	5,000	5,000	-			5,000
One (1) Community Outreach Officer	2102	32,800	32,800	10,797	22,003		22,003	138,900	138,900	138,900
Outreach Officer Equip and Uniforms	2102-2001	10,000	10,000	-	10,000	5,000	5,000			5,000
Two (2) Full Time Jailers (30%)	2102								39,400	39,400
Total Police Department		102,600	102,600	43,199	59,401	10,000	49,401	286,300	325,700	335,700
Fire Department										
One (1) Civilian Fire Marshall	2501	71,900	71,900	263	71,637	40,000	31,637	178,200	178,200	218,200
Upgrade three firefighters to paramedic	2401	55,800	55,800	23,235	32,565	32,500	65	107,700	107,700	140,200
Total Fire Department		127,700	127,700	23,498	104,202	72,500	31,702	285,900	285,900	358,400
Marine Safety										
Two (2) Marine Safety Officers 200 additional lifeguard Tower days	2601	61,200	61,200	46,469	14,731	1,500	13,231	199,700	199,700	201,200
Part-time 100 additional lifeguard days	2601								20,000	20,000
Total Marine Safety		61,200	61,200	46,469	14,731	1,500	13,231	199,700	219,700	221,200
Public Works										
Summer Main Beach Restroom Cleaning and Kelp Cleaning	3104-2401	20,800	20,800	13,595	7,205		7,205	80,700	80,700	80,700
Vehicle for Summer Main Beach Restroom Cleaning and Kelp Cleaning	3106-5510	33,200	33,000	24,787	8,213	4,000	4,213			4,000
Downtown beautification	3104-8720	40,000	40,000	-	40,000	40,000	-			40,000
Lead Worker for Enhanced Cleaning	3106	21,600	21,600		21,600		21,600	124,600	124,600	124,600
Vehicle and Equipment for Lead Worker for Enhanced Cleaning	3106-5510	40,000	40,000	-	40,000	48,200	(8,200)	4,000	4,000	52,200
Sidewalk Steam Cleaning	3106-2401	47,900	48,100	29,996	18,104		18,104	66,900	66,900	66,900
Sidewalk Detailed Cleaning and Daily Maint	3106-2401	40,000	40,000	29,996	10,004		10,004	92,500	92,500	92,500
Utility Undergrounding, Incentive and funding for Construction along major evacuation routes	3107	450,000	450,000		450,000	450,000		1,000,000	1,000,000	1,450,000
Total Public Works		693,500	693,500	98,374	595,126	542,200	52,926	1,368,700	1,368,700	1,910,900
Water Quality										
Water Quality Video Inspection	3303-8314	15,000	15,000	676	14,324	14,300	24	-	-	14,300
Total Expenditures and Balance		1,000,000	1,000,000	212,216	787,784	640,500	147,284	2,140,600	2,200,000	2,840,500
							10% Reserves			(212,005)
							Balance to Measure LL Available Fund Balance			50

*Un-Encumbered: The amount of budgeted money that is remaining and available for use.

The Measure LL FY 2017-18 budget was approved at December 13, 2016, the City Council approved additional FY 2017-18 appropriations on June 27, 2017, including \$20,000 in ongoing funds toward an additional 100 tower lifeguard days for coverage at Crescent Bay, Main Beach,

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

and the Treasure Island are for non-summer lifeguard towers in high demand areas; and two (2) full-time jailor positions (program total is \$135,000 with \$39,400 funded by Measure LL).

Description of Program and Services

3.1.1 Police Department

The approved programs for the Police Department are shown below. Additional information is included in Attachment F

- ✓ Two (2) additional Beach Patrol Officers, hired in March 2017, assigned primarily 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, 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.
- ✓ Two (2) full-time jailor positions beginning in FY 2017-18. This program has a total cost of \$135,000 with \$39,400 funded by Measure LL.

The chart below shows the impact of the two additional Beach Patrol Officer positions assigned primarily to South Laguna.

PROPERTY CRIMES	2015	2016	2017	Change '16 to '17
Burglary	59	82	90	+8 (+10%)
Larceny	405	436	358	-78 (-18%)
Auto Theft	38	36	30	-6 (-17%)
Arson	2	7	1	-6 (-86%)
Totals	504	561	479	-82 (-15%)

Program	Summer 2015	Summer 2016	Summer 2017	% Change btwn '15 & '17
Foot Patrol	122	210	599	+391%
Patrol Checks	109	127	88	-19%
Total Arrests	40	74	77	+93%
Citations (not Parking)	178	102	1,107	522%
Traffic Accidents	36	29	39	+8%
Police Reports	188	236	193	+3%

3.1.2 Fire Department

The approved programs for the Fire Department are shown below. Additional information is included in Attachment G.

- ✓ 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.

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

- ✓ 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. As of June 30, 2017, one firefighter is a paramedic and one in paramedic school.

3.1.3 Marine Safety Department

The approved programs for the Marine Safety Department are shown below. Additional information is included in Attachment H.

- ✓ 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.

The chart below shows the impact of the additional services provided.

Program	February to September 2017
Ocean Rescues	595
Medical Calls	106
Preventive Contact with Public	4,506
Enforcement Contacts with Public	549

3.1.4 Public Works Expenditures including Utility Undergrounding

The approved programs for the Public Works Department are shown below. Additional information is included in Attachment I.

- ✓ Improve the cleanliness of public areas such as sidewalks and streets:
 - Increase Downtown & Coast Highway Sidewalk Steam Cleaning by four times its current service level;
 - Increase Downtown & Coast Highway Daily Cleaning by three times its current service level; and
 - Increase 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.
- ✓ Utility Undergrounding, TBD
- ✓ Downtown Beautification (Detailed treatment of heavily stained sidewalks as well as other beautification treatments and special planting areas.)

City of Laguna Beach Citizens' Audit Review and Measure LL Oversight Committee
Annual Measure LL Report for Fiscal Year 2016-17

The chart below shows the impact of the additional services provided.

Program	2017	Measure	Notes
Cleaning downtown and PCH Sidewalks	Additional 80 Hours a week		Coast Highway Sidewalk Pressure Washing at Bus and Trolley Stops. More frequent cleaning between Ledroit & Broadway and Cleo & 5th Avenue
Cleaning Main Beach and Heisler Park Restrooms During Summer Months	Additional 42 Hours a week	No Complaints were received from visitors or residents	
Kelp Removal	700 Tons of Kelp	No Complaints were received from visitors or residents	Beaches cleaned daily starting in May thru end of September

3.1.5 Water Quality

The approved programs for the Water Quality Department are shown below. Additional information, included in Attachment J.

- ✓ Water Quality Education Video (A way to inform residents about various water quality programs)

4 ATTACHMENTS

Attachment A: Measure LL Informational Flyers

Attachment B: Resolution 16.068, 16.102, 16.1003, 17.011

Attachment C: Agenda Bill Council Approved Service Enhancements

Attachment D: Revenue Report, Source City Finance Division

Attachment E: Expenditure Report, Source Laguna Beach Finance Division

Attachment F: Police Department

Attachment G: Fire Department

Attachment H: Marine Safety Department

Attachment I: Public Works

Attachment J: Water Quality

ATTACHMENT A

Measure LL Informational Flyers



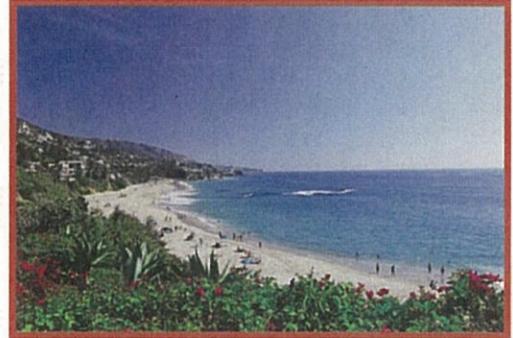
Measure LL: Laguna Beach Vital Services Measure

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

Prsrt. 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?

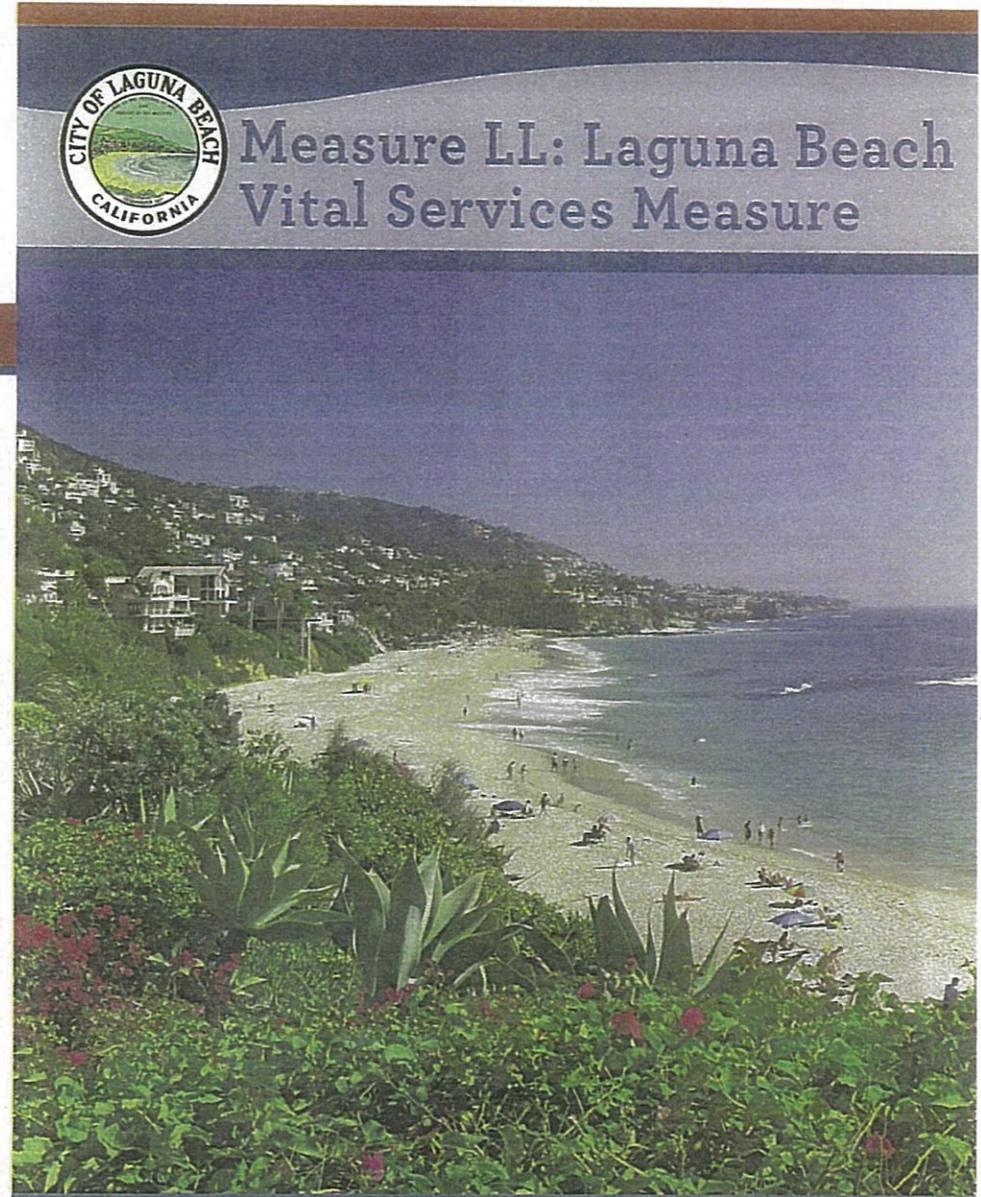
In order to pass, Measure LL needs the support of over 50% of those who vote on it.

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.OCVote.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) 345-8683



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:



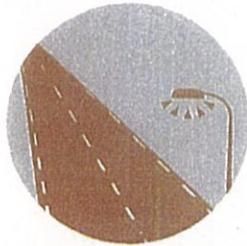
Protect beaches from pollution



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



ATTACHMENT B

Resolution 16.063

Resolution 16.068

Resolution 16.102

Resolution 17.011

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.

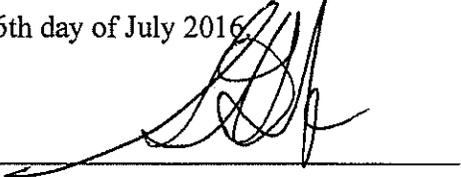
8 **SECTION 11.** In all particulars not recited in this Resolution, the election shall be held and
9 conducted as provided by law for holding municipal elections.

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 Dicterow, Mayor

25 ATTEST:



28 Lisette Chel-Walker, City Clerk

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;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 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.

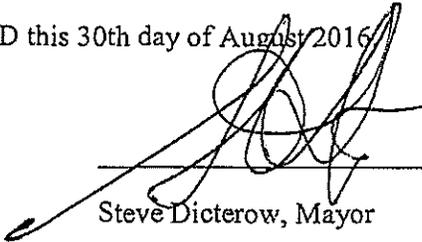
SECTION 4. Although this Resolution expresses the intent of the current City Council to prioritize spending options for future Measure LL revenues for certain purposes, this Resolution is non-binding on this or any future or subsequently constituted City Council, and the TOT is and shall remain a general 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.

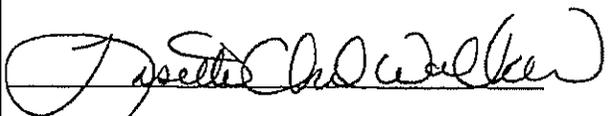
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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



Steve Dicterow, Mayor

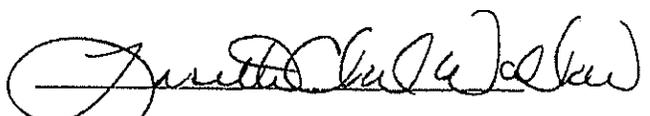
ATTEST:



Lisette Chel-Walker, City Clerk

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

- AYES: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow
- NOES: COUNCILMEMBERS: None
- ABSTAIN: COUNCILMEMBERS: None
- ABSENT: COUNCILMEMBERS: None



City Clerk, City of Laguna Beach, California

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

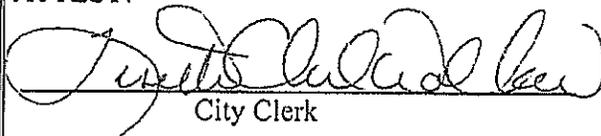
City Council as to whether the Measure LL funds have been expended on items of the type described in Resolution 16.068 or the other items described in the Measure LL ballot measure.

ADOPTED this 13th day of December, 2016.



Toni Iseman, Mayor

ATTEST:



City Clerk

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

- AYES: COUNCILMEMBER(S): Dicterow, Whalen, Zur Schmiede, Boyd, Iseman
- NOES: COUNCILMEMBER(S):
- ABSENT: COUNCILMEMBER(S):



City Clerk of the City of Laguna Beach, CA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the foregoing **Resolution No. 16.063** was duly adopted at a regular meeting of the City Council of said City held on July 26, 2016, by the following vote:

- AYES: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow
- NOES: COUNCILMEMBERS: None
- ABSTAIN: COUNCILMEMBERS: None
- ABSENT: COUNCILMEMBERS: None


City Clerk, City of Laguna Beach, California

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. 16.063 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

RESOLUTION NO. 17.011

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH,
CALIFORNIA, MODIFYING RESOLUTION NO. 16.102 TO INCREASE THE SIZE OF
THE CITIZENS' MEASURE LL AUDIT OVERSIGHT COMMITTEE FROM FIVE
MEMBERS TO SEVEN MEMBERS**

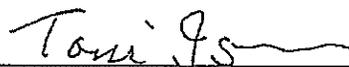
WHEREAS, on November 8, 2016, Laguna Beach residents voted to approve Measure LL to increase the Transient Occupancy Tax rate paid by tourists who stay in hotels and other lodging establishments from 10% to 12%; and

WHEREAS, on December 13, 2016, the City Council adopted Resolution No. 16.102 to establish a Citizens' Measure LL Audit Oversight Committee consisting of five members appointed by the City Council; and

WHEREAS, on January 31, 2017, the City Council determined that the size of the Citizens' Measure LL Audit Oversight Committee should be expanded to seven members;

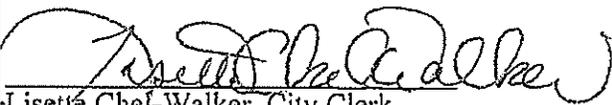
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH HEREBY RESOLVES to increase the size of the Citizens' Measure LL Audit Oversight Committee from five members to seven members.

ADOPTED this 28th day of February, 2017.



Toni Iseman, Mayor

ATTEST:



Lisette Chef-Walker, City Clerk

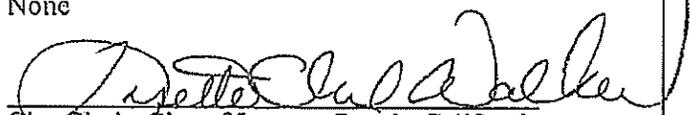
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I, LISETTE CHEL-WALKER, City Clerk of the City of Laguna Beach, certify that the 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:

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

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None


City Clerk, City of Laguna Beach, California

ATTACHMENT C

December 13, 2016

Agenda Bill

Service Enhancement, Accounting and Oversight

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

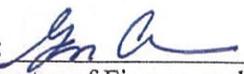
At its August 30, 2016 meeting, the City Council passed Resolution 16.068 expressing its intent, and among other things, to prioritize spending options for future Measure LL revenue. Prioritization of spending options included: protect beaches from pollution; provide fire and police protection, and emergency 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.

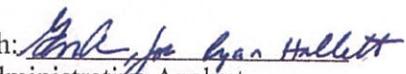
RECOMMENDATION: It is recommended that the City Council

(See Pages 5)

Appropriations Requested: _____

Coordinated with: 
Gavin Curran, Director of Finance and IT

Fund: _____

Coordinated with: 
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, 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	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)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(2,158,700)
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	
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)

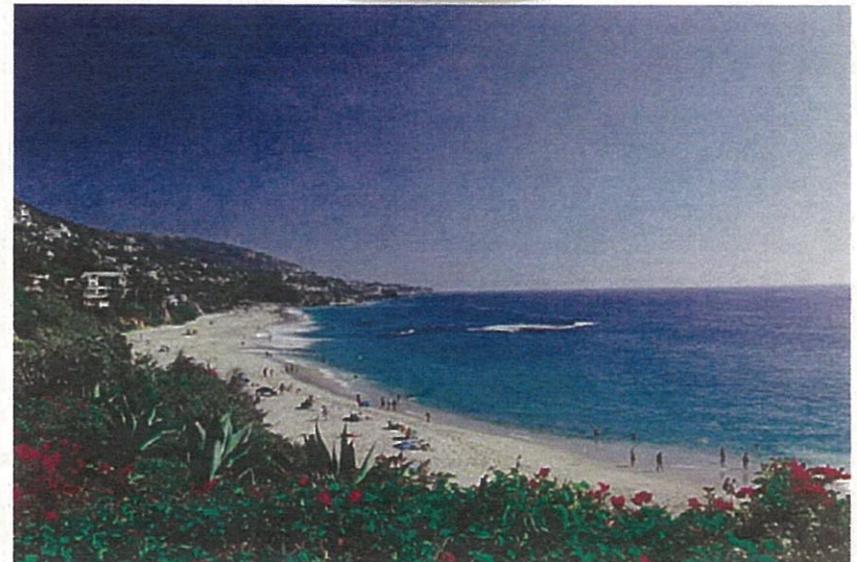


Measure LL

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

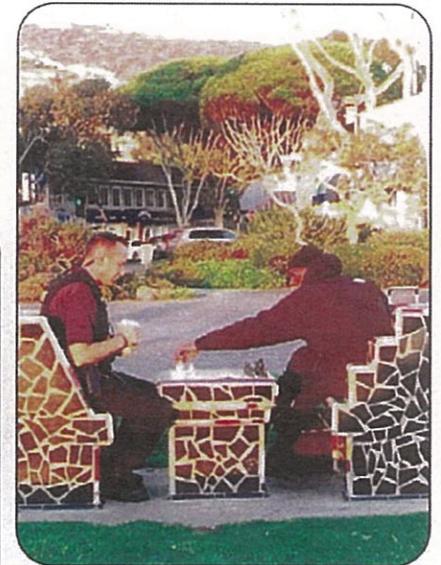




POLICE

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

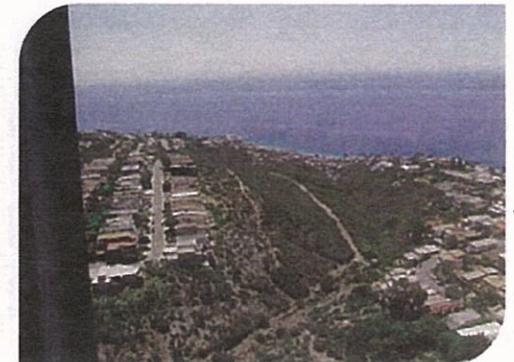
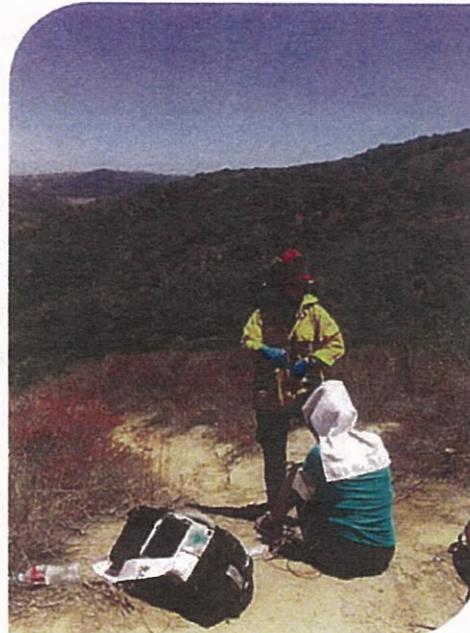




Increased Demand for Services

- 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





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

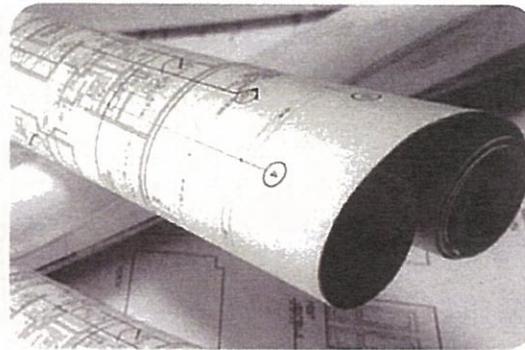




FIRE

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



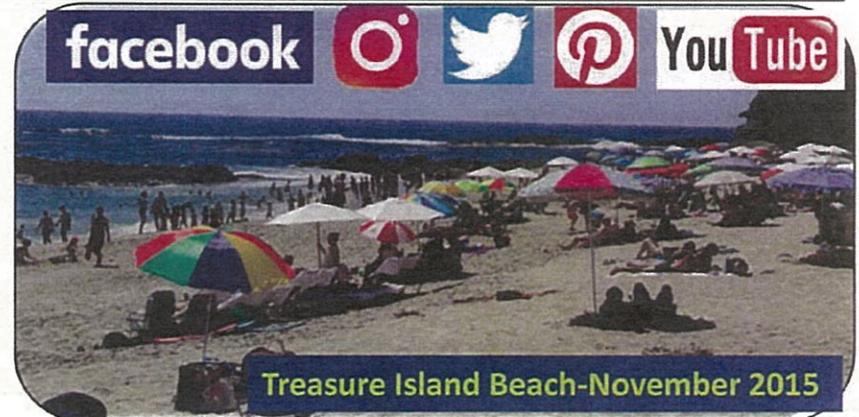
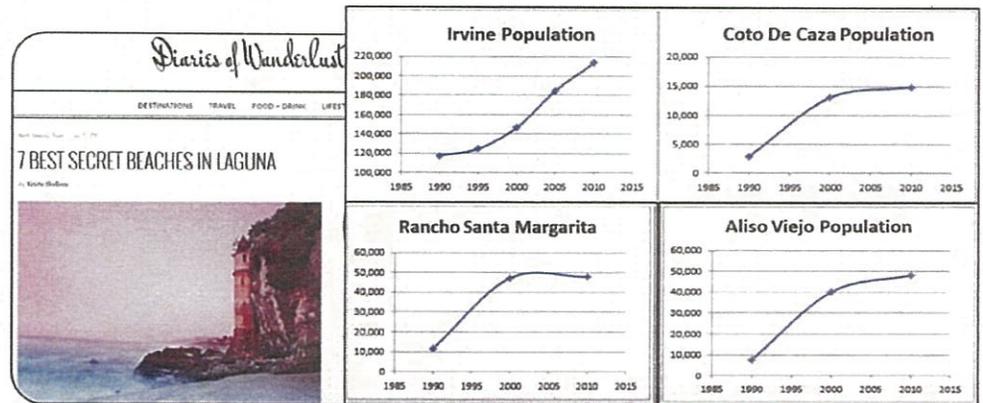
MARINE SAFETY

Increased Year-Round Demand

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

Lead to an Increase in:

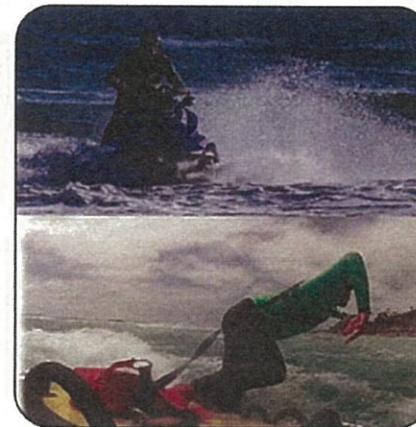
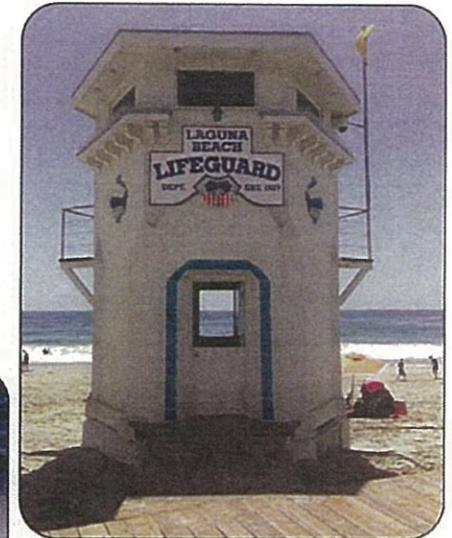
- Beach Attendance
- Aquatic Rescues (nearly 400% in 5 years)
- Lifeguard activities
 - Diver & Cliff Rescues; Offshore Responses



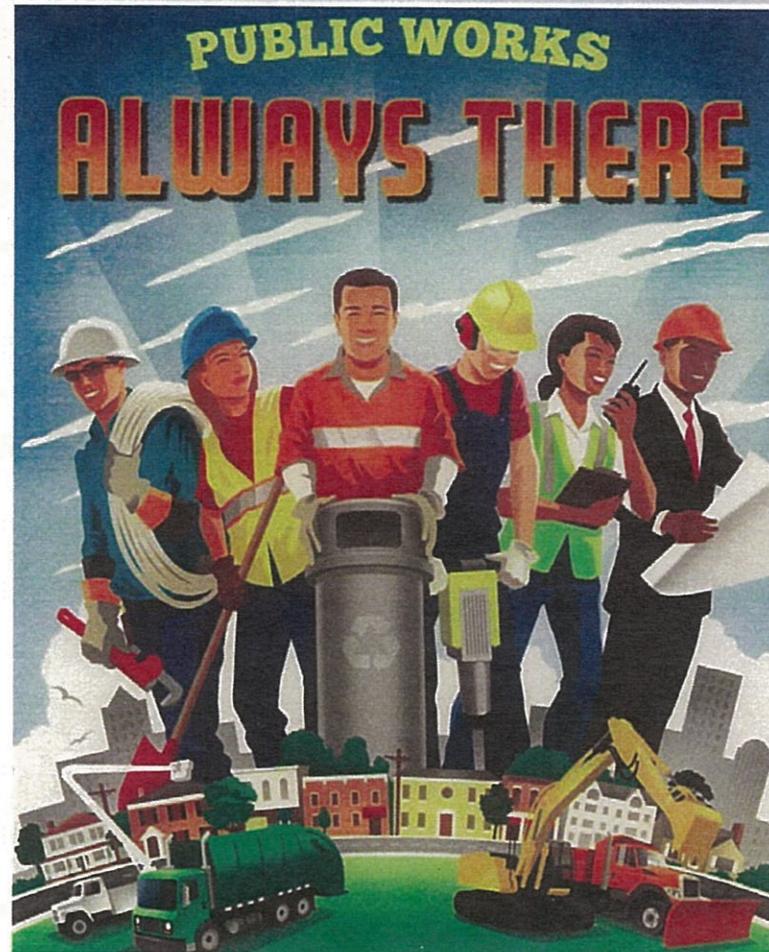
MARINE SAFETY

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



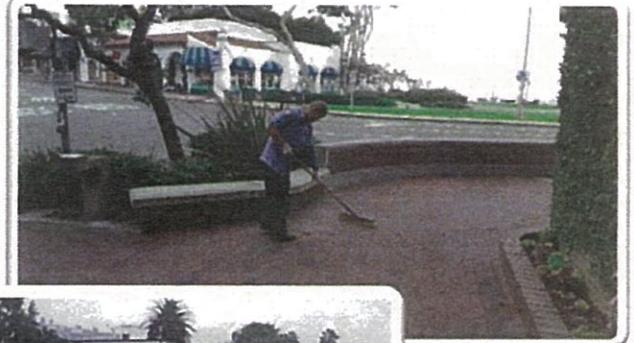
Levels of Service	Peak (June – Sept.)	Proposed (June – Sept.)	Off-Season (Oct.-May)	Proposed (Oct.-May)
Downtown Sidewalk Steam Cleaning	Monthly	5 times a week*	Monthly	2 times a week*
Coast Highway Sidewalk Steam Cleaning	Quarterly	Weekly North Laguna: Broadway to Ledriot South Laguna: Cleo to 5 th 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)

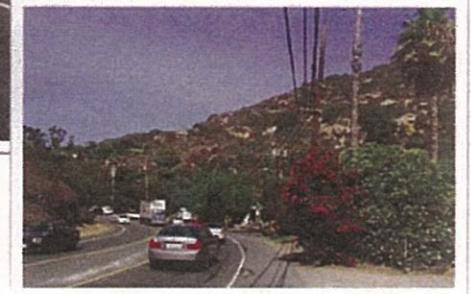
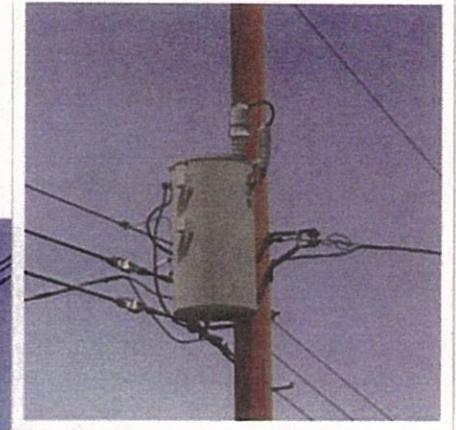
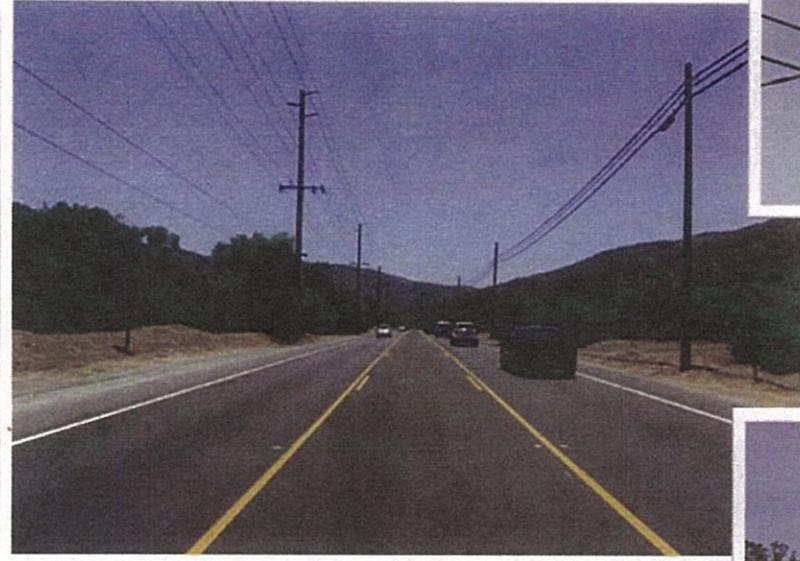
PUBLIC WORKS

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



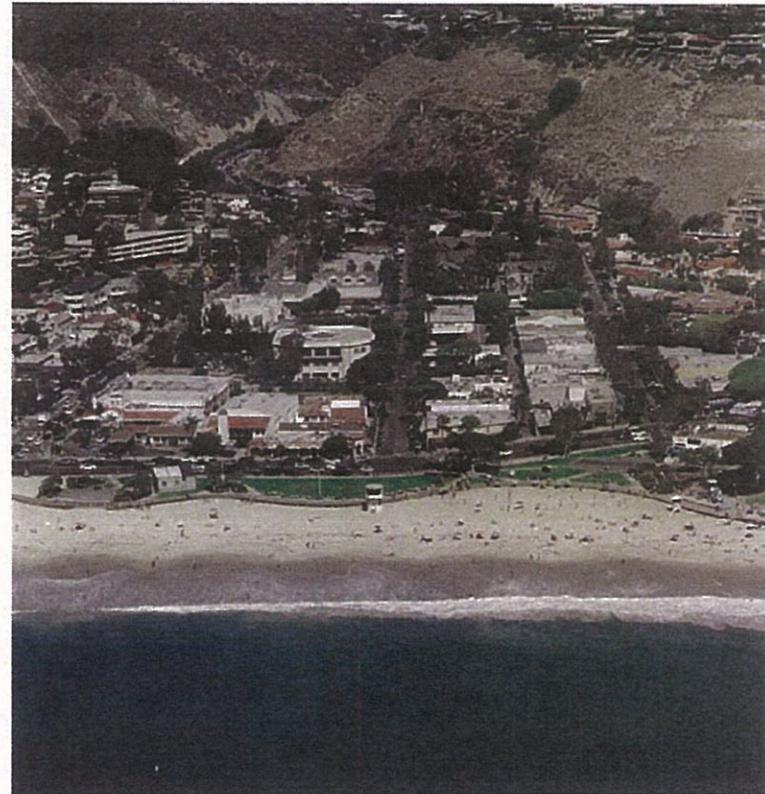
OTHER ONE-TIME FUNDING ITEMS

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



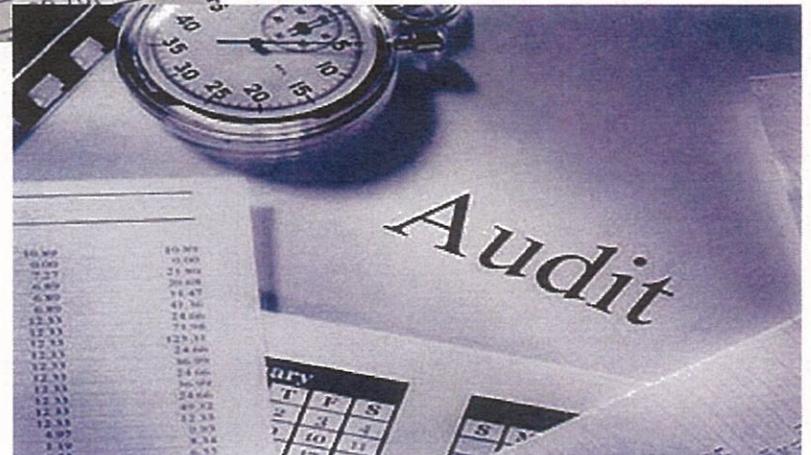
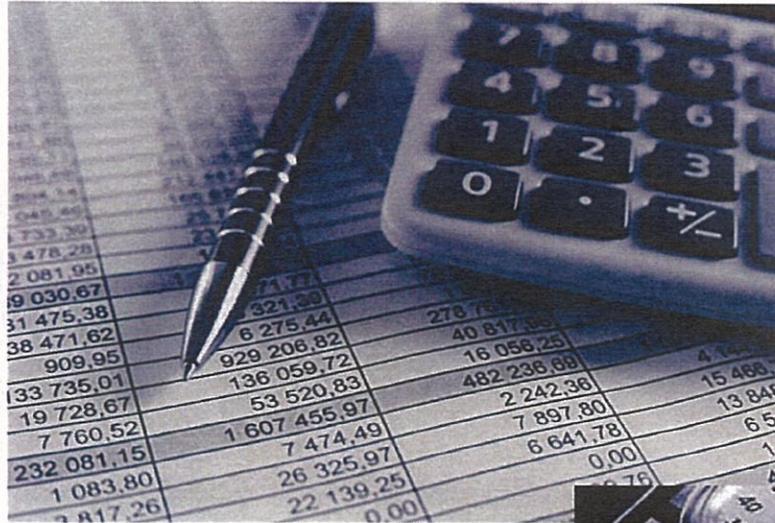
CITY MANAGER RECOMMENDATION

			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	2 Additional Beach Patrol Officers	(5,000)	(54,800)	(170,400)
3	Police	1 Additional Community Outreach Officer	(10,000)	(32,800)	(139,000)
4	Fire	Civilian Fire Marshal	(41,000)	(30,900)	(184,900)
5	Fire	Upgrade 3 Paramedic Positions (Another \$50,000 in 2-Year Budget)	(55,800)	0	(57,700)
6	Marine Safety	Two Year Round Marine Safety Officers	(1,000)	(60,200)	(191,500)
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)	(129,400)
10	Public Works	Beach Cleaning and Kelp Removal (\$50,000 already budgeted)		(16,700)	(50,000)
11	Public Works	Summer Main Beach Restroom Cleaning	(40,000)	(4,100)	(48,900)
12	Public Works	Sidewalk Steam Cleaning	(20,000)	(27,900)	(66,900)
13	Public Works	Sidewalk Detailed Cleaning and Daily Maintenance		(40,000)	(120,000)
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)	(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

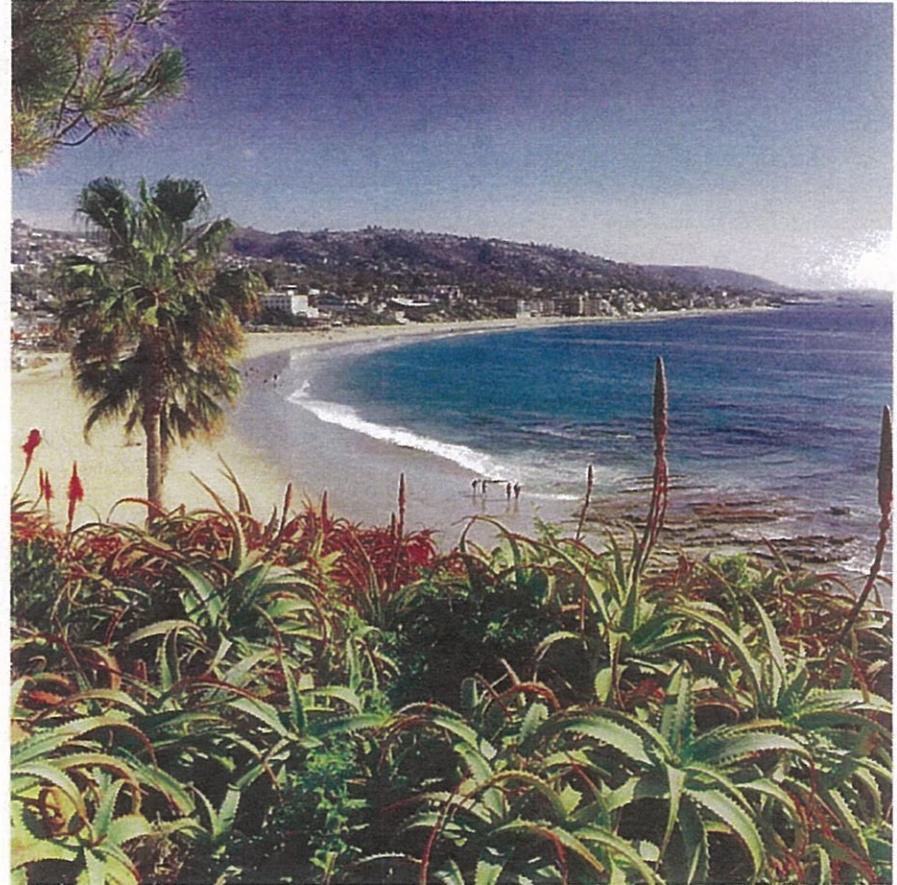
Accounting

- 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

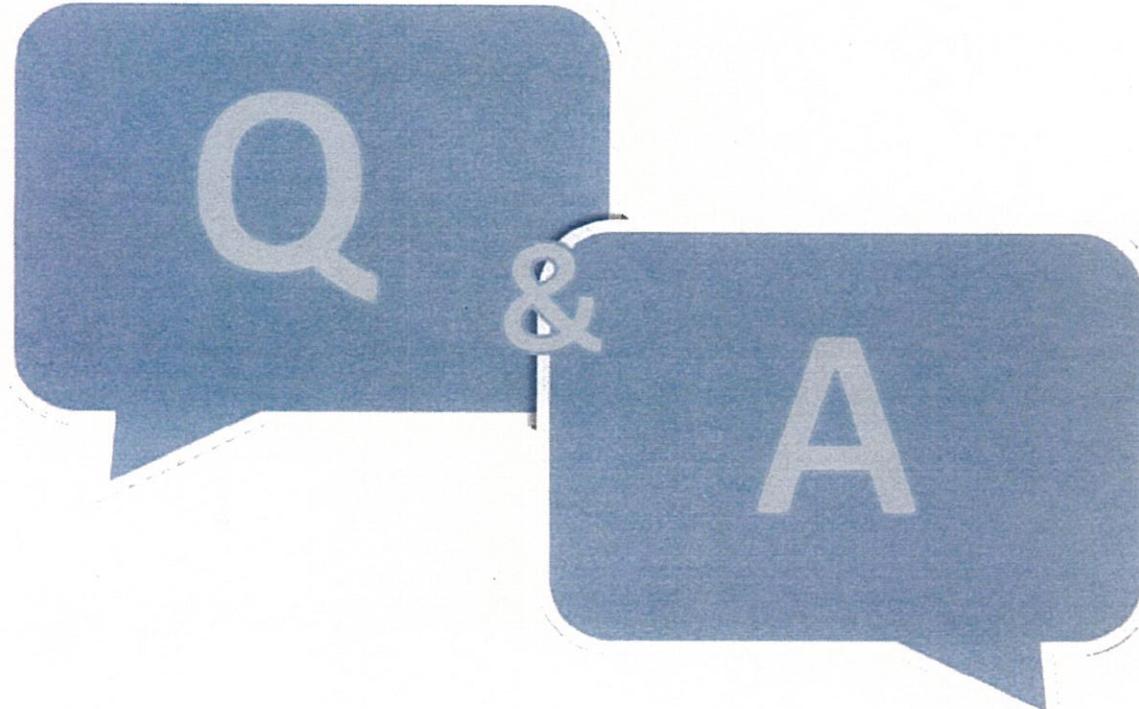
RECOMMENDATIONS



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



1 RESOLUTION NO. 16. ____

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

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

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

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

- 15
- 16 1. A Measure LL Fund shall be established for five years, which fund shall be used
17 exclusively for the accounting and tracking of (a) revenue generated by the 2% increase
18 in TOT and (b) expenditures approved by the City Council for the purpose of protecting
19 of beaches from pollution; providing fire and police protection, and emergency
20 response services; utility undergrounding to prevent fires and power outages;
21 improving the cleanliness of public areas such as sidewalks and streets; and to provide
22 other services and improvement. The City Council shall appropriate money from the
23 fund in conjunction with the budget process.
 - 24 2. A Citizens' Measure LL Audit Oversight Committee shall be established for five years
25 consisting of five members appointed by the City Council that will review annually the
26 expenditures of the Measure LL Fund and provide a subsequent public report to the
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

City Council.

ADOPTED this 13th day of December, 2016.

, Mayor

ATTEST:

City Clerk

I, LISETTE CHEL, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing Resolution No. 16.xx was duly adopted at a Regular Meeting of the City Council of said City held on December 13, 2016, by the following vote:

AYES: COUNCILMEMBER(S):
NOES: COUNCILMEMBER(S):
ABSENT: COUNCILMEMBER(S):

City Clerk of the City of Laguna Beach, CA

ATTACHMENT D

Measure LL Revenue Report

Source: Laguna Beach Finance Division

FY 2016-17

General Ledger
Revenue Budget vs Actual



User: GCurran
Printed: 12/05/17 17:14:30
Period 12 - 12
Fiscal Year 2017

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Uncollected	% Bud vs Actual-Uncoll	One Year Prior Actual
113	Measure LL Other Taxes							
113-00-0000-3112	Trans Occupancy Tax-Other	0.00	-1,000,000.00	-576,112.35	-1,029,946.68	29,946.68	-2.99	0.00
113-00-0000-3114	TOT-Short Term Lodging	<u>0.00</u>	<u>0.00</u>	<u>-20,351.49</u>	<u>-34,773.60</u>	<u>34,773.60</u>	<u>0.00</u>	<u>0.00</u>
	Other Taxes	<u>0.00</u>	<u>-1,000,000.00</u>	<u>-596,463.84</u>	<u>-1,064,720.28</u>	<u>64,720.28</u>	<u>-6.47</u>	<u>0.00</u>
113	Measure LL	0.00	-1,000,000.00	-596,463.84	-1,064,720.28	64,720.28	-6.47	0.00

ATTACHMENT E

Measure LL Expenditure Report

Source: Laguna Beach Finance Division

FY 2016-17

General Ledger

Expenditure Budget vs Actual

User: GCurran
 Printed: 12/05/17 17:14:04
 Period 12 - 12
 Fiscal Year 2017



Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
113	Measure LL								
2102	Police Field Services								
	Salaries & Wages								
113-20-2102-1001	Salaries, Full Time	0.00	61,430.00	17,535.17	31,969.77	0.00	29,460.23	52.04	0.00
113-20-2102-1006	Salaries, Overtime	0.00	0.00	794.75	1,928.14	0.00	-1,928.14	0.00	0.00
113-20-2102-1053	Holiday Allowance	0.00	0.00	2,106.58	2,106.58	0.00	-2,106.58	0.00	0.00
113-20-2102-1101	P.E.R.S. Retirement	0.00	8,820.00	3,858.72	6,641.56	0.00	2,178.44	75.30	0.00
113-20-2102-1300	Employee Group Insurance	0.00	15,800.00	0.00	0.00	0.00	15,800.00	0.00	0.00
113-20-2102-1318	Medicare Insurance	0.00	850.00	296.78	522.52	0.00	327.48	61.47	0.00
	Salaries & Wages	0.00	86,900.00	24,592.00	43,168.57	0.00	43,731.43	49.68	0.00
	Maintenance & Operations								
113-20-2102-2001	Uniforms And Laundry	0.00	15,700.00	0.00	0.00	0.00	15,700.00	0.00	0.00
113-20-2102-2031	Telephone	0.00	0.00	30.46	30.46	0.00	-30.46	0.00	0.00
	Maintenance & Operations	0.00	15,700.00	30.46	30.46	0.00	15,669.54	0.19	0.00
2102	Police Field Services	0.00	102,600.00	24,622.46	43,199.03	0.00	59,400.97	42.10	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
20	Police Department	0.00	102,600.00	24,622.46	43,199.03	0.00	59,400.97	42.10	0.00
2401	Fire Operations								
	Salaries & Wages								
113-24-2401-1001	Salaries, Full Time	0.00	0.00	3,111.56	5,071.10	0.00	-5,071.10	0.00	0.00
113-24-2401-1101	P.E.R.S. Retirement	0.00	0.00	-2.27	74.10	0.00	-74.10	0.00	0.00
113-24-2401-1318	Medicare Insurance	0.00	0.00	44.54	72.65	0.00	-72.65	0.00	0.00
	Salaries & Wages	0.00	0.00	3,153.83	5,217.85	0.00	-5,217.85	0.00	0.00
	Special Programs								
113-24-2401-8721	Paramedics	0.00	55,800.00	18,017.10	18,017.10	0.00	37,782.90	32.29	0.00
	Special Programs	0.00	55,800.00	18,017.10	18,017.10	0.00	37,782.90	32.29	0.00
2401	Fire Operations	0.00	55,800.00	21,170.93	23,234.95	0.00	32,565.05	41.64	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
2501	Fire Prevention								
	Salaries & Wages								
113-24-2501-1001	Salaries, Full Time	0.00	22,700.00	0.00	0.00	0.00	22,700.00	0.00	0.00
113-24-2501-1101	P.E.R.S. Retirement	0.00	3,500.00	0.00	0.00	0.00	3,500.00	0.00	0.00
113-24-2501-1300	Employee Group Insurance	0.00	3,000.00	0.00	0.00	0.00	3,000.00	0.00	0.00
113-24-2501-1318	Medicare Insurance	<u>0.00</u>	<u>300.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>300.00</u>	<u>0.00</u>	<u>0.00</u>
	Salaries & Wages	0.00	29,500.00	0.00	0.00	0.00	29,500.00	0.00	0.00
	Maintenance & Operations								
113-24-2501-2001	Uniforms And Laundry	0.00	1,000.00	262.80	262.80	0.00	737.20	26.28	0.00
113-24-2501-2051	Gas And Lubricants	0.00	200.00	0.00	0.00	0.00	200.00	0.00	0.00
113-24-2501-2150	Rents And Leases	<u>0.00</u>	<u>1,200.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,200.00</u>	<u>0.00</u>	<u>0.00</u>
	Maintenance & Operations	0.00	2,400.00	262.80	262.80	0.00	2,137.20	10.95	0.00
	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>40,000.00</u>	<u>0.00</u>	<u>0.00</u>
	Capital Equipment	0.00	40,000.00	0.00	0.00	0.00	40,000.00	0.00	0.00
2501	Fire Prevention	<u>0.00</u>	<u>71,900.00</u>	<u>262.80</u>	<u>262.80</u>	<u>0.00</u>	<u>71,637.20</u>	<u>0.37</u>	<u>0.00</u>

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
24	Fire Department	0.00	127,700.00	21,433.73	23,497.75	0.00	104,202.25	18.40	0.00
2601	Marine Safety								
	Salaries & Wages								
113-26-2601-1001	Salaries, Full Time	0.00	38,300.00	36,272.40	36,272.40	0.00	2,027.60	94.71	0.00
113-26-2601-1101	P.E.R.S. Retirement	0.00	3,700.00	4,170.46	4,170.46	0.00	-470.46	112.72	0.00
113-26-2601-1300	Employee Group Insurance	0.00	11,500.00	5,500.00	5,500.00	0.00	6,000.00	47.83	0.00
113-26-2601-1318	Medicare Insurance	0.00	6,200.00	526.00	526.00	0.00	5,674.00	8.48	0.00
	Salaries & Wages	0.00	59,700.00	46,468.86	46,468.86	0.00	13,231.14	77.84	0.00
	Maintenance & Operations								
113-26-2601-2001	Uniforms And Laundry	0.00	1,200.00	0.00	0.00	0.00	1,200.00	0.00	0.00
113-26-2601-2011	Training, Travel And Dues	0.00	300.00	0.00	0.00	0.00	300.00	0.00	0.00
	Maintenance & Operations	0.00	1,500.00	0.00	0.00	0.00	1,500.00	0.00	0.00
2601	Marine Safety	0.00	61,200.00	46,468.86	46,468.86	0.00	14,731.14	75.93	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
26	Marine Safety	0.00	61,200.00	46,468.86	46,468.86	0.00	14,731.14	75.93	0.00
3104	Park & Building Maintenance								
	Maintenance & Operations								
113-30-3104-2401	Contractual Services	<u>0.00</u>	<u>20,800.00</u>	<u>13,595.00</u>	<u>13,595.00</u>	<u>0.00</u>	<u>7,205.00</u>	<u>65.36</u>	<u>0.00</u>
	Maintenance & Operations	0.00	20,800.00	13,595.00	13,595.00	0.00	7,205.00	65.36	0.00
	Special Programs								
113-30-3104-8720	Downtown Beautification	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>
	Special Programs	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>40,000.00</u>	<u>0.00</u>	<u>0.00</u>
3104	Park & Building Maintenance	0.00	60,800.00	13,595.00	13,595.00	0.00	47,205.00	22.36	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
3106	Street Maintenance								
	Salaries & Wages								
113-30-3106-1001	Salaries, Full Time	0.00	15,800.00	0.00	0.00	0.00	15,800.00	0.00	0.00
113-30-3106-1101	P.E.R.S. Retirement	0.00	2,700.00	0.00	0.00	0.00	2,700.00	0.00	0.00
113-30-3106-1300	Employee Group Insurance	0.00	2,900.00	0.00	0.00	0.00	2,900.00	0.00	0.00
113-30-3106-1318	Medicare Insurance	0.00	200.00	0.00	0.00	0.00	200.00	0.00	0.00
	Salaries & Wages	0.00	21,600.00	0.00	0.00	0.00	21,600.00	0.00	0.00
	Maintenance & Operations								
113-30-3106-2001	Uniforms And Laundry	0.00	200.00	0.00	0.00	0.00	200.00	0.00	0.00
113-30-3106-2051	Gas & Lubricants	0.00	200.00	0.00	0.00	0.00	200.00	0.00	0.00
113-30-3106-2401	Contractual Services	0.00	87,900.00	20,496.00	59,992.00	-7,359.35	35,267.35	68.25	0.00
	Maintenance & Operations	0.00	88,300.00	20,496.00	59,992.00	-7,359.35	35,667.35	67.94	0.00
	Capital Equipment								
113-30-3106-5510	Automotive Equipment	0.00	73,000.00	24,786.94	24,786.94	58.06	48,155.00	33.95	0.00
	Capital Equipment	0.00	73,000.00	24,786.94	24,786.94	58.06	48,155.00	33.95	0.00
3106	Street Maintenance	0.00	182,900.00	45,282.94	84,778.94	-7,301.29	105,422.35	46.35	0.00

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
3107	Utility Undergrounding Capital Improvements								
113-30-3107-9742	Faciliate Evacuation RtSafety	0.00	400,000.00	0.00	0.00	0.00	400,000.00	0.00	0.00
113-30-3107-9743	Legislative & Regulation Costs	0.00	50,000.00	0.00	0.00	0.00	50,000.00	0.00	0.00
	Capital Improvements	0.00	450,000.00	0.00	0.00	0.00	450,000.00	0.00	0.00
3107	Utility Undergrounding	0.00	450,000.00	0.00	0.00	0.00	450,000.00	0.00	0.00
		---	---	---	---	---	---	---	---

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
30	Public Works	0.00	693,700.00	58,877.94	98,373.94	-7,301.29	602,627.35	14.18	0.00
3303	Water Quality Special Programs								
113-37-3303-8314	WQ Education Video	<u>0.00</u>	<u>15,000.00</u>	<u>675.87</u>	<u>675.87</u>	<u>0.00</u>	<u>14,324.13</u>	<u>4.51</u>	<u>0.00</u>
	Special Programs	<u>0.00</u>	<u>15,000.00</u>	<u>675.87</u>	<u>675.87</u>	<u>0.00</u>	<u>14,324.13</u>	<u>4.51</u>	<u>0.00</u>
3303	Water Quality	<u>0.00</u>	<u>15,000.00</u>	<u>675.87</u>	<u>675.87</u>	<u>0.00</u>	<u>14,324.13</u>	<u>4.51</u>	<u>0.00</u>
		---	---	---	---	---	---	---	---

Acct Number	Description	Start Budget	End Budget	Report Period	Yr To Date	Encumber	Unencum. Bal	% Used	Prior Actual
37	Water Quality	<u>0.00</u>	<u>15,000.00</u>	<u>675.87</u>	<u>675.87</u>	<u>0.00</u>	<u>14,324.13</u>	<u>4.51</u>	<u>0.00</u>
		—	—	—	—	—	—	—	—
113	Measure LL	0.00	1,000,200.00	152,078.86	212,215.45	-7,301.29	795,285.84	21.22	0.00

ATTACHMENT F

Police Department

South Laguna Civic Association
August 14, 2017



INCREASED SERVICE LEVELS

- Beach Patrol Officers – 4 Full-time & 6 Part-time
- Community Outreach Officer (COO)
- Police Aides – Pedestrian / Traffic Control
- Aliso Beach security after 7pm until midnight
 - (Friday - Sunday)
- Drone ordinance
- Smoking ordinance
- Parking Enforcement

Measure LL additions



MAY - JULY 2017
VIOLATION TYPES-CITY & COUNTY BEACHES
CITYWIDE

Beach Patrol	May	June	July	Grand Total
Alcohol	178	267	344	789
Dog Violations	12	18	10	40
Bonfires	5	2	3	10
Glass on the beach	72	90	96	258
Photo Permits	13	11	11	35
Smoking	29	28	20	77
Other	19	35	22	76
Total				1285

MAY - JULY 2017
SOUTH LAGUNA
SOUTH OF NYES TO SOUTHERN CITY LIMITS

Beach patrol	May	June	July	Grand Total
Alcohol	81	133	179	393
Dog Violations	5	3	4	12
Bonfires	2	1	2	5
Glass on the beach	40	55	65	160
Photo Permits	6	1	3	10
Smoking	0	0	1	1
Other	4	14	8	26
Total				607

**APRIL 2017-JULY 2017
CITATION STATS-SOUTH LAGUNA**

Beach Patrol	May	June	July	Grand Total
Citations	104	161	238	503
Warning Notices	34	46	24	104
Total				607



**SOUTH LAGUNA JUNE & JULY ARRESTS:
2016 / 2017 COMPARISONS**

2016

Regions	Arrestees= 48
Laguna Beach Residents	8 (17%)
Orange County	25 (52%)
Los Angeles County	6 (13%)
Riverside County	4 (8%)
Kern County	1 (2%)
Monterey County	1 (2%)
Out of State	2 (4%)
Unknown	1 (2%)

- Male= 42
- Female= 6
- Juveniles= 2

2017

Regions	Arrestees= 35
Laguna Beach Residents	6 (17%)
Orange County	23 (66%)
Los Angeles County	3 (9%)
San Diego County	1 (2%)
Out of State	2 (6%)

- Male= 24
- Female= 11
- Juveniles= 0

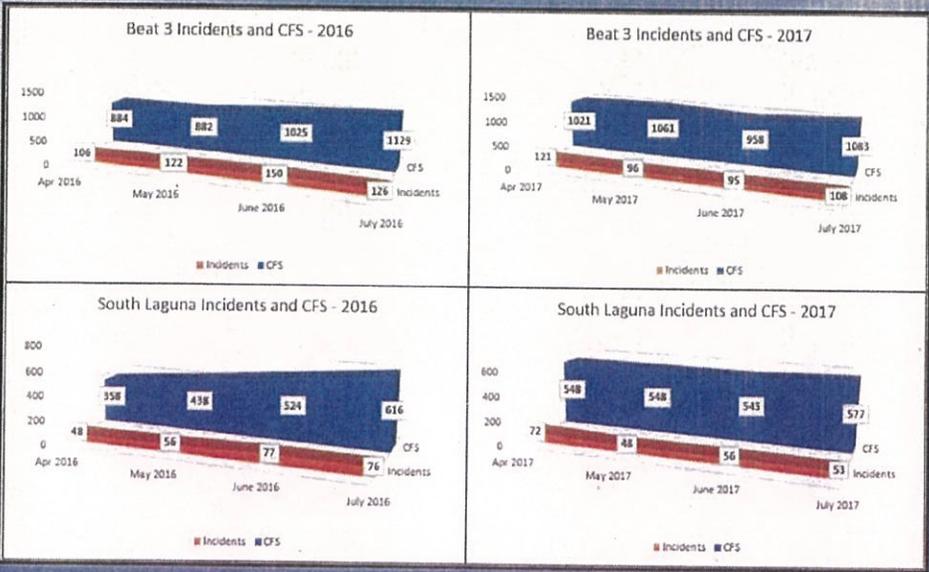
South Laguna: Everything from Montage to the southern city limits

POLICE ACTIVITIES FOR
SOUTH LAGUNA BEACHES AND MISSION HOSPITAL

Beach/Hospital	Summer 2016 (June & July only)	Summer 2017 (June & July only)	% difference
Also Beach	171	189	+9%
Mission Hospital LB	94	108	+13%
1000 Steps	60	92	+35%
Tablerock	34	65	+48%
Treasure Island	23	54	+57%
Totuava	13	34	+62%
West Street	15	24	+27%
Three Arch Bay	6	3	-50%
AVERAGES	52	71	avg. inc.= 27%



Beat 3 Calls reducing because we are there!



CONTINUED PARTNERSHIPS:

- South Laguna Civic Association
- Three Arch Bay Homeowners Association
- Laguna Lido Association
- Montage
- South Laguna Community Garden group
- Mission Hospital Security
- Meeting with OCSD leadership twice a year
- Group meeting:
 - Laguna Beach Marine Safety
 - OC Lifeguards
 - OCSD
 - OC parks & security team



ATTACHMENT G

Fire Department



MEMORANDUM

Date: 9-18-17
To: Gavin Curran, Director of Administrative Services
From: Kirk Summers, Fire Chief
Subject: Measure LL Status

As requested here is a status update on what we have done so far with Measure LL, and the remaining items.

1. Hired a full time Fire Marshal (Jim Brown) July, 2017
2. We have purchased and are in the process of programming 2 additional cardiac monitors. The monitors we purchased were refurbished and recertified.
3. We are in the process of ordering all the other required items for an additional paramedic unit. It is estimated that we have about \$15,000 dollars left of equipment to purchase.
4. We are currently reconfiguring the fire apparatus so that Engine 2 can accommodate the additional required Advanced Life Support (ALS) equipment. The target completion date is December 1, 2017.
5. We have activated Brent Buccola as a certified paramedic. Although Brent had previously completed paramedic training, he had not completed certification when he was hired with LBFD. The certification process included some investment in time and training. Brent is now a fully certified Orange County paramedic and now receives a paramedic bonus through LL funding.
6. James Lin is currently in paramedic school. We will reimburse up to 480 hours total for his time in school.
7. Once there are sufficient paramedics to support an additional ALS unit, and when the fire apparatus has been modified to carry the requisite equipment, we work through the County EMS approval process to upgrade Engine 2 to ALS.
8. In addition to the additional paramedics and equipment, there will be needed CAD program changes to accommodate the Engine 2 ALS upgrade

ATTACHMENT H

Marine Safety Department

MEMORANDUM

DATE: September 19, 2017
TO: Gavin Curran, Director of Administrative Services
FROM: Kevin Snow, Marine Safety Chief
SUBJECT: MEASURE LL UPDATE – DEPARTMENT OF MARINE SAFETY

Millions of visitors come to Laguna Beach every year, which increases demand for City services and resources. Measure LL (Laguna Beach Vital Services Measure), approved by the community, helps offset the costs associated with the increased demand for Marine Safety services. Marine Safety received Measure LL funds beginning January of 2017. In response Marine Safety has hired, trained and deployed two additional Marine Safety Officers to deliver vital safety services to the residents and visitors of Laguna Beach.

The Marine Safety Officer (MSO) position provides an array of services for the public. The position participates in and assumes control of rescues, first aids and aquatic emergencies. Rescues include: ocean, river, flood channel, lake, cliff, SCUBA rescue and SCUBA recovery. They prevent accidents and drownings by informing bathers and boaters of hazardous ocean conditions. Marine Safety Officers remove dangerous objects from the ocean and surf-line to ensure continued safety of beach patrons. They operate specialized lifesaving equipment and render emergency medical treatment at an Emergency Medical Technician level. Marine Safety Officers also train, motivate and evaluate seasonal ocean lifeguards. They enforce City ordinances, California Fish and Game codes, and Harbor and Navigation laws. Marine Safety Officers work with police and fire departments to coordinate public safety in the marine environment. The Marine Safety Officer position is an integral component for rendering public safety services within Laguna Beach.

The two Marine Safety Officer positions have increased City services to the public. They have performed 595 ocean rescues, responded to 106 medical calls for service and made 4,506 preventative contacts with the public since hire in early 2017. Additionally, the Marine Safety Officers have made 549 combined enforcement contacts on City Beaches including; leash, smoking, drinking, and ecological related ordinances. A preventative contact occurs when a Marine Safety employee observes a beach patron engaging in an activity which could cause harm to themselves or others. The employee contacts the individual and educates them about the potential dangers which prevents the accident or emergency from occurring. Preventative lifeguarding is part of Marine Safety's proactive method to providing public safety along the City's coastline. The two Marine Safety Officer positions have helped the City of Laguna Beach Department of Marine Safety respond to the demands of increased beach patronage.

Moving forward, staffing will include the two Marine Safety Officer positions, which allows for a second mobile lifeguard unit. Measure LL also provides an additional two-hundred tower lifeguard days. Tower lifeguards provide direct lifeguard vigilance to specific areas of the coastline. Deployment will target beaches with high call volume, including: Treasure Island, Main Beach and Crescent Bay. Lifeguard tower

coverage may also be deployed to beaches with residential concern or emerging issues (such as increased activity due to social media).

Measure LL has funded two Marine Safety Officer positions. Measure LL funds an additional 200 days of lifeguard tower coverage. The funds provide a safer overall recreational environment and a more effective public safety service to the community, thus meeting the goals of the Measure LL program as it relates to Marine Safety.

###

Attachments:

Attachment A: Table showing monthly statistics of Measure LL Marine Safety Officer positions.

Attachment B: Graph indicating an increase of Marine Safety officer patrol hours during non-summer months.

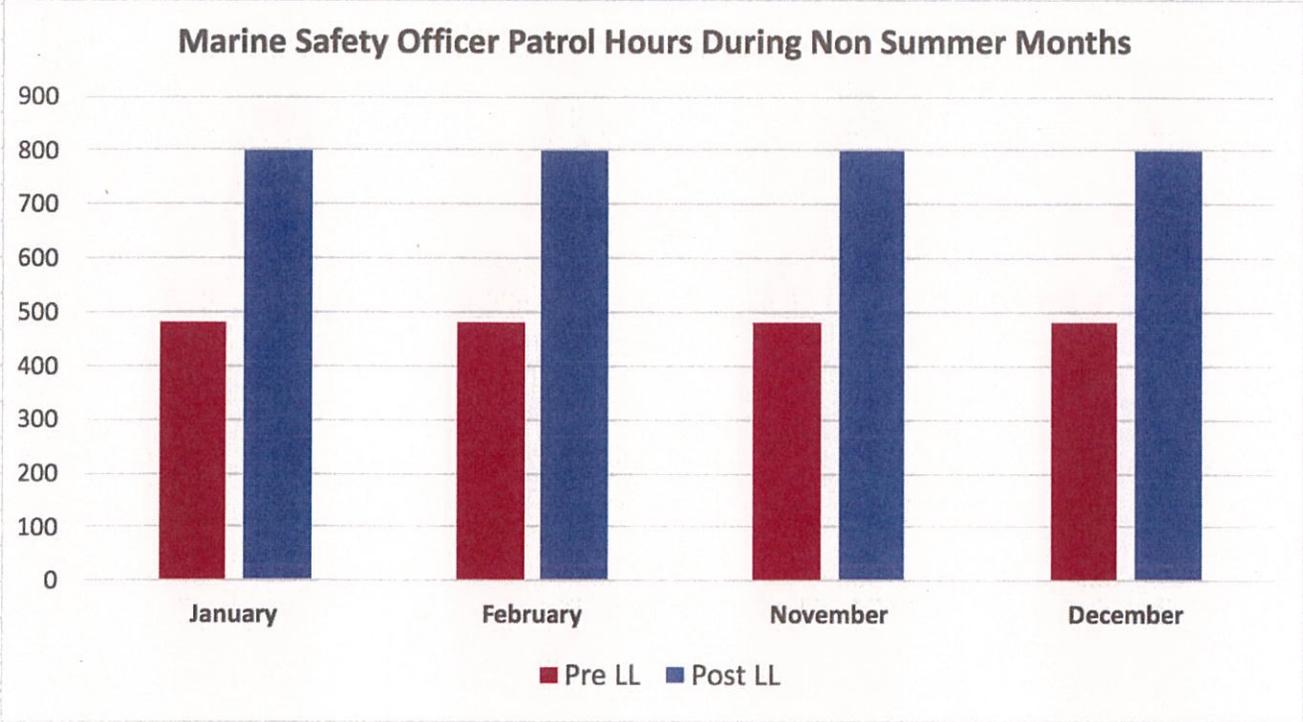
Attachment C: Base staffing schedule pre-Measure LL and post Measure LL showing enhanced patrol coverage of City beaches by Marine Safety Officers during non-summer months.

Attachment D: Summer staffing schedule pre-Measure LL and post Measure LL showing enhanced patrol coverage of City beaches by Marine Safety Officer.

Attachment E: Beach use images: (Figure 1) Tower lifeguards provide immediate localized response to swimmers in distress, medical emergencies as well ensuring ordinances are upheld on City beaches. (Figure 2) Marine Safety Officers work to keep the Laguna Beach Coastline safe under the most challenging conditions.

Monthly Statistics of Measure LL Marine Safety Officer Positions

		February Summary				
		Rescue	Medical	Ordinance	Public Contactcs	Prevents
MSO 1		21	1	23	290	118
MSO 2		32	0	0	390	185
		March Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
MSO 1		20	11	27	428	226
MSO 2		35	9	12	488	226
		April Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
MSO 1		33	3	41	685	274
MSO 2		35	8	56	648	326
		May Summary				
		Rescues	Medical	Ordinance	Public Contacts	Prevents
MSO 1		42	5	126	320	231
MSO 2		33	2	9	370	181
		June Summary				
		Rescues	Medical	Ordinance	Public Contacts	Prevents
MSO 1		54	7	24	1070	535
MSO 2		56	9	42	1425	710
		July Summary				
		Rescues	Medical	Ordinance	Public Contacts	Prevents
MSO 1		49	13	73	1021	428
MSO 2		64	19	43	705	256
		August Summary				
		Rescues	Medical	Ordinance	Public Contacts	Prevents
MSO 1		61	6	13	705	330
MSO 2		60	9	38	787	307
		September Summary				
		Rescues	Medical	Ordinance	Public Contacts	Prevents
MSO 1		10	1	0	160	103
MSO 2		0	3	22	120	70



Base Staffing Pre Measure LL							
SHIFT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
W/C						Captain	Captain
5510	Lieutenant	Lieutenant	MSO	MSO	MSO	Lieutenant	Lieutenant
5512	MSO						
5530						MSO	MSO
5532						MSO	MSO
5540							
5542							
DISPATCH I	Captain	Captain	Lieutenant	Lieutenant	Lieutenant	Lieutenant	Lieutenant

Base Staffing Post Measure LL							
SHIFT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
W/C						Captain	Captain
5510	Lieutenant	Lieutenant	MSO	MSO	MSO	Lieutenant	Lieutenant
5512	MSO	MSO	MSO LL				
5530	MSO LL	MSO LL	MSO	MSO	MSO	Lieutenant	Lieutenant
5532						MSO LL	MSO LL
5540						MSO	MSO
5542						MSO	MSO
DISPATCH I	Captain	Captain	Lieutenant	Lieutenant	Lieutenant	MSO	MSO

Key	
Existing Position	
Unfilled	
Filled by LL	

Attachment D

Summer Schedule Pre Measure LL							
SHIFT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
W/C						Captain	Captain
5510				MSO	MSO	MSO	MSO
5512							
5520	Lieutenant						
5522						MSO	MSO
5523							
5530	MSO	MSO	MSO			Lieutenant	Lieutenant
5532							
5540	Captain	Captain	Captain	MSO	MSO	MSO	MSO
5542							
DISPATCH I							
DISPATCH II							
DISPATCH III							
RWC							

Summer Schedule Post Measure LL							
SHIFT	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
W/C						Captain	Captain
5510	MSO LL	MSO LL	MSO LL	MSO	MSO	MSO	MSO
5512							
5520	Lieutenant						
5522						MSO	MSO
5523							
5530	MSO	MSO	MSO	MSO LL	MSO LL	Lieutenant	Lieutenant
5532						MSO LL	MSO LL
5540	Captain	Captain	Captain	MSO	MSO	MSO	MSO
5542						MSO LL	MSO LL
DISPATCH I							
DISPATCH II							
RWC							

Key	
Existing Position	
Unfilled	
Filled by LL	

Attachment E



Figure 1 Tower lifeguards provide immediate localized response to swimmers in distress, medical emergencies as well ensuring ordinances are upheld on City beaches.



Figure 2 Marine Safety Officer work to keep The Laguna Beach Coastline safe under the most challenging conditions.

ATTACHMENT I

Public Works Department



Measure LL

Laguna Beach Vital Services Measure

Public Works Department
Utility Undergrounding
&
Maintenance Enhancements

Public Works

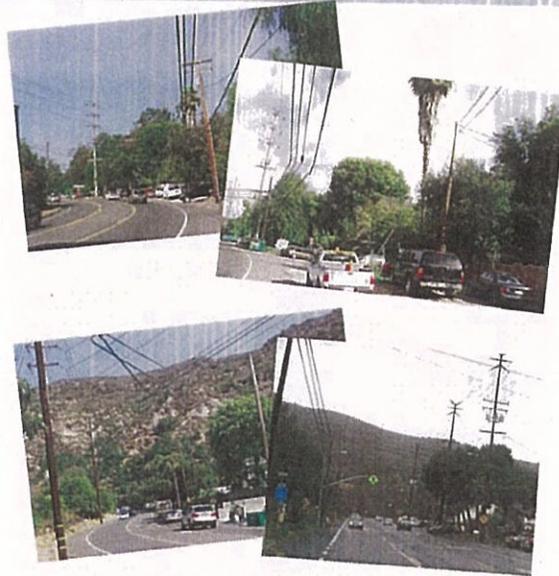
Utility Undergrounding (\$1 Million/year)



PUBLIC WORKS

Utility Undergrounding

- Developing an incentive program for formation of utility undergrounding districts. Recommendations will be presented to the City Council later this year
- Determining funding contribution to undergrounding of utilities along the City's major evacuation routes and access roads such as Bluebird, Thalia, Upper Temple Hills, Glenneyre, Coast Highway, Monterey, and Virginia Way over the next four years



PUBLIC WORKS

"Keepin' It Clean Laguna"

- 80 additional hours/week of cleaning downtown and PCH sidewalks, year round
- Coast Highway Sidewalk Pressure Washing
- 42 additional hours/week of cleaning Main Beach and Heisler Park restrooms during summer months
- New full time Maintenance Lead Worker
- No Complaints this summer about trash, dirty restrooms or Kelp on beaches.

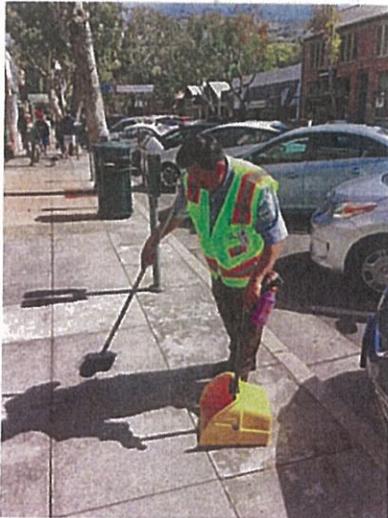


New Maintenance Lead Worker, New vehicles and Enhanced Services

- **New Maintenance Lead Work (MLW) – Chris Osuna**
 - Dedicated full time to Downtown, Heisler Park, Main Beach, and Coast Highway
 - Supervises contract cleaning services for Downtown, Coast Highway and public restrooms.
 - Supervises Main Beach and Heisler Park Enhancements
- Purchased New Truck for MLW
- Purchased Van for Day Porters



Enhanced Daily Cleaning from 8:00 a.m. to 10:00 p.m.



Improved the cleanliness of public areas

- 80 additional hours/week of cleaning downtown sidewalks, year round
- Coast Highway Sidewalk Pressure Washing
 - Bus and Trolley Stops
 - More frequent cleaning between Ledroit & Broadway and Cleo & 5th Avenue



Downtown Sidewalks



Bus and Trolley stops



Improved the cleanliness of public restrooms

- Additional 42 hours/week of cleaning Main Beach and Heisler Park restrooms during summer months
- No complaints were received from residents or visitors



Kelp Removal



- Beaches cleaned daily starting in May thru end of September
- Approximately 700 tons of Kelp removed thru mid-September.
- No Complaints from residents or visitors this summer



ATTACHMENT J

Water Quality Department



**Department of Water Quality
MEMORANDUM**

Date: September 18, 2017
To: Gavin Curran, Director of Administrative Services
From: David Shissler, Director of Water Quality
Subject: Measure LL Funding – Water Quality Department Public Education Videos

The Water Quality Department has spent approximately \$700 of the Measure LL funding. With that funding equipment and materials have been purchased to generate four short-message videos as the beginning of a much broader campaign of public education.

The focus on the use of Measure LL funding is to educate the public on efforts performed by the City's Water Quality Department that serve to protect, enhance, and monitor the environmental and the community's activities.

The four videos are:

1. Fats, Oils, Grease, Awareness to protect the environment
2. Ocean Water Quality Monitor for the safety of your family
3. Urban Water Diversions installed to capture car washing detergent, oils, and pollution
4. Irrigation Runoff is Prohibited → Help protect the Ocean

These videos have been forwarded for distribution, in rotation, by the City's Social Media Administrator. Production features, production upgrades, and content have been coordinated going forward.

Development of new videos and social media materials are planned in early November.

Thank you

cc: Jason Walker, Senior Operations Supervisor

Attachment N

**Staff Report: June 12, 2018 Modifications to FY 2017-18 and
2018-19 Adopted Budget**

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 Kiehl
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)

Changes to FY 2018-19 Budget

June 12, 2018

Page 4

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%.

Changes to FY 2018-19 Budget

June 12, 2018

Page 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.

Changes to FY 2018-19 Budget

June 12, 2018

Page 6

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 to 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	\$ (565,000)

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

<i>Community Assistance</i>	<i>Community Services General Fund/5201</i>				
	Community Request 2017-18	Adopted Budget 2017-18	Community Request 2018-19	Subcommittee Recommendations 2018-19	Adopted Budget 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
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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**

Grade	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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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 _____

	<u>Amount</u>	<u>Source</u>
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 12rd 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 read "Gavin Curran", is written over the "From:" line of the memorandum.

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 O

Police Department Information





Laguna Beach Police Department

Measure LL Vital Services Measure
Oversight Committee Update

- **Measure LL:**
 - Vital Services
 - Enhanced 2% Room TOT
 - January 2017
- **Enhanced Services:**
 - 2 Beach patrol (4)
 - 1 COO (2)
 - South Laguna
 - Citywide Need
 - Main Beach Outreach

1



Beach Patrol Productivity:

Beach Patrol Officers

Beach Patrol	2017	2018	Comments
All BPOs	3,284	2,320	South Laguna Surge
Measure LL BPOs Only	N/A	1101	Half by LL BPOs!
OCC	#1 Violation	#3 Violation	Alcohol on the Beach
LBMC	#2 Violation	#1 Violation	Open Container
OCC	#3 Violation		Glass on the Beach
LBMC		#3 Violation	Smoking

County Beaches are Also Beach south to city limits.

2



Community Outreach Officer



Additional Community Outreach Officer:

- An additional COO was funded through Measure LL to work with the homeless and mentally ill populations by connecting them to the necessary services, resources, and long-term solutions with the assistance of the County of Orange.
 - Officer Zach Martinez was selected for this position
 - Works in conjunction with and on opposite days of Cpl. Farris
 - 7 Day Coverage
- OCHCA – Outreach & Engagement Team works with Martinez
 - OnE Team + OCHCA Clinician
 - 20 people referred to OnE Team
 - 5 Project Homecoming success stories
 - OCTA Bus Passes Provided
 - Main Beach Booth – works with BPOs and Marine Safety
 - Drone used for Canyon and Beach Hillside

3



Measure LL:
Main Beach & Heisler Park



Additional Utilization of Measure LL Resources:

- While the two additional Beach Patrol Officers were originally funded to address nuisance and crime related issues in South Laguna, a citywide holistic approach to the deployment of police services is continuously evaluated.
- In 2018, Main Beach Park & Beach, as well as Heisler Park were experiencing the same of same issues as South Laguna.
- CPTED analysis was conducted and recommendations were made to positively address these issues. These included both general fund and Measure LL personnel.
 - Beach Patrol Officers (BPOs)
 - Sworn Police Officers: Bike & Foot Patrols
 - Professional Staff: Dispatchers, Records Clerks and Jailers
 - Community Outreach Officers (COOs)



4

Enhanced Services:

- 2 Beach patrol (4)
- 2 Outreach Officers

South Laguna
Main Beach
Partnerships
Crime at its Lowest



Positive Impacts: Lowest Crime Rate in History!

PROPERTY CRIMES	2016	2017	2018	Change 2017-2018
Burglary	82	90	42	-48
Larceny	436	358	316	-42
Auto Theft	36	30	25	-5
Arson	7	1	3	+2
Totals	561	479	386	-93= -19%

- Continued decrease in thefts from the beach and vehicles.
- Increase in citations:
 - Alcohol and glass on the beach, and smoking

VIOLENT CRIMES	2016	2017	2018	Change 2017-2018
Murder	0	0	0	0
Sexual Assault	12	7	5	-2
Robbery	15	13	6	-7
Aggravated Assaults	25	21	21	0
Simple Assaults	153	149	158	+9
Totals	205	190	190	0



5

**Measure LL
Community
Engagement:**



Visibility, Outreach, Education and Enforcement





Police calls for service:

2017: 52,196

2018: 50,835

6

Discussion



Attachment P

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: January 17, 2019

TO: Gavin Curran, Director of Administrative Services

FROM: Mike Garcia, Fire Chief

SUBJECT: Measure LL Status

Below is a summary of Measure LL's impacts on the Fire Department services to Laguna Beach.

1. Hired a full-time civilian Fire Marshal July 2017

- a. 2018 Fire Prevention Services – Fire Marshal Conducted: (approximations used)
 - i. Inspections – 40 p/month / 477 p/year
 - ii. Plan Reviews – 44 p/month / 531 p/year
 - iii. Pre-build consultations – 27 p/month / 327 p/month
- b. Plan reviews conducted within 2-week turnaround window approx. 95%
- c. Inspections conducted within 1 week of request 95%
- d. Consultations are completed within 2 days of receipt 90%

2. Increased Advanced Life Support (ALS) capabilities, by adding 3 Paramedics and needed equipment to support their role.

- a. Purchased a total of 3 cardiac heart monitors
- b. Purchased 3 full sets of ALS gear
- c. Reconfigured Engine 2 and Engine 3 from BLS units to ALS units
- d. Activated the following individuals:
 - e. FF/PM – Activated August 2017 (previously trained as a paramedic)
 - f. FF/PM – Activated December 2017 – Provided partial support through PM School
 - g. FF/PM – Activated September 2018 – Provided partial support through PM school

Prior to Measure LL, the only fire units with ALS capabilities were Laguna Engine 1 and 4. Now with Measure LL, every primary engine has ALS capabilities. We are also now able to surge staff 2 additional ALS units during holidays, storm and Red Flag staffing, and other peak events.

Attachment Q

Marine Safety Department Information

MEMORANDUM

DATE: January 27, 2019
TO: Kevin Snow, Marine Safety Chief
FROM: Kai Bond, Marine Safety Captain
SUBJECT: MEASURE LL - MARINE SAFETY UPDATE FY 2017-2018

Millions of visitors come to Laguna Beach every year, increasing demand for City services and resources. Measure LL (Laguna Beach Vital Services Measure), approved by the community, helps offset the costs associated with the increased demand for Marine Safety services. Marine Safety received Measure LL funds beginning January of 2017. In response, Marine Safety has hired, trained and deployed two additional Marine Safety Officers to deliver vital public safety services to the residents and visitors of Laguna Beach.

The two Marine Safety Officer positions have increased services to the public. During the fiscal year 17/18, they have performed 373 ocean rescues, responded to 198 medical calls for service and made 8,615 preventative contacts with the public between July 1, 2017, and June 31, 2018. Additionally, the Marine Safety Officers have made 3,371 combined enforcement contacts on City Beaches including; dog off leash, smoking, drinking, and marine ecologically related city ordinances. A preventative contact occurs when a Marine Safety employee observes a beach patron engaging in an activity, which could cause harm to themselves or others. The employee contacts the individual and educates them about the potential dangers, which prevent the accident or emergency from occurring. Preventative lifeguarding is part of Marine Safety's proactive method for providing public safety along the City's coastline. The two Marine Safety Officer positions have helped the City of Laguna Beach Department of Marine Safety respond to the demands of increased beach patronage.

Additionally, due to increased year-round beach visitorship, the Marine Safety Department received requests from residents for lifeguard tower coverage in high usage areas during the non-peak months. The City Council approved appropriations in strategic areas between February and June. The fund enables the Marine Safety Department to deploy tower lifeguards to previously non-lifeguarded locations. Sites for deployment include Crescent Bay, Lagunita Beach, and the Treasure Island area.

LL funded Ocean lifeguard tower coverage has increased City services to the public. Lifeguards in the newly funded locations have performed 297 ocean rescues, responded to 619 medical calls for service and made 14,354 preventative actions with the public between July 1, 2017, and June 31, 2018. Additionally, the Seasonal Ocean Lifeguards have made 8,647 combined enforcement contacts on City Beaches including; dog off leash, smoking, drinking, and marine ecological related city ordinances.

Attachments:

Attachment A: Table showing monthly statistics of Measure LL Marine Safety Officer Positions.

Monthly Statistics of Measure LL - Marine Safety Officer Positions

July 1st 2017 to June 31st 2018

		July 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		24	12	52	585	207
<i>MSO 2</i>		28	15	94	1056	448

		August 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		29	8	21	712	257
<i>MSO 2</i>		23	7	19	699	345

		September 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		16	11	208	980	442
<i>MSO 2</i>		9	9	168	595	314

		October 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		8	14	255	905	509
<i>MSO 2</i>		4	8	194	1265	827

		November 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		9	6	179	675	332
<i>MSO 2</i>		7	9	145	710	309

		December 2017 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		10	5	64	333	139
<i>MSO 2</i>		4	6	224	867	380

		January 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		9	9	163	648	358
<i>MSO 2</i>		13	4	105	297	185

		February 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		11	5	152	579	290
<i>MSO 2</i>		16	4	201	703	356

		March 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		18	4	137	602	216
<i>MSO 2</i>		14	7	161	631	275

		April 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		21	14	232	918	463
<i>MSO 2</i>		23	9	180	669	315

		May 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		19	7	108	350	135
<i>MSO 2</i>		17	4	73	446	241

		June 2018 - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		23	16	151	967	501
<i>MSO 2</i>		18	5	85	1261	771

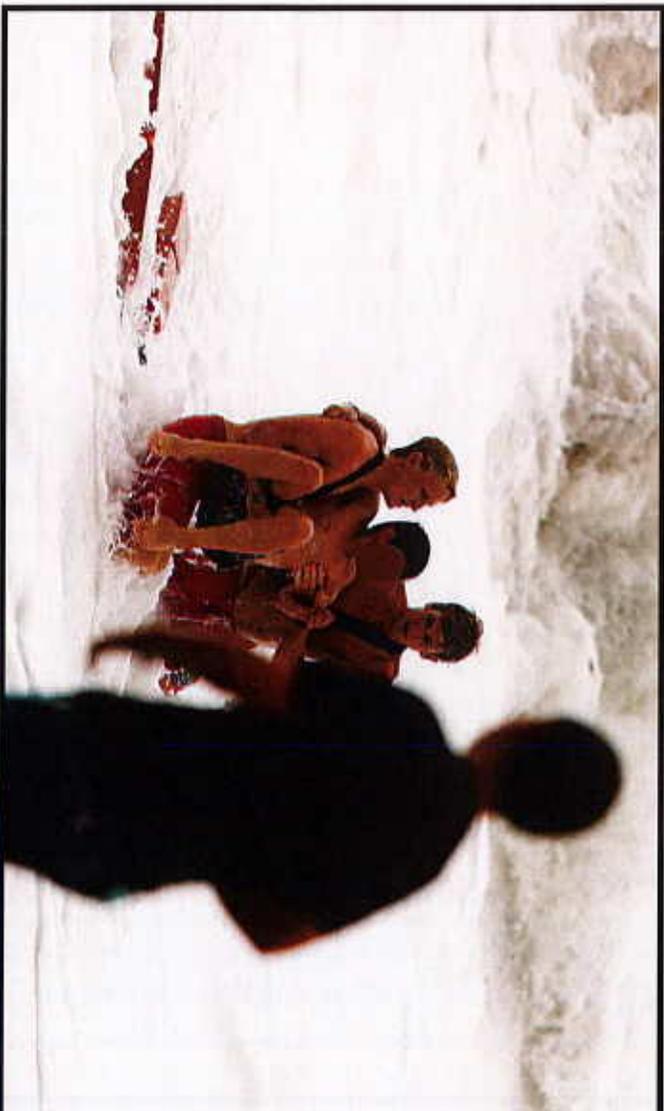
		Measure LL Marine Safety Officer - Summary				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
<i>MSO 1</i>		197	111	1722	8254	3849
<i>MSO 2</i>		176	87	1649	9199	4766

		Measure LL Marine Safety Officer - Combined Totals				
		Rescue	Medical	Ordinance	Public Contacts	Prevents
		373	198	3371	17453	8615



City of
LAGUNA BEACH

Department of Marine Safety Measure LL – Vital Service Measure

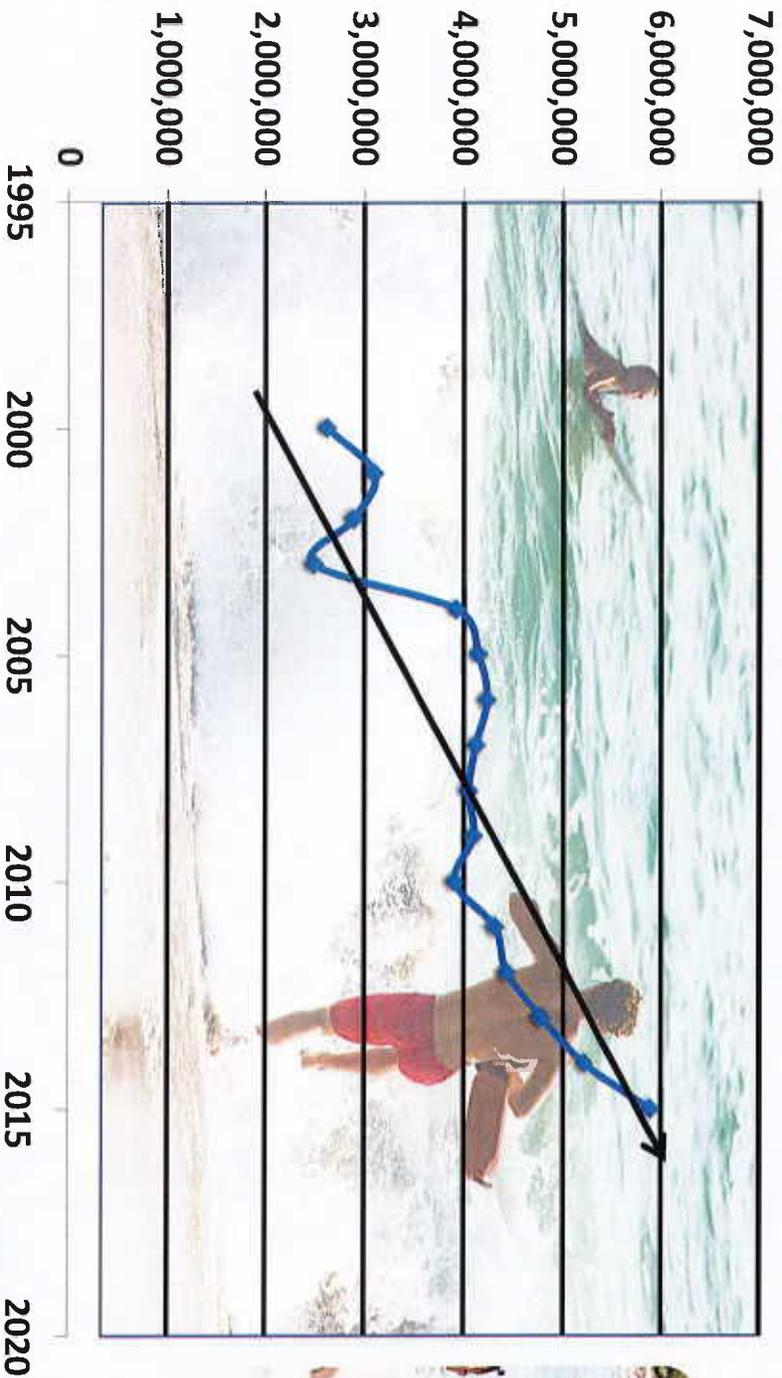


505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



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.*



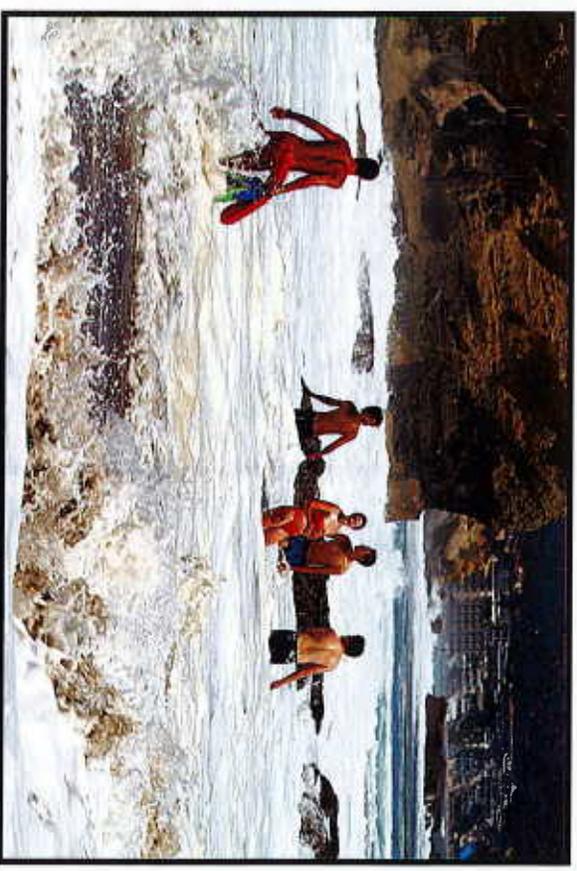
505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



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.



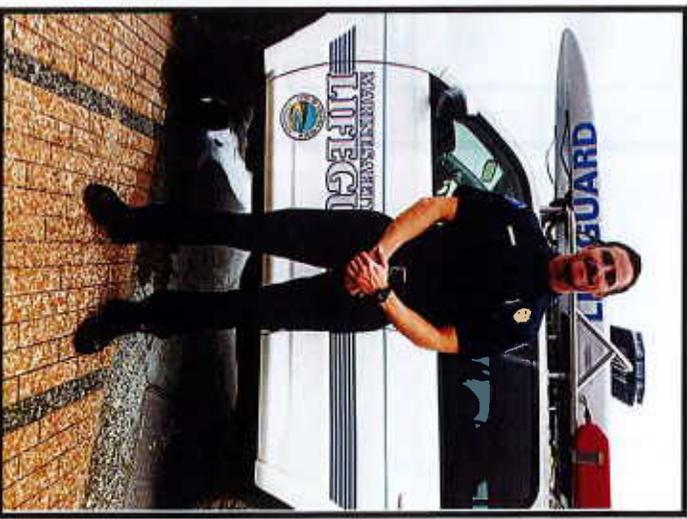
505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



City of
LAGUNA BEACH

Measure LL

TWO MARINE SAFETY OFFICER POSITIONS

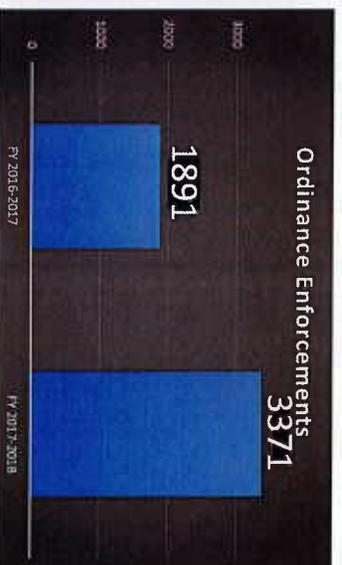
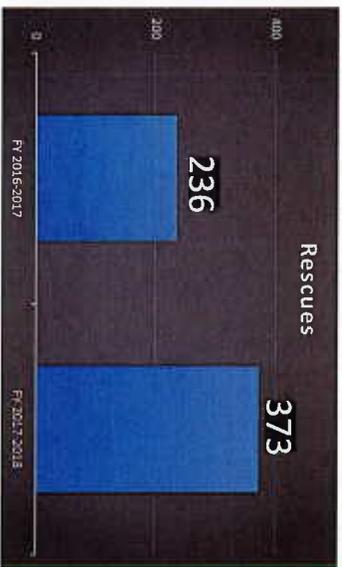


505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311



city of
LAGUNA BEACH

Measure LL: Marine Safety Officer



MARINE SAFETY DEPARTMENT

505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 487-3311



Measure LL

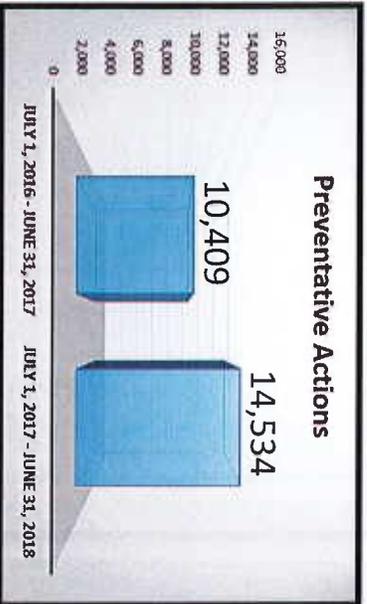
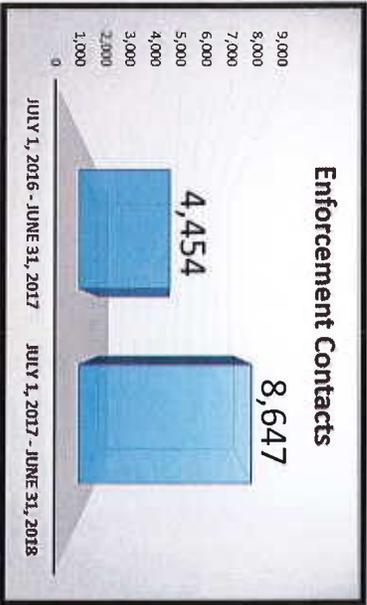
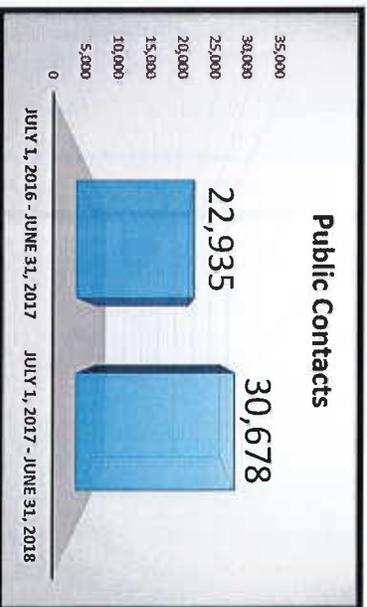
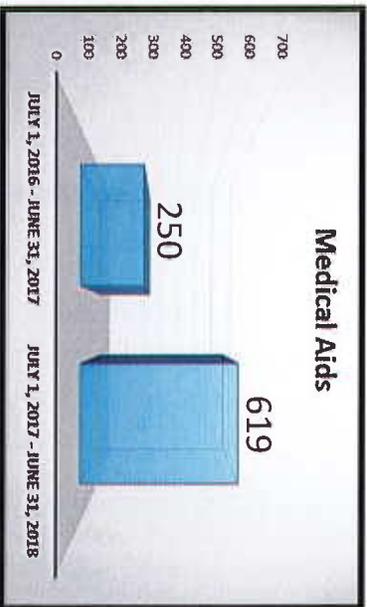
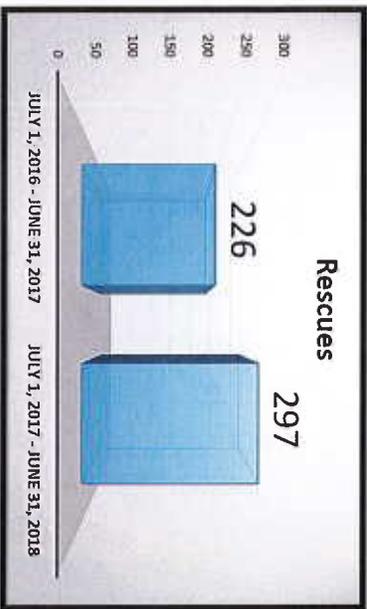
TOWER LIFEGUARD COVERAGE ON MAIN BEACH AND OTHER HIGH DEMAND BEACHES DURING NON-PEAK MONTHS. (MAIN BEACH PATROL)





City of
LAGUNA BEACH

Measure LL: Tower Statistics



MARINE SAFETY DEPARTMENT

505 Forest Ave. Laguna Beach, CA 92651
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

February 9, 2019



505 Forest Ave. Laguna Beach, CA 92651
TEL (949) 497-3311

Attachment R

Public Works Information



Measure LL

Laguna Beach Vital Services Measure

**Public Works Department
Utility Undergrounding
&
Maintenance Enhancements**

Public Works

Utility
Undergrounding
(\$1 Million/year)



PUBLIC WORKS

Utility Undergrounding

- Determining funding contribution to undergrounding of utilities along the City's major evacuation routes and access roads
- Working with Wildfire Mitigation and Fire Safety Council Subcommittee on future allocations



PUBLIC WORKS

“Keepin’ It Clean Laguna”

- 80 additional hours/week of cleaning downtown and PCH sidewalks, year round
- Coast Highway Sidewalk Pressure Washing
- 42 additional hours/week of cleaning Main Beach and Heisler Park restrooms during summer months
- Lead Maintenance Worker assigned to downtown



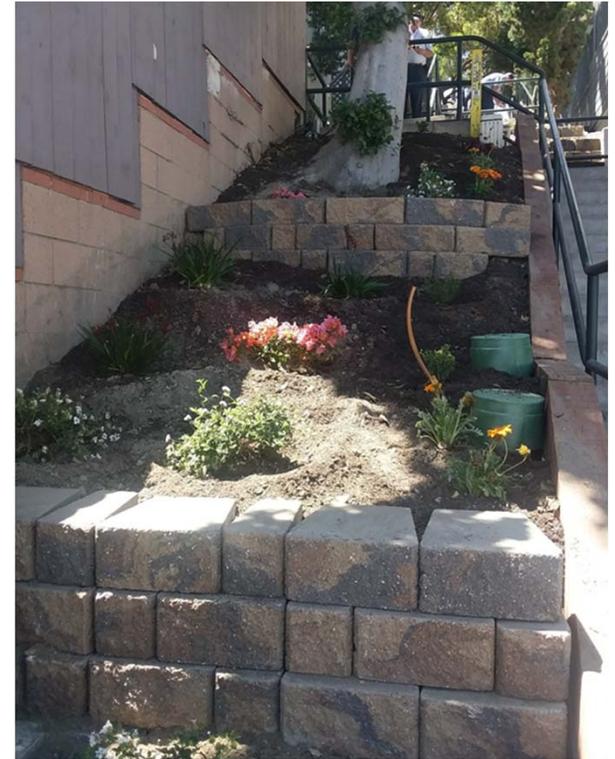
DOWNTOWN ENHANCEMENTS

“Lower Cliff Drive Stairs”

- Installation of irrigation
- New retaining walls
- Painted railings
- Installation of new plants
- Stair cleaning



Before



After

DOWNTOWN ENHANCEMENTS

“Parking Lot 5”

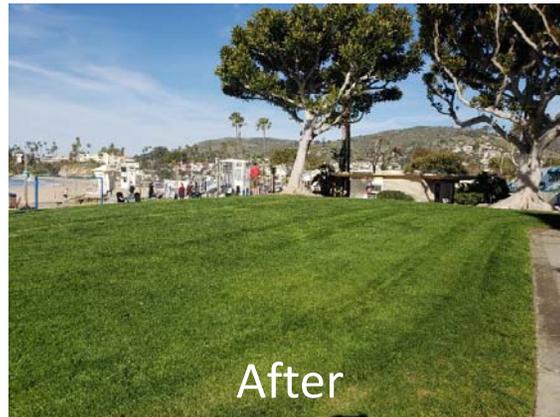
- Irrigation repairs
- Installation of rocks
- Installation of new plants
- Installation of mulch



DOWNTOWN ENHANCEMENTS

“Main Beach Park”

- Irrigation repairs
- Installation of new plants
- Installation of mulch
- Turf seeding
- Trimming of current vegetation



Enhanced Daily Cleaning from 8:00 a.m. to 10:00 p.m.



Improved the cleanliness of public areas

- 80 additional hours/week of cleaning downtown sidewalks, year round
- Coast Highway Sidewalk Pressure Washing
 - Bus and Trolley Stops
 - More frequent cleaning between Ledroit & Broadway and Cleo & 5th Avenue
- Performance Measure: only 1 complaint received



Downtown Sidewalks



Bus and Trolley stops

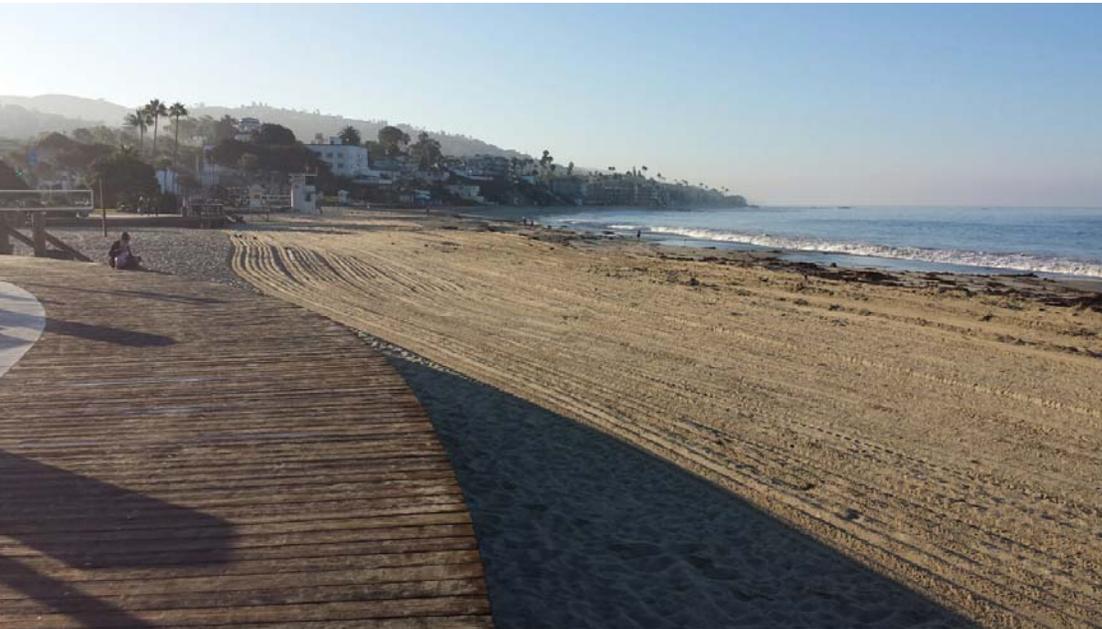


Improved the cleanliness of public restrooms

- Additional 42 hours/week of cleaning Main Beach and Heisler Park restrooms during summer months
- *Performance Measure: No complaints were received from residents or visitors*



Kelp Removal



- Beaches cleaned daily starting in May thru end of September
- *Performance Measure:* Approximately 700 tons of Kelp removed thru mid-September.
- *Performance Measure:* No Complaints from residents or visitors this summer



Attachment S

Water Quality Information



**Department of Water Quality
MEMORANDUM**

Date: September 18, 2017
To: Gavin Curran, Director of Administrative Services
From: David Shissler, Director of Water Quality
Subject: Measure LL Funding – Water Quality Department Public Education Videos

The Water Quality Department has spent approximately \$700 of the Measure LL funding. With that funding equipment and materials have been purchased to generate four short-message videos as the beginning of a much broader campaign of public education.

The focus on the use of Measure LL funding is to educate the public on efforts performed by the City's Water Quality Department that serve to protect, enhance, and monitor the environmental and the community's activities.

The four videos are:

1. Fats, Oils, Grease, Awareness to protect the environment
2. Ocean Water Quality Monitor for the safety of your family
3. Urban Water Diversions installed to capture car washing detergent, oils, and pollution
4. Irrigation Runoff is Prohibited → Help protect the Ocean

These videos have been forwarded for distribution, in rotation, by the City's Social Media Administrator. Production features, production upgrades, and content have been coordinated going forward.

Development of new videos and social media materials are planned in early November.

Thank you

cc: Jason Walker, Senior Operations Supervisor

Attachment T

**Minutes of City Council meetings June 28, 2016; July 26,
2016**

MINUTES
LAGUNA BEACH CITY COUNCIL
ADJOURNED AND REGULAR MEETING
June 28, 2016

An Adjourned and Regular Meeting of the City Council of the City of Laguna Beach was called to order on Tuesday, June 28, 2016, in the City Hall, 505 Forest Avenue, Laguna Beach, California, Mayor Dicterow presiding.

ROLL CALL

PRESENT: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow,
ABSENT: COUNCILMEMBERS: None

Councilmember Bob Whalen led the Pledge of Allegiance.

CLOSED SESSION

Conference with Legal Counsel Regarding Anticipated Litigation (pursuant to Government Code section 54956.9(d)(2)): two items – significant exposure to litigation.

Conference Regarding Real Property Negotiations (pursuant to Government Code section 54956.8): three items – Price and terms of payment for possible purchase of property interests at (1) Bartlett Center (853 Laguna Canyon Road); property owner is Gary Sauter; representative is John Pietig, City Manager; and (2) Art-A-Fair/Tivoli Too (777 Laguna Canyon Road); property owner is Adam & Woolsey, Inc.; City representative is John Pietig, City Manager. In addition, (3) Price and terms of payment for proposed lease amendment regarding Pacific Mammal Marine Center (PMMC) (generally located at 20612 and 20652 Laguna Canyon Road); PMMC (lessee) representative is Keith Matassa; City representative is John Pietig, City Manager.

Conference with Labor Negotiations (pursuant to Government Code section 54957.6): Negotiations with the Laguna Beach Police Employees' Association, Laguna Beach Municipal Employees Association, Laguna Beach Marine Safety Association, Orange County Professional Fire Fighters Association, and Laguna Beach Police & Fire Management Association; City representatives are John Pietig, City Manager, and Peter Brown, Liebert Cassidy Whitmore.

EXTRAORDINARY BUSINESS

Medal of Courage award presented to Firefighter/Paramedic Pat Cary for his extraordinary actions and being involved in a significant rescue operation to save a life.

Fire Chief Jeff LaTendresse commended Firefighter/Paramedic Pat Cary for his bravery, quick action, and ingenuity in effecting a successful rescue of a victim who was in a dire situation ten feet down into a "blow-hole" with tidal surges at a beach in South Laguna. He said his actions prevented further injury and possible death to the victim and prevented the need to place any of his fellow rescuers in harm's way.

Mayor Steve Dicterow placed the Medal of Courage on Firefighter/Paramedic Pat Cary and commended him and all the firefighters for their dedication, hard work and bravery.

PUBLIC COMMUNICATIONS

Dina Sheldon said the Laguna Art Festivals were underway and she was concerned that the artists at the Art-A-Fair were not receiving proper publicity. She urged the City Council to assist in spreading the word and suggested building lockers at the Art-A-Fair for visitors coming from the beach, so they could store their items while patronizing the Art-A-Fair and restaurants.

Agenda Item #12, the Laguna Beach Summer Breeze Free Bus Service was taken out of order and heard at this time.

Robert Ross said he supported increased salaries for firefighters and paramedics and making the City Treasurer position fulltime. He voiced his concerns over the size of buses utilized for the Top of the World City bus service, and he said he would like the bus service reinstated in his area. Ross said he would be contacting Congressman Dana Rohrabacher regarding private versus public streets and the Orange County public pensions system.

Susan Elliott said there were homes in Laguna Beach where the hedges grew too high, creating a tunnel-like, fortress feeling on the streets. She said the City should enact a 10-foot height limit on front yard hedges and she wished all homes would conform to the City's hedge height ordinance.

John Thomas said he was extremely concerned about the increase of rowdy visitors parking in the neighborhoods, flooding the beaches and partying with no regard for the community of South Laguna. He said he would hope the City Manager and the County would increase traffic and beach patrol in South Laguna and offered additional suggestions to control the current situation.

Michele Monda agreed with John Thomas and said she was appalled by the current influx of beachgoers in South Laguna. She said many of the tourists had no regard for the residents of South Laguna and parking was a huge problem and she hoped parking enforcement would increase.

City Manager John Pietig responded to the public comments. He said the trolley program was constantly evolving and he appreciated the feedback from the community. Pietig said the City had received a petition from the neighbors in Mr. Ross' area to reroute the bus service. He added that City staff were addressing any concerns associated with the program. Pietig said he had met with several departments and the County regarding the flood of beachgoers to South Laguna beaches. He said an action plan led by Police Chief Laura Farinella was being developed to combat residents' concerns. Pietig said a meeting took place and the following issues were discussed to help address some of the resident's concerns in South Laguna: They discussed increasing the police presence and the City beach patrol program; they discussed asking the Park Rangers to increase their presence; they added trash containers along Coast Highway picked up by the City and trash containers at the bottom of the stairs picked up by the County, and they were looking to add additional trash containers if needed; and they discussed advising Police staff to be aware of people gathering, making noise, smoking and inappropriate actions. He said he would be signing a letter to the County asking them to consider a smoking ban on beaches.

Chief Jeff LaTendresse gave a brief update on the fire that began at approximately 12:55 pm on Sunday, June 26, 2016, about a half-mile from the Laguna Canyon Road in the Orange County Wilderness Park. He said 47 acres were burned and no homes or structures were threatened. LaTendresse said 240 firefighters responded, three helicopters and two air tankers were involved in quelling the flames. He said the cause of the fire was under investigation and he added that it was suspicious in nature.

COUNCIL AND STAFF REPORTS

City Treasurer Laura Parisi said she represented the City of Laguna Beach on the Revenue and Taxation Committee since 2009, and prior to that she said she held the legislative chair for the California Municipal Treasurer's Committee. She said that this year she was the Chair of the Revenue and Taxation Committee and she had the obligation to appoint someone to the Conference Resolution Committee for the League conference. Parisi said the League's Director of Legislation suggested that she appoint herself. She confirmed with the City Council that she could appoint herself to the Committee and attend the conference in Long Beach, and she said there would be no additional costs.

Councilmember Bob Whalen gave an update on the legislation he was working on getting passed in Sacramento with respect to undergrounding utilities. He said he spent a day last week testifying in Sacramento and he was able to get through two State Assembly committees in the last couple of weeks. Whalen noted that he was hopefully he would get through the final committee in August. He said the Fire Chief had done some analysis on the costs associated with fighting fires caused by downed utility lines which could easily be \$1 million-a-day. He wished his wife a very happy 36-year wedding anniversary.

Councilmember Rob Zur Schmiede said his "tip for Laguna Locals" was to enjoy Zeytoon Café at 412 North Coast Highway. He said the Café was lovely, the food was interesting and the employees were wonderful. Zur Schmiede said he had received an email from JJ Gasparotti, regarding technology that was available in some telephone systems that would allow you to block robocalls. He said Cox Cable did not have the ability to block calls and he wondered whether the City Manager could contact Cox Cable to see if they could offer some type of service to block robocalls. Zur Schmiede said he attended the first meeting of the Environmental Sustainability Committee and they would be working on a work-plan to submit to the City Council for approval. He discussed the San Onofre Nuclear Generating Station (SONGS) Cities group which were working on Federal legislation that would allow temporary storage removal from San Onofre and temporary storage of 1,600 tons of spent nuclear fuel. He said a number of cities had recently signed on to the group, and in order to bolster the Group they were working on meeting with a larger group of cities tentatively scheduled for the month of September. Zur Schmiede said the group was hopeful to get the County of Orange on board to show support.

Mayor Pro Tem Toni Iseman reminded the community about the dangers of West Nile virus and ways to reduce the risks. She said any amount of standing water was enough for mosquitoes to breed. Iseman said she went to Congressman Dana Rohrabacher's office with Councilmember Rob Zur Schmiede, Michele Monda and Senior Administrative Analyst Liz Avila, and they were very persistent in letting staff understand that there had been a change in added airplane traffic and noise. She said

“things can change if you have political clout.” Iseman said she enjoyed the Fete de la Musique orchestrated by the Laguna Beach Sister Cities. She said she also attended the SONGS event in San Juan Capistrano, and she said the committee was filled with experts and the former Chair of the Nuclear Regulatory Commission was there who explained that pressure needed to be placed on Congress to remove the fuel. Iseman discussed the recent fire in the Canyon and said the City must have signage to stop smoking and limit the parking by hours around Alta Laguna. She said ultimately she would like to propose that Laguna Beach be a smoke-free town.

Councilmember Rob Zur Schmiede followed up on the testimony made regarding increased visitors and traffic in South Laguna, and said he would like to make sure the City meet with the group of concerned South Laguna residents.

CONSENT CALENDAR

Moved by Mayor Dicterow seconded by Councilmember Zur Schmiede and carried unanimously 5/0 to approve items 1 – 3, 5- 8 and 10.

1. Approved the Minutes of the Adjourned and Regular Meeting of June 14, 2016.

2. General Warrants	\$ 1,191,295.46	06/17/2016
	\$ 13,240.39	Various
Payroll #25	\$ 1,042,864.52	06/09/2016
Total	\$ 2,247,400.37	

3. Rejected Claim #16-31 filed by Attorney Brian P. Trela on behalf of Claimant Adam Arredondo.

4. AWARD OF CONTRACT FOR CONSTRUCTION OF TOP OF THE WORLD TRAIL

Councilmember Bob Whalen pulled this item. He thanked staff and confirmed that the start of the project was contingent upon a permit from the County of Orange.

Project Director Wade Brown said the easement documents were being reviewed by both the County of Orange and the City Attorney. He added that staff were scheduling a meeting with the Board of Supervisors.

Public Testimony: Attorney Larry Nokes said he supported the trail; however, he said he was concerned about parking and traffic issues for Old Top of The World Drive residents.

Moved by Mayor Dicterow seconded by Councilmember Whalen and carried unanimously 5/0 to:

- 1) Appropriate \$260,989 from the unappropriated Capital Improvement Fund balance for the Top of the World Trail project;
- 2) Award **Contract #16-42** in the amount of \$514,989 to Excel Paving Company for the construction of the Top of the World Trail with a condition that the City Manager shall not sign the contract until the easement and permit from the County of Orange is obtained; and
- 3) Authorize the City Manager to approve construction related expenses and construction change orders for unforeseen circumstances for a total amount not to exceed \$90,000.

5. Awarded and authorized the City Manager to execute **Contract #16-43** in the amount of \$241,715 to Anderson Penna Partners for construction management, inspection and materials testing services for Assessment District 09-1 (Coast Royal).
6. Approved a request from Firefighter Brian Adams for an extended leave of absence effective June 26, 2016, and ending October 26, 2016.
7. Accepted the estate donation to the Laguna Beach Animal Shelter from the estate of Harry and Louise Smith in the amount of \$50,000; and request that the Mayor send a letter of appreciation to the trustee.
8. Authorized the City Manager to enter into a two-year agreement and extend **Contract #14-78** with the City of Laguna Woods for the provision of animal control and shelter services from July 1, 2016, to June 30, 2018.

9. CAMERA EXPANSION CONTRACT

Councilmember Bob Whalen pulled this item and asked for the proposed locations of the cameras.

Police Captain Jason Kravetz said currently the Police Department operated 13 cameras mainly in the downtown area. He said the proposed 10 additional cameras would be primarily located south of downtown. He said the installation of cameras throughout Laguna Beach was the concept of the City Council and it had been a huge success. Kravetz added that the camera system had its own secure network.

Moved by Councilmember Whalen seconded by Mayor Dicterow and carried unanimously 5/0 to awarded **Contract #16-44** in the amount of \$53,400 to Pro-911 Systems for the purchase and installation of ten cameras; and authorized the City Manager to sign and approve contract documents, installation related expenses, and change orders for unforeseen circumstances, for a total not to exceed \$10,000.

10.
 - 1) Authorized the City Manager to extend Service Provider **Agreement #09-50** with the Friendship Shelter, Inc. through June 30, 2017, increasing compensation as listed in the agenda bill;
 - 2) Authorized the City Manager to extend the Van Services Agreement with the Friendship Shelter Inc. through June 30, 2017, under the current terms; and
 - 3) Authorized the City Manager to extend the Service Provider and Van Service Agreements for one additional year through June 30, 2018, under their respective terms, upon mutual agreement of the City and Friendship Shelter, Inc.
11. RESOLUTIONS AND APPROPRIATIONS RELATED TO SALE OF BONDS FOR UNDERGROUND UTILITY ASSESSMENT DISTRICT 13-6 (SUMMIT DRIVE)

This item was removed by the City Manager.

REGULAR ORDER OF BUSINESS

12. LAGUNA BEACH SUMMER BREEZE FREE BUS SERVICE Proposed pilot bus service from the Irvine Company parking lot between July 9, and August 28.

Staff Report: City Manager John Pietig recognized City Manager/Director of Public Works Shohreh Dupuis, City staff, Orange County Transportation Authority (OCTA), Councilmember Whalen and Supervisor Lisa Bartlett and her staff for developing the pilot program within a short time period.

Assistant City Manager/Director of Public Works Shohreh Dupuis gave a PowerPoint presentation and she said the City was testing a pilot program called The Summer Breeze Bus Service. She said the route would run Saturdays and Sundays from a peripheral parking lot near the SR-133 and I-405 interchange which would entail free parking and bus service into town July 9 to August 28, 11:00 am to midnight every 30 minutes. Dupuis said the estimated cost of the pilot program would be \$85,000.

City Manager John Pietig said he would also like to thank artist Bill Atkins who donated his artwork for the pilot program.

Mayor Pro Tem Toni Iseman confirmed that the program would operate OCTA buses decorated with the Bill Atkins' artwork.

Supervisor Lisa Bartlett said a discussion took place a few weeks back regarding how to allow more visitors to Laguna without impacting traffic. She said that pulling together this program in less than two weeks was "nothing short of a miracle." Supervisor Bartlett said it had been a collaborative effort between herself and her staff, the Laguna Beach City Council and staff, the Irvine Company and OCTA. She said she believed it would be a great addition to Laguna's already successful transit system. Supervisor Bartlett said she had additional ideas for long-term peripheral parking lot arrangements.

Mayor Steve Dicterow thanked Supervisor Lisa Bartlett for her support and willingness to meet and to take on issues concerning Laguna Beach.

Supervisor Lisa Bartlett said it was an honor to work with the Laguna Beach City Councilmembers and City staff.

Public Testimony: Billy Fried said it was a great idea and a huge way to mitigate the traffic issues. He said it was important to get the word out about the program so it could be tested properly.

Staff/Councilmember Comments: Assistant City Manager/Director of Public Works Shohreh Dupuis said OCTA would be sending out 5,000 brochures to neighboring cities and would be utilizing their media channels. She said a joint press release was going out, a budget of \$3,000 had been set aside for online advertisements and information would be on the City website. Dupuis said the City would also be utilizing its social media which included Facebook, Twitter and Instagram.

City Manager John Pietig asked about site signage.

Assistant City Manager/Director of Public Works Shohreh Dupuis said they were working with the Irvine Company regarding the signage. She said the brochure coverage page would be utilized as signage, there would be directional signs leading to the parking lot and banners would be placed at the site.

City Manager John Pietig pointed out that the Assistant City Manager/Director of Public Works Shohreh Dupuis had worked diligently to ensure the shuttle was free of charge.

Mayor Steve Dicterow said he believed ridership might be lower than expected because there had been less time to market the program. He said that this year the program would be an exercise in logistics.

Councilmember Rob Zur Schmiede confirmed that initially there would be 100 parking spaces with the opportunity to easily expand if needed.

Mayor Pro Tem Toni Iseman asked about the route the Summer Breeze would take.

Assistant City Manager/Director of Public Works Shohreh Dupuis said the bus route would make a loop beginning at the R-133/I-405 parking lot and continue along Laguna Canyon Road with stops at the Sawdust Festival, Pageant of the Masters, Art-A-Fair, the Laguna Playhouse and the Laguna Beach Bus Station, where the Summer Breeze Bus would meet the free Laguna Beach Trolley.

Moved by Councilmember Boyd seconded by Councilmember Zur Schmiede and carried unanimously 5/0 to:

1. Appropriate \$85,000 from the unappropriated Transportation and Infrastructure fund balance for the Laguna Beach Summer Breeze Pilot Bus Service;
2. Authorize the City Manager to negotiate and finalize the Entry Permit with the Irvine Company for an amount not-to-exceed \$10,000;
3. Authorize the City Manager to negotiate and finalize a cooperative agreement with Orange County Transit Authority for the cost of operating the service for an amount not-to-exceed \$55,000;
4. Authorize the City Manager to approve the purchase of fares and other marketing costs for an amount not-to-exceed \$20,000; and
5. Authorize the City Manager to accept the artwork from Bill Atkins.

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 Dicterow and Councilmember Rob Zur Schmiede as a subcommittee;
11. Moved by Mayor Pro Tem Iseman seconded by Mayor Dicterow and carried 4/1 to authorize 5% exceptional performance for the City Treasurer.

Roll Call:

Ayes: Whalen, Zur Schmiede, Iseman, Dicterow

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.

Questions of the Staff: Councilmember Rob Zur Schmiede asked about the State initiative and how it would affect the City's existing rules.

Chief of Police Laura Farinella said the State initiative would allow the recreational use of marijuana; similar to how alcohol was being managed. She said cities would maintain local controls.

Councilmember Bob Whalen confirmed that staff believed the better approach would be not to place a competing measure on the ballot, but to allow the current voter initiative go on the ballot solo to see if the community would support or not support it.

Chief of Police Laura Farinella explained that the risk the City would run was if the voter initiative was approved as it was written, which was not a suitable fit for Laguna Beach, any changes going forward would need to go through the voters. She said that if the City was not willing to take that risk, staff could draft an ordinance which would do away with the current ban and incorporate the City guidelines that met the community's needs outside of the voter process.

Councilmember Rob Zur Schmiede asked if the ordinance would be prepared prior to the November election.

Chief of Police Laura Farinella answered that yes it would need to be considered. She said her biggest concern was the voter initiative being voted in and she believed it would be problematic for the City of Laguna Beach. Farinella said the only way to amend the initiative at that point would be through another initiative.

Councilmember Rob Zur Schmiede confirmed with the City Attorney that the City could not advocate the measure one way or the other.

City Attorney Phil Kohn said the City could take a position without advocating for or against the measure by distributing question and answer factual materials.

Councilmember Bob Whalen confirmed with the City Attorney that a resolution could be adopted in opposition to the voter initiative and that an argument in opposition could be placed on the ballot as well.

Councilmember Kelly Boyd said he would like to see a draft of the ordinance in opposition to the voter initiative.

Councilmember Bob Whalen addressed FM3 President, John Fairbanks regarding the process.

FM3 Principle, John Fairbanks said the statewide measure would pass; however, he said the control would still be left in the cities' hands and he gave the example of the City of Riverside and the importance of public education. He said he believed a competing measure would be confusing.

Public Testimony: Matt Lawson said he was against the legalization of any uses of marijuana and he favored a competing measure supporting the ban.

Billy Fried said that cannabis was a medicine and there needed to be a sensible competing measure on the ballot. He said he did not want to vote for a monopoly of the dispensaries that the current voter initiative was proposing. Fried said it was important to bring forward a measure that benefited the community of Laguna Beach.

Derek Worden, owner South Coast Safe Access, a medical marijuana dispensary in Santa Ana, said marijuana had medicinal value and he gave suggestions and offered his expertise. He said the City Council needed to look at placing a competitive measure on the November ballot.

Eric Chang, medical marijuana consultant, commended the Laguna Beach Police Department for their thorough research, presentation of the facts and being able to remain objective during the process. He said there was a demand from the residents; however, he said the voter initiative did not give the City control. Chang said education was important and he supported a competing measure on the ballot. He said if there were not an option, then it was vital that an ordinance was enacted quickly.

Rick Eiden, Executive Vice President United Food and Commercial Food Workers, representing 20,000 Orange County workers in the retail food and drug industry, said he supported creating an initiative that made sense for the City of Laguna Beach.

Mayor Pro Tem Toni Iseman confirmed there were no legal medical marijuana dispensaries in South Orange County and she was concerned about Laguna Beach operating the sole South County dispensary.

Rick Eiden said adjustments could be included in the City-written initiative to deal with this issue and caregiver delivery systems were more dangerous than storefront establishments.

Charis B., The Medicine Woman, discussed the medicinal advantages of cannabis and said it was important that the City take control to create its own initiative.

Chris Prelitz, Transition Laguna Beach, said there were two kind of dispensaries, compassionate caregiver dispensaries and others concerned with "getting people high." He said it was important to write an alternative measure that would protect the City from the later dispensaries. Prelitz said he was concerned there would be a high likelihood of the bad initiative passing if there were not an alternative one on the ballot.

Cecilia McDarnott spoke about the compassionate caregiver dispensaries and gave her personal experience.

Councilmember Comments: Mayor Pro Tem Toni Iseman confirmed with the Chief of Police that other cities had been presented a voter initiative and that the bans would be superseded by the measure.

City Manager John Pietig said the recent survey indicated that the community was split in its stance on medical marijuana dispensaries in town. He said adopting an ordinance was less confusing and if an ordinance were passed, it could be modified in the future.

Councilmember Kelly Boyd said he believed the additional measure could be too confusing and he supported the Police Chief and her staff's recommendation to draft a new ordinance.

Mayor Pro Tem Toni Iseman asked FM3 Principle John Fairbanks about his opinion regarding the different measures on the ballot.

Fairbanks said it would be confusing and a discussion followed.

City Manager John Pietig said if the City Council believed the voter initiative could pass, then the City Council should direct staff to: one, place a competing measure on the ballot; or two, draft a new ordinance. He said if the City Council supported a complete ban on medical marijuana dispensaries then they should work to oppose the voter initiative.

Chief of Police Laura Farinella said she agreed with City Manager.

Councilmember Rob Zur Schmiede said he was concerned about a competing initiative on the ballot.

Councilmember Bob Whalen said it was a strategic decision. He said that that City Council was unanimous in that they did not want the current voter initiative to pass. Whalen said if it did not pass, then there were a couple of "forks in the road" and he listed the different options.

Mayor Pro Tem Toni Iseman said she believed a competitive initiative should go on the ballot and the topic would be a huge land-use issue.

Councilmember Rob Zur Schmiede said he did not believe a great ordinance could be formed in such a short time frame. He stated the normal process to establish an ordinance.

City Manager John Pietig said a measure could be drafted that would include a provision that would allow the City Council by a majority vote to make amendments.

Councilmember Rob Zur Schmiede said he would support instructing the staff to present a ballot initiative by July 26, which would incorporate the ability to be modified after it was adopted.

City Manager John Pietig said the City Attorney and the Police Chief had an outline and they could prepare something to be considered along with a resolution opposing the current voter initiative on July 26.

Councilmember Bob Whalen said he would like to submit an opposing argument against the voter initiative for the ballot.

Moved by Mayor Pro Tem Iseman seconded by Councilmember Boyd and carried unanimously 4/0 to:

Direct the City Manager, Police Chief and City Attorney to prepare a competing City Council-referred ballot measure proposing an ordinance regarding medical marijuana dispensaries as an alternative to the citizen-sponsored initiative measure, which City Council-referred ballot measure shall incorporate a provision allowing the City Council by majority vote to modify the ordinance (if adopted) without the need for voter approval, and which shall be presented to the City Council on July 26, 2016, at which time the City Council will decide whether or not to place a competing measure on the November general election ballot; and also direct the City Manager, Police Chief and City Attorney to prepare, and present to the City Council on July 26, 2016, a proposed resolution stating the City Council's opposition to the citizen-sponsored initiative measure.

PUBLIC HEARINGS FOR APPEALS

16. APPEAL OF APPROVAL OF DESIGN REVIEW 15-0824, VARIANCE 15-0825 AND A CATEGORICAL EXEMPTION AT 2510 GLENNEYRE STREET Proposed modifications to a prior approval in the R-1 zone.

Staff Report: Zoning Administrator Nancy Csira said the Design Review Board (DRB) approved the variance because they believed the owner had done enough to reduce the size of the project and neighborhood compatibility had been established. She said even though staff was not recommending approval of the variance, the DRB believed the variance encroachments were minor and matched the existing roof.

Councilmember Rob Zur Schmiede confirmed with the Director of Community Development that the DRB did not clearly articulate their findings.

Testimony in Support of the Appeal: Barry Ross, representing the appellants at 2492 Glenneyre, said they opposed the variance because there was no need for it. He read minutes from the DRB hearing where staff were unable to support the variance.

Mayor Steve Dicterow asked how the appellants were impacted by the approved design.

Barry Ross said proposed design extended the house and did not conform to the neighborhood. He said his client would be boxed in and their view would be slightly impaired.

Testimony in Opposition to the Appeal: Steve Kawaratani, representing the owner, said the variance had been approved because the design was neighborhood compatible. He said any massing had been reduced and the encroachments were minor. Kawaratani said that beyond the required findings there was a human consideration that livability and aesthetics were real justifications. He said there was no error or view blockage and that the DRB carefully considered the appellant's allegations and believed they were false.

Hugo Soria, architect representing the owners, said the changes were minor and were in place to eliminate massing.

Mayor Pro Tem Toni Iseman confirmed that the only way to build a deck was to obtain the variance.

Mark Sommerfield said he supported the denial of the appeal.

Linh Schaeffer, owner of the property, said the house was small and she had hoped to build a larger deck and home.

Rebuttal: Barry Ross said the encroachments were not minor. He said the house could be enlarged without any variance.

Councilmember Comments: Councilmember Bob Whalen referred to the September 15 staff report and asked if any of the four findings could be made.

Zoning Administrator Nancy Csira said that staff believed the variances were design driven.

Mayor Steve Dicterow suggested remanding the project to the DRB to put their findings in writing, and if they could not make the findings, work with the applicant for a redesign.

Councilmember Kelly Boyd said he would like to see the owner work with the DRB to get rid of the variance. He said he was concerned that staff did not support the DRB and the DRB needed to list the findings.

Councilmember Rob Zur Schmiede said that designers needed to work harder to achieve better designs. He said in order to grant a variance, there needed to be a hardship demonstrated.

Mayor Pro Tem Toni Iseman agreed.

Mayor Steve Dicterow said he was confused as to why the DRB did not articulate its findings.

Director of Community Development Greg Pfof said listing findings was a vital element to the DRB process. He said variances had to be justified.

City Manager John Pietig led a discussion about the City Council sustaining the DRB's decision with the exception that the deck and the "eyebrow" of the roof be pulled in.

Moved by Councilmember Zur Schmiede seconded by Mayor Dicterow and carried unanimously 5/0 to grant the appeal, overturn the Design Review Board's decision and remand the project to the Board with instruction to eliminate the requested variance with no increase in square-footage.

17. DENIED THE APPEAL OF APPROVAL OF DESIGN REVIEW 15-2587 AND A CATEGORICAL EXEMPTION AT 331 LEDROIT STREET Proposal to construct a 205 square-foot elevated deck addition to a single-family dwelling in the R-1 zone.

Mayor's Overview: Mayor Steve Dicterow said he believed the DRB did their job well on this item. He said there was substantial evidence for the decision and there was no sustainable allegation of abuse of discretion.

Testimony in Support of the Appeal: Appellant and owner of 339 Ledroit Street, David Mercer said at no time in the design process did the applicant approach them and discuss what issues they had with the deck. He said there was misleading information.

Testimony in Opposition of the Appeal: Julie Laughton, designer representing the owner, said the next door neighbor had 180 degree ocean view from his deck and the deck would not be obstructing any view.

Adele Sender, owner of 331 Ledroit Street said they did speak with Mrs. Mercer and stakes had been up to indicate where the deck would be built.

Rebuttal: David Mercer said there were not any extensive discussions and he had not seen any plans for any alternative designs.

Councilmember Comments: Mayor Steve Dicterow asked if there had been any violations of the DRB procedures.

Zoning Administrator Nancy Csira said there was a requirement that the DRB review any issues; however, she said Mr. Mercer did not contact the DRB.

Councilmember Kelly Boyd said he visited the appellant's home and looked into the appellant's concerns. He said he did not believe there were view equity issues and he would be denying the appeal.

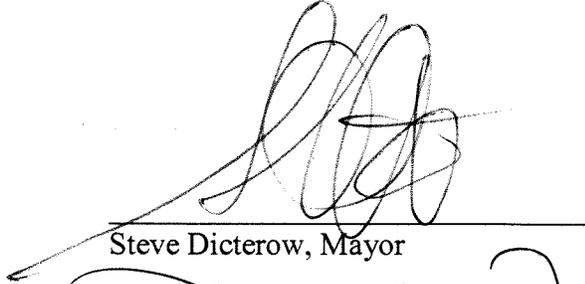
Councilmember Rob Zur Schmiede said the DRB did everything correct and there was nothing to overturn and he would also be denying the appeal.

Moved by Mayor Dicterow seconded by Councilmember Boyd and carried unanimously 5/0 to deny the appeal and sustain the Design Review Board's approval of Design Review 15-2587 and a Categorical Exemption at 331 Ledroit Street.

ADJOURNMENT

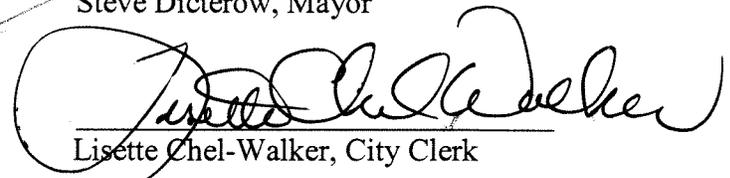
There being no further business, Mayor Dicterow at 11:56 p.m. on Tuesday, June 28, 2016, adjourned to a Closed Session at 5:00 p.m. and a Regular Meeting at 6:00 p.m., Tuesday, July 12, 2016, at City Hall, 505 Forest Avenue, Laguna Beach, California.

Approved July 12, 2016.



A handwritten signature in black ink, appearing to read 'S. Dicterow', written over a horizontal line.

Steve Dicterow, Mayor



A handwritten signature in black ink, appearing to read 'Lisette Chel-Walker', written over a horizontal line.

Lisette Chel-Walker, City Clerk

NOTICE OF ADJOURNMENT OF CITY COUNCIL MEETING
(GOVERNMENT CODE SECTION 54995)

EXCERPT OF THE MINUTES OF THE ADJOURNED AND REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH

June 28, 2016

An adjourned and regular meeting of the City Council of the City of Laguna Beach was held at 6:00 p.m. on Tuesday, June 28, 2016, in the City Council Chambers, 505 Forest Avenue, Laguna Beach, California.

PRESENT: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow

ABSENT: COUNCILMEMBERS: None

ADJOURNMENT

There being no further business, Mayor Dicterow at 11:56 p.m., Tuesday, June 28, 2016, adjourned to the Closed Session, and Regular City Council Meeting on Tuesday, July 12, 2016, at 5:00 p.m., at the City Hall at 505 Forest Avenue, Laguna Beach, California.

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

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing is a full, true, and correct copy of the Minute entry on record in my office. IN WITNESS WHEREOF, I hereunto set my hand and affix the official seal of the City of Laguna Beach, California, on this 29th day of June 2016.



City Clerk of the City of Laguna Beach California

CERTIFICATE OF POSTING
NOTICE OF ADJOURNMENT

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, DO CERTIFY that at the adjourned and regular meeting of the City Council held on Tuesday, June 28, 2016, said meeting was ordered adjourned to the time and place specified in the notice of adjournment, ATTACHED HERETO; and that on June 29, 2016, at the hour of 8:00 a.m. a copy of the Notice was posted at a conspicuous place on or near the door of the place at which said meeting of the City Council was held.


City Clerk of the City of Laguna Beach, California

MINUTES
LAGUNA BEACH CITY COUNCIL
ADJOURNED AND REGULAR MEETING
July 26, 2016

An Adjourned and Regular Meeting of the City Council of the City of Laguna Beach was called to order on Tuesday, July 26, 2016, in the City Hall, 505 Forest Avenue, Laguna Beach, California, Mayor Dicterow presiding.

ROLL CALL

PRESENT: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow,
ABSENT: COUNCILMEMBERS: None

Mayor Pro Tem Toni Iseman led the Pledge of Allegiance.

Pursuant to Government Code section 54954.2, the City Council voted unanimously to add an item to its closed session agenda – to confer with its legal counsel in accordance with Government Code section 54956.9(d)(2) on one item of anticipated litigation, that being the sewer backup damage claim at 2385 Hillview Drive – on the basis that there is a need to take action and the need to take action arose subsequent to the posting of the agenda.

Mayor Dicterow disclosed that he has a potential conflict of interest relating to closed session items 1, 3(3), and 3(4) due to a possible financial interest in the subject matter, and therefore will recuse himself from all discussions relating to those items. Mayor Dicterow was not present at the portion of the closed session relating to the items.

CLOSED SESSION

Conference with Legal Counsel Regarding Anticipated Litigation (pursuant to Government Code section 54956.9(d)(2)): 1 item – significant exposure to litigation.

Conference with Legal Counsel Regarding Existing Litigation (pursuant to Government Code section 54956.9(d)(1)): one item – Song v. City of Laguna Beach (Orange County Superior Court, Case No. 30-2015-00814932).

Conference Regarding Real Property Negotiations (pursuant to Government Code section 54956.8): four items – Price and terms of payment for possible purchase of property interest at (1) 113 Canyon Acres Drive; property representative is Keri Kern Barriga; City representative is John Pietig, City Manager; (2) 363 Third Street; property representatives are Ed Sauls and El Hathaway; City representative is John Pietig; (3) 853 Laguna Canyon Road; property representative is Gary Sauter; City representative is John Pietig; and (4) 777 Laguna Canyon Road; property representative is Adam & Woolsey, Inc.; City representative is John Pietig.

Conference with Labor Negotiations (pursuant to Government Code section 54957.6): Negotiations with the Laguna Beach Police Employees' Association, Laguna Beach Marine Safety Association, and Orange County Professional Fire Fighters Association; City representatives are John Pietig, City Manager, and Peter Brown, Liebert Cassidy Whitmore.

PUBLIC COMMUNICATIONS

John Thomas listed several statistics and voiced his concerns regarding short-term lodging (STL). He said he did not see how the City Council would be able to allow STL in residential zones, which if allowed, would be inconsistent with the City's General Plan.

Karen Dennis said she attended the two Subcommittee meetings regarding STL and she urged the City Council to listen to the majority and not allow short-term rentals in residential areas. She explained her negative experiences with short-term rental neighbors, and she said it would be difficult for the City to enforce short-term rentals. Dennis said short-term rentals should only be allowed in commercial areas.

Bruce Hopping discussed his proposal for a sand castle contest, and he said the Laguna Beach Chamber of Commerce were supportive of the idea. He said he had made the following three proposals several times: 1) The Art's Commission should run the Young Artist Community Service; 2) Request for a Brook Street sculpture contest; and 3) Thalia Street memorial dedicated to children who lost their lives while in school. Hopping said the drinking fountain outside the City Council Chambers was broken.

Michele Monda said that yesterday she attended the Newport Beach City Council/Citizen Aviation Committee meeting regarding airplane traffic, pollution and noise and she underscored how seriously Newport Beach was regarding the issue. She said the City of Laguna Beach should 1) Mayor Pro Tem Iseman and Councilmember Zur Schmiede should meet with Tony Petros so Laguna Beach and Newport Beach could work together on the issue; and 2) NOISE should help the City develop a plan to get John Wayne Airport to advocate for the City. Monda noted that a representative from John Wayne Airport said the Federal Aviation Administration (FAA) would be handling issues regarding airplane traffic and noise. She explained that NOISE was an organization that helped communities deal with or fight the FAA.

Councilmember Zur Schmiede agreed to meet with Tony Petros.

Dan Bassett discussed the dangers of the massive utility poles on Thalia Street. He said the residents who lived under and near the Thalia Street poles were subjected to safety, blight and home devaluation issues. Bassett said safety was the most important issue and thousands of residents relied on Thalia Street to evacuate the hillside. He said residents on and near Thalia Street would like the City to investigate and plan for undergrounding the utility lines, and he said the project should be undertaken with no assessments from residents living directly below the poles.

Neal West and Jeffrey Clark, residents of the Calliope Villas, said they were concerned that the residents of the Villas were now required to pay for flood insurance which cost \$25,000 a year which increased their homeowner fees by approximately \$1,500 per unit. They said part of the issue was that the City no longer maintained the storm sewer which was currently blocked on both the ocean side and the Glenneyre Street side. They asked for the City's assistance to maintain the 84-inch storm drain which would help alleviate the flood insurance requirement.

COUNCIL AND STAFF REPORTS

City Treasurer Laura Parisi said that last night she participated in a meeting and sat on a panel and provided an educational presentation called "Municipal Bond Basics." She noted that she would provide a copy of the presentation on the City's website under City Treasurer.

Councilmember Bob Whalen said he enjoyed the Woman's Club event which honored Anne Johnson as Woman of the Year. He thanked Mayor Pro Tem Toni Iseman for orchestrating the event.

Councilmember Kelly Boyd said he also enjoyed the Woman of the Year event.

City Manager John Pietig announced that there would be a community workshop Wednesday, July 27, between 6:00 p.m. and 8:00 p.m., at the Laguna Beach Community and Senior Center regarding the Laguna Canyon Planning Study.

Councilmember Rob Zur Schmiede said "ditto" on the Woman of the Year event which was wonderful. He said he attended another Environmental Sustainability Committee meeting last week, and he said the Committee was making progress on their work plan which they were planning to present to the City Council in the near future.

Mayor Pro Tem Toni Iseman said Vector Control continued to be busy with the West Nile Virus and Zika Virus. She reminded the community that standing water was the biggest problem, and she said if a dead bird was found, to not touch it and to call Vector Control who would pick up the dead bird within 24 hours. Iseman said that this year the Pageant of the Masters was the best Pageant she had ever seen. She brought up the issue regarding the huge utility poles on Thalia Street, and she said years ago she used to meet with the previous City Manager Ken Frank to discuss undergrounding the utilities. Iseman said she expressed to Frank that undergrounding the utilities around major arterials should be the City's responsibility. She said she was not aware of the issue regarding maintaining the storm sewer brought up by the Calliope Villa residents and she asked the City Manager to look into the issue. Iseman mentioned a situation where a friend of hers received attitude and aggression from south Laguna visitors while at 9th Street beach, and she said she appreciated the work of the Police Department and City Manager to address the increase of visitors to south Laguna beaches. She said that although the City was aware of the problem, she encouraged the community to report any future issues whether they were positive or negative.

CONSENT CALENDAR

Moved by Mayor Dicterow seconded by Councilmember Boyd and carried unanimously 5/0 to approve items 1 – 3, 5, 6, and 8 – 12.

1. Approved the Minutes of the Adjourned and Regular Meeting of July 12, 2016.

- | | | | |
|----|------------------|-----------------|------------|
| 2. | General Warrants | \$ 9,694.82 | Various |
| | | \$ 2,668,237.16 | 07/01/2016 |
| | | \$ 7,986.42 | 07/06/2016 |
| | | \$ 1,020,841.39 | 07/15/2016 |
| | Payroll #1 | \$ 1,222,984.36 | 07/07/2016 |
| | Total | \$ 4,929,744.15 | |
3. Rejected Claim #16-29 filed by Gary Friedrich; Claim #16-34 filed by Douglas Chesley on June 30, 2016; Claim #16-35 filed by Lorraine Voitovich; Claim #16-36 filed by Robert Hagopian; and Claim #16-37 filed by Marvin Smith.
4. COMMENTS ON CALIFORNIA STATE LAND COMMISSION DRAFT ENVIRONMENTAL IMPACT REPORT ON THE DECOMMISSIONING OF THE SAN ONOFRE NUCLEAR GENERATING STATION

Mayor Pro Tem Toni Iseman pulled the item and said she was concerned that although the power plant was no longer in use, there continued to be many health and safety risks associated with the nuclear power plant. Iseman said she hoped that residents would interject on the Environmental Impact Report (EIR.) She asked staff about the procedure for drafting the EIR.

City Manager John Pietig said staff would be reaching out to various attorneys and experts in the field, and he added that this initial filing related to the scoping for the EIR and would differ from the expert that would be brought in to review the draft EIR. Pietig said comments needed to be submitted by August 12, 2016.

Councilmember Rob Zur Schmiede said they were reaching out to the members of the Coastal City Coalition (CCC) to see if they would be willing to contribute to the costs of this effort. He said the CCC was planning on meeting in September to continue discussions about the efforts to have the nuclear fuel moved from San Onofre to another site.

Public Testimony: Barbara Metzger thanked the City Council and Laguna Beach community for taking the issue serious and she supported the item.

Moved by Mayor Dictrow seconded by Councilmember Boyd and carried unanimously 5/0 to authorize the appropriation of \$15,000 from the General Fund balance for costs associated with addressing the Draft Environmental Impact Report response for the decommissioning of the San Onofre Nuclear Generating Station; authorize the City Manager to engage professional consulting services to provide expert recommendations for comments; and authorize the City Manager to contact the Concerned Coastal City Coalition about sharing costs of the professional consulting services.

5. Authorized the City Manager, the Assistant City Manager, and the Director of Finance and Information Technology to execute any and all documents necessary to complete the sale of 1044 Noria under the City's Essential Employee Housing Assistance Program.
6. 1) Awarded and authorized the City Manager to execute **Contract #16-50** in the amount of \$1,043,229 to Pavement Coatings for construction of the 2016 Street Slurry Seal and Rehabilitation project; 2) Awarded and authorized the City Manager to execute **Contract #16-51** in the amount of \$67,020 to Caltrop for construction management and inspection services for the project; and; 3) Authorized the City Manager to approve construction-related expenses and construction change orders for unforeseen conditions for a total amount not-to-exceed \$125,000.
7. AWARD OF CONTRACT FOR INSPECTION AND PREPARATION OF PROJECT REPORT FOR IMPROVEMENTS TO LAGUNA CANYON CHANNEL FROM BEACH STREET TO THE OCEAN OUTLET.

Councilmember Bob Whalen pulled this item and said he was concerned the channel improvement project had been altered greatly from its initial intent because of construction impacts. He said he wanted to ensure there would be several options to evaluate in the future.

City Manager John Pietig assured Councilmember Whalen that staff would review the full range of options and would present them to the City Council at a future meeting.

Moved by Councilmember Whalen seconded by Councilmember Boyd and carried unanimously 5/0 to: 1) Awarded and authorized the City Manager to execute **Contract #16-52** in the amount of \$188,520 to Dudek for professional engineering services for the Laguna Canyon Channel Improvement Project from the ocean outlet to Beach Street; and authorize the City Manager to approve change orders up to \$19,000 for additional items of work that may be required during project development.

8. Approved the purchase of 13 replacement Tasers at a cost of \$14,849.
9. Adopted **Resolution No. 16.052** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, RATIFYING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE LAGUNA BEACH MARINE SAFETY ASSOCIATION"; and authorized the City Manager to modify the budget for FY 2016-17 to reflect the MOU modifications. (MOU Contract #16-53)

10. Authorized the City Manager to enter into **Agreement #16-54** with the County of Orange to coordinate and create a written plan for Point of Dispensing Site Services to the City through June 30, 2018, to provide public citizens with medications, supplies, equipment, and/or other resources in the event of an emergency.

11.
 - (1) Awarded and authorized the City Manager to execute **Contract # 16-55** with Wright Construction Engineering in the amount of \$298,464 for construction of the Milligan Drive Bridge Improvements project;

 - (2) Awarded and authorized the City Manager to execute **Contract #16-56** with Southwest Inspection and Testing in the amount of \$34,553 for material testing and specialty inspection services for the project;

 - (3) Authorized the City Manager to amend **Contract #14-17** with AndersonPenna Partners, in the amount of \$12,458, for construction engineering services as needed for the project;

 - (4) Approved and authorized the City Manager to execute **Lease Agreement #16-57 / Lease #39** between "PHILLIPS" and the City for the use of 113 Canyon Acres Drive during construction for an estimated lease duration of four months, with two, optional one-month extensions in the amount of \$6,000 per month; and

 - (5) Authorized the City Manager to approve expenditures for project-related costs and construction change orders for unforeseen circumstances within a total amount not-to-exceed \$446,475.

12.
 - (1) Adopted **Resolution No. 16.053** 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 ELECTION OF CERTAIN OFFICERS, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES" calling and giving notice of the election to elect two members of the City Council, a City Clerk, and a City Treasurer; and

 - (2) Adopted **Resolution No. 16.054** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, ADOPTING REGULATIONS FOR CANDIDATES FOR ELECTIVE OFFICE PERTAINING TO CANDIDATES' STATEMENTS SUBMITTED TO THE VOTERS AT AN ELECTION TO BE HELD ON TUESDAY NOVEMBER 8, 2016."

Heard Agenda Item #13 after Item #25

13. ADOPTED RESOLUTION NO. 16.055 CALLING A GENERAL MUNICIPAL ELECTION ON NOVEMBER 8, 2016, TO SUBMIT A VOTER-SPONSORED INITIATIVE MEASURE REGARDING MEDICAL MARIJUANA DISPENSARIES

Mayor Dicterow 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.

City Manager John Pietig pulled this item because of a modification to the proposed language for the ballot question. He said a revision was appropriate and he had a draft for the City Council's review. Pietig stated his reasons for the addition and clarified that the modification would not change the measure. He added that a City Council subcommittee would need to be appointed to work with staff to prepare proposed ballot arguments.

Councilmember Kelly Boyd said he would like to appoint Councilmembers Rob Zur Schmiede and Bob Whalen to the subcommittee.

Public Testimony: Charnel James, attorney representing constituents for the voter-sponsored initiative, said the wording for the voter-initiative should be more specific; similar to the counter measure. She said the language was not clear and would confuse the voters.

Debbie Tharp, representing the voter-initiative, added that they would be happy to submit their additions/modifications to staff.

City Manager John Pietig said this item could be continued to later in the meeting so the City Attorney could review the suggested modifications. A discussion was led to carry the item and to take it in advance of item 22.

Moved by Councilmember Zur Schmiede seconded by Councilmember Whalen and carried unanimously 4/0 to trail agenda item #13, and hear the item prior to agenda item #22.

Roll Call:

Ayes:	Boyd, Whalen, Zur Schmiede, Iseman
Noes:	None
Absent:	Dicterow

Staff Report: City Manager John Pietig said staff had considered the suggestions made earlier under Public Testimony and he directed the City Council to review the revisions to the citizen-initiative measure.

Public Testimony: Charnel James thanked staff for working with her and she said she would like her specific language on the record and read her changes. She said the revised language to the initiative was a good compromise, and she requested a change of one word; "allow" to "regulate."

Councilmember Comments: Councilmember Bob Whalen said he had a question on the revised language and requested that the distance requirements be more precise to specify "residential areas and schools."

Adopted **Resolution No. 16.055** attached to the Agenda Bill as modified 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 AN INITIATIVE MEASURE TO RESCIND THE CURRENT PROHIBITION OF MEDICAL MARIJUANA DISPENSARIES AND TO AUTHORIZE THE ESTABLISHMENT OF SUCH DISPENSARIES IN THE CITY PURSUANT TO PROCEDURES FOR ADMINISTRATIVE LICENSING AND REGULATIONS FOR OPERATING STANDARDS, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES" placing the voter-sponsored "Initiative Measure Rescinding the City of Laguna Beach's Ban on Medical Marijuana Dispensaries and Authorizing the Operation and Regulation of Medical Marijuana Dispensaries" on the November 8, 2016, ballot; and appoint Councilmembers Zur Schmiede and Whalen as a City Council Subcommittee, working with staff, to prepare a ballot argument against the measure.

Roll Call:

Ayes: Boyd, Whalen, Zur Schmiede, Iseman
 Noes: None
 Absent: Dicterow

14. TBWB STRATEGIES CONSULTING SERVICES FOR COMMUNITY INFORMATION AND EDUCATION RELATING TO BALLOT MEASURES

Mayor Dicterow 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.

Public Testimony: Charnel James pulled this item because she said she was concerned about authorizing \$75,000 to go towards a campaign without the evaluation of where the money was coming from. She asked that this item be continued to the next City Council meeting.

Councilmember/Staff Comments: City Attorney Phil Kohn said he had no problem with the Agenda Bill or how the recommended action was phrased. He said the monies would be the permissible use of public resources for community education and information services in connection with ballot measures.

City Manager John Pietig said the money had been appropriated during the budget, this item was an authorization to amend the contract and the money came from the General Fund.

Councilmember Bob Whalen said he believed this was a prudent step by the City to utilize expert advice regarding the ballot measures for the upcoming election.

Moved by Councilmember Zur Schmiede seconded by Councilmember Boyd and carried unanimously 4/0 to authorize the City Manager to enter into a **Contract Amendment #16-33** with TBWB Strategies for community information and education services through November 2016, in an amount not to exceed \$74,000 in connection with measures that will be presented to the City’s voters on the November 8, 2016, ballot.

Roll Call:

Ayes: Boyd, Whalen, Zur Schmiede, Iseman
Noes: None
Absent: Dicterow

REGULAR ORDER OF BUSINESS

15. HOUSING AND HUMAN SERVICES COMMITTEE FIVE-MINUTE REPORT AND REQUEST FOR APPROVAL OF 2016-17 PROJECTS AND EVENTS

Staff Report: Faye Chapman gave a presentation on the projects and events the Housing and Human Services Committee had completed in 2015-16. She highlighted the programs and events the Committee was proposing for the upcoming year. Chapman said the Committee would like to be expanded to nine members due to the additional projects the Committee was proposing to address in the upcoming year and the Committee required the additional “manpower.”

Moved by Councilmember Whalen seconded by Mayor Dicterow and carried 4/1 to:

- (1) Review the Committee’s memorandum and authorize the proposed 2016-17 programs and events;
- (2) Adopt **Resolution No. 16.056** entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, PROCLAIMING THE MONTH OF NOVEMBER 2016 AS LAGUNA BEACH NATIONAL HUNGER AND HOMELESSNESS AWARENESS MONTH”;
- (3) Approve the request for additional housing and human services outreach programs; and
- (4) Increase the size of the Committee from seven to nine members.

Roll Call:

Ayes: Boyd, Whalen, Iseman, Dicterow
Noes: Zur Schmiede

16. ADOPTED THE RESOLUTIONS AND APPROPRIATIONS RELATED TO SALE OF BONDS FOR MILLIGAN DRIVE BRIDGE IMPROVEMENTS ASSESSMENT DISTRICT NO. 15-02
Proposed resolutions to move forward with the Milligan Drive Bridge project.

Staff Report: City Manager John Pietig gave the history of the project. He said costs to build the bridge had been more than originally anticipated and staff were recommending the City contribute an additional \$239,000 to complete the process since the assessment process had already taken place. Pietig said the money was available because it had been set aside for this project; however, he said the money would not be recovered through the assessment.

Questions of the Staff: Councilmember Bob Whalen said he was concerned as to whether or not staff were confident the City could complete the project within this proposed budgeted amount.

Director of Public Works and Assistant City Manager Shohreh Dupuis said she was comfortable with the current budget and there were contingencies to deal with any minor additional costs.

Councilmember Comments: Councilmember Bob Whalen requested changes in the resolution language.

City Attorney Phil Kohn confirmed those changes were satisfactory.

Councilmember Bob Whalen said there was a minor discrepancy in the staff report that he clarified with the Finance Director.

Moved by Mayor Dicterow seconded by Mayor Pro Tem Iseman and carried unanimously 5/0 to:

- 1) Adopt the four resolutions as amended for Milligan Drive Bridge Improvements AD No. 15-02:
 - a. **Resolution No. 16.057** Determining Unpaid Assessments, Determining the Manner of Payment Thereof, and Listing Bonds Issued on the Security Thereof (Attachment 1);
 - b. **Resolution No. 16.058** Awarding the Sale of Limited Obligation Improvement Bonds for Milligan Drive Bridge Improvements Assessment District No. 15-02 (Attachment 2);
 - c. **Resolution No. 16.059** Issuing Limited Obligation Improvement Bonds Under the Improvement Bond Act of 1915 (Attachment 3); and
 - d. **Resolution No. 16.060** Covenanting Diligent Prosecution of Foreclosure of Delinquent Assessments (Attachment 4); and
- 2) Approve the purchase of Milligan Drive Bridge Improvements Assessment District No. 15-02 municipal serial bonds at a 15-year term with a true interest cost of 2.21% as listed in Attachment 5;
- 3) Direct the City Treasurer to Purchase the Assessment District No. 15-02 Bonds as an investment;
- 4) Appropriate \$645,000 for construction and other related expenses within Assessment District No. 15-02, and increase revenues by the same amount; and
- 5) Transfer \$92,100 from the unused portion of funding set aside for the Milligan Bridge General Benefit contribution and City-Owned Parcel Assessment; and \$146,600 from the unused portion of the Milligan Bridge Assessment District Loan Program to fund the increase in project costs.

17. ADOPTED RESOLUTION NO. 16.061 CONFIRMING STREET, SIDEWALK, AND INTERSECTION NUISANCE ABATEMENT ASSESSMENT ROLL Proposal to authorize the assessment of abatement costs to property owners who were notified and did not clear their vegetation that obstructed the public right-of-way.

Councilmember Boyd recused himself due to owning property within 500 feet.

Moved by Councilmember Zur Schmiede seconded by Mayor Dicterow and carried unanimously 4/0 to adopt **Resolution No. 16.061** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CONFIRMING ASSESSMENTS FOR WEED ABATEMENT ALONG STREETS, SIDEWALKS, AND PARKWAYS" for fiscal year 2016/17.

Roll Call:

Ayes: Whalen, Zur Schmiede, Iseman
 Noes: None
 Absent: Boyd

18. ADOPTED RESOLUTION NO. 16.062 CONFIRMING WEED ABATEMENT ASSESSMENT ROLL Proposed assessments for fiscal year 2015/16 for non-compliant weed abatement parcels.

Moved by Mayor Dicterow seconded by Councilmember Zur Schmiede and carried unanimously 5/0 to: Adopt **Resolution No. 16.062** entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH, CALIFORNIA, CONFIRMING ASSESSMENTS FOR WEED ABATEMENT" for fiscal year 2015/16.

19. CONTINUED THE ITEM REQUESTING CITY COUNCIL POLICY DIRECTION FOR PROPOSED VEHICULAR ACCESS TO 530 RUBY STREET, LOCATED WITHIN THE DIAMOND/CRESTVIEW SPECIFIC PLAN; AN ALTERNATIVE TO SUCH ACCESS FROM RUBY STREET IS ACCESS FROM CRESTVIEW PLACE TO SEPTEMBER 13, 2016.

Moved by Mayor Dicterow seconded by Councilmember Boyd and carried unanimously 5/0 to continue the public hearing for staff request for City Council direction for proposed vehicular access to 530 Ruby Street to September 13, 2016.

20. DENIED THE REQUEST FOR A 60-DAY EXTENSION OF TIME FOR TEMPORARY USE PERMIT 15-1785 AND COASTAL DEVELOPMENT PERMIT 15-1786 AT 234 FOREST AVENUE (ALESSA)

Staff Report: City Manager John Pietig said although staff reported they had learned much from the 60-day initial trial period for the temporary parklet at 234 Forest Avenue (Alessa Restaurant), he said they would appreciate additional time to gather information. He said requesting the extension would give the business owner additional time to recover some of his investment. Pietig said it would be up to the City Council as to whether or not they believed the trial had been relatively successful and more time would be required to fully vet the parklet concept. He added that the business owner had stepped up to partner with the City to explore a new idea and had risked his investment in the process.

Senior Planner Wendy Jung said staff had learned a lot from the 60-day trial period; however, she said additional observation would be appreciated. She explained the initial review of the trial program and reported the results from over 400 comment cards and surveys distributed to property owners within a 300-foot radius and business owners within 100 feet of the parklet. Jung said the extension would allow for more data gathering, the ability to assess the potential impact and the use during off-peak periods.

Councilmember Bob Whalen confirmed that the parklet received an overwhelmingly positive rating from those who attended the restaurant, and 61 percent of those said they had visited another business in the downtown to do shopping.

Public Testimony: Borja Puma, Alan Gladstone, Tyler Russell, Larry Nokes and Martha Lydick all spoke in support of the 60-day extension for the parklet trial program. They said the parklet was enjoyable and was not an eyesore. They said they appreciated that the business owner had stepped up to partner with the City and it was important that he be allowed to recoup his costs associated with the parklet.

Roberta Kansteiner, Verna Rollinger, Alan Gladstone, Mark Orgill, Violet Sorhad, Bonnie Hano, Jackie Gallagher, Morris Skenderian and Gene Felder all spoke out against the 60-day extension for the parklet trial program. They said they did not believe the parklet should be private and it should be accessed by the public. They believed the parklet was an eyesore and had not been properly vetted through the Planning Commission process. They said it had a negative impact on the businesses along Forest Avenue and called it a "desecration." They said it was important to look to other alternatives to enhance the downtown.

Anne Krizman, owner of Fresh Produce, the neighboring business, said she was not against parklets, but she did not support the extension. She said her business had been adversely affected by the parklet and she was not happy that her signage was difficult to see because of the parklet.

Alessandro Pirozzi, owner of Alessa Restaurant, said he had made every effort to not block Fresh Produce's signage. He said he put a lot of effort and money into the project and the trial parklet had been initially proposed for 60 days with a 60-day extension. He said would like to recuperate the \$30,000 that he had invested in the parklet.

Councilmember Comments: Councilmember Bob Whalen said he believed the parklet concept should move forward and there needed to be a plan developed. He said he would support not approving to grant the extension.

Councilmember Kelly Boyd said the businesses in the downtown area had been offered the same opportunity as Alessa Restaurant and Alessandro was the only business owner who stepped up to partner with the City and he thanked him. He said he believed the timing of the trial program was unfortunate and he believed 60 days had been a sufficient amount of time to assess the program's success.

Councilmember Rob Zur Schmiede said the update of the Downtown Specific Plan would be presented by the City's consultant and the parklet continued to be one of the ideas. He said it was important to include the Planning Commission in the design. Zur Schmiede said that if the 60-day extension was approved, there needed to be modifications to reveal Fresh Produce's sign. He suggested that, in the future, businesses could be charged rent for downtown parklets.

Mayor Pro Tem Toni Iseman said she believed the City had "missed the mark" and the parklet had been a mistake. She said the pilot program should not be the template for future parklets in the downtown area.

Mayor Steve Dicterow said he believed it was a successful concept and that there should be a subcommittee going forward and the Planning Commission should be involved.

Councilmember Bob Whalen said the parklet concept required more study and analysis.

Director of Community Development Greg Pfof said that parklets would be included in the Downtown Specific Plan (DSP) and the parklet program would be vetted through the Planning Commission. He said it would be helpful to gather information from experts in town on the subject.

Councilmember Bob Whalen thanked Alessandro Pirozzi for partnering with the City and he confirmed the 60-day initial trial period would end August 3, 2016.

Moved by Councilmember Whalen seconded by Councilmember Boyd and carried 4/1 to deny the request for an extension of the previously approved application to allow a temporary parklet currently located within two parking spaces in front of 234 Forest Avenue (Alessa).

Roll Call:

Ayes: Boyd, Whalen, Iseman, Dicterow
Noes: Zur Schmiede

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 Dicterow 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.

Staff/Councilmember Report: Councilmember Rob Zur Schmiede said many meetings were held with staff, and he said the staff report was excellent in laying out the proposed revisions. Zur Schmiede said the proposed changes would be utilized on a trial basis and would come back to the City Council for further discussions. He presented the proposed revisions.

City Attorney Phil Kohn said that the recommended action was not to adopt any municipal codes, but rather to offer the Planning Commission any comments. He clarified the specific proposed modifications.

Councilmember Comments: Mayor Pro Tem Toni Iseman thanked those involved for taking the time to help “clean up and re-organize” the appeal process.

Moved by Mayor Dicterow seconded by Councilmember Whalen and carried unanimously 5/0 to direct the Planning Commission to review and comment on the proposed revisions to Municipal Code Section 25.05.070.

25. CREATION OF A CITY COUNCIL SUBCOMMITTEE TO WORK WITH RADIO STATION KX 93.5 ON THE IMPLEMENTATION OF THE FY 16-17 MATCHING GRANT

Staff Report: Councilmember Rob Zur Schmiede said that because the radio station was receiving ongoing funds from the City, he said it would be important to form an oversight subcommittee. He said he would like to be on the Subcommittee with Councilmember Boyd.

Public Testimony: Tyler Russell, KX 93.5 owner, said he would be happy to work with Councilmembers Boyd and Zur Schmiede, and he announced that Mayor Dicterow was hosting a radio show on Friday, July 29.

Moved by Councilmember Whalen seconded by Councilmember Zur Schmiede and carried unanimously 5/0 to appoint Councilmembers Zur Schmiede and Whalen as a City Council Subcommittee, to work with radio station KX 93.5 on the implementation of the FY 16-17 matching grant.

PUBLIC HEARINGS

26. DENIED THE APPEAL OF APPROVAL OF DESIGN REVIEW 16-0793, VARIANCE 16-0794, AND CATEGORICAL EXEMPTION AT 31614 SCENIC DRIVE Proposal to construct a 306 square-foot living area addition and a new attached one-car garage to an existing single-family residence in the Village Community zone.

Staff Report: Zoning Administrator Nancy Csira walked the City Council through the project’s exhibits.

Questions of the Staff: Councilmember Rob Zur Schmiede confirmed that the source of the variance was the projection into the setback and the street easement. He asked about the existing house and garage.

Zoning Administrator Nancy Csira said the existing house and garage were both legal, non-conforming.

Councilmember Kelly Boyd confirmed that the appellants had several variances.

Testimony in Support of the Appeal: Larry Nokes, Attorney representing the appellant, said they had concerns about encroaching into the street because it created a “pinch point.” He said the appellants did not object to the encroachment into the setback. Nokes said the Design Review Board (DRB) did not make the necessary findings for the variance and he believed it was not legally possible to make the findings. He said there was an acceptable alternative available to construct the house without extending the garage into the roadway.

Sharon Rose, owner of 31596 Brentwood Drive, said their property rights were being violated because the applicant was building into the easement. She said it violated zoning laws and the General Plan and she asked the City Council to preserve their easement.

Mia Moore, owner of 31503 Brentwood Drive, said she was supportive of a reasonable solution, but did not support a variance into the encroachment of a private street easement. She listed why the project did not fit the variance findings.

Barbara Manalis, South Laguna Civic Association, said they opposed granting a variance that encroached into a private street easement and she read a letter.

Jonathon Rose, owner of 31596 Brentwood Drive, asked the City Council to remand the project to the DRB with direction to build into the front yard rather than the private street.

Councilmember Bob Whalen confirmed that Mr. Rose’s home was built into the private street right-of-way because the neighbors been accommodating and had offered a quitclaim deed.

Councilmember Kelly Boyd asked about the two large pillars in front of their home that encroached into the street.

Jonathon Rose said the “things that define the fence” were there prior to them owning the home.

Testimony in Opposition to the Appeal: Kameron Roshann, Owner/Applicant, said he believed the appeal was “shameful.” He said this had been the sixth hearing for a 300-foot addition and they had done everything the DRB had asked them to do. Roshann said there were no safety issues and the project did not set a precedent. He said the findings for a variance were because the lot was unique and the findings had all been made.

Bob McMahon, representing the applicants, said they had done everything that had been asked of them. He said there were safety issues to take access from Scenic Drive, rather than from Brentwood Drive. McMahon said there had been no abuse of discretion by the DRB. He pointed out that the neighbors did not use the easement for access.

David Parker, Architect for the applicants, said there were special circumstances on the property and he added that the lot was constrained.

Pricilla Salahi, Ron Geisman, Jennifer Merkel, Paul Sarysen, Saeed Nafisi and Farhad Zaltash said they supported the project and the project did not negatively affect the neighbors. They said it was a modest remodel and fit within the neighborhood pattern of development.

Penny Lew, owner and applicant, said her project was modest and the appellants were trying to take away their rights to improve their home.

Rebuttal: Larry Nokes said the findings for the variance had not been made. He said the project could be completed by not encroaching into the easement.

Councilmember Comments: Councilmember Rob Zur Schmiede said this project had a lot of history. He said it was a modest project and that the other homes were considerably larger. Zur Schmiede said he could not make the findings for the variance and could support an encroachment into the setback, but not into the street.

Councilmember Kelly Boyd said he did not support a garage off of Scenic Drive for safety reasons. He said the neighbors on Brentwood Drive enjoyed the privilege of extending into the street and now they were denying property rights of the Roses to add a 300 square-foot garage that would not extend beyond the neighbor's encroachment. He asked Director of Community Development Greg Pfost if staff believed the findings supported the variance.

Director of Community Development Greg Pfost said the DRB identified their reasons for a variance.

Councilmember Kelly Boyd said he was inclined to deny the appeal.

Mayor Pro Tem Toni Iseman said she did not like variances overall, and she said they should be approved judiciously. She said that in this instance, she agreed with Councilmember Boyd and believed the appeal should be denied.

Councilmember Bob Whalen asked for additional clarification regarding the encroachment into the street easement and the buildable area.

Zoning Administrator Nancy Csira gave specific dimensions and pointed out property lines on the exhibit.

Councilmember Bob Whalen said it was a travesty that this project was before the City Council with a variance finding that was weak. He said project should be allowed, but he did not believe the findings were there to uphold the variance. Whalen said he could not support the variance on the fourth point; there was nothing substantially unusual about the lot that would support a variance into the private street.

Mayor Steve Dicterow said he believed the lot was unique, had special circumstances and he would deny the appeal.

Moved by Councilmember Boyd seconded by Mayor Dicterow and carried 3/2 to deny the appeal and sustain the Design Review Board/Board of Adjustment's approval of Design Review 16-0794, and Categorical Exemption at 31614 Scenic Drive.

Roll Call:

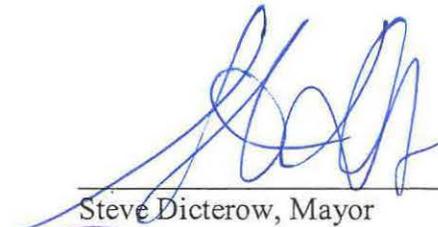
Ayes: Boyd, Iseman, Dicterow

Noes: Whalen, Zur Schmiede

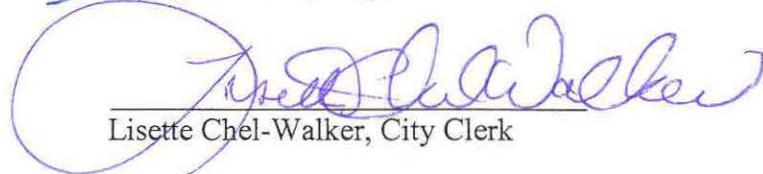
ADJOURNMENT

There being no further business, Mayor Dicterow at 11:48 p.m. on Tuesday, July 26, 2016, adjourned to a Regular City Council Meeting at 5:00 p.m., Monday, August 8, 2016, at City Hall, 505 Forest Avenue, Laguna Beach, California.

Approved August 9, 2016.



Steve Dicterow, Mayor



Lisette Chel-Walker, City Clerk

NOTICE OF ADJOURNMENT OF CITY COUNCIL MEETING
(GOVERNMENT CODE SECTION 54995)

EXCERPT OF THE MINUTES OF THE ADJOURNED AND REGULAR MEETING
OF THE CITY COUNCIL OF THE CITY OF LAGUNA BEACH

July 26, 2016

An adjourned and regular meeting of the City Council of the City of Laguna Beach was held at 6:00 p.m. on Tuesday, July 26, 2016, in the City Council Chambers, 505 Forest Avenue, Laguna Beach, California.

PRESENT: COUNCILMEMBERS: Boyd, Whalen, Zur Schmiede, Iseman, Dicterow

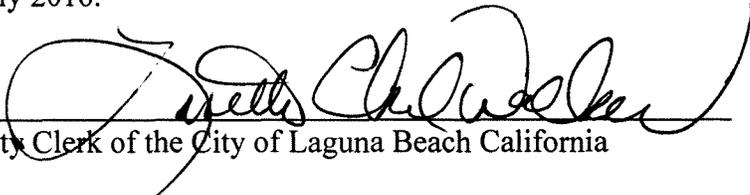
ABSENT: COUNCILMEMBERS: None

ADJOURNMENT

There being no further business, Mayor Dicterow at 11:48 p.m., Tuesday, July 26, 2016, adjourned to the Regular City Council Meeting on Monday, August 1, 2016, at 5:00 p.m., at the City Hall at 505 Forest Avenue, Laguna Beach, California.

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

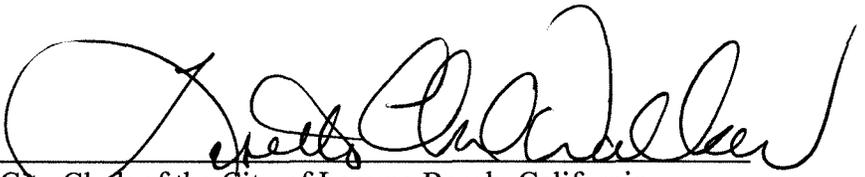
I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, do hereby certify that the foregoing is a full, true, and correct copy of the Minute entry on record in my office. IN WITNESS WHEREOF, I hereunto set my hand and affix the official seal of the City of Laguna Beach, California, on this 27th day of July 2016.



City Clerk of the City of Laguna Beach California

CERTIFICATE OF POSTING
NOTICE OF ADJOURNMENT

I, Lisette Chel-Walker, City Clerk of the City of Laguna Beach, California, DO CERTIFY that at the adjourned and regular meeting of the City Council held on Tuesday, July 26, 2016, said meeting was ordered adjourned to the time and place specified in the notice of adjournment, ATTACHED HERETO; and that on July 27, 2016, at the hour of 8:00 a.m. a copy of the Notice was posted at a conspicuous place on or near the door of the place at which said meeting of the City Council was held.



City Clerk of the City of Laguna Beach, California