

# APPENDIX A

Administrative Policy 2.9 (City Budget Preparation and Reporting)

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## CITY OF LAGUNA WOODS

### ADMINISTRATIVE POLICY 2.9 CITY BUDGET PREPARATION AND REPORTING

#### 2.9.01 PURPOSE

To provide guidelines for staff in preparation of budget requests, to assist Council in making informed decisions about the provision of services and capital assets, and to involve and promote effective communication with the community during the process.

#### 2.9.02 FISCAL YEAR

The City's fiscal year is the period July through June.

#### 2.9.03 BUDGET ADOPTION

The City Council shall adopt an annual budget for the ensuing fiscal year, by resolution, no later than June 30 of each year. The annual budget shall include appropriations by Department and Fund and a list of authorized full time employees.

#### 2.9.04 CAPITAL IMPROVEMENT PROGRAM

As a part of the annual budget process, the City Council shall adopt a Seven-Year Capital Improvement Program that identifies funding required for long range infrastructure and facility improvement projects. The first year of this program shall be included as a part of the adopted annual budget.

#### 2.9.05 BUDGET PROCESS

The following process and objectives will be met in a series of public meeting prior to the City Council's adoption of an annual budget:

- A. Review prior year work plan and program statistics.
- B. Review budget revenue and expenditure projections and base budget; and identify budget priorities.

- C. Receive community input regarding the budget process, base budget and proposed new programs.
- D. Receive, discuss, and provide direction on City Manager's proposed all funds budget.
- E. Adopt a resolution appropriating and approving the budget for the ensuing fiscal year.

2.9.06      BUDGET POLICIES

- A. Current year General Fund expenditures should not exceed current year revenues.
- B. The General Fund budget should include a 5 - 10% reserve for economic uncertainties.
- C. The unbudgeted fund balance in the General Fund should be reserved for special one-time projects or capital improvements.
- D. Annually, the City should allocate an amount of money for the competitive Community Services grant program for not-for-profit organizations that provide services to residents.
- E. The City should maintain a Self-Insurance Fund with a balance of at least \$500,000.
- F. Capital Improvement Projects are budgeted on a multi-year basis. Once allocated, funds remain with a project until the project is complete or the monies are re-prioritized by the City Council.
- G. Grant Funds are often distributed on a reimbursement basis. The General Fund unencumbered Fund Balance may be used for temporary "loans" until reimbursements are received. These "loans" are not reflected in the budget.
- H. Transportation and Grant fund budgets should assure that monies are spent and/or obligated within required timeframes.
- I. The City should reserve an amount annually for uncompensated absences.

#### 2.9.07 BUDGET CARRYOVERS

In general, all prior year appropriations shall lapse at the end of each fiscal year with the exception of:

- A. Budget balances for projects completed or underway at the end of the fiscal year as recommended by the City manager and approved by the City Council.
- B. Unexpended appropriations for capital improvement projects.

#### 2.9.08 BUDGET ADJUSTMENTS

- A. The City Manager is charged with accomplishing the City's work plan within the constraints of the adopted budget.
- B. All budget appropriations must be approved by City Council before expenditures are incurred.
- C. The City Council may, by majority vote of the City Council members, amend or supplement the budget at any time after its adoption.
- D. Prior to July 1, 2014, the Finance Manager may authorize budget transfers not exceeding \$5,000 between line items within supplies and services accounts at the department level. Transfers between departments or requests exceeding \$5,000 must be approved by the City Manager before expenditures are incurred. Effective July 1, 2014, the City Manager may authorize adjustments within and between departments in the same fund, provided that there are no increases in fund budgets.
- E. The addition of full time or part-time staff shall require prior approval of the City Council. The City Manager is authorized to utilize consultants, or contract staff to fill authorized full time or part-time staff positions.
- F. All budget adjustments shall be documented on appropriate budget adjustment form prior to expenditure of any funds.

#### 2.9.09 MIDYEAR BUDGET REVIEW

The City Council will formally review the City's financial condition no later than March of each year and amend the budget, as necessary.

## 2.9.10 FINANCIAL REPORTING

### 2.9.10.1 Annual Reporting

The City will prepare annual financial statements as follows:

- A. The City will contract for an annual audit by a qualified independent certified public accountant. The City will strive for an auditor's unqualified opinion.
- B. The City will issue audited financial statements within eight months of the close of the prior fiscal year.

### 2.9.10.2 Interim Reporting

The City will prepare and issue:

- A. Monthly finance reports within 30 days of the close of the month; such report shall identify line item budgets, monthly receipts/expenditures and actual receipts/expenditures to date.
- B. Quarterly revenue and expenditure reports within 60 days of the close of the quarter; such reports shall identify budget and receipts/expenditures by category, including accruals booked during the reporting period and notes explaining any anomalies.

Adopted by City Council: November 9, 2010

Revised: June 25, 2014

# APPENDIX B

Resolution No. 15-XX (Budget and Work Plan Adoption)  
*RESOLUTION PENDING*

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# APPENDIX C

Resolution No. 15-XX (Capital Improvement Program Adoption)  
*RESOLUTION PENDING*

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# APPENDIX D

Resolution No. 15-XX (Annual Appropriations Limit Adoption)  
*RESOLUTION PENDING*

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# APPENDIX E

Glossary of Terms and Acronyms

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# APPENDIX E

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*Appendix E is intended to define significant terms and acronyms used in this budget and work plan. Individuals with questions regarding these or other terms or acronyms are encouraged to contact the City's Administrative Services Department.*

## GLOSSARY OF TERMS AND ACRONYMS

AMERICANS WITH DISABILITIES ACT (ADA): The Americans with Disabilities Act is a Federal law that prohibits discrimination and ensures equal opportunity for individuals with disabilities in employment; State and local government services; public accommodations; commercial facilities; and, transportation.

APPROPRIATION: A legal authorization granted by the City Council to make expenditures or incur obligations for specified purposes.

ASSESSED VALUATION: The monetary value assigned to personal property by the Orange County Assessor's Office for use in levying property taxes.

BUDGET: A financial plan that identifies revenues; specific types and levels of services to be provided; and, associated expenditures.

CAPITAL IMPROVEMENT PROGRAM (CIP): A planning tool to assist the City with the long-term development of funding for major capital improvement projects on public property. The Capital Improvement Program is adopted for a seven-year period in accordance with Measure M2 requirements.

CAPITAL PROJECTS FUND: A fund used to account for transfers from the General Fund that are reserved for capital improvement purposes. The Capital Projects Fund is combined with the General Fund for the purpose of reporting in the Comprehensive Annual Financial Report (CAFR).

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): A set of annual financial statements comprising the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). The Comprehensive Annual Financial Report includes introductory, financial, and statistical information about the governmental entity.

DEPARTMENT: An organizational unit of the City that has direct management responsibility for a group of related programs and services.

EXPENDITURE: A decrease in net financial resources representing the actual payment for goods and services or the accrual thereof.

FEES: Charges levied by the City for providing programs or services.

FISCAL YEAR (FY): The annual period designated by the City for the beginning and ending of financial transactions. The City's fiscal year begins on July 1 of each year and ends on June 30 of each subsequent year.

FUEL TAX: A per gallon excise tax on fuel used to propel motor vehicles or aircraft pursuant to California Constitution Article XIX Section 1; Revenue and Tax Code sections 7301 – 8404 and 8601 – 9355; and, Streets and Highways Code sections 2100 et seq.

FULL-TIME EQUIVALENTS (FTE): The amount of time for which a position has been budgeted, stated in terms of the fraction of time that a regular, full-time employee normally works in a year. For example, a full-time employee (1 FTE) is paid for 2,080 hours per year while a 0.25 FTE employee is paid for 520 hours per year (2,080 hours x 0.25 = 520).

FUND: A self-balancing set of accounts to record revenues and expenditures associated with a specific purpose or funding source.

FUND BALANCE: The difference between assets and liabilities for a particular fund. Fund balance represents the amount available for future expenditures.

GENERAL FUND: The City's primary operating fund. The General Fund is used to account for the proceeds of specific revenue sources that are not legally restricted to expenditures for specified purposes.

GENERAL PLAN: A comprehensive, long-term planning document that the City is required to develop and maintain for the physical development of land within its boundaries and any relational land outside of its boundaries. The City's current General Plan is available at [www.lagunawoodscity.org](http://www.lagunawoodscity.org).

GRANT: Contributions, gifts of cash, or other assets from a government entity or other organization to be expended for a specific purpose.

INFRASTRUCTURE: The underlying physical foundation or basic framework of the City, including buildings, parks, roadways, parkways, medians, sidewalks, traffic signals, and other related facilities and fixtures.

INTER-FUND TRANSFERS: The flow of assets from one fund to another without an equivalent flow of assets in return or a requirement for repayment. Inter-fund transfers are often used to finance the operations of funds.

MEASURE M2: A ballot measure that Orange County voters approved in 2006 to increase the countywide sales tax rate through 2041 by one-half cent for the purpose of funding transportation projects and activities.

MODIFIED ACCRUAL BASIS: The basis of accounting in which revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period, or after the end of the current period, to be used to pay current year-end liabilities). Expenditures are recognized when the obligations are created, except for amounts payable from future fiscal year appropriations. (State of California, Department of Finance, *Finance Glossary of Accounting and Budgeting Terms*)

OPERATING BUDGET: A budget established for the “day-to-day” delivery of City programs and services. The Operating Budget is exclusive of limited-term expenditures, including capital improvement projects.

PRIORITY FOCUS AREAS: Priorities established by the City Council to articulate the goals and intended outcomes of the City’s budget. The Priority Focus Areas for Fiscal Year 2014-15 are: *A City that is... healthy and safe; high in quality of life; environmentally conscious; economically prosperous; fiscally responsible; and, professionally and efficiently served.*

PROPERTY TAX: An ad valorem tax imposed on personal property pursuant to California Constitution Article XIII and XIII A; Revenue and Tax Code sections 95 and 97. Property tax is collected by the County of Orange and distributed to the City throughout the fiscal year.

PROPERTY TAX IN LIEU OF SALES TAX: Under the California Economic Recovery Bond Act of 2004, economic recovery bonds to close the State’s operating deficit are repaid from a 0.25% increase in the State sales tax rate and the City’s portion of sales tax imposed by the Bradley-Burns Uniform Sales Tax Law is temporarily reduced by 0.25%. Cities are reimbursed for the reduced sales

tax revenue with property tax transfers in lieu. This “Triple Flip” will expire when the State’s economic recovery bonds are retired in 2016. At that point, sales tax will revert to being received by the City as it was prior to 2004.

PROPERTY TAX IN LIEU OF VEHICLE LICENSE FEES (VLF): Revenues resultant of a tax swap approved by the California State Legislature in 2004 that eliminated State General Fund payments to cities as compensation for revenue lost from vehicle license fee rate cuts and added property tax transfers in lieu.

PROPERTY TRANSFER TAX: A tax imposed on documents recorded in the transfer of ownership in real estate pursuant to Revenue and Tax Code sections 11901 – 11935. Property transfer tax is collected by the County of Orange at a rate of \$1.10 per \$1,000 of the assessed valuation of the real estate being transferred. The City and the County of Orange receive equal allocations of the property transfer taxes collected.

RESERVE: A separate account maintained to proactively set aside money for unforeseen and/or unusual expenditures.

REVENUE: Income received by the City.

SALES TAX: A tax imposed on the total retail price of any tangible personal property and the use or storage of such property when sales tax is not paid pursuant to California Constitution Article XIII sections 25.5(a)(2) and 29; Revenue and Tax Code sections 7200 et seq. The City currently receives 0.75% of the 8.5% sales tax charged within Laguna Woods, in accordance with the tax swap approved by the California State Legislature in 2004. The City also receives a share of the 0.5% sales tax levied by Measure M2 throughout Orange County, which is reported as Measure M2 revenue in this budget and the City’s annual financial statements.

SPECIAL FUNDS: Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes or reserved for capital improvement or contingency purposes.

TRANSIENT OCCUPANCY TAX (TOT): A general tax imposed on occupants for the privilege of occupying hotel rooms pursuant to Revenue and Tax Code sections 7280 and 7281. The City’s Transient Occupancy Tax rate is 10% of the rent charged by hotel operators.

YEAR-END: The end of the City’s fiscal year (June 30).

**RESOLUTION NO. 15-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING THE FISCAL YEAR 2015-16 BUDGET COMMENCING JULY 1, 2015 AND ENDING JUNE 30, 2016

**WHEREAS**, publicly noticed City Council meetings were held on February 3, 2015, April 15, 2015, April 29, 2015, May 20, 2015, June 17, 2015 and June 24, 2015 to discuss and provide direction to staff on the development of the Fiscal Year 2015-16 Budget & Work Plan and allow opportunities for public comment; and

**WHEREAS**, the City Manager presented the proposed Fiscal Year 2015-2016 Budget & Work Plan to the City Council on June 24, 2015.

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

**SECTION 1.** The Fiscal Year 2015-16 Budget & Work Plan for the City of Laguna Woods is hereby adopted to cover the period of July 1, 2015 through June 30, 2016.

**SECTION 2.** The budget appropriations authorized, on a fund level, are:

<u>FISCAL YEAR 2015-16</u>	
GENERAL FUND.....	\$ 5,593,875
CAPITAL PROJECTS FUND.....	\$ 52,250
COMMUNITY SERVICES FUNDS	
CDBG Program.....	\$ 133,165
PEG/Cable Television.....	\$ 13,400
Senior Mobility.....	\$ 220,000
ENVIRONMENTAL FUNDS	
Beverage Container Recycling.....	\$ 5,000
Used Oil/Oil Payment Program.....	\$ 5,000
PUBLIC SAFETY FUNDS	
Supplemental Law Enforcement Services.....	\$ 100,000
TRANSPORTATION FUNDS	
Fuel Tax.....	\$ 298,000
Measure M2.....	\$ 311,880
Traffic Mitigation Fees.....	\$ 43,500

CARITS .....	\$ 35,040
TOTAL .....	\$ <u>6,811,110</u>

**SECTION 3.** The budget appropriations authorized, on a department level within the General Fund, are:

*FISCAL YEAR 2015-16*

CITY COUNCIL .....	\$ 74,785
GENERAL GOVERNMENT .....	\$ 778,460
ADMINISTRATIVE SERVICES .....	\$ 747,288
COMMUNITY SERVICES .....	\$ 8,165
ENGINEERING & INFRASTRUCTURE SERVICES .....	\$ 220,629
PLANNING & ENVIRONMENTAL SERVICES .....	\$ 1,189,533
PUBLIC SAFETY SERVICES .....	\$ 2,522,765
TRANSFERS TO OTHER FUNDS .....	\$ 52,250
TOTAL .....	\$ <u>5,593,875</u>

**SECTION 4.** The General Fund allocated reserve accounts authorized are:

*FISCAL YEAR 2015-16*

COMPENSATED ABSENCES RESERVE .....	\$ 150,000
SELF-INSURANCE RESERVE .....	\$ 500,000

**SECTION 5.** The authorized City personnel positions are:

*FISCAL YEAR 2015-16 – Full-time*

- CITY MANAGER
- ASSISTANT CITY MANAGER
- ADMINISTRATIVE SERVICES DIRECTOR/CITY TREASURER
- ADMINISTRATIVE COORDINATOR
- COMMUNITY SERVICES MANAGER (July – December 2015 only)
- DEPUTY CITY CLERK
- MANAGEMENT ASSISTANT
- SENIOR ACCOUNTANT
- ACCOUNTING CLERK

**SECTION 6.** From the effective date of said budget, the total amount as stated therein for each departmental activity account in the operating budget shall be, and is, appropriated subject to expenditure pursuant to all applicable ordinances of the City of Laguna Woods and statutes of the State of California. The operating budget

may be reallocated by the City Manager providing there is no change in the total appropriations within any fund as authorized by the City Council.

**SECTION 7.** The City Manager is authorized to transfer appropriations and make adjustments within and between departments in the same fund, provided that there are no increases in overall fund appropriations. Appropriations from unappropriated fund balances must be approved by the City Council.

**SECTION 8.** The City Manager may decrease revenue estimates to reflect economic change during the fiscal year and may reduce expenditure appropriations as a method of fiscal control.

**SECTION 9.** At the close of Fiscal Year 2014-15, all appropriations shall lapse, except that unexpended appropriations will be encumbered as necessary to underwrite the expense of outstanding purchase commitments. Unexpended appropriations for certain Fiscal Year 2014-15 General Fund budget items as noted in the Fiscal Year 2015-16 Budget & Work Plan, as well as unexpended appropriations for capital improvements projects and the Community Services Grant Program will be carried over to Fiscal Year 2015-16.

**SECTION 10.** The City Council approves the City's membership in the following organizations: League of California Cities, Orange County Council of Governments, Orange County Local Agency Formation Commission, Southern California Association of Governments, and Southern California Water Committee.

**SECTION 11.** In accordance with Section 6(a)(i) of the City Manager's Employment Agreement, the City Council approves and authorizes \$1,321 for inclusion in the Fiscal Year 2015-16 budget for the City Manager's membership in the International City/County Management Association.

**SECTION 12.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2015.

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CYNTHIA S. CONNERS, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

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

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 15-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2015, by the following vote:

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

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**RESOLUTION NO. 15-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING A SEVEN-YEAR CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2014-15 THROUGH 2020-21 IN CONFORMANCE WITH MEASURE M2 REQUIREMENTS

**WHEREAS**, the City of Laguna Woods seeks to maintain its eligibility to receive an apportionment of Measure M2 sales tax revenues that can be used to fund transportation-related projects and programs; and

**WHEREAS**, a prerequisite of such eligibility for the City of Laguna Woods is the annual filing of a Measure M2 eligibility package for review and approval by the Orange County Transportation Authority; and

**WHEREAS**, one component of the Measure M2 eligibility package is the preparation and adoption of a Seven-Year Capital Improvement Program (CIP) which includes, at a minimum, all projects and programs which are needed to meet and maintain adopted levels of service performance standards, in addition to all projects and programs proposed to receive Measure M2 funding; and

**WHEREAS**, the Fiscal Year 2014-15 expenditures identified in the CIP are consistent with the City of Laguna Woods' adopted Fiscal Year 2014-15 Budget; and

**WHEREAS**, the CIP, for the purpose of Measure M2 eligibility, is recognized as a program and project finance and planning tool to assist local governments in the long-term development and funding of transportation-related programs and projects, and not a budget commitment; and

**WHEREAS**, the CIP is updated annually to include adjustments to funding and project schedules.

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

**SECTION 1.** The City of Laguna Woods Seven-Year Capital Improvement Program, attached hereto as Exhibit "A" and incorporated herein by reference, is adopted in conformance with Measure M2 requirements.

**SECTION 2.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2015.

\_\_\_\_\_  
CYNTHIA S. CONNERS, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

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

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 15-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2015, by the following vote:

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

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**CITY OF LAGUNA WOODS  
Capital Improvement Program - Potential Seven-Year Phasing  
Fiscal Years 2015-16 - 2021-22**

Project Title	Project Cost	Prior Fiscal Years	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
City Hall Bollard Replacement	\$ 29,040	\$ 29,040	-	-	-	-	-	-	-
Dairy Fork Constructed Wetland Project	\$ 59,956	\$ 59,956	-	-	-	-	-	-	-
El Toro Road Traffic Signal Synchronization Project*	\$ 642,500	\$ 4,000	\$ 602,500	\$ 18,000	\$ 18,000	-	-	-	-
Moulton Parkway Traffic Signal Synchronization Project*	\$ 808,050	\$ 6,000	\$ 713,250	\$ 44,400	\$ 44,400	-	-	-	-
El Toro Road Water Efficient Median Improvement Project	\$ 295,550	-	-	-	\$ 295,550	-	-	-	-
Moulton Parkway Water Efficient Median Improvement Project	\$ 830,599	-	\$ 52,250	-	-	\$ 393,329	\$ 385,020	-	-
Santa Maria Avenue Bioswale	\$ 43,500	-	\$ 43,500	-	-	-	-	-	-
Santa Maria Water Efficient Median Improvement Project	\$ 418,485	-	-	-	-	-	-	\$ 46,920	\$ 371,565
<b>TOTAL</b>	<b>\$ 3,127,680</b>	<b>\$ 98,996</b>	<b>\$ 1,411,500</b>	<b>\$ 62,400</b>	<b>\$ 357,950</b>	<b>\$ 393,329</b>	<b>\$ 385,020</b>	<b>\$ 46,920</b>	<b>\$ 371,565</b>

\* Project costs include cash, in-kind, and operations and maintenance expenses from both the City and all involved agencies.

Note: This table complies with Orange County Transportation Authority requirements.

**RESOLUTION NO. 15-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING ANNUAL APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16 COMMENCING JULY 1, 2015 AND ENDING JUNE 30, 2016

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

**WHEREAS**, annual appropriations limits established pursuant to Article XIII B are required to be modified on an annual basis for changes in inflation and population according to calculation methods established by Proposition 111; and

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

**WHEREAS**, the City of Laguna Woods has complied with the provisions of Article XIII B in determining an appropriations limit for Fiscal Year 2015-16; and

**WHEREAS**, the City of Laguna Woods has complied with Government Code Section 7910 by making documentation regarding its determination available for public review for 15 days prior to this City Council meeting.

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

**SECTION 1.** That the annual appropriations limit for Fiscal Year 2015-16 shall be \$8,971,351, as calculated in Exhibit “A” attached hereto.

**SECTION 2.** That the adjustment factors for the Fiscal Year 2015-16 limit calculation shall be the annual percentage change in Orange County population and the annual percentage change in California per capita personal income.

**SECTION 3.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2015.

\_\_\_\_\_  
CYNTHIA S. CONNERS, Mayor

ATTEST:

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

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

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 15-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2015, by the following vote:

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

\_\_\_\_\_  
YOLIE TRIPPY, Deputy City Clerk

**CITY OF LAGUNA WOODS  
ANNUAL APPROPRIATIONS LIMIT  
Fiscal Year 2015-16 Calculation**

Calculation of Appropriations Limit:

Appropriations Limit for Fiscal Year 2014-15	\$8,549,309
Adjustment Factors:	
Population Change (County of Orange)*	1.0108
Cost of Living (Per Capita Personal Income)*	x <u>1.0382</u>
Combined Adjustment Factor*	<u>1.0494</u>
Appropriations Limit for Fiscal Year 2015-16	<u>\$8,971,351</u>
Appropriations Subject to Limitation for Fiscal Year 2015-16	\$3,624,426

\* State of California, Department of Finance, *Price and Population Information*. May 2015. Factors are rounded to four decimal places for presentation purposes.

**RESOLUTION NO. 15-XX**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ESTABLISHING A COMPENSATION SCHEDULE AND BENEFITS FOR CITY EMPLOYEES

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

**SECTION 1.** Effective July 1, 2015, Resolution No. 14-17 and Resolution No. 14-21 are hereby repealed and replaced by this resolution.

**SECTION 2.** Effective July 1, 2015, the salary schedule for City employees is established as follows:

Exempt Full-Time Employees (Annual Equivalent)

City Manager	per agreement
Assistant City Manager	98,020 – 137,228
Administrative Services Director/ City Treasurer	98,020 – 137,228
Community Services Manager	61,256 – 85,748
Deputy City Clerk	46,618 – 65,234

Non-Exempt Full-Time Employees (Hourly Rate)

Senior Accountant	32.48 – 45.47
Administrative Coordinator	22.40 – 31.36
Management Assistant	22.40 – 31.36
Accounting Clerk	18.93 – 26.50

The City Manager is authorized to hire, promote and compensate employees within appropriate salary ranges, consistent with the approved budget and this resolution.

**SECTION 3.** All employees who work 20 or more hours per week on a regularly assigned basis shall be considered “full-time employees” for the purpose of this resolution. Full-time employees shall receive the following benefits prorated to the percentage of time they work:

- A. Retirement: All City employees shall participate in the Social Security system. In addition, the City shall contract with the California Public Employees Retirement System (CalPERS) for retirement benefits for all full-time employees. Full-time employees considered “classic” by CalPERS shall pay the 7% employee contribution. Full-time employees considered “new members” by CalPERS shall pay the employee contribution rate established by CalPERS. All contributions are made pre-tax in accordance with Internal Revenue Code Section 414(h)(2) and shall be in conformance with the Public Employees’ Pension Reform Act of 2013.
- B. Disability Insurance: The City shall contract for the provision of a long-term disability insurance program at no cost to employees. Program shall provide full-time employees 60% of applicable salary amounts.
- C. Health Insurance: All employees must be covered by basic health insurance. The City shall contract for health insurance through the California Public Employees Retirement System (CalPERS). Employees who do not wish to enroll in the CalPERS program must provide proof of alternate health insurance.
- D. Retiree Medical: The City will provide a contribution towards CalPERS retiree health insurance, in an amount determined by California Government Code Section 22892, for retiring full-time employees who have worked for the City for a minimum of 10 years. Part-time service for employees who transition from part-time to full-time with the City may be used to calculate the 10 year requirement, with each 174 hours counting as one month.
- E. Employee Assistance Program: The City shall contract for an employee assistance program; membership in this program shall be mandatory for all full-time employees. The City shall contribute \$2.47 per month, as adjusted annually by the program provider, for each active full-time employee enrolled in the employee assistance program.
- F. Cafeteria Benefit Plan: The City shall provide each full-time employee with a flexible benefit allowance that may be used for the following City authorized

programs: health insurance (City offered programs or reimbursement for a non-City plan on which employee is carried as a spouse), dental insurance, vision care insurance, employee assistance or mental health plan, contribution to a defined deferred compensation plan, child care reimbursement, life insurance, long and short term disability insurance, long term care insurance, health club membership, health equipment and devices, educational reimbursement for professional development, professional memberships not included in the City budget, additional annual leave (at current hourly rate, up to 40 hours per calendar year), purchase of personal computer or digital equipment and accessories (laptops, PDAs, text messengers, digital cameras, etc.) and cellular or regular telephones that will be used for City as well as personal business, and such other programs as the City Council may from time-to-time authorize.

The above programs may not all be available at any one time, and it may be that some programs are not available to all classes of employees. Employees shall be required to use their entire allowance on available programs on an annual basis; no cash reimbursement shall be provided. The allowance amount is established as \$1,000 per month for salaried employees and hourly employees working forty hours per week. Full-time employees working less than forty hours shall receive a prorated portion of the cafeteria benefit allowance. These amounts shall be less the amount required for the mandatory employee assistance contributions, as noted in Section E above.

G. Leave With Pay: City employees shall accrue 160 hours per year of annual leave, which may be used for doctors' appointments, personal and family sick time, bereavement leave, vacation and personal business. Employees may maintain a balance of no more than 480 hours of annual leave, and shall be compensated for excess annual leave at the end of each calendar year. Upon termination from the City, employees shall be compensated for the entire balance in their annual leave account. Such payments shall be subject to the Internal Revenue Services' "flat rate" method of calculating withholdings from supplemental wages and subject to all applicable taxes.

H. Holidays:

- New Years Day, Martin Luther King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving and Friday after Thanksgiving. When a designated holiday falls on a Saturday, it shall be observed on the prior Friday;

when a holiday falls on a Sunday, it shall be observed on the following Monday.

- December Holiday (December 24 through January 1)

**SECTION 4.** The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2015.

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CYNTHIA S. CONNERS, Mayor

ATTEST:

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YOLIE TRIPPY, Deputy City Clerk

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

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 15-XX** was duly adopted by the City Council of the City of Laguna Woods at an adjourned regular meeting thereof, held on the XX day of XX 2015, by the following vote:

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

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YOLIE TRIPPY, Deputy City Clerk

8.2

**CITY COUNCIL AD HOC COMMITTEE TERMS  
AND APPOINTMENTS  
*(NO REPORT)***

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