AGENDA

ALISO VIEJO CITY COUNCIL
WEDNESDAY, JULY 19, 2023
6:00 PM CLOSED SESSION
7:00 PM REGULAR MEETING

City Hall
Council Chambers
12 Journey
Aliso Viejo, CA

Mayor Richard W. Hurt
Mayor Pro Tem Mike Munzing
Councilmember Tiffany Ackley
Councilmember Ross Chun
Councilmember Max Duncan

WELCOME to the City of Aliso Viejo City Council meeting. Those persons wishing to address the City Council are requested to complete and submit to the City Clerk a "Request to Address City Council" form available at the entrance to the City Council Chambers. Speakers will be called at the appropriate time as their interested matter is heard. COMMENTS WILL BE LIMITED TO THREE MINUTES PER SPEAKER. Council proceedings are recorded.

It is the City's intention to comply with the Americans with Disabilities Act (ADA). If you need special assistance to participate in the meeting, the City will make reasonable arrangements to ensure accessibility and/or accommodations. [28 CFR 35.102-35.104 ADA Title II] Please contact the City Clerk's Office at (949) 425-2505 at least 48 hours prior to the meeting.

Regular meetings of the City Council are held on the first and third Wednesday of the month at the City Hall Council Chambers, 12 Journey, Aliso Viejo. Copies of the agenda are available in the lobby at City Hall on the Thursday preceding a regularly scheduled City Council meeting. All communications received by the City regarding an agenda item have been included in the agenda materials. Supplemental documents relating to specific agenda items, including communications received after agenda delivery, are presented at the dais and in the Public Copy agenda binder at the time of the meeting. Supplemental documents are also available for review in the City Clerk's office, 12 Journey, Aliso Viejo. For more information, please contact City Hall at (949) 425-2505.

This meeting will be broadcast live on Cox Communications Channel 851, AT&T U-Verse Channel 99 and the City's website. By attending the City Council Meeting, you are giving your permission to be televised. The Council Meetings are rebroadcast on Wednesday at 7:00 p.m. on Cox Communications Channel 851, AT&T U-Verse Channel 99, and can be viewed on the internet at www.avcity.org.

DAVID A. DOYLE	SCOTT C. SMITH	MITZI ORTIZ
CITY MANAGER	CITY ATTORNEY	CITY CLERK

PLEASE SILENCE ALL CELL PHONES AND OTHER
ELECTRONIC EQUIPMENT WHILE CITY COUNCIL IS IN SESSION

CALL TO ORDER: CONVENE SPECIAL MEETING

PUBLIC COMMENTS:

CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4)
Number of Potential Cases: 1

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: City Manager

CALL TO ORDER: CONVENE REGULAR MEETING

ROLL CALL

PLEDGE OF ALLEGIANCE:

REPORT FROM CLOSED SESSION:

1. SPECIAL PRESENTATIONS:

1.1. BUSINESS OF THE MONTH - CHUPÓNCITO MEXICAN COCINA
Certificate of Recognition

2. ADDITIONS, DELETIONS, REORDERING TO THE AGENDA:

3. COMMUNITY INPUT:
Members of the public wishing to address the City Council are requested to complete and submit to the City Clerk a "Request to Address City Council" form available at the entrance to the City Council Chambers. In compliance with the Brown Act, no discussion or action may be taken on comments received at this time, except the City Council may briefly respond to statements made or questions posed. Comments are limited to three (3) minutes per speaker.

4. CONSENT CALENDAR:

All matters listed on the Consent Calendar will be acted upon by one vote unless members of the City Council, or staff request a matter to be discussed and/or removed from the Consent Calendar for separate action. Items removed from the Consent Calendar will be discussed and voted upon immediately following City Council action on the remainder of the Consent Calendar.

4.1. WAIVE THE READING OF ALL ORDINANCES AND RESOLUTIONS

Recommended Action: Approve the reading by title only of all ordinances and resolutions wherein the titles appear on the public agenda; said titles shall be determined to have been read by title, and further reading is waived.

4.2. APPROVAL OF MINUTES

Recommended Action: Approve the Minutes as submitted for the June 7, 2023 Special Meeting and June 7, 2023 Regular Meeting.

Draft Minutes - June 7, 2023 Special Meeting
Draft Minutes - June 7, 2023 Regular Meeting

4.3. ACCOUNTS PAYABLE

Recommended Action: Ratify accounts payable checks and electronic funds transfers issued between May 26 and July 6, 2023, in the amount of $1,857,758.39.

Staff Report
Attachment 1 - Accounts Payable Report

4.4. TREASURER'S STATEMENT – MAY 2023

Recommended Action: Receive and file the May 2023 Treasurer's Statement.

Staff Report
Attachment 1 - May 2023 Treasurer's Statement

4.5. INVESTMENT POLICY FOR FISCAL YEAR 2023-24

Recommended Action: Adopt a Resolution approving the Investment Policy for Fiscal Year 2023-24 and rescinding Resolution No. 2022-24 in its entirety.

Staff Report
Attachment 1 - Resolution
Attachment 2 - FY 2023-24 Investment Policy
Attachment 3 - FY 2023-24 Investment Policy (Redline)
Attachment 4 – Resolution No. 2022-24

4.6. RESOLUTION OF COMMUNITY FACILITIES DISTRICT NO. 2005-01 (GLENWOOD AT ALISO VIEJO) AUTHORIZING THE ANNUAL LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2023-24

Recommended Action: Adopt a Resolution of the City Council, acting as the legislative body of Community Facilities District No. 2005-01 (Glenwood at Aliso Viejo), authorizing the annual levy of special taxes for fiscal year 2023-24.

Staff Report
Attachment 1 - Resolution

4.7. AGREEMENT FOR LIMITED TERM-EXTRA HELP SERVICES OF CALPERS RETIREE (CINDY COLLINS)

Recommended Action: Authorize the City Manager to execute an agreement with retired annuitant Cindy Collins to serve as extra help as defined by the California Public Employees Retirement System (CalPERS) in the capacity of Recreation and Community Services Manager.

Staff Report
Attachment 1 - Agreement

4.8. AMENDMENT TO LICENSE AGREEMENT WITH RENEWABLE FARMS FOR THE MANAGEMENT AND OPERATIONS OF GOLD COAST FARM AT ALISO VIEJO RANCH

Recommended Action: Approve and authorize the City Manager to execute the First Amendment to the License Agreement with Renewable Farms for the management and operations of Gold Coast Farm at Aliso Viejo Ranch.

Staff Report
Attachment 1 - License Agreement Amendment

4.9. FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH MIKE LINARES, INC. FOR CDBG ADMINISTRATIVE SERVICES

Recommended Action: Authorize a First Amendment to the Professional Services Agreement with Mike Linares, Inc. to increase total compensation by $30,000.

Staff Report
Attachment 1 - Original Agreement
Attachment 2 - Agreement Amendment

4.10. EIGHTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH KOSMONT & ASSOCIATES, INC. TO PROVIDE ECONOMIC DEVELOPMENT CONSULTING SERVICES

Recommended Action: Approve and authorize the City Manager to execute an Eighth Amendment to the Professional Services Agreement with Kosmont & Associates, Inc. for economic development consulting services to extend the term to June 30, 2024.

Staff Report
Attachment 1 - Agreement
Attachment 2 - Eighth Amendment

4.11. LOT LINE ADJUSTMENT NO. LL 23-01 FOR LOTS 1, 5, AND 6 OF TRACT NO. 16838, CITY OF ALISO VIEJO, VALUEROCK ALISO VIEJO LLC, VALUEROCK ALISO VIEJO II LLC, LONE MOUNTAIN AZ LLC

Recommended Action:

1. Adopt a resolution approving Lot Line Adjustment LL 23-01; and
2. Authorize Staff to record proper documents with the Orange County Recorder.

Staff Report
Attachment 1 - Resolution
Attachment 2 - Site Plan
Attachment 3 - Lot Line Adjustment 23-01

5. PUBLIC HEARINGS:

None.

6. DISCUSSION:

6.1. RESOLUTION SUPPORTING ASSEMBLY CONSTITUTIONAL AMENDMENT (ACA) 12 RELATING TO CONTROLLED SUBSTANCES

Recommended Action: Adopt a Resolution in support of Assembly Constitutional Amendment (ACA) 12 relating to controlled substances.

Staff Report
Attachment 1 - Resolution
Attachment 2 - ACA 12 Text

6.2. SELECTION OF VOTING DELEGATE FOR LEAGUE OF CALIFORNIA CITIES GENERAL ASSEMBLY

Recommended Action: Designate a voting delegate and up to two alternates for the League of California Cities General Assembly to be held on September 22, 2023 at the Sacramento SAFE Credit Union Convention Center.

Staff Report
Attachment 1 - Memo

7. CITY MANAGER' S REPORT:

8. ANNOUNCEMENTS / COUNCIL COMMENTS / COMMITTEE UPDATES:

9. ADJOURNMENT:

The next regularly scheduled City Council meeting is August 2, 2023.

Certificate of Recognition

Presented to

CHUPÓNCITO MEXICAN COCINA

Aliso Viejo
Business of the Month
July 2023

Presented this 19th day of July, 2023

Richard Hurt, Mayor

CITY OF ALISO VIEJO
CITY COUNCIL MINUTES
SPECIAL MEETING
June 7, 2023, 6:30 P.M.
Council Chambers, City Hall, 12 Journey
Aliso Viejo, California

CALL TO ORDER: Mayor Hurt called the Special Meeting of the City Council of the City of Aliso Viejo to order at 6:30 p.m.

ROLL CALL:

PRESENT:	MAYOR RICHARD W. HURT MAYOR PRO TEM MIKE MUNZING COUNCILMEMBER TIFFANY ACKLEY COUNCILMEMBER ROSS CHUN
ABSENT:	COUNCILMEMBER MAX DUNCAN
STAFF PRESENT:	HONGDAO NGUYEN, ASSISTANT CITY ATTORNEY

PUBLIC COMMENTS:

None.

CLOSED SESSION:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: City Manager

REPORT FROM CLOSED SESSION:

Assistant City Attorney HongDao Nguyen stated no reportable action was taken.

ADJOURNMENT: Mayor Hurt adjourned the meeting at 6:53 p.m. to the June 7, 2023 Regular Council Meeting.

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Respectfully submitted:

MITZI ORTIZ, MMC
CITY CLERK

Approved by:

RICHARD HURT
MAYOR

DRAFT

CITY OF ALISO VIEJO
CITY COUNCIL MINUTES
REGULAR MEETING
JUNE 7, 2023, 7:00 P.M.
Council Chambers, City Hall, 12 Journey
Aliso Viejo, California

CALL TO ORDER: Mayor Hurt called the Regular Meeting of the City Council of the City of Aliso Viejo to order at 7:00 p.m.

ROLL CALL

PRESENT: MAYOR RICHARD W. HURT
MAYOR PRO TEM MIKE MUNZING
COUNCILMEMBER TIFFANY ACKLEY
COUNCILMEMBER ROSS CHUN

ABSENT: COUNCILMEMBER MAX DUNCAN

STAFF PRESENT: DAVID A. DOYLE, CITY MANAGER
HONGDAO NGUYEN, ASSISTANT CITY ATTORNEY
MITZI ORTIZ, CITY CLERK
ANN EIFERT, FINANCIAL SERVICES DIRECTOR
SHAUN PELLETIER, PUBLIC WORKS DIRECTOR
SO KIM, COMMUNITY DEVELOPMENT DIRECTOR
MICHAEL DELGADILLO, ASSISTANT PLANNER
LIZZY MENDOZA, RECREATION & COMMUNITY SERVICES MANAGER
ISAAC AZIZ, INFORMATION TECHNOLOGY MANAGER
CAPT. ALAN VILLANUEVA, CHIEF OF POLICE SERVICES

PLEDGE OF ALLEGIANCE: Councilmember Ackley led the pledge of allegiance.

REPORT FROM CLOSED SESSION:

Assistant City Attorney HongDao Nguyen stated no reportable action was taken.

1. SPECIAL PRESENTATIONS:

1.1. STATE OF THE CITY VIDEO

Mayor Hurt presented the State of the City video.

2. ADDITIONS, DELETIONS, REORDERING TO THE AGENDA:

None.

3. COMMUNITY INPUT:

None.

4. CONSENT CALENDAR:

Unless otherwise indicated below, the following pertains to all items on the Consent Calendar.

Motion: Mayor Pro Tem Munzing moved and Council seconded to approve the recommended actions. Motion carried 4-0-1, with Councilmember Duncan absent.

4.1. WAIVE THE READING OF ALL ORDINANCES AND RESOLUTIONS

Recommended Action: Approve the reading by title only of all ordinances and resolutions wherein the titles appear on the public agenda; said titles shall be determined to have been read by title, and further reading is waived.

4.2. APPROVAL OF MINUTES

Recommended Action: Approve the Minutes as submitted for the May 17, 2023 Regular Meeting.

4.3. SECOND READING AND ADOPTION OF AN ORDINANCE ESTABLISHING BY-DISTRICT ELECTIONS, DEFINING DISTRICT BOUNDARIES, AND SCHEDULING ELECTIONS WITHIN THE DISTRICTS

Recommended Action: Conduct second reading and adopt Ordinance No. 2023-236 entitled: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CALIFORNIA, ADDING SECTION 1.12.020 TO CHAPTER 1 OF TITLE 1 OF THE ALISO VIEJO MUNICIPAL CODE ESTABLISHING BY-DISTRICT ELECTIONS, DEFINING DISTRICT BOUNDARIES, AND SCHEDULING ELECTIONS WITHIN THE DISTRICTS.

4.4. ACCOUNTS PAYABLE

Recommended Action: Ratify accounts payable checks and electronic funds transfers issued between April 28 and May 25, 2023, in the amount of $1,677,390.96.

4.5. TREASURER'S STATEMENT – APRIL 2023

Recommended Action: Receive and file the April 2023 Treasurer's Statement.

4.6. APPROPRIATIONS LIMIT - FISCAL YEAR 2023-24

Recommended Action: Adopt Resolution No. 2023-11 establishing the appropriations limit for Fiscal Year (FY) 2023-24 at $56,164,572.

4.7. AGREEMENTS FOR FY 2023-24 LAW ENFORCEMENT SERVICES AND CROSSING GUARD SERVICES

Recommended Action:
1. Authorize the City Manager to execute the agreement with the County of Orange for FY 2023-24 law enforcement services; and
2. Authorize the City Manager to execute the agreement with All City Management Services, Inc. for school crossing guard services.

4.8. AGREEMENT WITH THE CITY OF MISSION VIEJO FOR ANIMAL CONTROL AND SHELTER SERVICES

Recommended Action:
1. Approve a seven-year agreement with the City of Mission Viejo for animal control and shelter services; and
2. Authorize the City Manager to execute a seven-year agreement with the City of Mission Viejo, in the amount of $474,487 for fiscal year 2023-24 and in an amount to be determined annually thereafter.

4.9. AGREEMENT WITH WINTER VISUALS

Recommended Action: Approve and authorize the City Manager to execute a 3-year professional services agreement with Winter Visuals to perform video production services.

4.10. FIFTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH CIVIC SOLUTIONS, INC. TO PROVIDE PLANNING CONSULTING SERVICES

Recommended Action: Approve and authorize the City Manager to execute a Fifth Amendment to the Professional Services Agreement with Civic Solutions, Inc. for planning consulting services to increase the total compensation by an amount not to exceed $68,000.

4.11. PROFESSIONAL SERVICES AGREEMENT WITH CHARLES ABBOTT ASSOCIATES TO PROVIDE BUILDING & SAFETY AND CODE ENFORCEMENT SERVICES

Recommended Action: Approve and authorize the City Manager to execute a Professional Services Agreement with Charles Abbott Associates for building & safety

DRAFT

and code enforcement consulting services for a five-year period, with a total compensation amount not to exceed $600,000, annually ($3,000,000 total).

4.12. AGREEMENT WITH CHARLES ABBOTT ASSOCIATES, INC. FOR ENVIRONMENTAL CONSULTING SERVICES

Recommended Action:

1. Approve a 3-year agreement with Charles Abbott Associates, Inc. to perform environmental consulting services; and
2. Authorize the City Manager to execute a professional services agreement with Charles Abbott Associates, Inc. for an amount of $900,000.

4.13. AGREEMENT WITH CHARLES ABBOTT ASSOCIATES, INC. FOR PUBLIC WORKS CONSULTING SERVICES

Recommended Action:

1. Approve a 5-year agreement with Charles Abbott Associates, Inc. to perform public works consulting services; and
2. Authorize the City Manager to execute a professional services agreement with Charles Abbott Associates, Inc. with a compensation amount of $140,000 annually, and total compensation not to exceed $700,000 over the 5-year term.

4.14. AGREEMENT WITH ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA, INC. FOR ON-CALL CIVIL ENGINEERING SERVICES

Recommended Action:

1. Approve a 3-year agreement with Engineering Resources of Southern California, Inc. to perform on-call civil engineering services; and
2. Authorize the City Manager to execute a professional services agreement with Engineering Resources of Southern California, Inc. for an amount of $400,000.

4.15. FIRST AMENDMENT WITH NICHOLS CONSULTING ENGINEERS, CHTD FOR PAVEMENT MANAGEMENT PROGRAM SERVICES

Recommended Action:

1. Approve a first amendment to the agreement with Nichols Consulting Engineers, CHTD (NCE) to perform pavement management program services to renew the agreement through June 30, 2024, and increase the total compensation under the agreement by $40,000; and
2. Authorize the City Manager to execute the first amendment to the agreement.

4.16. AQUATIC CENTER EQUPMENT MAINTENANCE

Recommended Action:

1. Approve a Second Amendment to the Agreement with Knorr Systems, Inc. to perform Equipment Maintenance Services at Aquatic Center that extends the term

one year and increases the compensation amount by $50,000 for a total authorization of $220,000 since 2020; and
2. Authorize the City Manager to execute the Second Amendment to the Agreement.

4.17. SECOND AMENDMENT TO THE AGREEMENT WITH RK ENGINEERING GROUP INC. FOR ON-CALL PARKING AND TRAFFIC ANALYSIS

Recommended Action:
1. Approve a second amendment to the agreement with RK Engineering Group, Inc. to perform on-call parking and traffic analysis that renews the agreement for an additional one-year term and increases the total compensation under the agreement by $50,000 for a total amount of $100,000; and
2. Authorize the City Manager to execute the second amendment to the agreement.

4.18. RENEWED MEASURE M ELIGIBILTY

Recommended Action:
1. Adopt a 7-year Capital Improvements Program (CIP) for Street Projects;
2. Adopt Resolution No. 2023-12 concerning the status of the Circulation Element and Mitigation Fee Program; and
3. Adopt Resolution No. 2023-13 concerning the status of the Local Signal Synchronization Plan.

4.19. FISCAL YEAR 2023-24 PROJECT LIST FOR ROAD MAINTENANCE AND REHABILITATION ACCOUNT FUNDING (SB 1)

Recommended Action: Adopt Resolution No. 2023-14 adopting a list of projects for fiscal year 2023-24 funded by SB 1: The Road Repair and Accountability Act of 2017.

4.20. DIRECT CITY COUNCIL HEALTH BENEFIT ALLOWANCE TO DEFERRED COMPENSATION ACCOUNT

Recommended Action: Adopt Resolution No. 2023-15 directing current and future monthly health benefit allowances for Council Members to deferred compensation accounts rather than making the allowance available for the purchase of health, dental, and vision insurance, as well as retirement survivors' benefit, as applicable.

5. PUBLIC HEARINGS:

5.1. CONDITIONAL USE PERMIT TO OPERATE A CHURCH AT 115 COLUMBIA

City Manager David Doyle introduced Community Development Director So Kim, who provided an overview. Applicant Mike Sung provided additional information. Staff responded to questions regarding existing church. Mayor Hurt opened the public hearing. There were no comments. Mayor Hurt closed the public hearing. Councilmembers commented on the matter.

Recommended Action:

1. Find that the request is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities); and
2. Adopt Resolution No. 2023-16 approving the Conditional Use Permit (USE-2023-00013) to operate a church (International Grace Ministry) at 115 Columbia.

Motion: Councilmember Ackley moved and Mayor Pro Tem Munzing seconded to approve the recommended actions. Motion carried 4-0-1, with Councilmember Duncan absent.

5.2. CONDITIONAL USE PERMIT TO OPERATE A MASSAGE THERAPY AND SKINCARE TREATMENT ESTABLISHMENT AT 19 VANTIS (USE-2023-00009)

City Manager David Doyle introduced Assistant Planner Michael Delgadillo, who provided an overview. Applicant Lucy Wojskowicz responded to questions regarding hours of operation. Mayor Hurt opened the public hearing. There were no comments. Mayor Hurt closed the public hearing. Councilmembers commented on the matter.

Recommended Action:

1. Find that the request is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities); and
2. Adopt Resolution No. 2023-17 approving the Conditional Use Permit to operate a skincare and massage therapy establishment at 19 Vantis (USE-2023-00009).

Motion: Councilmember Chun moved and Mayor Hurt seconded to approve the recommended actions. Motion carried 4-0-1, with Councilmember Duncan absent.

5.3. RE-ADOPTION OF GENERAL PLAN AMENDMENT PA21-019 FOR THE 6TH CYCLE HOUSING ELEMENT UPDATE

City Manager David Doyle introduced Community Development Director So Kim, who provided an overview. Staff responded to questions regarding review and approval timeline, potential minor modifications, and affordable housing. Mayor Hurt opened the public hearing and the following persons provided comment:

1. Tom Merritt expressed concern with the potential for increased residential density at The Commons.
2. Kate Van Camp expressed support for the item and concern with proposed mixed-use project at The Commons.

There were no other comments. Mayor Hurt closed the public hearing. Councilmembers commented on the matter.

Recommended Action:

1. Find that the request is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption);

2. Adopt Resolution No. 2023-18 adopting a General Plan Amendment for the 6th Cycle Housing Element (PA21-019); and
3. Authorize the Community Development Director to make minor modifications to the 6th Cycle Housing Element to the extent that such modifications are necessary to address further HCD comments and receive certification.

Motion: Mayor Pro Tem Munzing moved and Councilmember Chun seconded to approve the recommended actions. Motion carried 4-0-1, with Councilmember Duncan absent.

6. DISCUSSION:

6.1. PROPOSED ANNUAL BUDGET FOR FISCAL YEAR 2023-24

City Manager David Doyle introduced Financial Services Director Ann Eifert, who provided an overview. Staff responded to questions regarding facility rental fees, Aliso Viejo Ranch debt service payment, and Recreation & Community Services expenditures. Councilmembers commented on the matter.

Recommended Action:
1. Adopt Resolution No. 2023-19 adopting the Annual Budget for Fiscal Year 2023-24; and
2. Adopt Resolution No. 2023-20 approving City Salary Schedules.

Motion: Mayor Pro Tem Munzing moved and Councilmember Chun seconded to approve the recommended actions. Motion carried 4-0-1, with Councilmember Duncan absent.

7. CITY MANAGER' S REPORT:

City Manager David Doyle announced the beginning of Summer Camps and encouraged residents to register for upcoming programs; announced Movie Night to be held at 6:00 p.m. on August 25, 2023, at Aliso Viejo Middle School; and expressed appreciation to staff and the City Council for a great Fiscal Year 2023-24.

8. ANNOUNCEMENTS / COUNCIL COMMENTS / COMMITTEE UPDATES:

Councilmember Ackley:
- Attended Support our Marines Car Wash fundraiser in Laguna Niguel
- Wished everyone a safe and happy 4th of July
- Encouraged residents to attend AVCA July 4th Celebration & Fireworks
- Wished AVCA Board Member Bill Conley well in his retirement
- Wished everyone a happy Pride Month

Councilmember Chun:
- Congratulated Aliso Niguel High School graduates
- Congratulated Aliso Viejo Community Foundation Scholarship recipients
- Expressed appreciation to The Covington for invitation to perform
- Presented on Hawaiian culture at Belmont Village
- Attended OCFA helicopter tour
- Attended SCAG Transportation Committee Meeting
- Attended Don Juan Avila Middle School Jewish American Heritage Month event
- Presented American Red Cross Spirit of Hope Award posthumously to Dr. John Cheng
- Participated in Canyon Vista Elementary School Multicultural Day event
- Announced dog walking event in partnership with local businesses
- Expressed appreciation to AVCA Board Member Bill Conley for his years of service

Mayor Pro Tem Munzing:
- Attended Aliso Viejo Chamber of Commerce Field Trip Friday at Microvention
- Attended Aliso Viejo Chamber of Commerce After Hours event
- Attended Memorial Day Observance at El Toro Memorial Park
- Expressed condolences on the passing of Tustin Councilmember Allen Bernstein
- Attended Aliso Niguel High School Graduation
- Encouraged residents to attend AVCA July 4th Celebration & Fireworks

Mayor Hurt:
- Attended various TCA Committee Meetings
- Attended Memorial Day Observance at El Toro Memorial Park
- Attended Aliso Niguel High School Graduation
- Attended San Joaquin Elementary School Graduation
- Wished everyone a safe and happy 4th of July

9. ADJOURNMENT:

Mayor Hurt adjourned the meeting at 8:17 to July 19, 2023. The regularly scheduled City Council meetings of June 21 and July 5, 2023 have been cancelled.

Respectfully submitted:

_____
MITZI ORTIZ, MMC
CITY CLERK

Approved by:

_____
RICHARD HURT
MAYOR

DRAFT

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Ann Eifert, Director of Financial Services

SUBJECT: ACCOUNTS PAYABLE

Recommended Action:

Ratify accounts payable checks and electronic funds transfers issued between May 26 and July 6, 2023, in the amount of $1,857,758.39.

Fiscal Impact:

Expenditures in the amount of $1,857,758.39.

Background:

The City issues accounts payable checks on bi-weekly basis and presents it to City Council for ratification at its next regularly scheduled City Council meeting.

Discussion:

The attached register containing checks and electronic funds transfers between May 26 and July 6, 2023, for a total of $1,857,758.39 is being presented for ratification. All payments have been made in compliance with the City's purchasing policy and procedures. Payments have been reviewed and approved by the appropriate departmental staff. The issued accounts payable checks and electronic funds transfers have been reviewed and deemed in accordance with the fiscal year budget by the Director of Financial Services.

Attachment:

1. Accounts Payable Report

Accounts Payable

Vendor Name	Description (Item)	Amount
101 - GENERAL FUND		
CHOICE BUILDER	JUL'23 VISION INSURANCE	353.06
CHOICE BUILDER	JUL'23 ADMIN FEE	35.00
CHOICE BUILDER	JUL'23 DENTAL INSURANCE	2,224.18
CHOICE BUILDER	JUN'23 DENTAL - JR	(200.40)
CHOICE BUILDER	JUN'23 VISION - JR	(29.54)
CALIFORNIA NEWSPAPERS PARTNERSHIP	REF0011603889-5/25 URBAN WELLNESS LOUNGE CUP PH	458.80
CALIFORNIA NEWSPAPERS PARTNERSHIP	REF0011603872-5/25 INTL GRACE MINISTRIES CUP PH	458.80
STC TRAFFIC, INC	MAY'23 ON-CALL TRAFFIC CONSULTANT SERVICES	3,900.00
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5004 MNWD	528.93
CHARLES ABBOTT ASSOC INC	APR'23 ENG 2243 GLAUKOS SITE 2	352.63
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5046 NX UTILITIES	50.38
CHARLES ABBOTT ASSOC INC	APR'23 ENG 5060 EL TORO WATER DISTRICT	25.19
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5003 COX	629.68
CHARLES ABBOTT ASSOC INC	APR'23 ENG 2241 GLAUKOS SITE 1	327.44
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5064 CLEAR THOUGHT CORP	75.56
CHARLES ABBOTT ASSOC INC	APR'23 ENG 2247 SUMMIT IV 15-25 ENTERPRISE LDSCPNG	75.56
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5049 COX UTILITY	100.75
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5005 SCE - SADDLEBACK	176.31
CHARLES ABBOTT ASSOC INC	APR'23 ENG 2230 15-25 ENTERPRISE GRADING	75.56
CHARLES ABBOTT ASSOC INC	APR'23 CAA ENG 5067 WEBBS GRAINWORKS	201.50
CHARLES ABBOTT ASSOC INC	APR'23 ENG 2250 CITY LIGHTS GRADING	250.18
CHARLES ABBOTT ASSOC INC	APR'23 CAA-6 COMPUTER STATIONS LEASE CREDIT	(300.00)
BEST BEST & KRIEGER	05/31/23 (THE COMMONS APTS) REVIEW AND EVAL	250.40
BEST BEST & KRIEGER	MAY'23 BBK MAJOR GENERAL PLAN UPDATE	1,618.20
BEST BEST & KRIEGER	MAY'23 BBK SDP 2022-0004 AVALON BAY	966.00
BEST BEST & KRIEGER	MAY'23 BBK TOWN CENTER SPECIFIC PLAN	3,375.90
SUNRUN INSTALLATION SERVICES	PVR-2022-00044_2 SEVEN KINGS PL_PERMIT REFUND	153.50
FRISCH AND SONS CONSTRUCTION INC.	P#23-04-54_10 NORTHWINDS_FRISCH AND SONS INC.	3,000.00
FRISCH AND SONS CONSTRUCTION INC.	POOL-2023-00004_10 NORTHWINDS_FRISCH AND SONS INC	500.00
RJM DESIGN GROUP INC	APR'23 ENG2252/COMMONS 4TH AND FINAL PLAN CHECK	172.00
SAMUEL HUBINETTE RACING INC	P#2020-0685_25 ALISAL CT_SAMUEL HUBINETTE RACING	750.00
SAMUEL HUBINETTE RACING INC	CD-2022-00055_25 ALISAL CT_SAMUEL HUBINETTE RACING	176.74
SAMUEL HUBINETTE RACING INC	WQ-2022-00026_25 ALISAL CT_SAMUEL HUBINETTE RACING	191.08
COMPASS BIBLE CHURCH	BLDC-2022-00014_140 COLUMBIA_COMPASS BIBLE CHURCH	1,000.00
AMERICAN SUPREME ROOFING	BLDR-2023-00102_4 WINDFLOWER_AMERICAN SUPREME ROOF	500.00
UNITED OF OMAHA LIFE INSURANCE CO.	JUL'23 LIFE INSURANCE	1,448.50
CALPERS HEALTH	JUL'23 CALPERS HEALTH PREMIUM	24,161.84
CALPERS HEALTH	JUL'23 HEALTH PREMIUM - RC	1,815.15
CALPERS HEALTH	JUL'23 HEALTH PREMIUM - RH	1,361.42
CHARLES ABBOTT ASSOC INC	MAY'23 CAA ENG 5057 FERREIRA	1,536.44
CHARLES ABBOTT ASSOC INC	MAY'23 CAA ENG 5003 COX	528.93
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2241 GLAUKOS SITE 1	100.75
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2243 GLAUKOS SITE 2	352.63
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2247 SUMMIT IV 15-25 ENTERPRISE LDSCPNG	277.06
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2250 CITY LIGHTS GRADING	125.09
CHARLES ABBOTT ASSOC INC	MAY'23 CAA ENG 5005 SCE - SADDLEBACK	226.69
CHARLES ABBOTT ASSOC INC	MAY'23 CAA ENG 5064 CLEAR THOUGHT CORP	201.50
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2251 26501 ALISO CREEK GRADING	125.94
CHARLES ABBOTT ASSOC INC	MAY'23 CAA ENG 5004 MNWD	428.18
CHARLES ABBOTT ASSOC INC	MAY'23 ENG 2230 15-25 ENTERPRISE GRADING	75.56
CHARLES ABBOTT ASSOC INC	MAY'23 CAA-6 COMPUTER STATIONS LEASE CREDIT	(300.00)
HF&H CONSULTANTS LLC	MAY'23 CR&R COMPLIANCE AUDIT	10,493.75
JRC ALISO VIEJO LLC	PA21-027/TESLA PROJECT - R00008579 DEPOSIT REFUND	3,748.40
CONAM BUILDING CO.	BLDC-2022-00021_15 MAREBLU_CON-AM BUILDING CO.	500.00
CAIRNEY CONSTRUCTION CORPORATION	BLDC-2022-00094_35 ENTERPRISE_CAIRNEY CONST. CORP.	500.00

Vendor Name	Description (Item)	Amount
FLANIGAN CONSTRUCTION INC	BLDR-2022-00423_15 FAWNRIDGE PL_FLANIGAN CONST.	500.00
		70,631.22
CITY COUNCIL		
AT&T	MAY'23 CC PHONES LINES	236.69
US BANK PURCHASING CARD PROGRAM	DL 5-8 SCAG - RC -PRTL REFUND- 5/3 CANCELLED NIGHT	(40.41)
US BANK PURCHASING CARD PROGRAM	DL 4-20 ICSC - MD - CONF REGISTRATION	875.00
US BANK PURCHASING CARD PROGRAM	DL 5-2 ICSC - MD - FLIGHT	327.96
US BANK PURCHASING CARD PROGRAM	DL 4-27 SCAG CONF - RH - HOTEL - 5/3-5/5	478.82
US BANK PURCHASING CARD PROGRAM	DL 5-2 ICSC - MD - HOTEL DEPOSIT 5/21-5/23	419.10
US BANK PURCHASING CARD PROGRAM	DL 4-17 ICSC CONF - RC - HOTEL CANCELLATION REFUND	(397.33)
US BANK PURCHASING CARD PROGRAM	DL 4-27 SCAG CONF - RC - HOTEL - 5/4-5/5	239.41
US BANK PURCHASING CARD PROGRAM	DL 5-18 ICSC-MD-HOTEL REMAINING BALANCE 5/21-5/23	295.02
US BANK PURCHASING CARD PROGRAM	DL 5-2 ICSC - RH-HOTEL REMAINING BALANCE 5/21-5/23	262.37
CALPERS HEALTH	JUL'23 HEALTH PREMIUM PEMHCA MINIMUM - RH	151.00
CALPERS HEALTH	JUL'23 HEALTH PREMIUM PEMHCA MINIMUM - RC	151.00
	CITY COUNCIL TOTAL:	**2,998.63**
CITY MANAGER		
ALISO VIEJO BANQUET CENTER LLC	FINAL PAYMENT-OCCMA JUNE RETREAT- AV CENTER	2,171.31
US BANK PURCHASING CARD PROGRAM	DD 4-26 CM FASTRACK/TOLL ROADS MONTHLY CHARGES	335.00
US BANK PURCHASING CARD PROGRAM	DD 5-12 OPAH-OCCMA RETREAT PLANNING LUNCH	198.09
US BANK PURCHASING CARD PROGRAM	DD 5-4 LAZ PARKING - MEDAL OF VALOR	46.89
US BANK PURCHASING CARD PROGRAM	DD 5-21 CURB LV TAXI - AIRPORT TO HOTEL	38.51
AT&T	MAY'23 CM PHONE LINE	50.35
AT&T	MAY'23 HR PHONE LINE	50.35
US BANK PURCHASING CARD PROGRAM	DL 5-2 ICSC - DD - HOTEL DEPOSIT 5/21-5/23	295.93
US BANK PURCHASING CARD PROGRAM	DL 4-27 OCCMA PROF DEV WORKSHOP - CATERING	1,506.61
US BANK PURCHASING CARD PROGRAM	DL 5-2 OCCMA PROF DEV WORKSHOP - CATERING - ADD ON	296.16
US BANK PURCHASING CARD PROGRAM	DL 5-1 CM LUNCH MEETING - 5/2	110.56
US BANK PURCHASING CARD PROGRAM	DL 5-23 ICSC -DD-HOTEL REMAINING BALANCE 5/21-5/23	295.93
US BANK PURCHASING CARD PROGRAM	DL 4-27 OCCMA MONTHLY MAY MEETING - CATERING	3,195.33
CALPERS HEALTH	JUL'23-PG-HEALTH PREMIUM	151.00
PARKING CONCEPTS	6/29 OCCMA JUNE RETREAT TRANSPORTATION	725.00
	CITY MANAGER TOTAL:	**9,467.02**
ECONOMIC DEVELOPMENT		
ERIC WINTER	MAY'23-BUS OF THE MONTH_30 MINUTE HIT	735.42
BEST BEST & KRIEGER	MAY'23 BBK 89 PLAYA CIRCLE	648.40
BEST BEST & KRIEGER	APR'23 BBK 89 PLAYA CIRCLE	1,658.90
EFUEL LLC	JAN-MAR'23 SALES TAX-EFUEL	154,124.00
	ECONOMIC DEVELOPMENT TOTAL:	**157,166.72**
HUMAN RESOURCES		
LEE BROEKMAN	JUN'23 EXECUTIVE TEAM RETREAT/TRAINING	7,109.27
US BANK PURCHASING CARD PROGRAM	DD 4-25 STARBUCKS RCS INTERIM	18.35
CHARLES C STILL	MAY'23-CF/BR/AB/ZRM SECURE LIVE SCAN FEES	248.00
SMARTHIRE, A DIVISION OF KROUT & SCHNEIDER, INC	4/6 ACCT TECH BACKGROUND CHECK - TL	122.00
US BANK PURCHASING CARD PROGRAM	PC 4/27 TEATRO HOTEL REMAINING BALANCE-SHRM 4/27	102.68
US BANK PURCHASING CARD PROGRAM	PC 4/25 ILLEGAL BURGER - SHRM 4/24 DINNER	18.42
US BANK PURCHASING CARD PROGRAM	PC 4/27 UBER - SHRM 4/27	103.40
US BANK PURCHASING CARD PROGRAM	PC 4/30 PROMETRIC EXAM FEE	53.00
US BANK PURCHASING CARD PROGRAM	PC 4/27 JOHN WAYNE AIRPORT PARKING - SHRM 4/27	94.00
US BANK PURCHASING CARD PROGRAM	JNL 6-09 RCS CPR TRAINING - JESSICA PRITCHET	69.00
US BANK PURCHASING CARD PROGRAM	JNL 6-09 RCS CPR TRAINING - ANASTASIA BEKIS	69.00
US BANK PURCHASING CARD PROGRAM	JNL 6-09 RCS CPR TRAINING - ROMAN PERALTA	69.00
US BANK PURCHASING CARD PROGRAM	JNL 6-09 RCS CPR TRAINING - BRITTANY RAMOS	69.00
US BANK PURCHASING CARD PROGRAM	JNL 6-21RCS CPR TRAINING - MEGAN LAWRITSON	69.00
	HUMAN RESOURCES TOTAL:	**8,214.12**
CITY CLERK		
CALIFORNIA NEWSPAPERS PARTNERSHIP	REF0011603879-5/25 PA21-019 (GPA) REV. 21-29 HE	607.60
MITZI ORTIZ	MO-4/11-13/23 CCAC ANNUAL CONF REIMB_MILEAGE	124.45
MITZI ORTIZ	MO-5/14-18/23 IIMC REIMB_MILEAGE_AIRFARE_AIRPT PKG	893.34
STAPLES ADVANTAGE	APR'23 OFFICE SUPPLIES CC	20.36
STAPLES ADVANTAGE	APR'23 RECOGNITION SUPPLIES CC	62.55
US BANK PURCHASING CARD PROGRAM	MO 5/14 2023 IIMC UBER - MSP AIRPORT TO HYATT MPLS	26.86
US BANK PURCHASING CARD PROGRAM	MO 5/18 2023 IIMC UBER - HYATT MPLS TO MSP AIRPORT	30.00

Vendor Name	Description (Item)	Amount
US BANK PURCHASING CARD PROGRAM	MO 4/10 2023 CCAC RENAISSANCE PALM SPRINGS 4/11-14	441.12
US BANK PURCHASING CARD PROGRAM	MO 5/13 HYATT REGENCY MN CANCELLATION 5/18-21	155.00
US BANK PURCHASING CARD PROGRAM	MO 5/18 2023 IIMC HYATT REGENCY MN 5/14-18	717.46
US BANK PURCHASING CARD PROGRAM	MO 5/3 SEC OF STATE-NPC STMT OF INFO_ AVRANCH FNDN	20.00
US BANK PURCHASING CARD PROGRAM	MO 5/5 SEC OF STATE-NPC STMT OF INFO_AV PFC	20.00
PAYAL AVELLAN	2022 CANDIDATE STATEMENT REFUND - PAYAL AVELLAN	55.80
ACKLEY FOR CITY COUNCIL 2022	2022 CANDIDATE STATEMENT REFUND - TIFFANY ACKLEY	55.80
TARA RICKSEN	2022 CANDIDATE STATEMENT REFUND - TARA RICKSEN	55.80
MAXON E DUNCAN	2022 CANDIDATE STATEMENT REFUND - MAX DUNCAN	55.80
ARTHUR OSORIO	2022 CANDIDATE STATEMENT REFUND - ARTHUR OSORIO	55.80
US BANK PURCHASING CARD PROGRAM	MO 6/14 ICMA 2023 ANNUAL CONF 9/30-10/4/23 IN ATX	590.00
US BANK PURCHASING CARD PROGRAM	MO 6/7 LCC EB CONF & CCLK WKSHP 9/20-22/23 IN SAC	825.00
US BANK PURCHASING CARD PROGRAM	MO 6/7 IIMC MEMBERSHIP RENEWAL	225.00
US BANK PURCHASING CARD PROGRAM	MO 6/8 CCAC MEMBERSHIP RENEWAL	250.00
ORANGE COUNTY REGISTER	FY23-24 OC REGISTER SUBS ACCT#150428229-26 WKS	426.58
ICC GENERAL CODE, INC	MUNI CODE-WEB UPD 15PGS W. PICS/TABLS ORD2023-235	427.50
LEKKINA LONG	LL MILEAGE REIMBURSEMENT FOR JAN-JUN 2023	61.31
LEKKINA LONG	LL MILEAGE REIMBURSEMENT FOR JUL-DEC 2022	16.38
	CITY CLERK TOTAL:	**6,219.51**
CITY ATTORNEY		
BEST BEST & KRIEGER	MAY'23 BBK LITIGATION - CC	597.90
BEST BEST & KRIEGER	MAY'23 BBK LEGAL SERVICES	22,134.60
BEST BEST & KRIEGER	MAY'23 BBK LABOR & EMPLOYMENT	353.10
BEST BEST & KRIEGER	MAY'23 BBK LABOR & EMPLOYMENT	5,500.00
BEST BEST & KRIEGER	MAY'23 BBK LABOR/BENEFITS	2,817.00
BEST BEST & KRIEGER	MAY'23 BBK CEQA & ENVIRONMENTAL	4,225.50
BEST BEST & KRIEGER	MAY'23 BBK AIR - SPECIAL PROJECTS WITH NO DEPOSIT	3,782.00
BEST BEST & KRIEGER	MAY'23 BBK NPDES	167.40
BEST BEST & KRIEGER	MAY'23 BBK GENERAL LITIGATION	1,480.20
BEST BEST & KRIEGER	MAY'23 BBK CVRA DEMAND	1,574.50
BEST BEST & KRIEGER	APR'23 BBK LITIGATION - CC	6,390.90
BEST BEST & KRIEGER	APR'23 BBK LEGAL SERVICES	23,288.00
BEST BEST & KRIEGER	APR'23 BBK LABOR / EMPLOYMENT	438.20
BEST BEST & KRIEGER	APR'23 BBK LABOR / BENEFITS	93.90
BEST BEST & KRIEGER	APR'23 BBK MAJOR GENERAL PLAN UPDATE	790.90
BEST BEST & KRIEGER	APR'23 BBK APPLICANT INITIATED REIMBURSABLE	322.50
BEST BEST & KRIEGER	APR'23 BBK GENERAL LITIGATION	782.50
BEST BEST & KRIEGER	APR'23 BBK CVRA DEMAND	5,112.00
BEST BEST & KRIEGER	APR'23 #801 GENERAL PLAN/TOWN CTR SPECIFIC PLAN	1,422.90
	CITY ATTORNEY TOTAL:	**81,274.00**
FINANCE		
GARDAWORLD	JUN'23 CH CASH COURIER SERVICE	476.25
DAVIS FARR LLP	AVPFC TAX RETURN PREP FOR FY19-20 + 20-21 + 21-22	3,281.25
PARS	APR'23 PARS REP FEES	300.00
HINDERLITER DE LLAMAS & ASSOCIATES	APR-JUN'23 SALES TAX RECOVERY SERVICE	162.57
HINDERLITER DE LLAMAS & ASSOCIATES	APR-JUN'23 SALES TAX CONTRACT SERVICE	1,662.45
US BANK PURCHASING CARD PROGRAM	AE 5-16 CA FRANCHISE TAX BOARD FILING FEE - AVPC	11.00
US BANK PURCHASING CARD PROGRAM	AE 5-15 USPS - POSTAGE FOR AVPC TAX RETURN	5.41
US BANK PURCHASING CARD PROGRAM	AE 5-11 CSMFO TRAINING	200.00
CALPERS HEALTH	JUL'23 CALPERS ADMIN FEE	85.69
CALPERS HEALTH	JUL'23 CALPERS ADMIN FEE	11.48
US BANK PURCHASING CARD PROGRAM	AE 6/7 CSMFO OC CHAPTER MEETING	45.00
FIFTH ASSET, INC	5/27/23-5/26/24 IMPLEMENTATION AND ANNUAL FEE	7,000.00
	FINANCE TOTAL:	**13,241.10**
INFORMATION TECHNOLOGY		
AT&T	MAY'23 CH-ALARM/POTS LINE	2,339.47
SONITROL ORANGE COUNTY LLC	JAN'23 SONITROL ACCESS & SECURITY	1,537.81
SONITROL ORANGE COUNTY LLC	FEB'23 SONITROL ACCESS & SECURITY	1,537.81
SONITROL ORANGE COUNTY LLC	MAR'23 SONITROL ACCESS & SECURITY	1,537.81
SONITROL ORANGE COUNTY LLC	APR'23 SONITROL ACCESS & SECURITY	1,612.91
SONITROL ORANGE COUNTY LLC	MAY'23 SONITROL ACCESS & SECURITY	1,612.91
SONITROL ORANGE COUNTY LLC	JUN'23 SONITROL ACCESS & SECURITY	1,612.91
JOSEPH GHOULAM	AJAV 5MP AND 180 CAMERA INSTALLATION	2,345.69
GOTO COMMUNICATIONS	JUN'23 CH GOTO VOIP SERVICE & SUPPORT	1,990.56

Vendor Name	Description (Item)	Amount
COX COMMUNICATIONS, INC	JUN'23 INTERNET #0202 TV/CABLE - CITYHALL	178.10
COX COMMUNICATIONS, INC	FY22-23 ACCT #8802-CH-INTERNET	1,500.00
NATHAN M KEETER	JUN'23 NETWORK SUPPORT & SECURITY	416.67
AT&T	MAY'23 FLEET COMPLETE GPS	168.04
AT&T	MAY'23 EOC PHONES	107.99
AT&T	MAY'23 CH 3 MIFI	163.96
AT&T	MAY'23 EOC MIFI	160.96
AT&T	MAY'23 ACCT#2566 AT&T INTERNET LATE FEES	45.84
AT&T	MAY'23 ACCT#2566 CH AT&T FIBER INTERNET	1,695.39
TANGENT COMPUTERS INC	MAY'23 O365 - CH - LICENSES & SUPPORT	2,999.86
STAPLES ADVANTAGE	MAY'23 IT SUPPLIES-PHOTO GLOSSY 36 BY 100FT QTY 2	276.96
US BANK PURCHASING CARD PROGRAM	IA-4/28 EOC YOUTUBE SUBSCRIPTION	72.99
US BANK PURCHASING CARD PROGRAM	IA-5/16 WAITWHILE SUBSCRIPTION	159.00
US BANK PURCHASING CARD PROGRAM	IA-5/5 STAPLES PLOTTER PAPER	30.16
LUNAVI, INC	JUN'23 OFFSITE BACKUP STORAGE	1,272.64
COX COMMUNICATIONS, INC	MAY'23 ACCT#9302 INTERNET SERVER ROOM	85.39
AT&T	JUN'23 ACCT#2566 ADJUSTMENT FEES	11.55
AT&T	JUN'23 ACCT#2566 CH AT&T FIBER INTERNET	1,695.39
ANN EIFERT	AE FY 24 EMPLOYEE COMPUTER PURCHASE REIMBURSEMENT	1,650.00
SHI INTERNATIONAL CORP	4/13-8/11/23 ADOBE INDESIGN & ILLUSTRATOR LICENSE	250.00
US BANK PURCHASING CARD PROGRAM	IA-5/28 EOC YOUTUBE SUBSCR	72.99
US BANK PURCHASING CARD PROGRAM	IA-5/25 FY23-24 SURVEY MONKEY-05/25/23 - 05/24/24	468.00
US BANK PURCHASING CARD PROGRAM	IA-6/10 FY23-24 GODADDY.COM CITYOFALISOVIEJO.COM	99.99
US BANK PURCHASING CARD PROGRAM	IA-6/13 STELLAR DATA RECOVERY	548.98
US BANK PURCHASING CARD PROGRAM	IA-6/16 WAITWHILE SUBSCRIPTION	159.00
US BANK PURCHASING CARD PROGRAM	IA-6/18 FY23-24 GOTO WEBINAR 06/18/23 - 06/17/24	1,068.00
TANGENT COMPUTERS INC	JUN'23 CH O365 LICENSES & SUPPORT	2,999.86
COX COMMUNICATIONS, INC	JUN'23 ACCT#9302 SERVER ROOM INTERNET	85.39
US BANK PURCHASING CARD PROGRAM	RC 6/21 ESTRY 3400MAH BATTERY REPLACMNT GLOBALSTAR	57.72
US BANK PURCHASING CARD PROGRAM	RC 6/05 50 PACK HEAVY DUTY RETRACTABLE BADGE REELS	39.86
SHAUN PELLETIER	SP FY 24 EMPLOYEE COMPUTER PURCHASE REIMBURSEMENT	1,410.11
	INFORMATION TECHNOLOGY TOTAL:	**36,078.67**
NON-DEPARTMENTAL		
CERTIFIED RECORDS MANAGEMENT	JUN'23 - RECORDS OFF SITE STORAGE	473.04
IPROMOTEU.COM INC	BUS CARDS-J PORRAS & S WILSON	94.71
RICOH USA	JUN'23 RICOH 2504EX (FRONT COUNTER)-COPIES	291.65
RICOH USA	JUN'23 RICOH 2504EX SUITE 200-COPIES	22.05
RICOH USA	JUN'23 RICOH 2504 (BACK OFFICE)-COPIES	78.39
CINTAS CORPORATION NO. 2	MAR'23 CITY HALL FIRST AID SUPPLIES	200.78
CINTAS CORPORATION NO. 2	APR'23 CITY HALL FIRST AID SUPPLIES	182.81
CINTAS CORPORATION NO. 2	MAY'23 CITY HALL FIRST AID SUPPLIES	116.15
CINTAS CORPORATION NO. 2	JUN'23 CITY HALL FIRST AID SUPPLIES	148.26
FEDERAL EXPRESS	5/25/23-COUNCIL MAIL_R. CHUN & M. MUNZING	22.20
VOYAGER FLEET SYSTEMS INC	APR'23 MOTORCYCLE FUEL - CITY	680.73
VOYAGER FLEET SYSTEMS INC	MAY'23 MOTORCYCLE FUEL - CITY	673.03
QUADIENT FINANCE USA, INC	QUADIENT POSTAGE 6/2/23	300.00
MOULTON NIGUEL WATER DIST	APR'23 METER#2206 VISTA | ACCT#64101	305.99
MOULTON NIGUEL WATER DIST	APR'23 METER#2206 VISTA | ACCT#64101-1	89.48
INTERIOR OFFICE SOLUTIONS, INC	2023 CH - OFFICE FURNITURE - CC & HR	13,993.72
PV MAINTENANCE INC	MAY'23 VISTA PARK MAINTENANCE	840.00
ALISO VIEJO SELF STORAGE	JUN'23 STORAGE UNIT RENT #535	215.00
RICOH USA	JUN'23 RICOH C5200S LEASE	725.95
RICOH USA	JUN'23 RICOH C5200S LEASE	3.97
NESTLE WATERS NORTH AMERICA	MAY'23-CH-COFFEE/WATER FILTRATION & FLTR SVC	54.69
IPROMOTEU.COM INC	BUSINESS CARDS FOR C MASTEN & R DIERCKMAN	92.13
NIEVES LANDSCAPE INC	MAY'23 VISTA LANDSCAPE MAINTENANCE	1,028.96
STAPLES ADVANTAGE	MAY'23 - COPY&BREAKROOM SUPPLIES NON DEPARTMENTAL	194.92
FEDERAL EXPRESS	5/4/23-CITY FLAG TO SUPERVISOR FOLEY	24.03
QUADIENT FINANCE USA, INC	QUADIENT POSTAGE 5/16/23	500.00
RK BRANDS, LLC	APR'23 - 8.18 HRS-PIO/ENEWS/AD-CMP&FR_MYR OUTREACH	736.20
US BANK PURCHASING CARD PROGRAM	DL 5-15 T LOPP NAME PLATE & BADGE	56.10
US BANK PURCHASING CARD PROGRAM	DL 5-9 CJPIA TRAINING - INSTRUCTOR LUNCH 5/9	17.64
US BANK PURCHASING CARD PROGRAM	LL-CC DRINKS 5/3 TARGET	17.43
US BANK PURCHASING CARD PROGRAM	LL-CC DINNERS 5/3 LUNA GRILL	311.75
US BANK PURCHASING CARD PROGRAM	LL-CC PLATES PASS FOR URBAN PLATES	5.00

Vendor Name	Description (Item)	Amount
US BANK PURCHASING CARD PROGRAM	LL-CC DINNERS 5/17 URBAN PLATES	190.58
US BANK PURCHASING CARD PROGRAM	PC 4/27 BAGELS & BREW - QTRLY LUNCHEON CATERING	714.19
US BANK PURCHASING CARD PROGRAM	PC 5/03 BAGELS & BREW-EMPLOYEE TRAINING LUNCH*1/2	428.54
US BANK PURCHASING CARD PROGRAM	PC 5/03 RALPHS DRINKS-EMPLOYEE TRAINING & LUNCH*	41.74
NESTLE WATERS NORTH AMERICA	13F0027040823	59.00
DS SERVICES OF AMERICA, INC	6/8 CH BOTTLED WATER SERVICE_10 CASES	95.89
CINTAS CORPORATION NO. 2	JUL'23 CITY HALL FIRST AID SUPPLIES	166.66
NIEVES LANDSCAPE INC	JUN'23 VISTA PARK LANDSCAPE MAINTENANCE	1,028.96
NIEVES LANDSCAPE INC	JUN'23 VISTA PARK PLANTS	3,273.23
VIGICABI INC	JUN'23 - JULY 4TH BANNERS INSTALLATION	1,400.00
ALISO VIEJO COMMUNITY ASSOCIATION	JUL-SEP'23 38 COLONIAL MASTER HOA FEES	138.51
US BANK PURCHASING CARD PROGRAM	LL 6/2 COSTCO DELIVERY	274.12
US BANK PURCHASING CARD PROGRAM	LL 6/7 CC DINNER TONY PEPPERONIS	224.82
CALIFORNIA JPIA	FY 2023-24 GENERAL LIABILITY - RETRO ADJUSTMENT	14,904.00
CALIFORNIA JPIA	FY 2023-24 WORKERS COMPENSATION - RETRO ADJUSTMENT	(556.00)
CALIFORNIA JPIA	FY 2023-24 WORKERS COMPENSATION PREMIUM	84,425.00
CALIFORNIA JPIA	FY 2023-24 GENERAL LIABILITY PREMIUM	240,975.00
CALIFORNIA JPIA	FY 2023-24 PROPERTY INSURANCE PREMIUM	61,083.00
	NON-DEPARTMENTAL TOTAL:	**431,364.00**
C. S. ADMINISTRATION		
MICHAEL R JUE	GRAPHIC DESIGN-LIGHT POLE BANNERS/HOLIDAY & SPRING	1,500.00
ERIC WINTER	2023 STATE OF THE CITY VIDEO	3,458.24
MICHAEL R JUE	GRAPHIC DESIGN WORK: FY22-23	16,550.00
MICHAEL R JUE	GRAPHIC DESIGN-AV LETTERHEAD & SLIDES	56.25
MICHAEL R JUE	GRAPHIC DESIGN - AV RANCH PLANT IDENTIFIER SIGNAGE	412.50
MICHAEL R JUE	GRAPHIC DESIGN-LIGHT POLE BANNERS/4TH OF JULY	825.00
CABCO YELLOW INC	MAY'23 TRANSPORTATION SERVICES - SMP	609.00
US BANK PURCHASING CARD PROGRAM	JNL 4-29 JAMFEST EVENT STAFF MEALS	137.79
FRIENDS OF THE ALISO VIEJO LIBRARY	FY22-23 YOUTH GRANT-FRIENDS OF THE AV LIBRARY	9,000.00
US BANK PURCHASING CARD PROGRAM	JB 5/17 DOMINO'S PIZZA FOR INSTRUCTOR MEETING	38.75
US BANK PURCHASING CARD PROGRAM	JB 5/16 COSTCO STAFF & INSTRUCTOR MEETING	202.12
US BANK PURCHASING CARD PROGRAM	JB 5/169 FUNEXPRESS EVENT SUPPLIES	207.63
US BANK PURCHASING CARD PROGRAM	JB 5/18 AMAZON EVENT/WORKSHOP SUPPLIES	92.47
US BANK PURCHASING CARD PROGRAM	JB 5/16 FUNEXPRESS EVENT SUPPLIES	96.95
US BANK PURCHASING CARD PROGRAM	MO 4/29 META ADS_SPR REG SUMM CAMP & JAM FEST	61.87
CALPERS HEALTH	JUL'23-HW-HEALTH PREMIUM	151.00
CALPERS HEALTH	JUL'23-DP-HEALTH PREMIUM	151.00
MICHAEL R JUE	GRAPHIC DESIGN - 2023 AV FALL BROCHURE	4,031.25
LEARNING RESOURCES NETWORK INC	FY23-24 REC DEPT - LERN MEMBERSHIP RENEWAL	445.00
ALLIANT INSURANCE SERVICES INC	11/30 TREE LIGHTING EVENT INSURANCE	771.00
ALLIANT INSURANCE SERVICES INC	08/25 TOY STORY MOVIE NIGHT INSURANCE	329.00
ALLIANT INSURANCE SERVICES INC	09/09 FURRY FRIENDS PET FAIR INSURANCE	329.00
ALLIANT INSURANCE SERVICES INC	12/16 CRAFTS WITH THE CLAUSES EVENT INSURANCE	329.00
ALLIANT INSURANCE SERVICES INC	11/04 HEALTH AND SAFETY FAIR INSURANCE	408.00
RED SWAG INC	300 BOWLS & FLASHLIGHTS- PROMO GIVEAWAY ITEMS	2,671.79
MAGICSNOW SYSTEMS	FY'23-24 6 MAGIC SNOW MACHINES FOR TL 2023	2,971.33
US BANK PURCHASING CARD PROGRAM	MO 5/31 META ADS_SPRING REG & SUMMER CAMPS	52.51
PREMIER PRINT SOURCE	REC-CITY SPECIAL EVENT BRANDED CANOPIES AND WEIGHT	5,033.44
US BANK PURCHASING CARD PROGRAM	JB 5/30 CHAUPAIN BAKERY SRL MEETING	94.10
US BANK PURCHASING CARD PROGRAM	JB 5/24 AMAZON EVENT LIGHT REPLACEMENT	15.25
US BANK PURCHASING CARD PROGRAM	JB 6/02 EVENT SUPPLIES	68.91
US BANK PURCHASING CARD PROGRAM	JB 6/08 AMAZON EVENT FENCING REPLACEMENT	822.48
US BANK PURCHASING CARD PROGRAM	JB 5/27 AMAZON SUPPLIES	73.35
US BANK PURCHASING CARD PROGRAM	JNL 5-31 STAFF TRAINING MEAL AVILA'S	334.03
US BANK PURCHASING CARD PROGRAM	JNL 5-30 STAFF TRAINING MEAL SGT PEPS	128.22
US BANK PURCHASING CARD PROGRAM	JNL 5-31 STAFF TRAINING MEAL ALISO COFFEE	177.63
US BANK PURCHASING CARD PROGRAM	JNL 5-30 TRAINING ACTIVITY PRIZES	28.48
US BANK PURCHASING CARD PROGRAM	JNL 6-08 RENTAL LINENS	991.76
US BANK PURCHASING CARD PROGRAM	LM 5/31 JC DONUTS STAFF TRAINING BREAKFAST ITEM	49.50
	C. S. ADMINISTRATION TOTAL:	**53,705.60**
IGLESIA PARK		
SO CAL EDISON	MAY'23 ACCT#7997 IGLESIA PARK	123.00
PV MAINTENANCE INC	FY22-23 IGLESIA PARK MAINTENANCE	9,010.38
NIEVES LANDSCAPE INC	MAY'23 IGLESIA LANDSCAPE MAINTENANCE	6,846.00

Vendor Name	Description (Item)	Amount
NIEVES LANDSCAPE INC	MAY'23 IGLESIA PARK WOOD CHIPS #419-326	3,544.55
EL TORO WATER DISTRICT	APR'23 MTR#3499 IGLESIA PARK	386.79
EL TORO WATER DISTRICT	APR'23 MTR#4114 IGLESIA PARK	354.99
NIEVES LANDSCAPE INC	JUN'23 IGLESIA LANDSCAPE MAINTENANCE	6,846.00
US BANK PURCHASING CARD PROGRAM	JNL 6-14 IGLESIA DISPLAY BOARD	764.23
EL TORO WATER DISTRICT	MAY'23 MTR#3499 IGLESIA PARK	555.33
EL TORO WATER DISTRICT	MAY'23 MTR#4114 IGLESIA PARK	498.09
US BANK PURCHASING CARD PROGRAM	SP 5-24 IGLESIA PARK BENCH	1,305.85
	IGLESIA PARK TOTAL:	**30,235.21**
IGLESIA BUILDING		
PEAK LIGHTING & ELECTRIC INC	APR'23 IGLESIA CTR LIGHTING MAINTENANCE	574.62
PROTECTION ONE ALARM MONITORING INC	5/17/23-8/16/23 IGLESIA ALARM	150.00
SO CAL EDISON	MAY'23 ACCT#7997 IGLESIA BLDG	709.33
PV MAINTENANCE INC	FY22-23 IGLESIA CENTER MAINTENANCE	868.50
ZAPP PEST MANAGEMENT	MAY'23 PEST CONTROL SERVICES IGLESIA PARK	75.00
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, ...	MAY'23 IGLESIA HVAC PREVENTATIVE MAINTENANCE	182.85
EL TORO WATER DISTRICT	APR'23 MTR#5016 IGLESIA BLDG	223.46
TEAM ONE MANAGEMENT SERVICES	JUN'23 IGLESIA JANITORIAL MAINTENANCE	950.00
EL TORO WATER DISTRICT	MAY'23 MTR#5016 IGLESIA BLDG	227.81
	IGLESIA BUILDING TOTAL:	**3,961.57**
IGLESIA PARK COMMUNITY CENTER		
BOYS & GIRLS CLUB OF CAPISTRANO VALLEY	APR'23 ELEMENTARY & TEEN KEYSTONE PROGRAM	19,011.58
BOYS & GIRLS CLUB OF CAPISTRANO VALLEY	MAY'23 ELEMENTARY & TEEN KEYSTONE PROGRAM	17,558.85
	IGLESIA PARK COMMUNITY CENTER TOTAL:	**36,570.43**
PLANNING		
CIVIC SOLUTIONS INC	MAY'23 JK GB-PLANNING CONSULTANT SERVICES	6,840.00
REBECCA J CAHA	MAY'23 AFFORD. HOUSING CONSULTANT SERVICES	1,312.50
BRIAN JAMES CORNELIUS	MAR-MAY'23 AVTC PLANNING CONSULTATION SERVICES	4,406.00
AMBER GREGG NICHOLAS	APR'23 HOUSING ELEMENT CONSULTING	18,275.00
US BANK PURCHASING CARD PROGRAM	IA-4/30 CONSTANTCONTACT SUBSCRIPTION	45.00
CALPERS HEALTH	JUL'23-MF-HEALTH PREMIUM	151.00
AMBER GREGG NICHOLAS	MAY'23 HOUSING ELEMENT CONSULTING	9,235.00
US BANK PURCHASING CARD PROGRAM	IA-5/30 CONSTANTCONTACT.COM SUBSCR	45.00
US BANK PURCHASING CARD PROGRAM	SK 5/31 AMERICAN PLANNING ASSOCIATION WORKSHOP	35.00
	PLANNING TOTAL:	**40,344.50**
BUILDING		
CHARLES ABBOTT ASSOC INC	APR'23 CAA BUILDING SERVICES	37,444.22
STAPLES ADVANTAGE	FEB'23 OFFICE SUPPLIES	229.70
CHARLES ABBOTT ASSOC INC	MAY'23 CAA BUILDING SERVICES	45,399.16
US BANK PURCHASING CARD PROGRAM	SK 5/24 HOBBY LOBBY - OFFICE CHAIR	113.13
	BUILDING TOTAL:	**83,186.21**
CODE ENFORCEMENT		
CHARLES ABBOTT ASSOC INC	APR'23 CAA CODE ENFORCEMENT	7,825.65
STAPLES ADVANTAGE	FEB'23 DRAFTING STOOL	426.57
CHARLES ABBOTT ASSOC INC	MAY'23 CAA CODE ENFORCEMENT	6,068.45
	CODE ENFORCEMENT TOTAL:	**14,320.67**
ENGINEERING (GENERAL)		
RICHARD FISHER ASSOCIATES	APR-MAY'23 ON CALL LANDSCAPE & ARCHITECTURAL SVCS	7,170.84
CHARLES ABBOTT ASSOC INC	APR'23 CAA NPDES COSTS	11,653.47
CHARLES ABBOTT ASSOC INC	APR'23 CAA SOLID WASTE	6,676.56
CHARLES ABBOTT ASSOC INC	APR'23 CAA PW ENGINEERING-ADMIN	536.79
PV MAINTENANCE INC	JUN'23 WAREHOUSE LEASE	1,035.00
AT&T	MAY'23 PW TABLETS	120.72
US BANK PURCHASING CARD PROGRAM	KB NATE - HVAC CERTIFICATION	25.00
CHARLES ABBOTT ASSOC INC	MAY'23 CAA NPDES COSTS	12,477.38
CHARLES ABBOTT ASSOC INC	MAY'23 CAA SOLID WASTE	5,507.13
CHARLES ABBOTT ASSOC INC	MAY'23 CAA PW ENGINEERING-ADMIN	1,141.71
	ENGINEERING (GENERAL) TOTAL:	**46,344.60**
STREET MAINTENANCE		
CHARLES ABBOTT ASSOC INC	APR'23 CAA STREET MAINTENANCE	1,209.00
PV MAINTENANCE INC	MAY'23 STREET MAINTENANCE	30,119.38
PV MAINTENANCE INC	MAY'23 ALISO VIEJO & GRAND PAVER REPAIR	18,950.00

Vendor Name	Description (Item)	Amount
CHARLES ABBOTT ASSOC INC	MAY'23 CAA STREET MAINTENANCE	2,644.69
	STREET MAINTENANCE TOTAL:	**52,923.07**
LAW ENFORCEMENT-OTHER		
STAPLES ADVANTAGE	MAY'23 EOC BATTERY CHARGER	66.79
STAPLES ADVANTAGE	MAY'23 EOC PENS & 3 HOLE ZIPPER POUCHES & BINDERS	71.93
ALL CITY MANAGEMENT SERVICES	05/14-05/27/23 456 HRS-CROSSING GUARD SERVICES	13,274.16
VOYAGER FLEET SYSTEMS INC	APR'23 MOTORCYCLE FUEL - AVPS	530.68
VOYAGER FLEET SYSTEMS INC	MAY'23 MOTORCYCLE FUEL - AVPS	608.00
SEAVCO INC	DEC'22-MAR'23 REPAIRS-BAKER MOTORCYCLE VIN#G33962	242.39
US BANK PURCHASING CARD PROGRAM	RD 05/17 THE TOLL ROADS	575.00
US BANK PURCHASING CARD PROGRAM	RD 05/02 THE HOME DEPOT STORAGE RACK	265.86
US BANK PURCHASING CARD PROGRAM	RD 05/16 BADGE FRAME	120.00
COUNTY OF ORANGE	APR'23 RADIO AND BATTERY REPAIR	336.10
AT&T	MAY'23 PAL PHONE LINE	45.33
ALL CITY MANAGEMENT SERVICES	04/30-05/13/23 454 HRS-CROSSING GUARD SERVICES	13,215.94
ALL CITY MANAGEMENT SERVICES	05/28-06/10/23 138 HRS-CROSSING GUARD SERVICES	4,017.18
US BANK PURCHASING CARD PROGRAM	RD 6/9 ALL HANDS CAR WASH PATROL UNIT 2612	27.99
US BANK PURCHASING CARD PROGRAM	RD 5/26 ALL HANDS CAR WASH PATROL UNIT 2717	33.99
US BANK PURCHASING CARD PROGRAM	RD 6/1 ANHS GRAD - RALPHS FOR ICE	19.40
US BANK PURCHASING CARD PROGRAM	RD 5/31 ANHS GRAD - BOARD AND BREW FOR SANDWICHES	334.03
US BANK PURCHASING CARD PROGRAM	RD 5/31 ANHS GRAD - COSTCO FOR FOOD AND WATER	172.44
	LAW ENFORCEMENT-OTHER TOTAL:	**33,957.21**
CRIME PREVENTION		
ALISO VIEJO SELF STORAGE	JUN'23 RENTAL STORAGE UNIT #75	425.00
STAPLES ADVANTAGE	MAR'23 ES 400 DOCUMENT SCANNER CAPTAIN	377.11
STAPLES ADVANTAGE	MAR'23 SHEET PROTECTORS	9.92
STAPLES ADVANTAGE	MAR'23 HP 305A INK CAPTAIN	131.00
	CRIME PREVENTION TOTAL:	**943.03**
EOC		
CLAUDINE JAENICHEN	ALL HAZARDS READY GUIDE	2,500.00
STAPLES ADVANTAGE	MAY'23 EOC SUPPLIES CONTAINERS	84.01
STAPLES ADVANTAGE	MAY'23 EOC SUPPLIES LABELS	5.92
STAPLES ADVANTAGE	MAY'23 EOC SUPPLIES BADGE HOLDER	4.12
US BANK PURCHASING CARD PROGRAM	DL 5-9 5/14/23-6/14/23 -RENTAL OFFSITE STRG #A1554	550.00
US BANK PURCHASING CARD PROGRAM	SL 05-22 SURVEYMONKEY RENEWAL 05/16/23-05/15/24	372.00
US BANK PURCHASING CARD PROGRAM	SL 05-22 STICKER PAPER	49.41
LIFE STORAGE #961	7/14/23-1/14/24 - RENTAL OFFSITE STORAGE #A1554	1,650.00
NORTH AMERICAN RESCUE HOLDINGS LLC	STOP THE BLEED TRAINING KITS	1,959.06
US BANK PURCHASING CARD PROGRAM	SL 6/15 FOOD FOR ACTIVE SHOOTER TRAINING EXERCISE	264.99
US BANK PURCHASING CARD PROGRAM	SL 6/16 PREPAREDNESS ITEMS FOR OUTREACH EVENTS	15.07
US BANK PURCHASING CARD PROGRAM	SL 5/30 PREPAREDNESS ITEMS FOR PETS	1,454.19
US BANK PURCHASING CARD PROGRAM	SL 6/12 FOOD FOR 800 MHZ TRAINING	25.10
US BANK PURCHASING CARD PROGRAM	SL 6/16 PREPAREDNESS ITEMS FOR OUTREACH EVENTS	274.70
	EOC TOTAL:	**9,208.57**
	GENERAL FUND TOTAL:	**1,222,355.66**

102 - GEN. FD-CITY HALL

NON-DEPARTMENTAL

PACIFIC PARK II ASSOCIATION	JUN'23 CITY HALL HOA FEES + ADJ 01-05/23	813.65
CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	JUN'23 CH U SHAPED LED'S - BACK HALLWAY	228.43
THURSTON ELEVATOR CONCEPTS INC	JUN'23 CH-ELEVATOR MAINTENANCE	131.00
MOULTON NIGUEL WATER DIST	APR'23 METER#6010 CITY HALL | ACCT#65407	85.59
MOULTON NIGUEL WATER DIST	APR'23 METER#7051 CITY HALL | ACCT#65408	336.23
MOULTON NIGUEL WATER DIST	APR'23 METER#8510 CITY HALL | ACCT#65406	163.80
GLENWOOD MAINTENANCE CORPORATION	APR-JUN'23 - 35 PLAYA CIR HOA FEES	42.00
SO CAL EDISON	MAY'23 ACCT#7189 CITY HALL	5,220.54
THE GAS COMPANY	MAY'23 MTR#6544 CITY HALL	618.14
ZAPP PEST MANAGEMENT	MAY'23 PEST CONTROL SERVICES CITY HALL	75.00
SOUTH COAST AIR QUALITY MGMT DIST	FY22-23 CH AQMD TOXIC HOT SPOTS PROGRAM	153.23
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, ...	MAY'23 CH HVAC PREVENTATIVE MAINTENANCE	1,786.65
NIEVES LANDSCAPE INC	MAY'23 CITY HALL LANDSCAPE MAINTENANCE	678.00
TEAM ONE MANAGEMENT SERVICES	JUN'23 CITY HALL JANITORIAL SERVICES	2,700.00
GORM, INC	JUN'23 CITY HALL - JANITORIAL SUPPLIES	796.38

Vendor Name	Description (Item)	Amount
FOSTERS' GARDENS INC	JUN'23 CITY HALL PLANT MAINTENANCE	115.00
NIEVES LANDSCAPE INC	JUN'23 CITY HALL HALL LANDSCAPE MAINTENANCE	678.00
VANTIS MAINTENANCE CORPORATION	JUL'23 38 COLONIAL WAY HOA FEE	374.79
THE GAS COMPANY	JUN'23 MTR#2180 CITY HALL	236.92
DUTHIE ELECTRIC SERVICE CORPORATION	06/13 CH GENERATOR REPAIRS AND DIESEL FUEL	1,987.39
	NON-DEPARTMENTAL TOTAL:	**17,220.74**
	GEN. FD-CITY HALL TOTAL:	**17,220.74**

103 - GF-AV RECREATION SERVICES

CHARLTON SWEARINGEN	CHECK REFUND - ADMIN FEE/NON-RESIDENT	15.00
CHARLTON SWEARINGEN	CHECK REFUND - CONTRACT CLASSES	342.00
CHARLTON SWEARINGEN	CHECK REFUND - REFUND FEE	(20.00)
NOUSH JOHNSON	REFUND ADMIN FEE/NON RESIDENT	5.00
NOUSH JOHNSON	REFUND ADMIN FEE/NON RESIDENT	5.00
NOUSH JOHNSON	REFUND CONTRACT CLASSES	385.00
NOUSH JOHNSON	REFUND CONTRACT CLASSES	385.00
NOUSH JOHNSON	REFUND CONTRACT CLASSES EARLY BIRD DISCOUNT	(20.00)
NOUSH JOHNSON	REFUND CONTRACT CLASSES EARLY BIRD DISCOUNT	(20.00)
NOUSH JOHNSON	REFUND FEE	(20.00)
NOUSH JOHNSON	REFUND REFUND FEE	(20.00)
IRENE TAO	MEDIEVAL TIMES REFUND ADMIN FEE	5.00
IRENE TAO	MEDIEVAL TIMES REFUND EARLY BIRD	(10.00)
IRENE TAO	MEDIEVAL TIMES REFUND	280.00
IRENE TAO	MEDIEVAL TIMES REFUND FEE	(50.00)
LOUISE SIMON	CHECK REFUND - ADMIN FEE	5.00
LOUISE SIMON	CHECK REFUND - CANCELLATION FEE	(23.00)
LOUISE SIMON	CHECK REFUND - CONTRACT CLASS FEE	225.00
		1,469.00

RECREATION SERVICES

AT&T	MAY'23 AVR-ALARM/POTS LINE	511.31
GARDAWORLD	JUN'23 AVR CASH COURIER SERVICE	413.62
SUNBELT RENTALS, IN	05/23/23 AV RANCH 19' ELECTRIC SCISSORLIFT RENTAL	597.35
GARDAWORLD	MAY'23 AVR - CASH COURIER SERVICE - EXCESS TIME	6.99
DS SERVICES OF AMERICA, INC	6/07/23 AVR BOTTLED WATER SEVICESS	59.94
TEAM ONE MANAGEMENT SERVICES	MAY'23 RANCH+FARM JANITORIAL SERVICES	5,300.00
GORM, INC	JUN'23 AV RANCH JANITORIAL SUPPLIES	742.12
LYONS SECURITY SERVICE IN	MAY'23 AVR EVENT SECURITY SERVICES	3,802.50
CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	JUN'23 FARM PATHWAY LIGHT CONNECTORS	166.37
CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	JUN'23 FARM PATHWAY REPLACEMENT LED 2 PIN 3 WATT	37.71
MOULTON NIGUEL WATER DIST	MAY'23-APR'24 AV RANCH ANNUAL FOG FEE	160.00
CULINARY COOKINGS KIDS LLC	SUMMER2023-CKC001 CULINARYKIDS-27 PARTICIPANTS	3,267.00
BREAKTHROUGH SPORTS LLC	SUMMER2023-BTS010 SPORTS-27 PARTICIPANTS	3,214.80
ROUND STAR WEST, LLC	SUMMER2023-SSS002 SOCCER-4 PARTICIPANTS	748.80
SKYHAWKS SPORTS ACADEMY, INC	SUMMER2023-SKY001 BASKETBALL-20 PARTICIPANTS	2,232.00
LAURELINDA HAUKSSON	SUM2023-32/16/76/29/26/69/LATE/9/53/47/50-97 PARTI	15,562.00
LAURELINDA HAUKSSON	SUMMER 2023-PAE009 LEGOS LATE PICKUP-1 PARTICIPANT	8.00
M B B & D LLC	SUMMER2023-CNJ001/007/002 YOUTUBE/ROBLOX-28 PARTI	6,258.00
PREMIER AQUATIC SERVICES	SUMMER2023-PAK001/PAM001 SWIM CAMP-26 PARTICIPANT	6,747.75
TIMOTHY DANA BOWEN	SUMMER2023-PWT001/LATE/002/003 LEGOS-27 PARTICIPAN	4,830.20
JOHN DAVID ALLEN JR	SUMMER2023-JAT001TENNIS-17 PARTICIPANTS	1,110.00
BRAINSTORM STUDIOS, LLC	SUMMER2023-BST002/008 SCI/YOUTUB -24 PARTICIPANTS	4,365.60
KIMBERLY DOWNEY ESMOND	SUMMER2023-OCD001-LATE MUSICAL THTR-10PARTICIPANTS	1,022.20
BIONERDS	SUMMER2023-BIN001/003/002 INSECTS -26 PARTICIPANTS	4,623.00
CAROLYN WOJCIECHOWSKI	SUMMER2023-RSU140 LINE DANCE-7 PARTICIPANTS	42.00
LAURELINDA HAUKSSON	SUMMER2023-PAE-019/066/056/001/068-70 PARTICIPANTS	8,818.80
BREAKTHROUGH SPORTS LLC	SUMMER2023-BTS001 BREAKTHRU SPORTS-14 PARTICIPANTS	1,773.60
JENNIFER ANDRUS-NELSON	SUMMER2023-ETF001 ETIQUETTE-12 PARTICIPANTS	1,014.00
SKYHAWKS SPORTS ACADEMY, INC	SUMMER2023-SKY007/SKY005 SPORTS-24 PARTICIPANTS	2,601.60
L & O ALISO VIEJO, LLC	SUMMER2023-RSU111/112 PICKLEBALL-7 PARTICIPANTS	318.50
STAPLES ADVANTAGE	MAY'23 RANCH OFFICE SUPPLIES	875.07
MANHATTAN STITCHING COMPANY INC	MAY'23 RCS STAFF UNIFORMS	1,595.78
MOULTON NIGUEL WATER DIST	APR'23 METER#0819 FARM | ACCT#104515	123.69
MOULTON NIGUEL WATER DIST	APR'23 METER#0958 RANCH | ACCT#104986	194.17
MOULTON NIGUEL WATER DIST	APR'23 METER#0973 RANCH | ACCT#105234	85.59

Vendor Name	Description (Item)	Amount
MOULTON NIGUEL WATER DIST	APR'23 METER#1100 FARM | ACCT#104519	137.21
MOULTON NIGUEL WATER DIST	APR'23 METER#5356 RANCH | ACCT#104935	336.23
MOULTON NIGUEL WATER DIST	APR'23 METER#7892&6534 RANCH | ACCT#104936	590.75
GOTO COMMUNICATIONS	JUN'23 AVR GOTO VOIP SERVICE & SUPPORT	663.52
SO CAL EDISON	MAY'23 ACCT#4551 FARM	746.20
MEDIEVAL TIMES US	06-08-23 CITY CAMP MEDIEVAL TIMES	949.75
PRESS-TIGE ENTERPRISES INC	MAR-APR'23 DRY CLEANING SVCS	2,408.63
JENNIFER BALES	SPRING2023 VSP062-7 PARTICIPANTS	609.00
DAVE & BUSTER'S ENTERTAINMENT, INC	07/20/23 DAVE&BUSTERS EXCURSION (DEPOSIT ONLY)	450.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	2/11-4/01 AVMS CUSD FACILITY PERMIT	173.76
CAPISTRANO UNIFIED SCHOOL DISTRICT	2/19/23-4/2/23 AVMS FACILITY PERMIT SUPER SOCCER	554.54
CAPISTRANO UNIFIED SCHOOL DISTRICT	2/5/23-2/19/23 AVMS FACILITY PERMIT BREAKTHRU HOOP	11.25
CAPISTRANO UNIFIED SCHOOL DISTRICT	2/12/23-4/2/23 AVMS FACIL PERMIT BREAKTHRU BASKETB	26.25
CAPISTRANO UNIFIED SCHOOL DISTRICT	2/19/23-4/2/23 AVMS FACILITY PERMIT TINYJRHSTENNIS	133.67
ZAPP PEST MANAGEMENT	MAY'23 PEST CONTROL SERVICES RANCH	95.00
AT&T	MAY'23 REC TABLETS	40.24
AT&T	MAY'23 REC PHONE LINES	181.32
AT&T	MAY'23 ACCT#2566 AVR AT&T INTERNET	1,009.89
ORANGE COUNTY FIRE PROTECTION	FY22-23 AVR FIRE EXTINGUISHER MAINT	134.50
EVER AFTER EVENT PRODUCTIONS LLC	SPRING2023 VSP024-020-067-023-32 PARTICIPANTS	1,912.80
OC PLAYBALL EPC	SPRING2023 VSP035-7 PARTICIPANTS	583.80
SKYHAWKS SPORTS ACADEMY, INC	SPRING2023 VSP041-VSP042-VSP043-15 PARTICIPANTS	990.00
TUMBLE-N-KIDS, INC	SPRING2023 VSP068-29-30-31-25-26-27-28-26 PARTICIP	1,776.00
MUSIC MOVES ACADEMY INC	SPRING2023 VSP019-9 PARTICIPANTS	756.00
ROXANNE BELL	SPRING2023 VSP132-VSP133-2 PARTICIPANTS	175.00
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, ...	MAY'23 AV RANCH HVAC PREVENTATIVE MAINTENANCE	2,938.09
FITNESS WITH FLAVOR LLC	SPRING2023 VSP101-102-099-100-066-22 PARTICIPANTS	960.00
CAROLYN WOJCIECHOWSKI	SPRING2023 VSP095-097-117-119-61 PARTICIPANTS	1,194.00
JENNIFER BALES	SPRING 2023-VSP064-3 PARTICIPANTS	45.00
CLICKSTART DOG TRAINING ACADEMY, LLC	SPRING 2023-VSP089-8 PARTICIPANTS	1,536.00
LAURELINDA HAUKSSON	SPRING 2023-VSP050-6 PARTICIPANTS	666.00
JOHN DAVID ALLEN JR	SPRING 2023-VSP078-VSP076-VSP040-14 PARTICIPANTS	429.60
ROUND STAR WEST, LLC	SPRING 2023-VSP136-070-032-033-034-32 PARTICIPANTS	2,899.20
RUIHONG LI	SPRING2023 VSP114-VSP112-11 PARTICIPANTS	297.00
SARA GUTIERREZ	SPRING2023 VSP121-2 PARTICIPANTS	96.00
JULES S. MOSS	SPRING2023 VSP016-4 PARTICIPANTS	252.00
CLICKSTART DOG TRAINING ACADEMY, LLC	SPRING2023 VSP090-4 PARTICIPANTS	348.00
READWRITE EDUCATIONAL SOLUTIONS INC	SPRING2023 VSP009-7 PARTICIPANTS	1,045.80
CINTAS CORPORATION NO. 2	MAY'23 AVR FIRST AID SERVICES	236.99
TANGENT COMPUTERS INC	MAY'23 O365 - AVR - LICENSES & SUPPORT	529.39
NIEVES LANDSCAPE INC	MAY'23 RANCH LANDSCAPE MAINTENANCE	2,262.67
US BANK PURCHASING CARD PROGRAM	JB 5/15 SWIMOUTLET CDC RASHGUARDS	380.88
US BANK PURCHASING CARD PROGRAM	JB 5/17 AMAZON SUPPLIES	17.44
US BANK PURCHASING CARD PROGRAM	JB 5/21 AMAZON SUPPLIES	20.46
US BANK PURCHASING CARD PROGRAM	JB 5/17 AMAZON SUPPLIES	46.97
US BANK PURCHASING CARD PROGRAM	JB 5/18 AMAZON SUPPLIES	62.40
US BANK PURCHASING CARD PROGRAM	KB THE HOMEDEPOT - HARDWARE FOR RANCH CHAIN REPAIR	28.21
US BANK PURCHASING CARD PROGRAM	KB THE HOMEDEPOT- PLUMBING SUPPLIES FOR RANCH SINK	39.81
US BANK PURCHASING CARD PROGRAM	KB US AIRCONDITIONING - THERMOSTAT FOR FARM	191.80
MUSIC MOVES ACADEMY INC	SUMMER2023-RSU170 MUSIC-11 PARTICIPANTS	445.50
GREAT SCOTT TREE SERVICE, INC	JUN'23 AVR TREE TRIMMING	1,874.00
UNITED BUILDING AND DEVELOPMENT SERVICES LLC	JUN'23 AV RANCH BUNKHOUSE WINDOW REPLACEMENT	1,255.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	4/16-5/7 AVMS CUSD FACILITY PERMIT BASKETBALL	30.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	4/15-6/3 AVMS CUSD FACILITY SKYHAWKS MULTI SPORT	326.20
CAPISTRANO UNIFIED SCHOOL DISTRICT	4/16-5/28 AVMS CUSD FACILITY PERMIT SOCCER STARS	620.13
CAPISTRANO UNIFIED SCHOOL DISTRICT	4/16-5/28 AVMS CUSD FACILITY PERMIT TENNIS	112.93
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/12/23-6/15/23 AVMS FACILITY PERMIT TENNIS CAMP	126.88
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/12-6/16/23 AVMS FACILITY PERMIT - BIONERDS	159.65
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/12-6/30/23 FACIL PERMIT LEGO ROBOTICS&ROBOT BLDG	319.30
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/15-6/29/23 FACILITY PERMIT MUSIC TOGETHER	15.45
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/12-6/30/23 FACILITY PERMIT FINE ART SCULPTURE	319.30
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/12-6/30/23 FACILITY PERMIT AVMS RESTROOMS	407.25
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/5-6/16/23 FACILITY PERMIT BTS BBALL - SKY BBALL	105.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/19-6/30/23 FACILITY PERMIT BTS BBALL 1-SKT 1-BT	225.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/5-6/16/23 FACILITY PERMIT SSS 1-MH-SKY FOOT-BT	652.40

Vendor Name	Description (Item)	Amount
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/19-6/30/23 FACIL PERMITOCP-VOLLEY1-GOLF-ALL-VOL	652.40
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/19-6/30/23 FACILITY PERMIT - DJAMS RESTROOMS	178.00
DS SERVICES OF AMERICA, INC	5/4/23 & 5/10/23 AVR BOTTLED WATER SERVICES	117.88
CWF FLOORING, INC	AVR ROLLING GLASSLESS MIRRORS	3,302.96
AT&T	JUN'23 AVR AT&T INTERNET SERVICE	1,009.89
CVENT	EVENT DIAGRAMMING - AV RANCH RENTALS	3,205.00
FOSTERS' GARDENS INC	JUN'23 RANCH PLANT MAINTENANCE	110.00
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, ...	JUN'23 AV RANCH PLYWOOD PLATFORM SUPPORTS IN ATTIC	1,080.00
CINTAS CORPORATION NO. 2	JUN'23 AVR FIRST AID SUPPLIES	112.88
CAROLYN WOJCIECHOWSKI	SUMMER2023-RSU057/060/095/098 LINEDANCE-52PARTICIP	792.00
RUIHONG LI	SUMMER2023-RSU086/RSU082 PILATES/YOGA-11 PARTICIPA	363.00
PREMIER AQUATIC SERVICES	SUMMER 2023 - PAB001 SWIM CAMP - 1 PARTICIPANT	505.50
BREAKTHROUGH SPORTS LLC	SUMMER2023-BTS003/S002 BASKETBALL-51 PARTICIPANTS	7,708.80
KIMBERLY DOWNEY ESMOND	SUMMER2023-OCD004-LATE-OCD003- 32 PARTICIPANTS	3,307.00
SKYHAWKS SPORTS ACADEMY, INC	SUMMER2023-SKY009 GOLF-18 PARTICIPANTS	1,987.20
LAURELINDA HAUKSSON	SUMMER2023-PAE038/LATE/035/041 ANIME-28 PARTICIPAN	3,775.60
BEELER AQUATICS, INC	SUMMER2023-BCL002/LMS002 BEACH CAMP-5 PARTICIPANT	812.80
PREMIER AQUATIC SERVICES	SUMMER2023-PAK002/PAM002 SWIM CAMP-25 PARTICIPANTS	6,311.25
OC PLAYBALL EPC	SUMMER2023-OCP001 CAMP OC PLAYBALL-14 PARTICIPANTS	1,428.00
M B B & D LLC	SUMMER2023-CNJ008/003/004 GAME DESIGN-22 PARTICIPA	4,669.80
CULINARY COOKINGS KIDS LLC	SUMMER2023-CKC002 CULINARY KIDS-27 PARTICIPANTS	3,240.00
EDWIN RATLEDGE	SUMMER2023-VOC001 VOLLEYBALL-16 PARTICIPANTS	1,950.00
BRAINSTORM STUDIOS, LLC	SUMMER2023-BST005/BST007 LEGO/ROBO-17 PARTICIPANTS	3,151.80
JENNIFER BALES	SUMMER2023-TTS001/002/LATE CAMP THEATRE-9 PARTICI	1,008.00
L & O ALISO VIEJO, LLC	SUMMER2023-RSU093/RSU094 PICKLEBALL-11 PARTICIPANT	500.50
CULINARY COOKINGS KIDS LLC	SUMMER2023-CKC003 CULINARYKIDS-27 PARTICIPANTS	3,270.00
BEELER AQUATICS, INC	SUMMER2023-BCL003 BEACH CAMP-5 PARTICIPANTS	1,408.00
CORAL BAY HOME LOANS	SUMMER2023-SKT001/002-25 SKATEBOARDING PARTICIPANT	3,645.00
PREMIER AQUATIC SERVICES	SUMMER2023-PAK003/PAM003 SWIM CAMP-23 PARTICPANTS	5,831.25
BRAINSTORM STUDIOS, LLC	SUMMER2023-BST004 YOUNG EINSTEIN-12 PARTICIPANTS	2,140.80
SKYHAWKS SPORTS ACADEMY, INC	SUMMER2023-SKY004 LACROSSE CAMP-16 PARTICIPANTS	1,766.40
LAURELINDA HAUKSSON	SUM23-33/30/27/70/10/54/48/51/02/64-80 PARTICIPANT	12,791.40
SARA GUTIERREZ	SUMMER2023-RSU101 SENIOR CARDIO-2 PARTICIPANTS	96.00
FITNESS WITH FLAVOR LLC	SUMMER2023-FWF001/RSU063/065 DANCE-18 PARTICIPANTS	1,237.20
NIEVES LANDSCAPE INC	JUN'23 RANCH LANDCAPE MAINTENANCE	2,262.67
NIEVES LANDSCAPE INC	06/16 RANCH TRASH ENCLOSURE PRESSURE WASH	75.00
NIEVES LANDSCAPE INC	JUN'23 RANCH INSTALL PLANT MATERIAL	982.77
DISCOVERY SCIENCE CENTER OF ORANGE COUNTY	06/22/23 CITY CAMP - DISCOVERY SCIENCE CENTER	477.00
TANGENT COMPUTERS INC	JUN'23 AVR O365 LICENSES & SUPPORT	529.39
US BANK PURCHASING CARD PROGRAM	JB 6/14 SUBWAY WK 2 CDC	29.95
US BANK PURCHASING CARD PROGRAM	JB 6/21 SUBWAY WK 3 CDC	30.55
US BANK PURCHASING CARD PROGRAM	JB 6/12 HOME DEPOT SUPPLIES	83.98
US BANK PURCHASING CARD PROGRAM	JNL 6-03 TRASH BAGS	17.77
US BANK PURCHASING CARD PROGRAM	JNL 5-26 CABLE MANAGEMENT TIES	14.00
US BANK PURCHASING CARD PROGRAM	KB 5/29 GORDON ELECTRIC-RANCH GFI FACEPLATES REPAI	139.58
US BANK PURCHASING CARD PROGRAM	KB 6/07 HOME DEPOT-RANCH PKG LOT YELLOW CURB PAINT	78.42
US BANK PURCHASING CARD PROGRAM	KB 6/12 HOMEDEPOT - RANCH WINDOW REPAIR CLEAN UP	40.86
US BANK PURCHASING CARD PROGRAM	KB 6/20 DENAULTS -RANCH LIGHTING BOLLARD REPAIRS	34.21
US BANK PURCHASING CARD PROGRAM	KB 5/24 HOMEDEPOT - RANCH PARTS STOCK	27.82
US BANK PURCHASING CARD PROGRAM	KB 5/30 AMAZON - SCREEN DOOR CLOSURE	17.55
US BANK PURCHASING CARD PROGRAM	KB 6/12 CVS - RANCH NEEDLE SHARP CONTAINER	12.38
US BANK PURCHASING CARD PROGRAM	KB 5/23 HOME DEPOT - RANCH TRASH CANS REPAIRS	94.66
US BANK PURCHASING CARD PROGRAM	KB 6/13 HANDY WASHROOM-RANCH SOAP CONTAINER REPAIR	145.39
US BANK PURCHASING CARD PROGRAM	KB 6/16 HOMEDEPOT-RANCH SIGNAGE REPAIR TRUCK STOCK	112.94
US BANK PURCHASING CARD PROGRAM	KB 6/07 PRACTICE SPORTS-RANCH PKG LOT CHAIN REPAIR	92.00
US BANK PURCHASING CARD PROGRAM	KB 6-01 HOMEDEPOT - FARM LIGHTING REPAIRS	93.23
	RECREATION SERVICES TOTAL:	**211,051.50**
	GF-AV RECREATION SERVICES TOTAL:	**212.520.50**

203 - GAS TAX

TRAFFIC ENGINEERING

HARTZOG & CRABILL INC	MAY'23 TRAFFIC SIGNAL MONITORING	2,091.54
HARTZOG & CRABILL INC	APR'23 TRAFFIC SIGNAL MONITORING	1,250.00
HARTZOG & CRABILL INC	APR'23 TRAFFIC SIGNAL SYNC (LSSP) UPDATE	4,982.50

Vendor Name	Description (Item)	Amount
WOOD RODGERS, INC	MAY'23 STORM DRAIN CONDITION ASSESSMENT	9,715.00
	TRAFFIC ENGINEERING TOTAL:	**18,039.04**
STREET MAINTENANCE		
BEAR ELECTRICAL SOLUTIONS INC	APR'23 TRAFFIC SIGNAL MAINTENANCE ROUTINE	3,162.60
BEAR ELECTRICAL SOLUTIONS INC	APR'23 TRAFFIC SIGNAL MAINTENANCE RESPONSE	6,849.64
R F DICKSON CO INC	MAY'23 STREET SWEEPING SERVICES	8,668.66
MOULTON NIGUEL WATER DIST	APR'23 METER#2066 MEDIANS | ACCT#65346-1	90.52
MOULTON NIGUEL WATER DIST	APR'23 METER#2066 MEDIANS | ACCT#65346	19.93
MOULTON NIGUEL WATER DIST	APR'23 METER#6544 MEDIANS | ACCT#64615	85.59
MOULTON NIGUEL WATER DIST	APR'23 METER#8838 MEDIANS | ACCT#64613	85.59
SO CAL EDISON	MAY'23 ACCT#2125 GS1 MEDIANS	34.48
SO CAL EDISON	MAY'23 ACCT#6377 LS2 ST LIGHTS	1,291.68
SO CAL EDISON	FY22-23 ST LGHTS - GS1, LS1, LS2, TC1	16,922.25
SO CAL EDISON	MAY'23 ACCT#8254 TC1 ST LGHTS	3,538.74
PV MAINTENANCE INC	MAY'23 STREET MAINTENANCE	36,812.58
UNDERGROUND SERVICE ALERT OF SOUTHERN CA	JUN'23 DATABASE MAINT + 25 TICKETS	53.75
NIEVES LANDSCAPE INC	MAY'23 MEDIANS LANDSCAPE MAINTENANCE	1,586.00
SAN DIEGO GAS & ELECTRIC	APR'23 ACCT #6953 ST LGHTS & TRAFFIC CTRLRS	2,916.15
EL TORO WATER DISTRICT	APR'23 MTR#5675 CALLE CORTEZ	96.89
GREAT SCOTT TREE SERVICE, INC	JUN'23 PACIFIC PARK MEDIAN TREE TRIMMING	1,776.00
GREAT SCOTT TREE SERVICE, INC	JUN'23 MEDIANS TREE TRIMMING	2,442.00
UNDERGROUND SERVICE ALERT OF SOUTHERN CA	JUN'23 DATABASE MAINT + 42 TICKETS	83.50
NIEVES LANDSCAPE INC	JUN'23 MEDIANS LANDSCAPE MAINTENANCE	1,586.00
US BANK PURCHASING CARD PROGRAM	EM 5/25 HOME DEPOT SUPPLIES	371.60
SAN DIEGO GAS & ELECTRIC	MAY'23 ACCT#6953 ST LGHTS & TRAFFIC CTRLR	2,908.24
EL TORO WATER DISTRICT	MAY'23 MTR#5675 CALLE CORTEZ	106.57
	STREET MAINTENANCE TOTAL:	**91,488.96**
	GAS TAX TOTAL:	**109,528.00**
204 - MEASURE M		
GEN-MEASURE M		
CABCO YELLOW INC	MAY'23 TRANSPORTATION SERVICES - M2 FUND	2,436.00
	GEN-MEASURE M TOTAL:	**2,436.00**
	MEASURE M TOTAL:	**2,436.00**
215 - PUBLIC SAFETY GRANTS		
LAW ENFORCEMENT-OTHER		
COUNTY OF ORANGE	JUN'23 AUTOMATED FINGERPRINT IDENTIFICATION SYSTE	1,904.00
	LAW ENFORCEMENT-OTHER TOTAL:	**1,904.00**
	PUBLIC SAFETY GRANTS TOTAL:	**1,904.00**
241 - TECHNOLOGY FUND		
GEN-TECHNOLOGY GRANTS		
ERIC WINTER	MAY'23-CCMTGS 5/1 & 5/18 SZS 29-30/SITEVST & ADMIN	1,041.33
ERIC WINTER	APR'23-CC MTGS 4/5&19 SPRTSZONE23-26/SITEVST&ADMIN	1,243.21
	GEN-TECHNOLOGY GRANTS TOTAL:	**2,284.54**
	TECHNOLOGY FUND TOTAL:	**2,284.54**
251 - FEDERAL GRANTS		
OTHER GRANTS		
ATLAS PLANNING SOLUTIONS	MAY'23 HAZARD MITIGATION CONSULTANT SERVICES GRANT	15,257.00
STAPLES ADVANTAGE	MAY'23 LHMP GRANT PUBLIC OUTREACH	68.91
US BANK PURCHASING CARD PROGRAM	SL 5/24 FOOD AND WATER FOR LHMP MEETING 2	11.81
	OTHER GRANTS TOTAL:	**15,337.72**
GEN-FEDERAL GRANT		
BEST BEST & KRIEGER	MAY'23 BBK LEGAL SERVICES-CDBG-CV	1,153.40
FAMILY ASSISTANCE MINISTRIES	JAN-MAR'23 CDBG FAM BRIDGE/TRANSITIONAL HOUSING	2,770.64
FAMILY ASSISTANCE MINISTRIES	JAN-MAR'23 CDBG-CV HUNGER & HOMELESS PREVENTION	2,227.26
FAMILY ASSISTANCE MINISTRIES	OCT-DEC'22 CDBG-CV HUNGER AND HOMELESS PREVENT	3,185.83

Vendor Name	Description (Item)	Amount
FAMILY ASSISTANCE MINISTRIES	OCT-DEC'22 CDBG FAM BRIDGE/TRANSITIONAL HOUSING	1,497.11
	GEN-FEDERAL GRANT TOTAL:	**10,834.24**
	FEDERAL GRANTS TOTAL:	**26,171.96**

261 - CITY FAC.-AQUATIC CENTER

PREMIER AQUATIC SERVICES	JUN'23 AQ CTR-MANAGEMENT RETENTION	(1,208.30)
		-1,208.30
GEN-AQUATIC CENTER		
GARDAWORLD	JUN'23 AQC CASH COURIER SERVICE	476.24
KNORR SYSTEMS INC	APR'23 AQC - PILOT BURNER SERVICED	1,352.95
KNORR SYSTEMS INC	MAY'23 AQC MONTHLY MAINTENANCE SERVICES	1,792.64
KNORR SYSTEMS INC	MAY'23 AQC SVC - TROUBLSHOOT 2 HEATERS IN LOCKOUT	2,075.00
KNORR SYSTEMS INC	1/2 HP BOOSTER PUMP FOR BACKWASH SYSTEM	823.06
PREMIER AQUATIC SERVICES	JUN'23 AQ CTR-MANAGEMENT FEES	12,083.00
MOULTON NIGUEL WATER DIST	APR'23 METER#2996 AQC | ACCT#64096	233.49
MOULTON NIGUEL WATER DIST	#6054 AQUATIC CENTER | ACCT#64095	278.10
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC COSTCO F&B	117.13
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC SIGNS FACILITY SIGNAGE	76.00
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC HOMEDEPOT SHOWERCURTAIN-LOCKER RM	38.70
PREMIER AQUATIC SERVICES	MAR-JUNE'23 AQC REIMB JACKRABBIT	980.00
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC AMAZON WATER TESTING REAGENT	11.84
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC AMAZON WATER TESTING REAGENT	11.68
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC RALPHS PAPER GOODS - FACILITY	16.90
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC PARTYCITYDECO-STOP DROWNING EVENT	21.55
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC AMAZON STORAGE BIN REPLACEMENT	40.61
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC STAPLES OFFICE SUPPLIES	172.59
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC RECSUPPLY.COM POOL NOODLES	344.52
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC AMAZON POOL NOODLES	24.23
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC SGT PEPPERONI'S FOOD-EVENT STAFF	47.75
PREMIER AQUATIC SERVICES	MAY'23 REIMB AQC JERSEY MIKES FOOD FOR TRAINING	173.95
THE GAS COMPANY	MAY'23 MTR#2349 AQC	2,530.46
ZAPP PEST MANAGEMENT	MAY'23 PEST CONTROL SERVICES AQC	75.00
ORANGE COUNTY FIRE PROTECTION	FY22-23 AQ CTR FIRE EXTINGUISHER MAINT	97.78
HARBOR POINTE AIR CONDITIONING & CONTROL SYSTEMS, ...	MAY'23 AQC HVAC PREENTATIVE MAINTENANCE	248.89
NIEVES LANDSCAPE INC	MAY'23 AQC LANDSCAPE MAINTENANCE	912.48
US BANK PURCHASING CARD PROGRAM	EM THE HOME DEPOT AQ CENTER MISC MATERIALS	57.05
US BANK PURCHASING CARD PROGRAM	EM THE HOME DEPOT AQ CENTER MISC MATERIALS	126.32
US BANK PURCHASING CARD PROGRAM	KB THE HOMEDEPOT - AQUATIC CENTER TOILET REPAIR	35.53
COX COMMUNICATIONS, INC	MAY'23 ACCT#6701 AQC INTERNET	503.05
GREAT SCOTT TREE SERVICE, INC	JUN'23 AQC TREE TRIMMING	1,554.00
CAPISTRANO UNIFIED SCHOOL DISTRICT	6/05/23-6/29/23 AVMS FACILITY PERMIT - WATER POLO	1,456.50
KNORR SYSTEMS INC	JUN'23 CONNECTOR TUBING FITTINGS	24.98
KNORR SYSTEMS INC	JUN'23 AQC MONTHLY MAINTENANCE SERVICE	1,792.64
TEAM ONE MANAGEMENT SERVICES	JUN'23 AQC JANITORIAL SERVICES	2,204.39
NIEVES LANDSCAPE INC	JUN'23 AQUATIC CENTER LANDSCAPE MAINTENANCE	912.48
HASA INC	MAY'23-2 AQC POOL CHEMICALS CHLORINE & ACID	1,017.72
HASA INC	JUN'23 AQC POOL CHEMICALS - SODIUM BICARBONATE	1,076.53
ALISO VIEJO BANQUET CENTER LLC	APR-JUN'23-AQ CTR-MTR#4987 ELECTRICITY	4,515.45
COX COMMUNICATIONS, INC	JUN'23 ACCT#6701-AQC INTERNET	502.69
US BANK PURCHASING CARD PROGRAM	KB 5/30 AMAZON - PPE FOR AQUATIC CENTER	32.31
US BANK PURCHASING CARD PROGRAM	KB 5/23 AQC SCP DISTRIBUTORS - CHEMICAL PUMP	515.93
	GEN-AQUATIC CENTER TOTAL:	**41,384.11**
	CITY FAC.-AQUATIC CENTER TOTAL:	**40,175.81**

311 - STREET IMPROVEMENTS

ALL AMERICAN ASPHALT	FEB'23 #135 FY22-23 SLURRY SEAL RETENTION	(1,530.00)
ALL AMERICAN ASPHALT	AUG'22-FEB'23 #135 SLURRY SEAL RETENTION	74,757.18
		73,227.18
TRAFFICE SAFETY		
HARTZOG & CRABILL INC	MAY'23 #130 ALISO CREEK TRAFFIC SIGNAL SYNC	375.00
	TRAFFICE SAFETY TOTAL:	**375.00**
STREETS & HIGHWAYS		
ALL AMERICAN ASPHALT	FEB'23 #135 FY22-23 SLURRY SEAL	30,600.00

Vendor Name	Description (Item)	Amount
LOCAL AGENCY ENGINEERING, INC	MAY'23 #134 ALISO CREEK RD REHAB-ENT/SR73 FED SUP.	864.00
ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA	MAY'23 ALISO CREEK REHAB DESIGN	1,056.00
ENGINEERING RESOURCES OF SOUTHERN CALIFORNIA	MAY'23 ENTERPRISE REHAB DESIGN	5,949.60
	STREETS & HIGHWAYS TOTAL:	**38,469.60**
	STREET IMPROVEMENTS TOTAL:	**112,071.78**

331 - CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS

UNITED BUILDING AND DEVELOPMENT SERVICES LLC	MAY'23 AQUATIC CENTER LOCKER ROOM PAINTING	14,384.00
RICHARD FISHER ASSOCIATES	MAY'23 CH LANDSCAPE DESIGN SERVICES	10,732.38
SHI INTERNATIONAL CORP	CH - STAR TECH FLAT SCREEN WALL MOUNTS	716.54
SHI INTERNATIONAL CORP	CH - PANCAST 50 GREY	1,346.88
SHI INTERNATIONAL CORP	CH - 75IN PANEL MODEL INF7555 AND PC I7 10700 16GB	4,525.50
SHI INTERNATIONAL CORP	CH - INFOCUS AND HARDWARE EXTENDED WARRANTY	720.00
	CAPITAL IMPROVEMENTS TOTAL:	**32,425.30**
	CAPITAL IMPROVEMENTS TOTAL:	**32,425.30**

332 - STORM WATER

DRAINAGE IMPROVEMENTS

PV MAINTENANCE INC	MAY'23 DAIRY FORK MAINTENANCE	4,352.00
	DRAINAGE IMPROVEMENTS TOTAL:	**4,352.00**
	STORM WATER TOTAL:	**4,352.00**

741 - RENEWABLE FARMS

AARON FLORA	MAY'23 RENEWABLE FARMS RETENTION	(4,686.05)
AARON FLORA	JUN'23 RENEWABLE FARMS RETENTION	(3,570.85)
		-8,256.90

RECREATION SERVICES

AARON FLORA	MAY'23 RENEWABLE FARMS PAYMENT	46,860.50
AARON FLORA	JUN'23 RENEWABLE FARMS PAYMENT	35,708.50
	RECREATION SERVICES TOTAL:	**82,569.00**
	RENEWABLE FARMS TOTAL:	**74,312.10**
	GRAND TOTAL:	**1,857,758.39**

Fund Summary

Fund	Expense Amount	Payment Amount
101 - GENERAL FUND	1,222,355.66	1,222,355.66
102 - GEN. FD-CITY HALL	17,220.74	17,220.74
103 - GF-AV RECREATION SERVICES	212,520.50	212,520.50
203 - GAS TAX	109,528.00	109,528.00
204 - MEASURE M	2,436.00	2,436.00
215 - PUBLIC SAFETY GRANTS	1,904.00	1,904.00
241 - TECHNOLOGY FUND	2,284.54	2,284.54
251 - FEDERAL GRANTS	26,171.96	26,171.96
261 - CITY FAC.-AQUATIC CENTER	40,175.81	40,175.81
311 - STREET IMPROVEMENTS	112,071.78	112,071.78
331 - CAPITAL IMPROVEMENTS	32,425.30	32,425.30
332 - STORM WATER	4,352.00	4,352.00
741 - RENEWABLE FARMS	74,312.10	74,312.10
Grand Total:	**1,857,758.39**	**1,857,758.39**

Report Summary

Fund Summary

Fund	Payment Amount
101 - GENERAL FUND	1,222,355.66
102 - GEN. FD-CITY HALL	17,220.74
103 - GF-AV RECREATION SERVICES	212,520.50
203 - GAS TAX	109,528.00
204 - MEASURE M	2,436.00
215 - PUBLIC SAFETY GRANTS	1,904.00
241 - TECHNOLOGY FUND	2,284.54
251 - FEDERAL GRANTS	26,171.96
261 - CITY FAC.-AQUATIC CENTER	40,175.81
311 - STREET IMPROVEMENTS	112,071.78
331 - CAPITAL IMPROVEMENTS	32,425.30
332 - STORM WATER	4,352.00
741 - RENEWABLE FARMS	74,312.10
Grand Total:	**1,857,758.39**

Account Summary

Account Number	Account Name	Payment Amount
101-1203-000	ACCOUNTS RECEIVABLE	13,670.32
101-1301-000	PREPAID EXPENSES	2,612.24
101-2505-000	DENTAL INSURANCE PA…	-200.40
101-2506-000	MEDICAL INSURANCE P…	24,161.84
101-2507-000	LIFE INSURANCE PAYABLE	1,448.50
101-2508-000	VISION INSURANCE PAY…	-29.54
101-2601-000	REFUNDABLE DEPOSIT	3,000.00
101-2602-000	PLANNING DEPOSIT	14,776.50
101-2603-000	ENGINEERING DEPOSIT	7,020.44
101-2606-000	C & D DEPOSIT	4,250.00
101-32010	BUILDING PERMITS	153.50
101-32055	C & D PERMITS	176.74
101-32095	WATER QUALITY	191.08
101-37505	INFORMATION TECHNO…	-600.00
101-4-1101-4206-000	MEDICAL INSURANCE	302.00
101-4-1101-4511-000	COMMUNICATION	236.69
101-4-1101-4520-000	MTGS/CONF./TRNG & D…	2,459.94
101-4-1501-4206-000	MEDICAL INSURANCE	151.00
101-4-1501-4225-000	VEHICLE/CELL	335.00
101-4-1501-4511-000	COMMUNICATION	100.70
101-4-1501-4520-000	MTGS/CONF./TRNG & D…	8,880.32
101-4-1502-4302-000	ECONOMIC DEVELOPM…	3,042.72
101-4-1502-4781-000	C.S-OTHER	154,124.00
101-4-1503-4309-000	OTHER CONTRACTUAL S…	370.00
101-4-1503-4520-000	MTGS/CONF./TRNG & D…	7,825.77
101-4-1503-4612-000	OPERATING SUPPLIES	18.35
101-4-1601-4303-000	LEGAL NOTICES	607.60
101-4-1601-4502-000	AWARDS & RECOGNITI…	62.55
101-4-1601-4520-000	MTGS/CONF./TRNG & D…	3,880.92
101-4-1601-4521-000	MEMBERSHIP & DUES	475.00
101-4-1601-4525-000	ELECTION	279.00
101-4-1601-4601-000	SUPPLIES	60.36
101-4-1601-4611-000	PUBLICATIONS/REF MAT…	426.58
101-4-1601-4734-000	CODIFICATION	427.50
101-4-2101-4304-000	LEGAL SERVICES	54,624.80
101-4-2101-4532-000	SPECIAL PROJECTS	13,004.80
101-4-2101-4701-000	NPDES	167.40
101-4-2101-4733-000	ZONING CODE	4,225.50
101-4-2101-4735-000	LITIGATION	9,251.50
101-4-2501-4301-000	PROFESSIONAL SERVICES	12,106.27

Account Summary

Account Number	Account Name	Payment Amount
101-4-2501-4309-000	OTHER CONTRACTUAL S…	884.42
101-4-2501-4512-000	POSTAGE	5.41
101-4-2501-4520-000	MTGS/CONF./TRNG & D…	245.00
101-4-3101-4301-000	PROFESSIONAL SERVICES	416.67
101-4-3101-4305-000	TECHNOLOGY SERVICES	10,374.01
101-4-3101-4481-000	COMPUTER EXPENSE	23,912.87
101-4-3101-4521-000	MEMBERSHIP AND DUES	1,068.00
101-4-3101-4601-000	SUPPLIES	307.12
101-4-3501-4301-000	PROFESSIONAL SERVICES	736.20
101-4-3501-4421-000	EQUIPMENT RENTAL	725.95
101-4-3501-4431-000	BUILDING & GROUND M…	6,705.13
101-4-3501-4471-000	RENT	688.04
101-4-3501-4512-000	POSTAGE	846.23
101-4-3501-4513-000	PRINTING	578.93
101-4-3501-4516-000	FUEL	1,353.76
101-4-3501-4522-000	INSURANCE EXPENSES	400,831.00
101-4-3501-4542-000	INTEREST EXPENSE - LEA…	3.97
101-4-3501-4553-000	COMMUNITY BRANDING	1,400.00
101-4-3501-4601-000	SUPPLIES	1,275.26
101-4-3501-4612-000	OPERATING SUPPLIES	2,225.81
101-4-3501-4620-000	MINOR EQUIPMENT	13,993.72
101-4-4101-4206-000	MEDICAL INSURANCE	302.00
101-4-4101-4501-000	ADVERTISING & PROMO…	26,161.17
101-4-4101-4520-000	MTGS/CONF./TRNG & D…	1,052.83
101-4-4101-4521-000	MEMBERSHIP & DUES	445.00
101-4-4101-4522-000	INSURANCE EXPENSES	2,166.00
101-4-4101-4524-000	RECREATION-SENIOR TR…	609.00
101-4-4101-4527-000	REC-CITY SPECIAL EVENTS	9,446.25
101-4-4101-4529-000	REC-YOUTH PROGRAMS	9,000.00
101-4-4101-4531-000	COMMUNITY OUTREACH	991.76
101-4-4101-4532-000	SPECIAL PROJECTS	3,458.24
101-4-4101-4601-000	SUPPLIES	73.35
101-4-4102-4411-000	UTILITIES	1,918.20
101-4-4102-4431-000	BUILDING & GROUND M…	28,317.01
101-4-4103-4309-000	OTHER CONTRACTUAL S…	150.00
101-4-4103-4411-000	UTILITIES	1,160.60
101-4-4103-4431-000	BUILDING & GROUND M…	2,650.97
101-4-4104-4529-000	REC-YOUTH PROGRAMS	36,570.43
101-4-4401-4206-000	MEDICAL INSURANCE	151.00
101-4-4401-4309-000	OTHER CONTRACTUAL S…	8,152.50
101-4-4401-4521-000	MEMBERSHIP & DUES	35.00
101-4-4401-4532-000	SPECIAL PROJECTS	4,496.00
101-4-4401-4732-000	C.S-PLANNING	27,510.00
101-4-4402-4601-000	SUPPLIES	342.83
101-4-4402-4751-000	C.S-BUILDING	82,843.38
101-4-4403-4612-000	OPERATING SUPPLIES	426.57
101-4-4403-4761-000	C.S-CODE ENFORCEMENT	13,894.10
101-4-4501-4471-000	RENT	1,035.00
101-4-4501-4520-000	MTGS/CONF/TRNG & D…	25.00
101-4-4501-4612-000	OPERATING SUPPLIES	120.72
101-4-4501-4701-000	NPDES	24,130.85
101-4-4501-4702-000	AB939-SOLID WASTE	12,183.69
101-4-4501-4741-000	C.S-CITY ENGINEERING	8,849.34
101-4-4503-4771-000	C.S-STREET MAINTENAN…	52,923.07
101-4-5102-4462-000	EQUIP MAINT-800MHZ …	336.10
101-4-5102-4511-000	COMMUNICATION	45.33
101-4-5102-4516-000	FUEL	1,775.66
101-4-5102-4517-000	VEHICLE MAINTENANCE	242.39

Account Summary

Account Number	Account Name	Payment Amount
101-4-5102-4520-000	MTGS/CONF./TRNG & D…	525.87
101-4-5102-4612-000	OPERATING SUPPLIES	524.58
101-4-5102-4721-000	C.S-CROSSING GUARDS	30,507.28
101-4-5103-4471-000	RENT	425.00
101-4-5103-4612-000	OPERATING SUPPLIES	518.03
101-4-5401-4471-000	RENT	2,200.00
101-4-5401-4521-000	MEMBERSHIP & DUES	372.00
101-4-5401-4601-000	SUPPLIES	143.46
101-4-5401-4612-000	OPERATING SUPPLIES	6,493.11
102-4-3501-4411-000	UTILITIES	6,661.22
102-4-3501-4431-000	BUILDING & GROUND M…	10,406.29
102-4-3501-4561-000	TAXES/FEES/PERMITS	153.23
103-34150	OTHER INCOME	35.00
103-34161	CONTRACT CLASSES	1,274.00
103-34162	CITY CAMP REVENUE	270.00
103-34169	REFUNDS	-110.00
103-4-4105-4305-000	TECHNOLOGY SERVICES	7,458.39
103-4-4105-4309-000	OTHER CONTRACTUAL S…	164,421.21
103-4-4105-4411-000	UTILITIES	1,206.74
103-4-4105-4431-000	BUILDING & GROUND M…	24,375.50
103-4-4105-4451-000	FARM OPERATING EXPE…	1,496.21
103-4-4105-4511-000	COMMUNICATION	221.56
103-4-4105-4561-000	TAXES/FEES/PERMITS	580.61
103-4-4105-4570-000	CITY CAMP EXPENSE	2,318.13
103-4-4105-4601-000	SUPPLIES	4,821.47
103-4-4105-4612-000	OPERATING SUPPLIES	4,151.68
203-4-4502-4301-000	PROFESSIONAL SERVICES	18,039.04
203-4-4503-4411-000	UTILITIES	28,096.63
203-4-4503-4771-000	C.S-STREET MAINTENAN…	54,723.67
203-4-4503-4772-000	C.S-STREET SWEEPING	8,668.66
204-4-6104-4309-000	OTHER CONTRACTUAL S…	2,436.00
215-4-5102-4803-000	PUBLIC SAFETY EQUIPM…	1,904.00
241-4-6141-4309-000	OTHER CONTRACTUAL S…	2,284.54
251-4-6131-4309-000	OTHER CONTRACTUAL S…	15,337.72
251-4-6151-4309-000	OTHER CONTRACTUAL S…	10,834.24
261-2103-000	RETENTIONS PAYABLE	-1,208.30
261-4-6161-7301-000	COST OF F&B	117.13
261-4-6161-7321-000	ANHS POOL RENTAL	1,456.50
261-4-6161-7401-000	EQUIPMENT MAINTENA…	8,707.58
261-4-6161-7402-000	COMPUTER EXPENSE	980.00
261-4-6161-7411-000	UTILITIES	8,563.24
261-4-6161-7421-000	BUILDING & GROUND M…	6,040.55
261-4-6161-7425-000	POOL MAINTENANCE	2,117.77
261-4-6161-7431-000	SUPPLIES	251.65
261-4-6161-7433-000	OPERATING SUPPLIES	368.75
261-4-6161-7440-000	METINGS/CONFERENCES…	221.70
261-4-6161-7445-000	FEES & PERMITS	476.24
261-4-6161-7451-000	MANAGEMENT FEES	12,083.00
311-2103-000	RETENTIONS PAYABLE	73,227.18
311-4-8201-5701-000	CONSTRUCTION	375.00
311-4-8301-5501-000	DESIGN	7,869.60
311-4-8301-5701-000	CONSTRUCTION	30,600.00
331-4-8701-5910-000	IMPROVEMENTS	32,425.30
332-4-8601-5911-000	REHABILITATION	4,352.00
741-2103-000	RETENTIONS PAYABLE	-8,256.90
741-4-4105-4451-000	AV FARM OPERATING E…	82,569.00
	Grand Total:	**1,857,758.39**

Project Account Summary

Project Account Key	Payment Amount
None	1,684,291.35
0014701	24,298.25
0575910	18,041.30
0915911	4,352.00
10004309	15,337.72
1185910	14,384.00
1285501	5,949.60
1305701	375.00
1345501	1,920.00
1355701	30,600.00
8012101	2,213.80
8014532	4,496.00
8994761	13,894.10
9014612	749.58
9024612	714.19
9264520	-198.33
9294520	741.19
9304520	1,917.08
9974570	2,318.13
CDBGCV4309	6,566.49
ENG 2230	151.12
ENG 2241	428.19
ENG 2243	705.26
ENG 2247	352.62
ENG 2250	375.27
ENG 2251	125.94
ENG 2252	172.00
ENG 5003	1,158.61
ENG 5004	957.11
ENG 5005	403.00
ENG 5046	50.38
ENG 5049	100.75
ENG 5057	1,536.44
ENG 5060	25.19
ENG 5064	277.06
ENG 5067	201.50
PA 21-027	3,748.40
SDP-2022-0004	10,110.50
SURETY BONDS	3,000.00
USE-2023-00009	458.80
USE-2023-00013	458.80
Grand Total:	**1,857,758.39**

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Ann Eifert, Director of Financial Services/City Treasurer

SUBJECT: TREASURER'S STATEMENT – MAY 2023

Recommended Action:

Receive and file the May 2023 Treasurer's Statement.

Fiscal Impact:

No Fiscal Impact.

Background:

Per City policy, the Finance Department presents the monthly Treasurer's Statement for the City Council's review. This statement shows the cash balances for the various funds, with a breakdown of bank account balances, investment account balances and the effective yield earned from investments.

Discussion:

The City's portfolio consists of investments in Certificates of Deposits, US Treasuries, US Federal Agencies, Corporate Bonds, and Local Agency Investment Fund (LAIF). All funds invested with LAIF are available for withdrawal within 24 hours.

The Treasurer's Statement provides information regarding the City's investment portfolio and activity during the reporting month. The City's investment portfolio is in compliance with all government codes as well as the City's investment policy. Interest is credited to the City's bank account monthly and allocated among the City's funds. The current portfolio provides sufficient cash flow liquidity to meet the upcoming operating expenses and spending requirements for the next 6 months.

Attachment:

1. May 2023 Treasurer's Statement

CITY OF ALISO VIEJO
TREASURER'S MONTHLY CASH STATEMENT

May 31, 2023

	BEGINNING BALANCE	RECEIPTS	DISBURSEMENTS	TRANSFERS IN (OUT)	ENDING BALANCE	
GENERAL FUND	$ 2,763,556.68	$ 9,539,773.44	$ 8,681,530.86	$ -	$ 3,621,799.26	
TCRF	$ 68,861.61				68,861.61	
GAS TAX FUND	$ 819,651.03	78,188.53	83,736.90		814,102.66	
MEASURE M	$ 791,551.53	146,168.02	2,562.00		935,157.55	
SB1-RMRA	$ 274,759.14	84,950.04			359,709.18	
PUBLIC SAFETY GRANTS	$ 206,761.57		14,653.26		192,108.31	(1)
AIR QUALITY IMPRVMNT FD	$ 1,177,144.78				1,177,144.78	
INTEGRATED WASTE MGMT FD	$ 95,311.11		417.60		94,893.51	
OTHER GRANTS	$ (154,028.55)	14,574.85			(139,453.70)	
TECHNOLOGY GRANT	$ 270,296.39	22,760.29	2,550.00		290,506.68	
DEVELOPMENT IMPACT	$ 1,349,323.88	37.75			1,349,361.63	
FEDERAL GRANTS	$ (14,928.83)	1,879.52	6,014.96		(19,064.27)	
CITY FACILITY - AV CTR	$ 179,758.92				179,758.92	
CITY FACILITY - AQUATIC CTR	$ (149,843.33)	103,277.63	119,194.75		(165,760.45)	
STREET IMPROVEMENTS	$ 8,124.19		1,873.62		6,250.57	(2)
CAPITAL IMPROVEMENTS	$ -		5,879.42		(5,879.42)	(2)
STORM WATER	$ 505.34				505.34	(2)
COP CAPITAL	$ -				-	(2)
COP	$ (8,470.08)	3,269.40			(5,200.68)	
AV RANCH FOUNDATION	$ 100.00				100.00	
CFD 2005-01	$ (6,256.45)	67,101.56	67,871.56		(7,026.45)	
RENEWABLE FARMS	$ 56,821.02	50,107.30	32,468.00		74,460.32	
COMMUNITY TRUST	$ 7,540.68		328.00		7,212.68	
TOTALS	**$ 7,736,540.63**	**$ 10,112,088.33**	**$ 9,019,080.93**	**$ -**	**$ 8,829,548.03**	

SUMMARY OF CASH:

DEMAND DEPOSITS:	GENERAL ACCOUNT	$ 1,628,116.78	
SAVINGS ACCOUNT:	MONEY MARKET	$ 25,908.34	
INVESTMENTS:	LOCAL AGENCY INVESTMENT FD	$ 7,175,522.91	
	TOTAL CASH		**$ 8,829,548.03**

Years to Maturity for May 2023	1.61
Weighted Average Yield for May 2023	3.280%

All investments are placed in accordance with the City of Aliso Viejo's Investment Policy.

The above summary provides sufficient cash flow liquidity to meet the next six month's estimated expenditures.

Other monies held include Cash with Fiscal Agent, Investments, Payroll and AV Center.			**$ 38,437,178.18**
Cash With Fiscal Agent	COPS/CFD 2005-01	4,851,881.68	
Cash With Investment Advisor	City Investments	30,826,434.64	
AV Center		2,532,810.48	
PR Account		223,293.00	
Petty Cash		2,758.38	
	GRAND TOTAL OF CITY FUNDS		**$ 47,266,726.21**

(1) Public Safety Grant includes the MDC and PVS Program Costs budgeted with SLESF funds.

(2) Transfers in and out are done on a quarterly basis.
Street Improvements include the Slurry Seal, Traffic Management and Street Improvement Projects.
Capital Improvements include City Hall, AV Ranch, and other city facilities.
Storm Water includes the Dairy Fork and Wood Canyon Emergent Wetland Project.

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	Book YTM
Certificates of Deposit	5,145,000.00	4,827,318.60	5,139,029.35	13.52	762	1.75
Corporate Bonds	2,000,000.00	1,938,032.20	2,000,620.00	5.26	395	1.93
LAIF	7,175,522.91	7,175,522.91	7,175,522.91	18.88	1	2.99
U.S. Agencies	11,435,000.00	10,935,008.28	11,067,281.47	29.12	634	3.74
U.S. Treasuries	13,150,000.00	12,584,913.73	12,619,503.82	33.21	837	3.89
	38,905,522.91	**37,460,795.71**	**38,001,957.55**	**100.00**	**587**	**3.28**

Investments

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	91,479.33	607,244.78
Average Daily Balance	34,218,527.68	32,947,750.38
Book Rate of Return	3.15%	2.01%

CUSIP	Issuer Coupon Rate	Maturity Date Call Date	Remaining Par Value	Settle Date Book Yield	Original Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port Gain/Loss	Moody/S&P Fitch	WAM Eff. Dur.
Certificates of Deposit										
27002YEX0	EagleBank	03/20/2024	245,000.00	03/20/2020	244,510.00	97.02	237,697.32	0.64%	NR/NR	0.81
	1.550%			1.60%	244,510.00	5.37%	124.85	-6,812.68	NR	0.79
05465DAK4	Axos Bank	03/26/2024	245,000.00	03/26/2020	245,000.00	97.03	237,735.19	0.64%	NR/NR	0.82
	1.650%			1.65%	245,000.00	5.37%	66.45	-7,264.81	NR	0.81
15118RUV7	Celtic Bank	04/17/2024	245,000.00	04/17/2020	245,000.00	96.60	236,658.28	0.64%	NR/NR	0.88
	1.400%			1.40%	245,000.00	5.39%	140.96	-8,341.72	NR	0.87
32110YPS8	First National Bank of America	04/22/2024	245,000.00	04/23/2020	244,522.25	96.41	236,198.03	0.64%	NR/NR	0.90
	1.250%			1.30%	244,522.25	5.40%	83.90	-8,324.22	NR	0.88
15201QDF1	CenterState Bank	04/30/2024	245,000.00	04/30/2020	244,522.25	96.29	235,899.39	0.64%	NR/NR	0.92
	1.200%			1.25%	244,522.25	5.41%	257.75	-8,622.86	NR	0.91
58404DGU9	Medallion Bank	04/30/2024	245,000.00	04/30/2020	244,522.25	96.29	235,899.39	0.64%	NR/NR	0.92
	1.200%			1.25%	244,522.25	5.41%	257.75	-8,622.86	NR	0.91
538036JN5	Live Oak Banking	08/28/2024	245,000.00	02/28/2020	244,529.60	95.53	234,041.59	0.64%	NR/NR	1.25
	1.650%			1.69%	244,529.60	5.40%	343.34	-10,488.01	NR	1.22
856285RU7	State Bank of India	11/27/2024	245,000.00	12/06/2019	245,000.00	95.25	233,362.17	0.64%	NR/NR	1.50
	2.000%			2.00%	245,000.00	5.36%	67.12	-11,637.83	NR	1.46
61760A4F3	Morgan Stanley Private Bank	12/12/2024	245,000.00	12/13/2019	244,416.90	95.08	232,954.82	0.64%	NR/NR	1.54
	1.950%			2.00%	244,416.90	5.33%	2,238.23	-11,462.08	NR	1.49
61690UUJ7	Morgan Stanley Bank	02/27/2025	245,000.00	02/28/2020	244,416.90	94.24	230,878.12	0.64%	NR/NR	1.75
	1.800%			1.85%	244,416.90	5.30%	1,135.73	-13,538.78	NR	1.70
14042RPG0	Capital One Bank NA	04/08/2025	245,000.00	04/09/2020	244,412.00	93.55	229,187.87	0.64%	NR/NR	1.86
	1.600%			1.65%	244,412.00	5.30%	558.47	-15,224.13	NR	1.81
33847E3J4	Flagstar Bank	05/15/2025	245,000.00	05/15/2020	245,000.00	91.93	225,234.58	0.64%	NR/NR	1.96
	0.900%			0.90%	245,000.00	5.30%	102.70	-19,765.42	NR	1.93
866264DP6	Summit State Bank	05/15/2025	245,000.00	05/18/2020	244,402.20	91.84	225,008.31	0.64%	NR/NR	1.96
	0.850%			0.90%	244,402.20	5.30%	96.99	-19,393.89	NR	1.93
89235MJS1	Toyota Financial Savings Bank	06/30/2025	245,000.00	06/30/2020	245,000.00	91.31	223,715.80	0.64%	NR/NR	2.08
	0.800%			0.73%	245,000.00	5.25%	826.96	-21,284.20	NR	2.06
59013KLQ7	Merrick Bank	12/30/2025	245,000.00	12/30/2020	245,000.00	88.78	217,512.96	0.64%	NR/NR	2.59
	0.550%			0.55%	245,000.00	5.23%	7.38	-27,487.04	NR	2.56
02007GXG3	Ally Bank	08/04/2026	245,000.00	08/04/2022	245,000.00	95.11	233,025.90	0.64%	NR/NR	3.18
	3.450%			3.45%	245,000.00	5.13%	2,709.43	-11,974.10	NR	2.95
90348JR93	UBS Bank USA	08/11/2026	245,000.00	08/11/2021	245,000.00	87.69	214,836.49	0.64%	NR/NR	3.20
	0.950%			0.95%	245,000.00	5.15%	133.91	-30,163.51	NR	3.13
38149MYB3	Goldman Sachs Bank	08/11/2026	245,000.00	08/11/2021	245,000.00	87.94	215,458.27	0.64%	NR/NR	3.20
	1.000%			1.00%	245,000.00	5.13%	738.36	-29,541.73	NR	3.13
254673N44	Discover Bank	07/29/2027	245,000.00	08/03/2022	245,000.00	94.24	230,878.22	0.64%	NR/NR	4.16
	3.500%			3.50%	245,000.00	5.05%	2,889.66	-14,121.78	NR	3.80

CUSIP	Issuer Coupon Rate	Maturity Date Call Date	Remaining Par Value	Settle Date Book Yield	Original Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port Gain/Loss	Moody/S&P Fitch	WAM Eff. Dur.
Certificates of Deposit										
87164XN93	Synchrony Bank	08/05/2027	245,000.00	08/05/2022	245,000.00	94.21	230,818.37	0.64%	NR/NR	4.18
	3.500%			3.50%	245,000.00	5.05%	2,725.21	-14,181.63	NR	3.81
02589ADQ2	American Express National Bank	08/10/2027	245,000.00	08/12/2022	243,775.00	94.01	230,317.52	0.64%	NR/NR	4.20
	3.450%			3.56%	243,775.00	5.05%	2,570.49	-13,457.48	NR	3.83
					5,139,029.35		**4,827,318.60**	**13.52%**		**2.09**
Total Certificates of Deposit			**5,145,000.00**	**1.75%**	**5,139,029.35**	**5.27%**	**18,075.64**	**-311,710.76**		**2.00**
Corporate Bonds										
594918BQ6	Microsoft	08/08/2023	500,000.00	12/06/2019	503,635.00	99.51	497,570.76	1.33%	Aaa/AAA	0.19
	2.000%	06/08/2023		1.79%	503,635.00	4.54%	3,138.89	-6,064.25	NR	0.18
30231GBC5	Exxon Mobil	08/16/2024	500,000.00	12/12/2019	501,615.00	96.62	483,091.10	1.32%	Aa2/AA-	1.21
	2.019%	07/16/2024		1.95%	501,615.00	4.93%	2,944.38	-18,523.90	NR	1.16
037833DM9	Apple	09/11/2024	500,000.00	12/06/2019	497,165.00	96.39	481,971.63	1.31%	Aaa/AA+	1.28
	1.800%	08/11/2024		1.92%	497,165.00	4.74%	2,000.00	-15,193.38	NR	1.23
64952WDL4	New York Life	01/22/2025	500,000.00	01/22/2020	498,205.00	95.08	475,398.72	1.31%	Aaa/AA+	1.65
	2.000%			2.08%	498,205.00	5.16%	3,583.33	-22,806.29	AAA	1.57
					2,000,620.00		**1,938,032.20**	**5.26%**		**1.08**
Total Corporate Bonds			**2,000,000.00**	**1.93%**	**2,000,620.00**	**4.84%**	**11,666.60**	**-62,587.82**		**1.03**
LAIF										
9830007	LAIF	06/01/2023	7,175,522.91	05/24/2023	7,175,522.91	1.00	7,175,522.91	18.88%	NR/NR	0.00
	2.993%			2.99%	7,175,522.91	2.99%	0.00	0.00	NR	0.00
					7,175,522.91		**7,175,522.91**	**18.88%**		**0.00**
Total LAIF			**7,175,522.91**	**2.99%**	**7,175,522.91**	**2.99%**	**0.00**	**0.00**		**0.00**
U.S. Agencies										
3130ASCC1	FHLB	06/23/2023	1,000,000.00	06/23/2022	1,000,000.00	99.83	998,299.68	2.63%	Aaa/AA+	0.06
	3.000%	12/23/2022		3.00%	1,000,000.00	5.47%	13,166.67	-1,700.32	AAA	0.06
313384LQ0	FHLB	09/12/2023	1,000,000.00	05/30/2023	984,862.50	98.55	985,543.23	2.59%	P-1/A-1+	0.28
	0.000%			5.27%	984,862.50	5.15%	0.00	680.73	F1+	0.28
313384LZ0	FHLB	09/21/2023	500,000.00	04/28/2023	490,023.34	98.43	492,151.02	1.29%	P-1/A-1+	0.31
	0.000%			5.02%	490,023.34	5.15%	0.00	2,127.69	F1+	0.31

CUSIP	Issuer Coupon Rate	Maturity Date Call Date	Remaining Par Value	Settle Date Book Yield	Original Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port Gain/Loss	Moody/S&P Fitch	WAM Eff. Dur.
U.S. Agencies										
313384MN6	FHLB	10/04/2023	1,000,000.00	05/30/2023	981,796.67	98.24	982,397.54	2.58%	P-1/A-1+	0.35
	0.000%			5.26%	981,796.67	5.19%	0.00	600.87	F1+	0.35
3130A3VC5	FHLB	12/08/2023	500,000.00	02/20/2020	514,900.00	98.43	492,127.24	1.35%	Aaa/AA+	0.52
	2.250%			1.44%	514,900.00	5.36%	5,406.25	-22,772.77	AAA	0.50
313384RQ4	FHLB	01/10/2024	1,700,000.00	03/13/2023	1,627,742.91	96.96	1,648,238.62	4.28%	P-1/A-1+	0.61
	0.000%			5.27%	1,627,742.91	5.12%	0.00	20,495.71	F1+	0.61
3133ELNE0	FFCB	02/14/2024	500,000.00	02/14/2020	499,245.00	97.36	486,812.60	1.31%	Aaa/AA+	0.71
	1.430%			1.47%	499,245.00	5.30%	2,125.14	-12,432.40	AAA	0.68
3133ELG99	FFCB	06/10/2024	500,000.00	06/10/2020	498,220.00	95.37	476,860.84	1.31%	Aaa/AA+	1.03
	0.375%			0.46%	498,220.00	5.06%	890.62	-21,359.16	AAA	1.00
3133ELCP7	FFCB	12/03/2024	235,000.00	12/09/2019	233,926.05	95.38	224,137.45	0.62%	Aaa/AA+	1.51
	1.625%			1.72%	233,926.05	4.85%	1,888.16	-9,788.60	AAA	1.44
3137EAEX3	FHLMC	09/23/2025	500,000.00	10/20/2020	497,505.00	91.09	455,459.21	1.31%	Aaa/AA+	2.32
	0.375%			0.48%	497,505.00	4.47%	354.17	-42,045.80	AAA	2.24
3130AK5J1	FHLB	09/18/2026	1,000,000.00	02/16/2023	872,060.00	88.29	882,860.63	2.29%	Aaa/AA+	3.30
	0.700%	06/07/2023		4.61%	872,060.00	4.57%	1,419.44	10,800.63	AAA	3.17
3130ASD63	FHLB	06/28/2027	1,000,000.00	06/28/2022	1,000,000.00	95.26	952,602.74	2.63%	Aaa/AA+	4.08
	3.250%	06/28/2024		3.25%	1,000,000.00	4.54%	13,812.50	-47,397.26	AAA	2.98
3133EPAU9	FFCB	07/14/2027	1,000,000.00	02/16/2023	990,390.00	99.41	994,113.44	2.61%	Aaa/AA+	4.12
	3.875%			4.12%	990,390.00	4.03%	11,517.36	3,723.44	AAA	3.69
3136G4X99	FNMA	08/25/2027	1,000,000.00	04/06/2023	876,610.00	86.34	863,404.05	2.31%	Aaa/AA+	4.24
	0.740%	08/25/2023		3.82%	876,610.00	4.30%	1,973.33	-13,205.95	AAA	4.04
					11,067,281.47		**10,935,008.28**	**29.12%**		**1.74**
Total U.S. Agencies			**11,435,000.00**	**3.74%**	**11,067,281.47**	**4.88%**	**52,553.64**	**-132,273.19**		**1.56**
U.S. Treasuries										
912796ZZ5	U.S. Treasury	07/20/2023	1,500,000.00	01/20/2023	1,464,950.87	99.30	1,489,453.13	3.85%	P-1/A-1+	0.14
	0.000%			4.82%	1,464,950.87	5.17%	0.00	24,502.26	F1+	0.14
912796Y37	U.S. Treasury	08/03/2023	1,000,000.00	02/16/2023	977,972.87	99.09	990,884.44	2.57%	P-1/A-1+	0.18
	0.000%			4.89%	977,972.87	5.25%	0.00	12,911.57	F1+	0.18
912828T91	U.S. Treasury	10/31/2023	500,000.00	12/09/2019	500,175.78	98.45	492,226.56	1.32%	Aaa/AA+	0.42
	1.625%			1.62%	500,175.78	5.44%	706.52	-7,949.22	AAA	0.41
91282CEY3	U.S. Treasury	07/15/2025	1,000,000.00	05/30/2023	973,437.50	97.09	970,859.38	2.56%	Aaa/AA+	2.13
	3.000%			4.32%	973,437.50	4.45%	11,353.59	-2,578.12	AAA	2.00
91282CFE6	U.S. Treasury	08/15/2025	1,000,000.00	01/13/2023	980,078.13	97.32	973,164.06	2.58%	Aaa/AA+	2.21
	3.125%			3.94%	980,078.13	4.41%	9,150.55	-6,914.07	AAA	2.08

CUSIP	Issuer Coupon Rate	Maturity Date Call Date	Remaining Par Value	Settle Date Book Yield	Original Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port Gain/Loss	Moody/S&P Fitch	WAM Eff. Dur.
U.S. Treasuries										
91282CFP1	U.S. Treasury 4.250%	10/15/2025	1,000,000.00	05/30/2023 4.22%	1,000,625.00 1,000,625.00	99.79 4.34%	997,890.62 5,457.65	2.63% -2,734.38	Aaa/AA+ AAA	2.38 2.21
912828M56	U.S. Treasury 2.250%	11/15/2025	1,000,000.00	05/30/2023 4.19%	955,117.19 955,117.19	95.23 4.32%	952,343.75 1,039.40	2.51% -2,773.44	Aaa/AA+ AAA	2.46 2.34
91282CGL9	U.S. Treasury 4.000%	02/15/2026	1,000,000.00	05/30/2023 4.09%	997,578.13 997,578.13	99.45 4.21%	994,531.25 11,712.71	2.63% -3,046.88	Aaa/AA+ AAA	2.72 2.50
91282CCF6	U.S. Treasury 0.750%	05/31/2026	1,000,000.00	06/13/2022 3.01%	915,976.56 915,976.56	90.53 4.14%	905,312.50 20.49	2.41% -10,664.06	Aaa/AA+ AAA	3.00 2.89
91282CCJ8	U.S. Treasury 0.875%	06/30/2026	1,000,000.00	06/29/2022 3.20%	913,125.00 913,125.00	90.81 4.08%	908,085.94 3,674.03	2.40% -5,039.06	Aaa/AA+ AAA	3.08 2.95
91282CCP4	U.S. Treasury 0.625%	07/31/2026	1,100,000.00	01/13/2023 3.73%	987,292.97 987,292.97	89.77 4.10%	987,464.84 2,298.00	2.60% 171.88	Aaa/AA+ AAA	3.17 3.05
912828X88	U.S. Treasury 2.375%	05/15/2027	1,000,000.00	06/29/2022 3.20%	962,851.56 962,851.56	94.16 3.99%	941,562.50 1,097.15	2.53% -21,289.06	Aaa/AA+ AAA	3.96 3.69
9128282R0	U.S. Treasury 2.250%	08/15/2027	1,050,000.00	01/13/2023 3.60%	990,322.27 990,322.27	93.44 3.96%	981,134.76 6,917.82	2.61% -9,187.51	Aaa/AA+ AAA	4.21 3.90
					12,619,503.82		**12,584,913.73**	**33.21%**		**2.29**
Total U.S. Treasuries			**13,150,000.00**	**3.89%**	**12,619,503.82**	**4.44%**	**53,427.91**	**-34,590.09**		**2.16**
					38,001,957.55		**37,460,795.71**	**100.00%**		**1.61**
TOTAL PORTFOLIO			**38,905,522.91**	**3.28%**	**38,001,957.55**	**4.43%**	**135,723.79**	**-541,161.86**		**1.50**
TOTAL MARKET VALUE PLUS ACCRUED INTEREST							**37,596,519.50**			

Transaction Report

City of Aliso Viejo **May 01, 2023 - May 31, 2023**

Transaction Date	Transaction Type	Security ID	Security Description	Maturity Date	Purchases	Redemptions	Interest	Deposits	Withdrawals
05/01/2023	Interest	538036JN5	LIVOAK 1.65 08/28/24	08/28/2024	-	-	332.26	-	-
05/01/2023	Interest	912828T91	T 1 5/8 10/31/23	10/31/2023	-	-	4,062.50	-	-
05/01/2023	Interest	15201QDF1	CTRSTE 1.2 04/30/24	04/30/2024	-	-	1,465.97	-	-
05/01/2023	Deposit		LAIF Deposit		-	-	-	750,000.00	-
05/01/2023	Interest	58404DGU9	MEDBNK 1.2 04/30/24	04/30/2024	-	-	1,465.97	-	-
05/01/2023	Interest	59013KLQ7	MERICK 0.55 12/30/25	12/30/2025	-	-	114.45	-	-
05/09/2023	Withdrawal		LAIF Withdrawal		-	-	-	-	-650,000.00
05/11/2023	Interest	90348JR93	UBS 0.95 08/11/26	08/11/2026	-	-	191.30	-	-
05/15/2023	Interest	912828X88	T 2 3/8 05/15/27	05/15/2027	-	-	11,875.00	-	-
05/15/2023	Interest	866264DP6	SSBI 0.85 05/15/25	05/15/2025	-	-	1,032.69	-	-
05/15/2023	Interest	33847E3J4	FBC 0.9 05/15/25	05/15/2025	-	-	1,093.44	-	-
05/17/2023	Interest	15118RUV7	CELTIC 1.4 04/17/24	04/17/2024	-	-	281.92	-	-
05/17/2023	Maturity	313384FS3	FHLB DISCOUNT NT	05/17/2023	-	2,000,000.00	-	-	-
05/18/2023	Maturity	313384FT1	FHLB DISCOUNT NT	05/18/2023	-	2,000,000.00	-	-	-
05/22/2023	Interest	32110YPS8	FNAMER 1 1/4 04/22/24	04/22/2024	-	-	251.71	-	-
05/22/2023	Interest	27002YEX0	EGBN 1.55 03/20/24	03/20/2024	-	-	312.12	-	-
05/23/2023	Deposit		LAIF Deposit		-	-	-	5,000,000.00	-
05/24/2023	Deposit		LAIF Deposit		-	-	-	1,700,000.00	-
05/26/2023	Interest	05465DAK4	BOFI 1.65 03/26/24	03/26/2024	-	-	332.26	-	-
05/26/2023	Withdrawal		LAIF Withdrawal		-	-	-	-	-5,300,000.00
05/30/2023	Interest	856285RU7	SBIIN 2 11/27/24	11/27/2024	-	-	2,429.86	-	-
05/30/2023	Purchase	912828M56	T 2 1/4 11/15/25	11/15/2025	-955,117.19	-	-917.12	-	-
05/30/2023	Interest	59013KLQ7	MERICK 0.55 12/30/25	12/30/2025	-	-	110.75	-	-
05/30/2023	Purchase	313384MN6	FHLB DISCOUNT NT	10/04/2023	-981,796.67	-	-	-	-
05/30/2023	Purchase	313384LQ0	FHLB DISCOUNT NT	09/12/2023	-984,862.50	-	-	-	-
05/30/2023	Purchase	91282CFP1	T 4 1/4 10/15/25	10/15/2025	-1,000,625.00	-	-5,225.41	-	-
05/30/2023	Purchase	91282CEY3	T 3 07/15/25	07/15/2025	-973,437.50	-	-11,187.85	-	-
05/30/2023	Purchase	91282CGL9	T 4 02/15/26	02/15/2026	-997,578.13	-	-11,491.71	-	-
05/31/2023	Interest	91282CCF6	T 0 3/4 05/31/26	05/31/2026	-	-	3,750.00	-	-
Grand Total:					**-5,893,416.99**	**4,000,000.00**	**280.11**	**7,450,000.00**	**-5,950,000.00**

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

CITY OF ALISO VIEJO

DIRECTOR OF FINANCIAL SVCS/ CITY TREAS
12 JOURNEY, #100
ALISO VIEJO, CA 92656

Account Number: 98-30-007

May 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
5/1/2023	5/1/2023	RD	1728967	1689333	ANN EIFERT	750,000.00
5/9/2023	5/9/2023	RW	1729256	1689629	ANN EIFERT	-650,000.00
5/22/2023	5/22/2023	RD	1729732	1690106	ANN EIFERT	6,500,000.00
5/22/2023	5/23/2023	RDA	1729756	N/A	ANN EIFERT	-6,500,000.00
5/22/2023	5/23/2023	RDX	1729757	N/A	ANN EIFERT	5,000,000.00
5/24/2023	5/24/2023	RD	1729815	1690188	ANN EIFERT	1,700,000.00
5/26/2023	5/25/2023	RW	1729852	1690228	ANN EIFERT	-5,300,000.00

Account Summary

Total Deposit:	7,450,000.00	Beginning Balance:	5,675,522.91
Total Withdrawal:	-5,950,000.00	Ending Balance:	7,175,522.91

PMIA/LAIF Performance Report as of 06/07/23

PMIA Average Monthly Effective Yields[1]

May	**2.993**
April	2.870
March	2.831

Quarterly Performance Quarter Ended 03/31/23

LAIF Apportionment Rate[2]:	2.74
LAIF Earnings Ratio[2]:	0.00007493902135155
LAIF Fair Value Factor[1]:	0.986510329
PMIA Daily[1]:	2.87
PMIA Quarter to Date[1]:	2.63
PMIA Average Life[1]:	275

Pooled Money Investment Account Monthly Portfolio Composition [1] 04/30/23 $185.4 billion

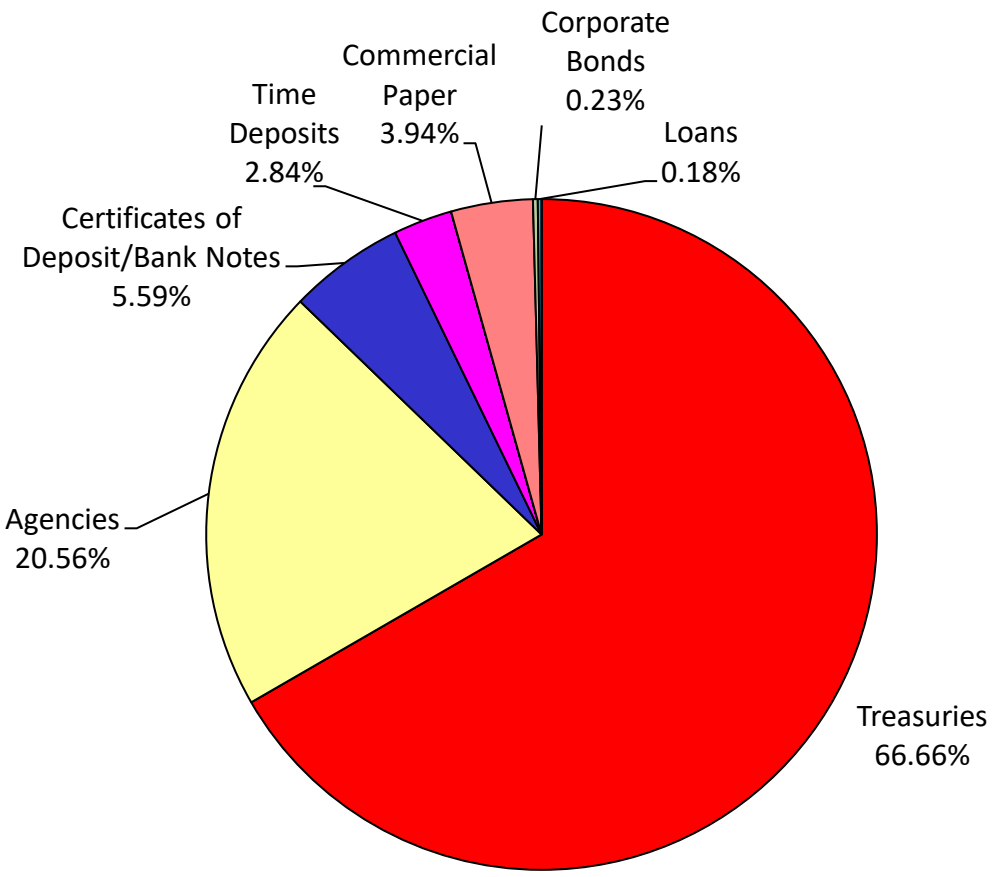


Chart does not include $3,011,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

Daily rates are now available here. **View PMIA Daily Rates**

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:
[1] State of California, Office of the Treasurer
[2] State of Calfiornia, Office of the Controller

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Ann Eifert, Director of Financial Services/City Treasurer

SUBJECT: INVESTMENT POLICY FOR FISCAL YEAR 2023-24

Recommended Action:

Adopt a Resolution approving the Investment Policy for Fiscal Year 2023-24 and rescinding Resolution No. 2022-24 in its entirety.

Fiscal Impact:

The adoption of the Investment Policy will allow for the continual investment of the City's idle cash which will provide additional revenue to the City.

Background:

California Government Code Section 53646 and best management practices dictate that local agencies prepare and update an investment policy on an annual basis. The City's Investment Policy complies with the California Government Code and the guidelines recommended by the State and California Municipal Treasurer's Association.

The investment policy states the goals of the City's investment activities, the types of investments allowed by the Government Code, and reporting requirements. The City's investment goals are, in order of priority, safety, liquidity, and yield. The purpose of the Investment Policy is to identify the policies and procedures that enhance opportunities for a prudent and systematic investment process and to organize and formalize investment-related activities.

Discussion:

Submitted for Council's review and adoption is the FY 2023-24 Investment Policy, its accompanying resolution, and an administrative policy containing guidelines for investments and internal control. There are no significant changes to the proposed FY 2023-24 Investment Policy.

Attachments:

1. Resolution
2. Investment Policy & Investment Guidelines, Strategy & Internal Control – Clean
3. Investment Policy & Investment Guidelines, Strategy & Internal Control – Redline
4. Resolution 2022-24

RESOLUTION NO. 2023-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CALIFORNIA, REPEALING RESOLUTION NO. 2022-24, AND ADOPTING AN INVESTMENT POLICY FOR FISCAL YEAR 2023-24

WHEREAS, Government Code Section 53600 et seq. sets forth the State of California's policy with regard to the importance of the solvency and creditworthiness of each individual local agency and the protection thereof; and

WHEREAS, the City of Aliso Viejo is a local agency subject to the provisions of Government Code Section 53600 et seq.; and

WHEREAS, Government Code Section 53646 requires local agencies, such as the City of Aliso Viejo to consider annually a statement of investment policy, after review and consideration at a public meeting; and

WHEREAS, at a regular public meeting of the City Council the Council considered a statement of investment policy for the City, entitled *City of Aliso Viejo Statement of Investment Policy for Fiscal Year 2023-24* attached hereto as Exhibit "A" and incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALISO VIEJO AS FOLLOWS:

Section 1. The statement of investment attached hereto as Exhibit "A" entitled *City of Aliso Viejo Statement of Investment Policy for Fiscal Year 2023-24* is adopted as the City's Investment Policy.

Section 2. Resolution No, 2022-24 is hereby repealed

Section 3. This Resolution shall be effective July 1, 2023.

Section 4. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2023.

_____
Richard Hurt
Mayor

APPROVED AS TO FORM:

_____
Scott C. Smith, City Attorney

ATTEST:

_____
Mitzi Ortiz, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ALISO VIEJO)

I, MITZI ORTIZ, City Clerk of the City of Aliso Viejo, California, DO HEREBY CERTIFY that the foregoing is the original of Resolution No. 2023-__ duly passed and adopted by the City Council of the City of Aliso Viejo at their regular meeting held on the 19th day of July, 2023, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

_____
MITZI ORTIZ, MMC
CITY CLERK

(SEAL)

CITY OF ALISO VIEJO
STATEMENT OF INVESTMENT POLICY
FOR FISCAL YEAR 2023-24

AS ADOPTED July 19, 2023

CITY COUNCIL

Mayor Richard Hurt
Mayor Pro Tem Mike Munzing
Council Member Tiffany Ackley
Council Member Ross Chun
Council Member Max Duncan

TABLE OF CONTENTS

Statement of Investment Policy	1
Objectives	1
Scope of Funds	2
Prudent Investor Standard	2
Investment Philosophy	2
Delegation of Authority	3
Public Trust	3
Ethics and Conflicts of Interest	3
Internal Investment Controls	4
Investment Policy Adoption	5
Indemnification of Investment Officials	5
Investment Portfolio Compliance	5
Reporting	6
Authorized and Suitable Investments	6
Ratings and Rating Agencies	8
Prohibited Investments	8
Collateralization	9
Investment Pools	9
Money Market Mutual Funds	9
Maturity Limits	10
Qualifications for Financial Institutions and Broker/Dealer's	10
Diversification Guidelines and Risks	11
Safekeeping and Custody	12
Performance Standards and Evaluation	12
Qualifications and Continuing Education	12

APPENDIX A: Glossary of Terms

APPENDIX B: Qualified Broker/Dealers

APPENDIX C: Administrative Policy: Investment Guidelines, Strategy, and Internal Control

Statement of Investment Policy

This Statement of Investment Policy ("Policy"), as set forth by the City of Aliso Viejo ("City"), provides the guidelines for prudent investment of the City's idle or reserve cash and outlines the policies essential to ensuring the safety and financial strength of the City's investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State Laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State Law, the Policy will supersede.

Objectives

It is the policy of the City to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the City and attaining a market average rate of return within an acceptable and defined level of risk.

The Policy has three primary objectives, in order of priority:

1. **Preservation of Capital (Safety)** – the protection of principal is the foremost consideration when undertaking investment decisions that affect public funds. The objective is to mitigate credit risk and interest rate risk.

Credit Risk

Credit Risk is the risk of loss of principal due to the failure of the security issuer. Credit Risk can be mitigated by:

- Limiting investments to the safest types of securities.
- Pre-qualifying accountants, auditors, financial institutions, broker/dealers, financial advisors, and other outside consultants with which the City does business.
- Diversifying the investment portfolio so that potential losses are minimized.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities will fall due to a rise in general market interest rates. It is the policy of the City to hold individual securities to maturity in an effort to meet liquidity demands. Interest rate risk can be mitigated by:

- Holding individual securities to maturity - Structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Employing a laddering strategy whereby staggering maturities of individual securities so that bonds come due in increments, assuring an overall liquidity pattern.
- Limiting maturities of individual securities and the average maturity of the overall portfolio.

2. **Liquidity** – the investment portfolio shall remain sufficiently liquid to meet all daily cash flow and operating requirements that may be reasonably expected or anticipated.
3. **Return or Yield** – attain a rate of return consistent with the primary objectives of safety and liquidity, throughout budgetary and economic cycles.

Scope of Funds

The investment policy applies to all financial assets and investment activities of the City, except for proceeds of debt issuance. Debt proceeds shall be invested in accordance with the "Permitted Investments" provisions for each specific bond indenture.

The Policy applies to the following funds and is accounted for in the City's annual audited financial statements.

A. General Fund
B. Special Revenue Funds
C. Debt Service Funds
D. Capital Improvement Funds
E. Enterprise Funds
F. Internal Service Funds
G. Agency Funds

Prudent Investor Standard

The standard to be used by investment officials shall be that of a "prudent person" and shall be applied in the context of managing all aspects of the City's investment portfolio

The Prudent Investor Standard:

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of sections 16429.1 and 53600 through 53684 of the California Government Code and considering individual investments as a part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

Investment Philosophy

It is the investment philosophy of the City to make investment decisions based on an overall passive management style that embodies a prudent investor standard and such that investments are purchased to generally match expected future cash outflows and with the intent to hold until maturity.

Accordingly, the City's conservative philosophy prohibits active trading and speculation; i.e., the purchase of securities with the intent to profit from favorable market changes in market prices or market conditions. Leveraging or borrowing money for the purpose of investing is specifically prohibited. However, the City may elect to sell a security prior to its maturity and

record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or City needs.

Delegation of Authority

The City's Resolution No. 2003-018 appoints the Director of Financial Services to also serve as City Treasurer. The Treasurer, or his or her designee, has the authority to manage the City's investment portfolio in accordance with California Government Code Sections 53600 and 53630 *et seq*. and all related State and Federal laws.

The Treasurer will provide prior written notification to the City Manager and City Council regarding the designation of responsibilities.

The Treasurer shall establish written procedures for the operation and management of the City's investment portfolio consistent with this investment policy. The procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, collateral or depository agreements, competitive bid process, and due diligence. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction, except as provided under the terms of this policy and the investment procedures established by the Treasurer and approved by the City Manager.

The City may also engage Securities and Exchange Commission registered external investment advisor to manage the City's investment program.

Public Trust

All participants in the investment process shall act as custodians of public funds. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered in the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Ethics and Conflicts of Interest

Elected officials and employees of the City involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions under the Political Reform Act and Government Code Section 1090 *et seq*. Elected officials and employees shall disclose to the City Manager any material interests in financial institutions that conduct business with the City, and they shall further disclose any personal investment position or financial asset that could be related to the performance of the City's investment program. Elected officials and employees shall subordinate their personal investment transactions to those of the City particularly with regard to the time of purchases and sales.

Any firm proposing to provide any type of investment service to the City shall acknowledge their familiarity with the provisions of the Political Reform Act, Government Code Section 81000 *et seq*. and CA Code of Regulations 18110 *et seq*. and the provisions limiting contractual conflicts of interest under Government Code Section 1090 *et seq*. Any firm proposing to provide any type of investment service to the City shall also acknowledge their familiarity with and agree to abide by any Federal or State law, regulation, rule, or policy pertaining to or limiting campaign contributions by such firms, their employees, spouses, or agents.

All persons, firms, broker/dealers, financial institutions, and advisors providing investment services or bond issue assistance shall disclose to the City Manager and the Treasurer all fee sharing, fee-splitting, and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issue bonds.

Internal Investment Controls

The Treasurer will implement and maintain a system of internal investment controls and segregate responsibilities of investment functions in order to prevent fraud, theft, loss of principal, loss of control over funds, inaccurate reporting, and negligence.

The Treasurer will assign designee(s) to assist in carrying out these functions and will establish an Oversight Reviewer function that may be carried out by a designated member of staff, independent individuals, or independent expert contractor to perform specified tasks.

In addition to the specified requirements placed on investment types, quality, maturity, and diversification, further controls will include:

- **Safekeeping of Securities**

  To protect against losses caused by the collapse of individual securities dealers, all securities owned by the City are required to be held by a third-party safekeeping institution. Third-party safekeeping institutions may not act as custodians for any securities which that institution has issued or sold to the City.

  Collateral must be held at safekeeping, as defined in the Safekeeping and Custody section of the Policy.

  Payment procedures for all securities transactions will be Delivery v. Payment (DVP)

- **Competitive Bidding of Investments**

  The City's investment procedures require that approved broker/dealers compete for investment purchases and sales in order for the City to obtain the highest yield available in the market and to ensure that investment transactions are free from favoritism.

  Qualified Bids will be required for purchase of all investment transactions. The Treasurer shall select the best bid and is required to keep a record of each investment transaction. The Treasurer will rotate the purchase of investments among the pool of qualified broker/dealers.

  If the City utilizes an external investment advisor, the advisor shall send its approved list of broker/dealers to the City annually and follow its policies and procedures for competitive bidding.

- **Annual Management Review and Audit**

  An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City with written observations and recommendations regarding the adequacy of investment controls.

- **Segregated Investment Execution, Recordkeeping and Reporting**

  An independent member of City staff will record the Treasurer's investment records or confirmations to the City's general ledger. In addition, independent staff will

perform the monthly reconciliation of bank, broker/dealer, and safekeeping confirmations.

- **Secondary Approval Required**

  The City Manager will review and approve the establishment of investment accounts, broker/dealer, and financial institution relationships and any agreements or contracts related to investments or investment related activity.

- **Wire Transfer Controls**

  All City wire transfers will be executed in accordance with a written agreement specifying control procedures required for wire transfers of funds, including the establishment of repetitive wires to pay for securities transactions with approved securities dealers as well as any other routine money transfers. All other non-repetitive wires require City Manager approval prior to release.

Investment Policy Adoption

The City Council's primary responsibilities over the investment function includes establishing investment policies, annually reviewing such policies, appointing a City Treasurer, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and financing transactions, and adopting recommended changes to the City's Investment Policy as necessary.

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved the City Council.

Indemnification of Investment Officials

Any investment officer exercising his/her authority with due diligence, prudence, and care and in accordance with the Investment Policy and all written procedures shall be relieved of personal responsibility and liability for an individual security's losses or losses incurred by the portfolio. However, any investment officer also bears the responsibility of reporting deviations from expectations in a timely manner to City Council and appropriate action is taken to control adverse developments and mitigate loss of principal.

Investment Portfolio Compliance

Should the portfolio, for any reason, fall out of compliance with this Investment Policy, immediate liquidation of securities in order to bring the portfolio back into compliance will not be required. However, the Treasurer must take action to bring the portfolio into compliance within 12 months from the date the portfolio was determined to be in non-compliance with the provisions of this Investment Policy. Additionally, adequate disclosure of all instances of noncompliance, and the efforts undertaken to bring the portfolio into compliance, must be made on the monthly Treasurer's Report.

Reporting

The Treasurer shall submit a "Monthly Treasurer's Report" to the City Manager and City Council within 45 days following the last day of the month to be agendized for official action at a regular Council meeting thereafter. These reports shall disclose information relevant to the risk characteristics of the City's investment portfolio and shall include the following information:

Monthly Treasurer's Report

A. Cash receipts, disbursements, and balances in total.

B. A summary of the investment portfolio.

C. An asset list showing the issuer, type of investment, par value, maturity date, and interest rate.

D. Average rate of return on the City's investment portfolio.

E. Maturity aging grouped by type of investment.

F. Diversification of the investment portfolio.

G. A listing of individual investment transactions during the month, as required by Government Code section 53607.

H. A statement of ability to meet upcoming operating expenses and spending requirements for the next six months.

I. A statement of compliance with the Investment Policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio, and a timetable for resolution.

Annual Report

The annual report will be prepared by the City Treasurer and submitted to the City Manager each fiscal year to ensure consistency. The annual report will include an overall analysis of the portfolio and shall suggest policies and improvements to enhance the City's investment program. These enhancements will be annually considered by City Council and the authority to amend the Policy rests with City Council.

Authorized and Suitable Investments

Investment of City funds is governed by the California Government Code Sections 53600, 53601, 53601.5, 53601.6, 53635, and 53635.5 *et seq.* Within the context of the limitations, the following investments are authorized, as further limited herein:

Matrix of Suitable Investment Options and Restrictions				
Investment Type:	Maximum Maturity:	Maximum percentage of Portfolio:	Maximum Par Value per Issuer:	Credit Quality and Requirements:
U.S. Treasury Bills, Notes and Bonds	5 Years	100 percent	N/A	Explicit Full Faith and Credit Guarantee of United States Government
Federal Agency Obligations	5 Years	60 percent	35% per agency	Implied Guarantee of the United States Government
Bankers' Acceptances (BA's)	180 Days	20 percent	5% per issuer	Domestic banks only - deemed eligible for purchase by the Federal Reserve Bank
Certificates of Deposit or Time Deposits* (CD's)	5 Years	30 percent	5% per issuer	Senior debt only from top 15 percent of peer group rated banks, savings & loans and credit unions. Defined by Section 5102 of the Financial Code.
Negotiable Certificates of Deposit	5 Years	30 percent	$250,000	Brokered CD's insured by FDIC for a maximum of $250,000 per issuer.
Local Agency Investment Fund (LAIF)	N/A	100 percent	$75,000,000 (per entity)	Treasurer will review investment policies and practices to determine if consistent with the Policy
Commercial Paper	270 Days	20 percent	5% of portfolio	Highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
Money Market Mutual Funds	N/A	10 percent	10% per fund (SEC Registered) ($1.00 NAV)	Highest rating from NRSRO. Must also comply with Govt. Code 53601(l) and 53601.6 (b) and the weighted average to maturity is less than 180 days.
Repurchase Agreements*	92 Days	20 percent	20%	Signed security loan agreement on file. Underlying securities maintained at 102% of original value. Reverse repurchase agreements are specifically not authorized under the Policy.
Supranational Securities	5 Years	20 percent	10 % per issuer	United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance

				Corporation, or Inter-American Development Bank; rated AA or better by two NRSROs.
Medium Term Corporate Notes	5 Years	30 percent	5% of portfolio	Rated "A-" or better by a nationally recognized rating service. Code 53601 (k).

***** *Denotes a collateral requirement either initially, or at a pre-determined threshold. Please refer to Collateral section of the Policy for specific requirements.*

Ratings and Rating Agencies

When possible, two ratings should be obtained to determine if an investment meets the Policy's quality standard. Currently under this Policy, only Standard and Poor's (S&P) and Moody's Investor Service (Moody's) are recognized investment ratings providers, and the City has established the following minimum standards to be applied at time of purchase and for reporting purposes:

Investment Type:	Standard & Poor's	Moody's
Banker's Acceptances	**A1**	**P1**
Commercial Paper	**A1**	**P1**
Certificates of Deposit	**AA-**	**Aa3**
Money Market Mutual Funds	**AAA**	**Aaa**
Medium Term Corporate Notes	**A-**	**A3**
Supranational Securities	**AA**	**Aa2**
Repurchase Agreement – Provider	**AA**	**Aa**

Prohibited Investments

State and Federal laws notwithstanding, any investment not specifically described herein including, but not limited to, reverse repurchase agreements, derivatives, options, futures, zero coupon bonds, inverse floaters, range notes, first mortgages or trust deeds, collateralized mortgage obligations (CMO's), limited partnerships, real estate investments trusts (REIT's), open-end mutual funds, closed-end mutual funds, mutual funds with a weighted average maturity greater than 180 days, unregulated and/or uninsured investment pools, common stock, preferred stock, commodities, precious metals, securities with high price volatility, limited marketability (less than three active bidders), securities that may default on interest payments, and any other speculative investment deemed inappropriate under the Prudent Investor standard are strictly prohibited. In addition, any investment transaction that might impair public confidence in the Aliso Viejo City government is to be avoided.

Collateralization

Collateral for Certificates of Deposit (CD) and Negotiated Certificates of Deposit (NCD) must comply with Government Code, Chapter 4, Bank Deposit Law Section 16500 *et seq.* and the Savings and Loan and Credit Union Deposit Law Government Code Section 16600 *et seq.* In addition, if the CD is not FDIC insured or goes over the FDIC $250,000 limit, collateral is required equal to 100 percent of principal.

Collateral for Repurchase Agreements shall be 102 percent of market value of principal and accrued interest. Collateral can be either US Treasury securities or Federal Agency securities. This will provide an addition level of security due to inevitable changes in market conditions.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted within the parameters and constraints of this Policy.

Investment Pools

Government sponsored investment pools (Pools) are permitted under California Government Code Section 53601 *et seq*. and are an excellent short-term investment option for cash management facilities. These pools can provide safety, liquidity, and yield in a single diversified investment. However, thoughtful investigation and due diligence are required both initially at time of purchase and on an ongoing basis with analysis to determine that the investment pool is being managed in a manner consistent with the objectives of the Policy. The following guidelines include, but are not limited to:

- The Pool shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or shall be insured by a municipal insurance corporation.
- The Pool marks to market weekly at a minimum.
- The Pool provides comprehensive, timely monthly reports which include detailed transaction listings, report realized and unrealized gains and losses, provide accurate market values for each security, provide quality rating for individual securities, take delivery DVP, provide third party safekeeping of all investments, and for whom an audit is conducted annually by an independent auditor with no relationship to the Pool.

Money Market Mutual Funds

Money market mutual funds provide another safe, liquid, and diversified investment option for the City's surplus capital. However, certain conditions need to be met both initially and on an ongoing basis. The money market may only invest in US Government securities permitted under this policy and under California Government Code Section 53601 *et seq*. withfinal stated maturities of one year or less "Government Money Market Funds."

In order to be an eligible money market investment under this section, the primary objective of the money market, as stated in the funds' prospectus, is to maintain a constant $1.00 Net Asset Value (NAV). The following additional guidelines include, but are not limited to:

- The money market only invests in US Government securities, and the weighted average maturity of the portfolio is less than 180 days.

- The fund shall be registered with the SEC.
- The money market shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations and shall maintain these ratings for the duration of the investment.

Maturity Limits

The longer the maturity of securities, the greater the market volatility. Therefore, the maximum maturity limit for any given security in the investment portfolio shall not exceed five (5) years.

It is also important to note that specific investments, detailed under the "Authorized and Suitable Investments" section, may be restricted to a shorter maturity.

The weighted average life of the portfolio may not exceed three (3) years in duration.

At a minimum, 15 percent of the portfolio shall remain liquid, accessible on demand by the City without restriction or penalty.

The investment portfolio shall be structured for liquidity purposes; therefore, 40 percent of the portfolio shall mature within 365-days .

Maturities will be selected based on a sufficiently detailed cash flow projection that facilitates selecting investment maturity dates to approximately match the projected dates of budgeted expenditures. Once cash flow needs are matched, maturities are selected based on a "laddering strategy" and the shape of the yield curve.

Extensions in the maximum maturity and average weighted life of the portfolio must be supported by detailed cash flow forecasts demonstrating the adequacy of cash from maturing assets to meet one hundred twenty-five percent (125%) of monthly expenditures for each prospective quarter, ending with the current maximum including capital expenditures funded on a pay-as-you-go basis. Recommendations to extend maturities must be reviewed and approved by the City Manager and City Council.

Qualifications for Financial Institutions and Broker/Dealer's

The Treasurer will maintain a list of qualified financial institutions and broker/dealers authorized to transact business with the City, as stated in Appendix "B".

If the City utilizes a SEC registered external investment advisor, the advisor shall maintain a list of authorized broker-dealers and complete the appropriate due diligence required by the SEC. The external investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes on behalf of the City. The investment advisor shall submit the list of approved broker/dealers to the Finance Director/City Treasurer on an annual basis. The Finance Director/City Treasurer may restrict the use of a broker/dealer which may be deemed unsuitable.

The financial entitieseligible to transact investment business with the City are:

I. Federal Reserve Bank:

Direct purchase of U.S. Treasury Bills, Notes, and Bonds using primary government dealers as designated by the Federal Reserve are exempt from quality requirements and are encouraged due to commission or mark-up discounts.

II. Nationally or State Chartered Banks, Savings and Loans, and Credit Unions:

The City may purchase investments offered from Banks, Savings and Loans, and Credit

Unions provided the institutions are:

- Nationally or State Chartered Institutions.
- Registered as investment securities dealers.
- Ranked in the top 15 percent of institutions within their respective peer group.
- The signatures of two individuals shall be required for the opening and closing of any bank account (the Treasurer, City Manager, Mayor, or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.

III. Broker/Dealers:

The City will purchase investments from primary dealers whenever possible. However, if an investment deemed appropriate for the portfolio is not available through the primary market, then the Treasurer may use an authorized broker/dealer from the pre-approved list of broker/dealers on record.

For a broker/dealer to be considered for placement on the pre-approved list, they must comply with the following:

- Primary or Regional dealers that qualify for SEC Rule 15c3-1
- Provide audited financial statements from the two most frequent years
- A statement certifying that the institution has reviewed the City's Investment Policy and California Government Code Section 53600 *et seq.* and that all securities offered to the City shall comply fully with all provisions of the Policy and the California Government Code.
- The signatures of two individuals shall be required for the opening and closing of any broker/dealer account (the Treasurer, City Manager, Mayor or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.
- Settlement of securities traded through qualified broker/dealers shall occur trade date plus one or two days (depending upon security type), the current industry standard. New issue securities may have longer settlements, but none shall be greater than three weeks.

  The Treasurer is responsible for ensuring that settlement occurs in a timely matter and that execution confirmations reflect accurate trade data. In addition, investment transactions are required to be Delivery v. Payment (DVP).

Diversification Guidelines and Risks

The City recognizes diversification is an investment strategy that will mitigate risk in the investment portfolio. The City's investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks with regard to specific investment types. Within investment types, the City shall also maintain a mix of securities to avoid concentrations within individual financial institutions, geographic areas, industry types, and maturities.

The City will only invest in fixed rate, fixed maturity securities and, with the exception of U.S. Treasury securities or the Local Agency Investment Fund (LAIF), no more than 60 percent of the investment portfolio shall be invested in any single investment type or financial institution.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and certificates of deposit, shall be transacted on a Delivery vs. Payment (DVP) basis. This means that the securities shall be delivered to the City or the City's designated custodian upon receipt of payment by the City.

All securities that may be purchased, including collateral, shall be held by a third-party custodian designated by the Treasurer whenever possible. These securities shall be held in the City's name and control, and the third-party custodian shall be evidenced by safekeeping receipts. The third-party custodian shall send the City, on a monthly basis, a summary of safekeeping assets, and this statement shall be reconciled to the City's records on a monthly basis. Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

Performance Standards and Evaluation

Investment performance is continually monitored and evaluated by the City Treasurer. Investment activity reports are generated on a monthly basis for presentation to the City Manager and City Council.

The weighted average maturity of the pooled portfolio shall not exceed three years and shall be designated to attain a market average rate of return. The market average rate of return will be determined by a custom benchmark that represents the prominent and persistent characteristicsof the portfolio.

An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City Manager and City Council with written observations and recommendations regarding the adequacy of investment controls.

Qualifications and Continuing Education

The City Treasurer shall be a City employee or contract employee. The Treasurer shall be selected on the basis of educational background and experience relevant to the Treasury function.

The City recognizes the need for and is committed to providing ongoing education specific to the investment function for the Treasurer and other City staff and officials involved in the investment process.

GLOSSARY OF TERMS

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Agencies - Federal agency securities and/or Government-sponsored enterprises.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asking Price - The price a broker/dealer offers to sell securities. See Offer

Bankers' Acceptance (BA) - A "draft" or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point - One basis point is one hundredth of one percent (.01).

Bear Market - A period of generally pessimistic attitudes and declining market prices.

Bid - The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or plus accretion of discount.

Broker - A broker brings buyers and sellers together for a commission.

Bull Market - A period of generally optimistic attitudes and increasing market prices.

Callables - Securities that the issuer has the right to redeem prior to maturity.

Certificate of Deposit - A time deposit with a specific maturity, evidenced by a certificate. Large-denomination CD's are typically negotiable. CD's may be eligible for FDIC insurance.

Collateral - Securities, evidence of deposit, or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, unsecured promissory notes issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing.

Comprehensive Annual Financial Report (CAFR) - The official annual financial report for the City. It includes government-wide and fund financial statements prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame, or an index of the average yield on United States Treasury securities adjusted to a constant maturity. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

GLOSSARY OF TERMS (continued)

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Debenture - A bond secured only by the general credit of the issuer.

Delivery v. Payment (DVP) - Delivery of securities with a simultaneous exchange of payment for the securities.

Demand Deposit Account - Accounts whose balance is available to meet immediate cash needs (maturities up to 7 days).

Derivatives - (1) Financial instruments whose return profile is linked to, or derived from, the security and may include a leveraging factor, or (2) financial contracts based upon notional amount whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Discount Securities - Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U. S. Treasury Bills.

Diversification - Dividing investment funds among a variety of securities offering independent return and risk profiles.

Duration - The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serves as the weights; the future point in time at which, on average, an investor has received exactly half of the original investment in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA).

Federal Credit Agencies - Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., Savings and Loans, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently $100,000) per account.

Federal Funds Rate - The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) – Government-sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrifty institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

GLOSSARY OF TERMS (continued)

Federal Home Loan Mortgage Corporation (FHLMC) - The FHLMC was created under the Federal Home Loan Mortgage Act, Title III of the Emergency Home Finance Act of 1970 as a stockholder-owned government-sponsored enterprise. Freddie Mac, as the corporation is called, is charged with providing stability and assistance to the secondary home mortgage market by buying first mortgages and participation interests and reselling these securities in the form of guaranteed mortgage securities. Although agency obligations are not explicitly guaranteed by the federal government, the rating agencies believe that in the unlikely event of financial difficulties, the federal government will support the agency to the extent necessary to provide for full and timely payment on their securities.

Federal National Mortgage Association (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) - Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System - The central bank of the U. S. which consists of a seven-member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC).

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA).

Government National Mortgage Association (GNMA) - Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Inactive Deposits - Funds not immediately needed for disbursements.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity, and interest rates.

GLOSSARY OF TERMS (continued)

LAIF (Local Agency Investment Fund) - A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum balance of $75,000,000 for any agency. It offers high liquidity because deposits can be converted to cash in 24 hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. California Government Code §16429.3 states, in part:

> "money placed with the State Treasurer for deposit in the Local Agency Investment Fund by cities, counties, or special districts shall not be subject to impoundment or seizure by any state official or state agency."

Liquidity - Refers to the ability to rapidly convert an investment into cash with minimal risk of losing some portion of principal and/or interest.

Local Government Investment Pool (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement - A written contract covering all future transactions between the parties to repurchase and/or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Corporate Notes - Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium term corporate notes can be defined as extended maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by Moody's Investors Service, Inc., and/or Standard and Poor's Corporation. For medium term notes, eligible purchases consist of instruments that have a rating of "A" or better by both Moody's Investors Service, Inc., and Standard and Poor's Corporation.

Money Market - The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Negotiable Certificates of Deposit - Unsecured obligations of the financial institution, or bank, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of $1,000,000; the secondary market usually trades in denominations of $500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks where there is a secondary market established for continued liquidity would be considered for investment.

GLOSSARY OF TERMS (continued)

NRSRO - Nationally recognized statistical-rating organization

New Issue - Term used when a security is originally "brought" to market.

Offer - The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asking Price and Bid.

Open Market Operations - Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserve into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Paper Gain or Loss - Term used for unrealized gain or loss on securities being held in a portfolio based on comparison of current market quotes and their original cost. This situation exists as long as the security is held while there is a difference between cost value (book value) and the market value.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Collection of securities held by an investor.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prudent Person Rule - An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state - the so-called legal list. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Qualified Public Depositories - A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO) - A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, or increasing bank reserves.

GLOSSARY OF TERMS (continued)

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - See Custody.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission - Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15(C)3-1 - See Uniform Net Capital Rule.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Spread - a) The yield or price difference between the bid and offer on an issue; b) the yield or price difference between different issues.

Structured Notes - Notes issued by government-sponsored enterprises (FHLB, FNMA, etc.) and corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) in their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

Supranational - A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. The three U.S. based supranationals are International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank.

Swap - The sale of one issue and the simultaneous purchase of another for some perceived advantage.

Treasury Bills - A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds - Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than ten years.

Treasury Notes - Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

Uniform Net Capital Rule - Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies, most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

QUALIFIED BROKER/DEALERS

The City has qualified the following Broker/Dealer's:

- Cantella & Co. Inc
- Great Pacific Securities
- Higgins Capital
- Morgan Stanley
- Multi-Bank Securities, Inc
- Mutual Securities, Inc
- Raymond James & Associates, Inc.
- Time Value Investments
- UBS Financial Services, Inc
- Wedbush Securities

ADMINISTRATIVE POLICY

Investment Guidelines, Strategy, and Internal Control

City of Aliso Viejo

ADMINISTRATIVE POLICY

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015 Rev 7/1/2017 7/1/2023**	**1 of 4**

PURPOSE

The purpose of this policy is to establish a framework for the investment of surplus City funds within the established internal control procedures for treasury functions.

POLICY

INVESTMENT GUIDELINES AND STRATEGY

GUIDELINES

1. Investment Transaction - Every investment transaction must be authorized and reviewed by the Director of Finance/City Treasurer or his/her designee.

2. Pooled Cash - Whenever practical, local agency cash is consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated monthly according to month-end cash and investment balances for each fund.

3. Competitive Bids - Purchases and sales of securities are made on the basis of competitive offers and bids.

4. Cash Forecast - The cash flow for the City is analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

5. Investment Limitations - Security purchases and holdings are maintained within statutory limits imposed by the California Government Code.

6. Liquidity - The marketability of a security is considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands.

7. Diversification - The portfolio should consist of various types of securities, issuers, and maturities.

STRATEGY

1. Economic Forecasts - Economic Forecasts are obtained periodically from economists and financial experts through bankers and brokers to assist the Director of Finance/City Treasurer or his/her designee with the formulation of an investment strategy for the local agency.

2. Implementing Investment Strategy - Investment transactions are executed to conform to anticipated interest rate trends and the current investment strategy plan.

3. Rapport - A close working relationship is maintained with public works, city staff, and large vendors of the city. The objective is to pinpoint when large disbursements will clear the City's bank account. It is essential for good cash control that such large expenditures be anticipated, estimated as to dollar amount, and communicated to the Director of Finance/City Treasurer or his/her designee for liquidity planning purposes.

4. Preserve Portfolio Value - Field standards are developed in order to maintain earnings near the market and to preserve the value of the portfolio.

INTERNAL CONTROL

I. OBJECTIVES OF INTERNAL CONTROL

1. To effectively and efficiently conduct business, including adherence to financial and management policies.
2. Safeguarding its assets and prevention or detection of errors and fraud.
3. Timely preparation of accurate and reliable financial information.
4. Compliance with applicable laws and regulations.

II. COMPONENTS OF INTERNAL CONTROL

1. Control Environment - The control environment is the set of standards, processes, and structures that provides the basis for carrying out internal control across the organization. Management establishes the tone at the top regarding the importance of internal control, including expected standards of conduct, organizational structure, and assignment of authority and responsibility.

2. Risk Assessment - Risk assessment involves a dynamic process for identifying and analyzing risks in achieving the entity's objectives. Risk assessment requires management to consider the impact of possible changes in the internal and external environment that may render established internal controls ineffective.

3. Control Activities - Control activities are the actions established through policies and procedures to ensure that management's directives to mitigate risks are achieved. Segregation of duties is typically built into the development of control activities and may include authorizations, verifications, reconciliations, and reviews.

4. Communication - Communication occurs both internally and externally and provides the organization with the information needed to carry out day-to-day activities.

5. Audits – Audits are the process through which activities can be monitored and evaluated for any internal control deficiencies and communicated to management for taking corrective action.

III. ELEMENTS OF INTERNAL CONTROL

1. Organization - Responsibility for the performance of duties should be assigned and lines of authority and reporting clearly identified and delineated.

2. Segregation of functions - Segregation of functions reduces the risk for an individual to be able to perpetrate and conceal errors or commit fraud in the normal course of duty. If two parts of a transaction are handled by different individuals, collusion is necessary to conceal errors or commit fraud. Functions that should be considered when evaluating segregation of duties are authorization, execution, recording, custody of assets, and reconciliation.

3. Authorization - All transactions should be approved by an authorized individual. The responsibilities and limits of authorization should be clearly delineated. The individual or group authorizing a specific transaction or granting general authority for transactions should be in a position commensurate with the nature and significance of the transactions.

4. Controls over an accounting system - Controls over an accounting system include the procedures, both manual and computerized, carried out independently to ascertain that transactions are complete, valid, authorized, and properly recorded.

IV. LIMITATIONS OF INTERNAL CONTROL

Internal control, no matter how well-designed, implemented, and conducted, can only provide reasonable assurance to management of the achievement of an entity's objectives. Inherent limitations of internal control may include:

1. Recurring, rather than unusual, types of transactions.
2. Human error due to misunderstanding, carelessness, fatigue, or distraction.
3. Potential for collusion that circumvents controls defined by the segregation of functions.
4. Possibility of a management override of the system, despite an otherwise effective system of internal control.

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015 Rev 7/1/2017 7/1/2023**	**4 of 4**

SEGREGATION OF RESPONSIBILITIES FOR TREASURY FUNCTIONS

Function	Responsibility
1. Formal investment policy should be	
* Prepared by	Director of Finance/City Treasurer
* Approved by	City Council
2. Develop Investment Strategy	Director of Finance/City Treasurer or Registered Investment Advisor
3. Receive quotes and recommend investments for purchase	Director of Finance/City Treasurer,
4. Approve investment transactions	Director of Finance/City Treasurer, City Manager
5. Execute investment transactions	Director of Finance/City Treasurer
6. Approve investment transactions for compliance with Investment policy and/or State Law	Director of Finance/City Treasurer or Registered Investment Advisor
7. Record investment transactions in the City's financials	Accountant
8. Verify investment i.e., match broker confirmation to City records	Director of Finance/City Treasurer Senior Accountant or Accountant
9. Confirm LAIF and Bank Wires	Director of Finance/City Treasurer Senior Accountant or Accountant
10. Safeguard assets and records:	
* Reconciliation of City's records to bank statements and safekeeping of records	Senior Accountant or Accountant
* Annual review of (a) financial institution's financial condition, and (b) safety, liquidity, and potential yields of investment instruments	Director of Finance/City Treasurer, City Manager
11. Annual review of investment portfolio	External Independent Auditors

The segregation of responsibilities as outlined herein is intended to enhance the City's internal controls over treasury functions. It should be noted that from time to time, due to the limited size of the Financial Services staff, segregation of responsibilities may be amended in order to fulfill the business needs of the organization.

CITY OF ALISO VIEJO
STATEMENT OF INVESTMENT POLICY
FOR FISCAL YEAR 2023-242-23

AS ADOPTED ~~SEPTEMBER 7, 2022~~July 19, 2023

CITY COUNCIL

Mayor ~~Ross Chun~~Richard Hurt

Mayor Pro Tem ~~Richard Hurt~~Mike Munzing

Council Member Tiffany Ackley

Council Member ~~Dave Harrington~~Ross Chun

Council Member ~~Mike~~

~~Munzing~~Max Duncan

TABLE OF CONTENTS

Statement of Investment Policy	1
Objectives	1
Scope of Funds	2
Prudent Investor Standard	2
Investment Philosophy	2
Delegation of Authority	3
Public Trust	3
Ethics and Conflicts of Interest	3
Internal Investment Controls	4
Investment Policy Adoption	5
Indemnification of Investment Officials	5
Investment Portfolio Compliance	5
Reporting	6
Authorized and Suitable Investments	6
Ratings and Rating Agencies	8
Prohibited Investments	8
Collateralization	9
Investment Pools	9
Money Market Mutual Funds	9
Maturity Limits	10
Qualifications for Financial Institutions and Broker/Dealer's	10
Diversification Guidelines and Risks	11
Safekeeping and Custody	12
Performance Standards and Evaluation	12
Qualifications and Continuing Education	12

APPENDIX A: Glossary of Terms

APPENDIX B: Qualified Broker/Dealers

APPENDIX C: Administrative Policy: Investment Guidelines, Strategy, and Internal Control

Statement of Investment Policy

This Statement of Investment Policy ("Policy"), as set forth by the City of Aliso Viejo ("City"), provides the guidelines for prudent investment of the City's idle or reserve cash and outlines the policies essential to ensuring the safety and financial strength of the City's investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State Laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State Law, the Policy will supersede.

Objectives

It is the policy of the City to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the City and attaining a market average rate of return within an acceptable and defined level of risk.

The Policy has three primary objectives, in order of priority:

1. **Preservation of Capital (Safety)** – the protection of principal is the foremost consideration when undertaking investment decisions that affect public funds. The objective is to mitigate credit risk and interest rate risk.

Credit Risk

Credit Risk is the risk of loss of principal due to the failure of the security issuer. Credit Risk can be mitigated by:

- Limiting investments to the safest types of securities.
- Pre-qualifying accountants, auditors, financial institutions, broker/dealers, financial advisors, and other outside consultants with which the City does business.
- Diversifying the investment portfolio so that potential losses are minimized.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities will fall due to a rise in general market interest rates. It is the policy of the City to hold individual securities to maturity in an effort to meet liquidity demands. Interest rate risk can be mitigated by:

- Holding individual securities to maturity - Structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Employing a laddering strategy whereby staggering maturities of individual securities so that bonds come due in increments, assuring an overall liquidity pattern.
- Limiting maturities of individual securities and the average maturity of the overall portfolio.

2. **Liquidity** – the investment portfolio shall remain sufficiently liquid to meet all daily cash flow and operating requirements that may be reasonably expected or anticipated.
3. **Return or Yield** – attain a market rate of return or yield consistent with the primary objectives ofsafety and liquidity, throughout budgetary and economic cycles.

Scope of Funds

The investment policy applies to all financial assets and investment activities of the City, except for proceeds of debt issuance. Debt proceeds shall be invested in accordance with the "Permitted Investments" provisions for each specific bond indenture.

The Policy applies to the following funds and is accounted for in the City's annual audited financial statements.

A. General Fund
B. Special Revenue Funds
C. Debt Service Funds
D. Capital Improvement Funds
E. Enterprise Funds
F. Internal Service Funds
G. Agency Funds

Prudent Investor Standard

The standard to be used by investment officials shall be that of a "prudent person" and shall be applied in the context of managing all aspects of the City's investment portfolio

The Prudent Investor Standard:

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of sections 16429.1 and 53600 through 53684 of the California Government Code and considering individual investments as a part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

Investment Philosophy

It is the investment philosophy of the City to make investment decisions based on an overall passive management style that embodies a prudent investor standard and such that investments are purchased to generally match expected future cash outflows and with the intent to hold until maturity.

Accordingly, the City's conservative philosophy prohibits active trading and speculation; i.e., the purchase of securities with the intent to profit from favorable market changes in market prices or market conditions. Leveraging or borrowing money for the purpose of investing is specifically prohibited. However, the City may elect to sell a security prior to its maturity and

record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or City needs.

Delegation of Authority

The City's Resolution No. 2003-018 appoints the Director of Financial Services to also serve as City Treasurer. The Treasurer, or his or her designee, has the authority to manage the City's investment portfolio in accordance with California Government Code Sections 53600 and 53630 *et seq.* and all related State and Federal laws.

The Treasurer will provide prior written notification to the City Manager and City Council regarding the designation of responsibilities.

The Treasurer shall establish written procedures for the operation and management of the City's investment portfolio consistent with this investment policy. The procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, collateral or depository agreements, competitive bid process, and due diligence. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction, except as provided under the terms of this policy and the investment procedures established by the Treasurer and approved by the City Manager.

The City may also engage Securities and Exchange Commission registered external investment advisor to manage the City's investment program.

Public Trust

All participants in the investment process shall act as custodians of public funds. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered in the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Ethics and Conflicts of Interest

Elected officials and employees of the City involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions under the Political Reform Act and Government Code Section 1090 *et seq.* Elected officials and employees shall disclose to the City Manager any material interests in financial institutions that conduct business with the City, and they shall further disclose any personal investment position or financial asset that could be related to the performance of the City's investment program. Elected officials and employees shall subordinate their personal investment transactions to those of the City particularly with regard to the time of purchases and sales.

Any firm proposing to provide any type of investment service to the City shall acknowledge their familiarity with the provisions of the Political Reform Act, Government Code Section 81000 *et seq.* and CA Code of Regulations 18110 *et seq.* and the provisions limiting contractual conflicts of interest under Government Code Section 1090 *et seq.* Any firm proposing to provide any type of investment service to the City shall also acknowledge their familiarity with and agree to abide by any Federal or State law, regulation, rule, or policy pertaining to or limiting campaign contributions by such firms, their employees, spouses, or agents.

All persons, firms, broker/dealers, financial institutions, and advisors providing investment services or bond issue assistance shall disclose to the City Manager and the Treasurer all fee sharing, fee-splitting, and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issue bonds.

Internal Investment Controls

The Treasurer will implement and maintain a system of internal investment controls and segregate responsibilities of investment functions in order to prevent fraud, theft, loss of principal, loss of control over funds, inaccurate reporting, and negligence.

The Treasurer will assign designee(s) to assist in carrying out these functions and will establish an Oversight Reviewer function that may be carried out by a designated member of staff, independent individuals, or independent expert contractor to perform specified tasks.

In addition to the specified requirements placed on investment types, quality, maturity, and diversification, further controls will include:

- **Safekeeping of Securities**

  To protect against losses caused by the collapse of individual securities dealers, all securities owned by the City are required to be held by a third-party safekeeping institution. Third-party safekeeping institutions may not act as custodians for any securities which that institution has issued or sold to the City.

  Collateral must be held at safekeeping, as defined in the Safekeeping and Custody section of the Policy.

  Payment procedures for all securities transactions will be Delivery v. Payment (DVP)

- **Competitive Bidding of Investments**

  The City's investment procedures require that approved broker/dealers compete for investment purchases and sales in order for the City to obtain the highest yield available in the market and to ensure that investment transactions are free from favoritism.

  Qualified Bids will be required for purchase of all investment transactions. The Treasurer shall select the best bid and is required to keep a record of each investment transaction. The Treasurer will rotate the purchase of investments among the pool of qualified broker/dealers.

  If the City utilizes an external investment advisor, the advisor shall send its approved list of broker/dealers to the City annually and follow its policies and procedures for competitive bidding.

- **Annual Management Review and Audit**

  An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City with written observations and recommendations regarding the adequacy of investment controls.

- **Segregated Investment Execution, Recordkeeping and Reporting**

  An independent member of City staff will record the Treasurer's investment records or confirmations to the City's general ledger. In addition, independent staff will

perform the monthly reconciliation of bank, broker/dealer, and safekeeping confirmations.

- **Secondary Approval Required**

  The City Manager will review and approve the establishment of investment accounts, broker/dealer, and financial institution relationships and any agreements or contracts related to investments or investment related activity.

- **Wire Transfer Controls**

  All City wire transfers will be executed in accordance with a written agreement specifying control procedures required for wire transfers of funds, including the establishment of repetitive wires to pay for securities transactions with approved securities dealers as well as any other routine money transfers. All other non-repetitive wires require City Manager approval prior to release.

Investment Policy Adoption

The City Council's primary responsibilities over the investment function includes establishing investment policies, annually reviewing such policies, appointing a City Treasurer, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and financing transactions, and adopting recommended changes to the City's Investment Policy as necessary.

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved the City Council.

Indemnification of Investment Officials

Any investment officer exercising his/her authority with due diligence, prudence, and care and in accordance with the Investment Policy and all written procedures shall be relieved of personal responsibility and liability for an individual security's losses or losses incurred by the portfolio. However, any investment officer also bears the responsibility of reporting deviations from expectations in a timely manner to City Council and appropriate action is taken to control adverse developments and mitigate loss of principal.

Investment Portfolio Compliance

Should the portfolio, for any reason, fall out of compliance with this Investment Policy, immediate liquidation of securities in order to bring the portfolio back into compliance will not be required. However, the Treasurer must take action to bring the portfolio into compliance within 12 months from the date the portfolio was determined to be in non-compliance with the provisions of this Investment Policy. Additionally, adequate disclosure of all instances of noncompliance, and the efforts undertaken to bring the portfolio into compliance, must be made on the monthly Treasurer's Report.

Reporting

The Treasurer shall submit a "Monthly Treasurer's Report" to the City Manager and City Council within 45 days following the last day of the month to be agendized for official action at a regular Council meeting thereafter. These reports shall disclose information relevant to the risk characteristics of the City's investment portfolio and shall include the following information:

Monthly Treasurer's Report

A. Cash receipts, disbursements, and balances in total.

B. A summary of the investment portfolio.

C. An asset list showing the issuer, type of investment, par value, maturity date, and interest rate.

D. Average rate of return on the City's investment portfolio.

E. Maturity aging grouped by type of investment.

F. Diversification of the investment portfolio.

G. A listing of individual investment transactions during the month, as required by Government Code section 53607.

H. A statement of ability to meet upcoming operating expenses and spending requirements for the next six months.

I. A statement of compliance with the Investment Policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio, and a timetable for resolution.

Annual Report

The annual report will be prepared by the City Treasurer and submitted to the City Manager each fiscal year to ensure consistency. The annual report will include an overall analysis of the portfolio and shall suggest policies and improvements to enhance the City's investment program. These enhancements will be annually considered by City Council and the authority to amend the Policy rests with City Council.

Authorized and Suitable Investments

Investment of City funds is governed by the California Government Code Sections 53600, 53601, 53601.5, 53601.6, 53635, and 53635.5 *et seq.* Within the context of the limitations, the following investments are authorized, as further limited herein:

Matrix of Suitable Investment Options and Restrictions				
Investment Type:	Maximum Maturity:	Maximum percentage of Portfolio:	Maximum Par Value per Issuer:	Credit Quality and Requirements:
U.S. Treasury Bills, Notes and Bonds	5 Years	100 percent	N/A	Explicit Full Faith and Credit Guarantee of United States Government
Federal Agency Obligations	5 Years	60 percent	35% per agency	Implied Guarantee of the United States Government
Bankers' Acceptances (BA's)	180 Days	20 percent	5% per issuer	Domestic banks only - deemed eligible for purchase by the Federal Reserve Bank
Certificates of Deposit or Time Deposits* (CD's)	5 Years	30 percent	5% per issuer	Senior debt only from top 15 percent of peer group rated banks, savings & loans and credit unions. Defined by Section 5102 of the Financial Code.
Negotiable Certificates of Deposit	5 Years	30 percent	$250,000	Brokered CD's insured by FDIC for a maximum of $250,000 per issuer.
Local Agency Investment Fund (LAIF)	N/A	100 percent	$75,000,000 (per entity)	Treasurer will review investment policies and practices to determine if consistent with the Policy
Commercial Paper	270 Days	20 percent	5% of portfolio	Highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
Money Market Mutual Funds	N/A	2~~1~~0 percent	10% per fund (SEC Registered) ($1.00 NAV)	Highest rating from NRSRO. Must also comply with Govt. Code 53601(l) and 53601.6 (b) and the weighted average to maturity is less than 180 days.
Repurchase Agreements*	92 Days	20 percent	20%	Signed security loan agreement on file. Underlying securities maintained at 102% of original value. Reverse repurchase agreements are specifically not authorized under the Policy.
Supranational Securities	5 Years	20 percent	10 % per issuer	United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance

				Corporation, or Inter-American Development Bank; rated AA or better by two NRSROs.
Medium Term Corporate Notes	5 Years	30 percent	5% of portfolio	Rated "A-" or better by a nationally recognized rating service. Code 53601 (k).

***** *Denotes a collateral requirement either initially, or at a pre-determined threshold. Please refer to Collateral section of the Policy for specific requirements.*

Ratings and Rating Agencies

When possible, two ratings should be obtained to determine if an investment meets the Policy's quality standard. Currently under this Policy, only Standard and Poor's (S&P) and Moody's Investor Service (Moody's) are recognized investment ratings providers, and the City has established the following minimum standards to be applied at time of purchase and for reporting purposes:

Investment Type:	Standard & Poor's	Moody's
Banker's Acceptances	**A1**	**P1**
Commercial Paper	**A1**	**P1**
Certificates of Deposit	**AA-**	**Aa3**
Money Market Mutual Funds	**AAA**	**Aaa**
Medium Term Corporate Notes	**A-**	**A3**
Supranational Securities	**AA**	**Aa2**
Repurchase Agreement – Provider	**AA**	**Aa**

Prohibited Investments

State and Federal laws notwithstanding, any investment not specifically described herein including, but not limited to, reverse repurchase agreements, derivatives, options, futures, zero coupon bonds, inverse floaters, range notes, first mortgages or trust deeds, collateralized mortgage obligations (CMO's), limited partnerships, real estate investments trusts (REIT's), open-end mutual funds, closed-end mutual funds, mutual funds with a weighted average maturity greater than 180 days, unregulated and/or uninsured investment pools, common stock, preferred stock, commodities, precious metals, securities with high price volatility, limited marketability (less than three active bidders), securities that may default on interest payments, and any other speculative investment deemed inappropriate under the Prudent Investor standard are strictly prohibited. In addition, any investment transaction that might impair public confidence in the Aliso Viejo City government is to be avoided.

Collateralization

Collateral for Certificates of Deposit (CD) and Negotiated Certificates of Deposit (NCD) must comply with Government Code, Chapter 4, Bank Deposit Law Section 16500 *et seq.* and the Savings and Loan and Credit Union Deposit Law Government Code Section 16600 *et seq.* In addition, if the CD is not FDIC insured or goes over the FDIC $250,000 limit, collateral is required equal to 100 percent of principal.

Collateral for Repurchase Agreements shall be 102 percent of market value of principal and accrued interest. Collateral can be either US Treasury securities or Federal Agency securities. This will provide an addition level of security due to inevitable changes in market conditions.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted within the parameters and constraints of this Policy.

Investment Pools

Government sponsored investment pools (Pools) are permitted under California Government Code Section 53601 *et seq*. and are an excellent short-term investment option for cash management facilities. These pools can provide safety, liquidity, and yield in a single diversified investment. However, thoughtful investigation and due diligence are required both initially at time of purchase and on an ongoing basis with analysis to determine that the investment pool is being managed in a manner consistent with the objectives of the Policy. The following guidelines include, but are not limited to:

- The Pool shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or shall be insured by a municipal insurance corporation.
- The Pool marks to market weekly at a minimum.
- The Pool provides comprehensive, timely monthly reports which include detailed transaction listings, report realized and unrealized gains and losses, provide accurate market values for each security, provide quality rating for individual securities, take delivery DVP, provide third party safekeeping of all investments, and for whom an audit is conducted annually by an independent auditor with no relationship to the Pool.

Money Market Mutual Funds

Money market mutual funds provide another safe, liquid, and diversified investment option for the City's surplus capital. However, certain conditions need to be met both initially and on an ongoing basis. The money market may only invest in US Government securities permitted under this policy and under California Government Code Section 53601 *et seq*. withfinal stated maturities of one year or less "Government Money Market Funds."

In order to be an eligible money market investment under this section, the primary objective of the money market, as stated in the funds' prospectus, is to maintain a constant $1.00 Net Asset Value (NAV). The following additional guidelines include, but are not limited to:

- The money market only invests in US Government securities, and the weighted average maturity of the portfolio is less than 180 days.

- The fund shall be registered with the SEC.
- The money market shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations and shall maintain these ratings for the duration of the investment.

Maturity Limits

The longer the maturity of securities, the greater the market volatility. Therefore, the maximum maturity limit for any given security in the investment portfolio shall not exceed five (5) years.

It is also important to note that specific investments, detailed under the "Authorized and Suitable Investments" section, may be restricted to a shorter maturity.

The weighted average life of the portfolio may not exceed three (3) years in duration.

At a minimum, 15 percent of the portfolio shall remain liquid, accessible on demand by the City without restriction or penalty.

The investment portfolio shall be structured for liquidity purposes; therefore, 40 percent of the portfolio shall mature within 365-days.

Maturities will be selected based on a sufficiently detailed cash flow projection that facilitates selecting investment maturity dates to approximately match the projected dates of budgeted expenditures. Once cash flow needs are matched, maturities are selected based on a "laddering strategy" and the shape of the yield curve.

Extensions in the maximum maturity and average weighted life of the portfolio must be supported by detailed cash flow forecasts demonstrating the adequacy of cash from maturing assets to meet one hundred twenty-five percent (125%) of monthly expenditures for each prospective quarter, ending with the current maximum including capital expenditures funded on a pay-as-you-go basis. Recommendations to extend maturities must be reviewed and approved by the City Manager and City Council.

Qualifications for Financial Institutions and Broker/Dealer's

The Treasurer will maintain a list of qualified financial institutions and broker/dealers authorized to transact business with the City, as stated in Appendix "B".

If the City utilizes a SEC registered external investment advisor, the advisor shall maintain a list of authorized broker-dealers and complete the appropriate due diligence required by the SEC. The external investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes on behalf of the City. The investment advisor shall submit the list of approved broker/dealers to the Finance Director/City Treasurer on an annual basis. The Finance Director/City Treasurer may restrict the use of a broker/dealer which may be deemed unsuitable.

The financial entitieseligible to transact investment business with the City are:

I. Federal Reserve Bank:

Direct purchase of U.S. Treasury Bills, Notes, and Bonds using primary government dealers as designated by the Federal Reserve are exempt from quality requirements and are encouraged due to commission or mark-up discounts.

II. Nationally or State Chartered Banks, Savings and Loans, and Credit Unions:

The City may purchase investments offered from Banks, Savings and Loans, and Credit

Unions provided the institutions are:

- Nationally or State Chartered Institutions.
- Registered as investment securities dealers.
- Ranked in the top 15 percent of institutions within their respective peer group.
- The signatures of two individuals shall be required for the opening and closing of any bank account (the Treasurer, City Manager, Mayor, or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.

III. Broker/Dealers:

If the City is managing the investments internally, ~~T~~the City will purchase investments from primary dealers whenever possible. However, ifan investment deemed appropriate for the portfolio is not available through the primary market, then the Treasurer may use an authorized broker/dealer from the pre-approved list of broker/dealers on record.

For a broker/dealer to be considered for placement on the pre-approved list, they must comply with the following:

- Primary or Regional dealers that qualify for SEC Rule 15c3-1
- Provide audited financial statements from the two most frequent years
- A statement certifying that the institution has reviewed the City's Investment Policy and California Government Code Section 53600 *et seq.* and that all securities offered to the City shall comply fully with all provisions of the Policy and the California Government Code.
- The signatures of two individuals shall be required for the opening and closing of any broker/dealer account (the Treasurer, City Manager, Mayor or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.
- Settlement of securities traded through qualified broker/dealers shall occur trade date plus one or two days (depending upon security type), the current industry standard. New issue securities may have longer settlements, but none shall be greater than three weeks.

  The Treasurer is responsible for ensuring that settlement occurs in a timely matter and that execution confirmations reflect accurate trade data. In addition, investment transactions are required to be Delivery v. Payment (DVP).

Diversification Guidelines and Risks

The City recognizes diversification is an investment strategy that will mitigate risk in the investment portfolio. The City's investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks with regard to specific investment types. Within investment types, the City shall also maintain a mix of securities to avoid concentrations within individual financial institutions, geographic areas, industry types, and maturities.

The City will only invest in fixed rate, fixed maturity securities and, with the exception of U.S. Treasury securities or the Local Agency Investment Fund (LAIF), no more than 60 percent of the investment portfolio shall be invested in any single investment type or financial institution.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and certificates of deposit, shall be transacted on a Delivery vs. Payment (DVP) basis. This means that the securities shall be delivered to the City or the City's designated custodian upon receipt of payment by the City.

All securities that may be purchased, including collateral, shall be held by a third-party custodian designated by the Treasurer whenever possible. These securities shall be held in the City's name and control, and the third-party custodian shall be evidenced by safekeeping receipts. The third-party custodian shall send the City, on a monthly basis, a summary of safekeeping assets, and this statement shall be reconciled to the City's records on a monthly basis. Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

Performance Standards and Evaluation

Investment performance is continually monitored and evaluated by the City Treasurer. Investment activity reports are generated on a monthly basis for presentation to the City Manager and City Council.

The weighted average maturity of the pooled portfolio shall not exceed three years and shall be designated to attain a market average rate of return. The market average rate of return will be determined by a custom benchmark that represents the prominent and persistent characteristicsof the portfolio.

An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City Manager and City Council with written observations and recommendations regarding the adequacy of investment controls.

Qualifications and Continuing Education

The City Treasurer shall be a City employee or contract employee. The Treasurer shall be selected on the basis of educational background and experience relevant to the Treasury function.

The City recognizes the need for and is committed to providing ongoing education specific to the investment function for the Treasurer and other City staff and officials involved in the investment process.

GLOSSARY OF TERMS

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Agencies - Federal agency securities and/or Government-sponsored enterprises.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asking Price - The price a broker/dealer offers to sell securities. See Offer

Bankers' Acceptance (BA) - A "draft" or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point - One basis point is one hundredth of one percent (.01).

Bear Market - A period of generally pessimistic attitudes and declining market prices.

Bid - The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or plus accretion of discount.

Broker - A broker brings buyers and sellers together for a commission.

Bull Market - A period of generally optimistic attitudes and increasing market prices.

Callables - Securities that the issuer has the right to redeem prior to maturity.

Certificate of Deposit - A time deposit with a specific maturity, evidenced by a certificate. Large-denomination CD's are typically negotiable. CD's may be eligible for FDIC insurance.

Collateral - Securities, evidence of deposit, or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, unsecured promissory notes issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing.

Comprehensive Annual Financial Report (CAFR) - The official annual financial report for the City. It includes government-wide and fund financial statements prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame, or an index of the average yield on United States Treasury securities adjusted to a constant maturity. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

GLOSSARY OF TERMS (continued)

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Debenture - A bond secured only by the general credit of the issuer.

Delivery v. Payment (DVP) - Delivery of securities with a simultaneous exchange of payment for the securities.

Demand Deposit Account - Accounts whose balance is available to meet immediate cash needs (maturities up to 7 days).

Derivatives - (1) Financial instruments whose return profile is linked to, or derived from, the security and may include a leveraging factor, or (2) financial contracts based upon notional amount whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Discount Securities - Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U. S. Treasury Bills.

Diversification - Dividing investment funds among a variety of securities offering independent return and risk profiles.

Duration - The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serves as the weights; the future point in time at which, on average, an investor has received exactly half of the original investment in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA).

Federal Credit Agencies - Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., Savings and Loans, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently $100,000) per account.

Federal Funds Rate - The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) – Government-sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrifty institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

GLOSSARY OF TERMS (continued)

Federal Home Loan Mortgage Corporation (FHLMC) - The FHLMC was created under the Federal Home Loan Mortgage Act, Title III of the Emergency Home Finance Act of 1970 as a stockholder-owned government-sponsored enterprise. Freddie Mac, as the corporation is called, is charged with providing stability and assistance to the secondary home mortgage market by buying first mortgages and participation interests and reselling these securities in the form of guaranteed mortgage securities. Although agency obligations are not explicitly guaranteed by the federal government, the rating agencies believe that in the unlikely event of financial difficulties, the federal government will support the agency to the extent necessary to provide for full and timely payment on their securities.

Federal National Mortgage Association (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) - Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System - The central bank of the U. S. which consists of a seven-member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC).

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA).

Government National Mortgage Association (GNMA) - Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Inactive Deposits - Funds not immediately needed for disbursements.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity, and interest rates.

GLOSSARY OF TERMS (continued)

LAIF (Local Agency Investment Fund) - A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum balance of $75,000,000 for any agency. It offers high liquidity because deposits can be converted to cash in 24 hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. California Government Code §16429.3 states, in part:

> "money placed with the State Treasurer for deposit in the Local Agency Investment Fund by cities, counties, or special districts shall not be subject to impoundment or seizure by any state official or state agency."

Liquidity - Refers to the ability to rapidly convert an investment into cash with minimal risk of losing some portion of principal and/or interest.

Local Government Investment Pool (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement - A written contract covering all future transactions between the parties to repurchase and/or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Corporate Notes - Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium term corporate notes can be defined as extended maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by Moody's Investors Service, Inc., and/or Standard and Poor's Corporation. For medium term notes, eligible purchases consist of instruments that have a rating of "A" or better by both Moody's Investors Service, Inc., and Standard and Poor's Corporation.

Money Market - The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Negotiable Certificates of Deposit - Unsecured obligations of the financial institution, or bank, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of $1,000,000; the secondary market usually trades in denominations of $500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks where there is a secondary market established for continued liquidity would be considered for investment.

GLOSSARY OF TERMS (continued)

NRSRO - Nationally recognized statistical-rating organization

New Issue - Term used when a security is originally "brought" to market.

Offer - The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asking Price and Bid.

Open Market Operations - Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserve into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Paper Gain or Loss - Term used for unrealized gain or loss on securities being held in a portfolio based on comparison of current market quotes and their original cost. This situation exists as long as the security is held while there is a difference between cost value (book value) and the market value.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Collection of securities held by an investor.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prudent Person Rule - An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state - the so-called legal list. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Qualified Public Depositories - A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO) - A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, or increasing bank reserves.

GLOSSARY OF TERMS (continued)

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - See Custody.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission - Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15(C)3-1 - See Uniform Net Capital Rule.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Spread - a) The yield or price difference between the bid and offer on an issue; b) the yield or price difference between different issues.

Structured Notes - Notes issued by government-sponsored enterprises (FHLB, FNMA, etc.) and corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) in their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

Supranational - A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. The three U.S. based supranationals are International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank.

Swap - The sale of one issue and the simultaneous purchase of another for some perceived advantage.

Treasury Bills - A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds - Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than ten years.

Treasury Notes - Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

Uniform Net Capital Rule - Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies, most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

QUALIFIED BROKER/DEALERS

The City has qualified the following Broker/Dealer's:

- Cantella & Co. Inc
- Great Pacific Securities
- Higgins Capital
- Morgan Stanley
- Multi-Bank Securities, Inc
- Mutual Securities, Inc
- Raymond James & Associates, Inc.
- Time Value Investments
- UBS Financial Services, Inc
- Wedbush Securities

ADMINISTRATIVE POLICY

Investment Guidelines, Strategy, and Internal Control

City of Aliso Viejo

ADMINISTRATIVE POLICY

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015** **Rev 7/1/2017** **7/1/2023**	**1 of 4**

PURPOSE

The purpose of this policy is to establish a framework for the investment of surplus City funds within the established internal control procedures for treasury functions.

POLICY

INVESTMENT GUIDELINES AND STRATEGY

GUIDELINES

1. Investment Transaction - Every investment transaction must be authorized and reviewed by the Director of Finance/City Treasurer or his/her designee.

2. Pooled Cash - Whenever practical, local agency cash is consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated monthly according to month-end cash and investment balances for each fund.

3. Competitive Bids - Purchases and sales of securities are made on the basis of competitive offers and bids.

4. Cash Forecast - The cash flow for the City is analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

5. Investment Limitations - Security purchases and holdings are maintained within statutory limits imposed by the California Government Code.

6. Liquidity - The marketability of a security is considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands.

7. Diversification - The portfolio should consist of various types of securities, issuers, and maturities.

STRATEGY

1. Economic Forecasts - Economic Forecasts are obtained periodically from economists and financial experts through bankers and brokers to assist the Director of Finance/City Treasurer or his/her designee with the formulation of an investment strategy for the local agency.

2. Implementing Investment Strategy - Investment transactions are executed to conform to anticipated interest rate trends and the current investment strategy plan.

3. Rapport - A close working relationship is maintained with public works, city staff, and large vendors of the city. The objective is to pinpoint when large disbursements will clear the City's bank account. It is essential for good cash control that such large expenditures be anticipated, estimated as to dollar amount, and communicated to the Director of Finance/City Treasurer or his/her designee for liquidity planning purposes.

4. Preserve Portfolio Value - Field standards are developed in order to maintain earnings near the market and to preserve the value of the portfolio.

INTERNAL CONTROL

I. OBJECTIVES OF INTERNAL CONTROL

1. To effectively and efficiently conduct business, including adherence to financial and management policies.
2. Safeguarding its assets and prevention or detection of errors and fraud.
3. Timely preparation of accurate and reliable financial information.
4. Compliance with applicable laws and regulations.

II. COMPONENTS OF INTERNAL CONTROL

1. Control Environment - The control environment is the set of standards, processes, and structures that provides the basis for carrying out internal control across the organization. Management establishes the tone at the top regarding the importance of internal control, including expected standards of conduct, organizational structure, and assignment of authority and responsibility.

2. Risk Assessment - Risk assessment involves a dynamic process for identifying and analyzing risks in achieving the entity's objectives. Risk assessment requires management to consider the impact of possible changes in the internal and external environment that may render established internal controls ineffective.

3. Control Activities - Control activities are the actions established through policies and procedures to ensure that management's directives to mitigate risks are achieved. Segregation of duties is typically built into the development of control activities and may include authorizations, verifications, reconciliations, and reviews.

4. Communication - Communication occurs both internally and externally and provides the organization with the information needed to carry out day-to-day activities.

5. Audits – Audits are the process through which activities can be monitored and evaluated for any internal control deficiencies and communicated to management for taking corrective action.

III. ELEMENTS OF INTERNAL CONTROL

1. Organization - Responsibility for the performance of duties should be assigned and lines of authority and reporting clearly identified and delineated.

2. Segregation of functions - Segregation of functions reduces the risk for an individual to be able to perpetrate and conceal errors or commit fraud in the normal course of duty. If two parts of a transaction are handled by different individuals, collusion is necessary to conceal errors or commit fraud. Functions that should be considered when evaluating segregation of duties are authorization, execution, recording, custody of assets, and reconciliation.

3. Authorization - All transactions should be approved by an authorized individual. The responsibilities and limits of authorization should be clearly delineated. The individual or group authorizing a specific transaction or granting general authority for transactions should be in a position commensurate with the nature and significance of the transactions.

4. Controls over an accounting system - Controls over an accounting system include the procedures, both manual and computerized, carried out independently to ascertain that transactions are complete, valid, authorized, and properly recorded.

IV. LIMITATIONS OF INTERNAL CONTROL

Internal control, no matter how well-designed, implemented, and conducted, can only provide reasonable assurance to management of the achievement of an entity's objectives. Inherent limitations of internal control may include:

1. Recurring, rather than unusual, types of transactions.
2. Human error due to misunderstanding, carelessness, fatigue, or distraction.
3. Potential for collusion that circumvents controls defined by the segregation of functions.
4. Possibility of a management override of the system, despite an otherwise effective system of internal control.

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015 Rev 7/1/2017 7/1/2023**	**4 of 4**

SEGREGATION OF RESPONSIBILITIES FOR TREASURY FUNCTIONS

Function	Responsibility
1. Formal investment policy should be	
* Prepared by	Director of Finance/City Treasurer
* Approved by	City Council
2. Develop Investment Strategy	Director of Finance/City Treasurer or Registered Investment Advisor
3. Receive quotes and recommend investments for purchase	Director of Finance/City Treasurer, ~~Financial Services Manager~~
4. Approve investment transactions	Director of Finance/City Treasurer, City Manager
5. Execute investment transactions	Director of Finance/City Treasurer
6. Approve investment transactions for compliance with Investment policy and/or State law	Director of Finance/City Treasurer/Registered Investment Advisor ~~Financial Services Manager~~
7. Record investment transactions in the City's financials	~~Financial Services Manager/Financial~~Accountant ~~Analyst~~
8. Verify investment i.e., match broker confirmation to City records	Director of Finance/City Treasurer ~~Financial Services Manager~~Senior Accountant
9. Confirm LAIF and Bank Wires	Director of Finance/City Treasurer ~~Financial Services Manager~~Senior Accountant/~~Financial Analyst~~Accountant
10. Safeguard assets and records:	
* Reconciliation of City's records to bank statements and safekeeping of records	~~Financial Services Manager~~Senior Accontant/Financial ~~Analyst~~Accountant
* Annual review of (a) financial institution's financial condition, and (b) safety, liquidity, and potential yields of investment instruments	Director of Finance/City Treasurer, City Manager
11. Annual review of investment portfolio	External Independent Auditors

The segregation of responsibilities as outlined herein is intended to enhance the City's internal controls over treasury functions. It should be noted that from time to time, due to the limited size of the Financial Services staff, segregation of responsibilities may be amended in order to fulfill the business needs of the organization.

RESOLUTION NO. 2022-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CALIFORNIA, REPEALING RESOLUTION NO. 2021-23, AND ADOPTING AN INVESTMENT POLICY FOR FISCAL YEAR 2022-23

WHEREAS, Government Code Section 53600 et seq. sets forth the State of California's policy with regard to the importance of the solvency and creditworthiness of each individual local agency and the protection thereof; and

WHEREAS, the City of Aliso Viejo is a local agency subject to the provisions of Government Code Section 53600 et seq.; and

WHEREAS, Government Code Section 53646 requires local agencies, such as the City of Aliso Viejo to consider annually a statement of investment policy, after review and consideration at a public meeting; and

WHEREAS, at a regular public meeting of the City Council the Council considered a statement of investment policy for the City, entitled *City of Aliso Viejo Statement of Investment Policy for Fiscal Year 2022-23* attached hereto as Exhibit "A" and incorporated herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALISO VIEJO AS FOLLOWS:

Section 1. The statement of investment attached hereto as Exhibit "A" entitled *City of Aliso Viejo Statement of Investment Policy for Fiscal Year 2022-23* is adopted as the City's Investment Policy.

Section 2. Resolution No, 2021-23 is hereby repealed

Section 3. This Resolution shall be effective July 1, 2022.

Section 4. The City Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 7th day of September, 2022.

Ross Chun
Mayor

APPROVED AS TO FORM:

Scott C. Smith, City Attorney

ATTEST:

Mitzi Ortiz, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ALISO VIEJO)

I, MITZI ORTIZ, City Clerk of the City of Aliso Viejo, California, DO HEREBY CERTIFY that the foregoing is the original of Resolution No. 2022-24 duly passed and adopted by the City Council of the City of Aliso Viejo at their regular meeting held on the 7th day of September, 2022, by the following roll call vote, to wit:

AYES: Mayor Chun, Mayor Pro Tem Hurt, Councilmembers Ackley, Harrington, and Munzing

NOES: None

ABSENT: None

MITZI ORTIZ, MMC
CITY CLERK

(SEAL)

EXHIBIT "A"

CITY OF ALISO VIEJO
STATEMENT OF INVESTMENT POLICY
FOR FISCAL YEAR 2022-23

AS ADOPTED SEPTEMBER 7, 2022

CITY COUNCIL

Mayor Ross Chun
Mayor Pro Tem Richard Hurt
Council Member Tiffany Ackley
Council Member Dave Harrington
Council Member Mike Munzing

TABLE OF CONTENTS

Statement of Investment Policy	1
Objectives	1
Scope of Funds	2
Prudent Investor Standard	2
Investment Philosophy	2
Delegation of Authority	3
Public Trust	3
Ethics and Conflicts of Interest	3
Internal Investment Controls	4
Investment Policy Adoption	5
Indemnification of Investment Officials	5
Investment Portfolio Compliance	5
Reporting	6
Authorized and Suitable Investments	6
Ratings and Rating Agencies	8
Prohibited Investments	8
Collateralization	9
Investment Pools	9
Money Market Mutual Funds	9
Maturity Limits	10
Qualifications for Financial Institutions and Broker/Dealer's	10
Diversification Guidelines and Risks	11
Safekeeping and Custody	12
Performance Standards and Evaluation	12
Qualifications and Continuing Education	12

APPENDIX A: Glossary of Terms

APPENDIX B: Qualified Broker/Dealers

APPENDIX C: Administrative Policy: Investment Guidelines, Strategy, and Internal Control

Statement of Investment Policy

This Statement of Investment Policy ("Policy"), as set forth by the City of Aliso Viejo ("City"), provides the guidelines for prudent investment of the City's idle or reserve cash and outlines the policies essential to ensuring the safety and financial strength of the City's investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State Laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State Law, the Policy will supersede.

Objectives

It is the policy of the City to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the City and attaining a market average rate of return within an acceptable and defined level of risk.

The Policy has three primary objectives, in order of priority:

1. **Preservation of Capital (Safety)** – the protection of principal is the foremost consideration when undertaking investment decisions that affect public funds. The objective is to mitigate credit risk and interest rate risk.

Credit Risk

Credit Risk is the risk of loss of principal due to the failure of the security issuer. Credit Risk can be mitigated by:

- Limiting investments to the safest types of securities.
- Pre-qualifying accountants, auditors, financial institutions, broker/dealers, financial advisors, and other outside consultants with which the City does business.
- Diversifying the investment portfolio so that potential losses are minimized.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities will fall due to a rise in general market interest rates. It is the policy of the City to hold individual securities to maturity in an effort to meet liquidity demands. Interest rate risk can be mitigated by:

- Holding individual securities to maturity - Structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Employing a laddering strategy whereby staggering maturities of individual securities so that bonds come due in increments, assuring an overall liquidity pattern.
- Limiting maturities of individual securities and the average maturity of the overall portfolio.

2. **Liquidity** – the investment portfolio shall remain sufficiently liquid to meet all daily cash flow and operating requirements that may be reasonably expected or anticipated.
3. **Return or Yield** – attain a rate of return consistent with the primary objectives of safety and liquidity, throughout budgetary and economic cycles.

Scope of Funds

The investment policy applies to all financial assets and investment activities of the City, except for proceeds of debt issuance. Debt proceeds shall be invested in accordance with the "Permitted Investments" provisions for each specific bond indenture.

The Policy applies to the following funds and is accounted for in the City's annual audited financial statements.

A. General Fund
B. Special Revenue Funds
C. Debt Service Funds
D. Capital Improvement Funds
E. Enterprise Funds
F. Internal Service Funds
G. Agency Funds

Prudent Investor Standard

The standard to be used by investment officials shall be that of a "prudent person" and shall be applied in the context of managing all aspects of the City's investment portfolio

The Prudent Investor Standard:

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of sections 16429.1 and 53600 through 53684 of the California Government Code and considering individual investments as a part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

Investment Philosophy

It is the investment philosophy of the City to make investment decisions based on an overall passive management style that embodies a prudent investor standard and such that investments are purchased to generally match expected future cash outflows and with the intent to hold until maturity.

Accordingly, the City's conservative philosophy prohibits active trading and speculation; i.e., the purchase of securities with the intent to profit from favorable market changes in market prices or market conditions. Leveraging or borrowing money for the purpose of investing is specifically prohibited. However, the City may elect to sell a security prior to its maturity and

record a capital gain or loss in order to improve the quality, liquidity, or yield of the portfolio in response to market conditions or City needs.

Delegation of Authority

The City's Resolution No. 2003-018 appoints the Director of Financial Services to also serve as City Treasurer. The Treasurer, or his or her designee, has the authority to manage the City's investment portfolio in accordance with California Government Code Sections 53600 and 53630 *et seq.* and all related State and Federal laws.

The Treasurer will provide prior written notification to the City Manager and City Council regarding the designation of responsibilities.

The Treasurer shall establish written procedures for the operation and management of the City's investment portfolio consistent with this investment policy. The procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, collateral or depository agreements, competitive bid process, and due diligence. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction, except as provided under the terms of this policy and the investment procedures established by the Treasurer and approved by the City Manager.

The City may also engage Securities and Exchange Commission registered external investment advisor to manage the City's investment program.

Public Trust

All participants in the investment process shall act as custodians of public funds. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of public trust. In a diversified portfolio, it must be recognized that occasional measured losses are inevitable and must be considered in the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Ethics and Conflicts of Interest

Elected officials and employees of the City involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions under the Political Reform Act and Government Code Section 1090 *et seq.* Elected officials and employees shall disclose to the City Manager any material interests in financial institutions that conduct business with the City, and they shall further disclose any personal investment position or financial asset that could be related to the performance of the City's investment program. Elected officials and employees shall subordinate their personal investment transactions to those of the City particularly with regard to the time of purchases and sales.

Any firm proposing to provide any type of investment service to the City shall acknowledge their familiarity with the provisions of the Political Reform Act, Government Code Section 81000 *et seq.* and CA Code of Regulations 18110 *et seq.* and the provisions limiting contractual conflicts of interest under Government Code Section 1090 *et seq.* Any firm proposing to provide any type of investment service to the City shall also acknowledge their familiarity with and agree to abide by any Federal or State law, regulation, rule, or policy pertaining to or limiting campaign contributions by such firms, their employees, spouses, or agents.

All persons, firms, broker/dealers, financial institutions, and advisors providing investment services or bond issue assistance shall disclose to the City Manager and the Treasurer all fee sharing, fee-splitting, and commission arrangements with other entities or persons prior to the City agreeing to buy an investment or issue bonds.

Internal Investment Controls

The Treasurer will implement and maintain a system of internal investment controls and segregate responsibilities of investment functions in order to prevent fraud, theft, loss of principal, loss of control over funds, inaccurate reporting, and negligence.

The Treasurer will assign designee(s) to assist in carrying out these functions and will establish an Oversight Reviewer function that may be carried out by a designated member of staff, independent individuals, or independent expert contractor to perform specified tasks.

In addition to the specified requirements placed on investment types, quality, maturity, and diversification, further controls will include:

- **Safekeeping of Securities**

  To protect against losses caused by the collapse of individual securities dealers, all securities owned by the City are required to be held by a third-party safekeeping institution. Third-party safekeeping institutions may not act as custodians for any securities which that institution has issued or sold to the City.

  Collateral must be held at safekeeping, as defined in the Safekeeping and Custody section of the Policy.

  Payment procedures for all securities transactions will be Delivery v. Payment (DVP)

- **Competitive Bidding of Investments**

  The City's investment procedures require that approved broker/dealers compete for investment purchases and sales in order for the City to obtain the highest yield available in the market and to ensure that investment transactions are free from favoritism.

  Qualified Bids will be required for purchase of all investment transactions. The Treasurer shall select the best bid and is required to keep a record of each investment transaction. The Treasurer will rotate the purchase of investments among the pool of qualified broker/dealers.

  If the City utilizes an external investment advisor, the advisor shall send its approved list of broker/dealers to the City annually and follow its policies and procedures for competitive bidding.

- **Annual Management Review and Audit**

  An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City with written observations and recommendations regarding the adequacy of investment controls.

- **Segregated Investment Execution, Recordkeeping and Reporting**

  An independent member of City staff will record the Treasurer's investment records or confirmations to the City's general ledger. In addition, independent staff will

perform the monthly reconciliation of bank, broker/dealer, and safekeeping confirmations.

- **Secondary Approval Required**

  The City Manager will review and approve the establishment of investment accounts, broker/dealer, and financial institution relationships and any agreements or contracts related to investments or investment related activity.

- **Wire Transfer Controls**

  All City wire transfers will be executed in accordance with a written agreement specifying control procedures required for wire transfers of funds, including the establishment of repetitive wires to pay for securities transactions with approved securities dealers as well as any other routine money transfers. All other non-repetitive wires require City Manager approval prior to release.

Investment Policy Adoption

The City Council's primary responsibilities over the investment function includes establishing investment policies, annually reviewing such policies, appointing a City Treasurer, reviewing monthly investment reports issued by the Treasurer, authorizing bond documents and financing transactions, and adopting recommended changes to the City's Investment Policy as necessary.

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved the City Council.

Indemnification of Investment Officials

Any investment officer exercising his/her authority with due diligence, prudence, and care and in accordance with the Investment Policy and all written procedures shall be relieved of personal responsibility and liability for an individual security's losses or losses incurred by the portfolio. However, any investment officer also bears the responsibility of reporting deviations from expectations in a timely manner to City Council and appropriate action is taken to control adverse developments and mitigate loss of principal.

Investment Portfolio Compliance

Should the portfolio, for any reason, fall out of compliance with this Investment Policy, immediate liquidation of securities in order to bring the portfolio back into compliance will not be required. However, the Treasurer must take action to bring the portfolio into compliance within 12 months from the date the portfolio was determined to be in non-compliance with the provisions of this Investment Policy. Additionally, adequate disclosure of all instances of noncompliance, and the efforts undertaken to bring the portfolio into compliance, must be made on the monthly Treasurer's Report.

Reporting

The Treasurer shall submit a "Monthly Treasurer's Report" to the City Manager and City Council within 45 days following the last day of the month to be agendized for official action at a regular Council meeting thereafter. These reports shall disclose information relevant to the risk characteristics of the City's investment portfolio and shall include the following information:

Monthly Treasurer's Report

A. Cash receipts, disbursements, and balances in total.

B. A summary of the investment portfolio.

C. An asset list showing the issuer, type of investment, par value, maturity date, and interest rate.

D. Average rate of return on the City's investment portfolio.

E. Maturity aging grouped by type of investment.

F. Diversification of the investment portfolio.

G. A listing of individual investment transactions during the month, as required by Government Code section 53607.

H. A statement of ability to meet upcoming operating expenses and spending requirements for the next six months.

I. A statement of compliance with the Investment Policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio, and a timetable for resolution.

Annual Report

The annual report will be prepared by the City Treasurer and submitted to the City Manager each fiscal year to ensure consistency. The annual report will include an overall analysis of the portfolio and shall suggest policies and improvements to enhance the City's investment program. These enhancements will be annually considered by City Council and the authority to amend the Policy rests with City Council.

Authorized and Suitable Investments

Investment of City funds is governed by the California Government Code Sections 53600, 53601, 53601.5, 53601.6, 53635, and 53635.5 *et seq*. Within the context of the limitations, the following investments are authorized, as further limited herein:

Matrix of Suitable Investment Options and Restrictions				
Investment Type:	Maximum Maturity:	Maximum percentage of Portfolio:	Maximum Par Value per Issuer:	Credit Quality and Requirements:
U.S. Treasury Bills, Notes and Bonds	5 Years	100 percent	N/A	Explicit Full Faith and Credit Guarantee of United States Government
Federal Agency Obligations	5 Years	60 percent	35% per agency	Implied Guarantee of the United States Government
Bankers' Acceptances (BA's)	180 Days	20 percent	5% per issuer	Domestic banks only - deemed eligible for purchase by the Federal Reserve Bank
Certificates of Deposit or Time Deposits* (CD's)	5 Years	30 percent	5% per issuer	Senior debt only from top 15 percent of peer group rated banks, savings & loans and credit unions. Defined by Section 5102 of the Financial Code.
Negotiable Certificates of Deposit	5 Years	30 percent	$250,000	Brokered CD's insured by FDIC for a maximum of $250,000 per issuer.
Local Agency Investment Fund (LAIF)	N/A	100 percent	$75,000,000 (per entity)	Treasurer will review investment policies and practices to determine if consistent with the Policy
Commercial Paper	270 Days	20 percent	5% of portfolio	Highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
Money Market Mutual Funds	N/A	10 percent	10% per fund (SEC Registered) ($1.00 NAV)	Highest rating from NRSRO. Must also comply with Govt. Code 53601(l) and 53601.6 (b) and the weighted average to maturity is less than 180 days.
Repurchase Agreements*	92 Days	20 percent	20%	Signed security loan agreement on file. Underlying securities maintained at 102% of original value. Reverse repurchase agreements are specifically not authorized under the Policy.
Supranational Securities	5 Years	20 percent	10 % per issuer	United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance

				Corporation, or Inter-American Development Bank; rated AA or better by two NRSROs.
Medium Term Corporate Notes	5 Years	30 percent	5% of portfolio	Rated "A-" or better by a nationally recognized rating service. Code 53601 (k).

***** *Denotes a collateral requirement either initially, or at a pre-determined threshold. Please refer to Collateral section of the Policy for specific requirements.*

Ratings and Rating Agencies

When possible, two ratings should be obtained to determine if an investment meets the Policy's quality standard. Currently under this Policy, only Standard and Poor's (S&P) and Moody's Investor Service (Moody's) are recognized investment ratings providers, and the City has established the following minimum standards to be applied at time of purchase and for reporting purposes:

Investment Type:	Standard & Poor's	Moody's
Banker's Acceptances	**A1**	**P1**
Commercial Paper	**A1**	**P1**
Certificates of Deposit	**AA-**	**Aa3**
Money Market Mutual Funds	**AAA**	**Aaa**
Medium Term Corporate Notes	**A-**	**A3**
Supranational Securities	**AA**	**Aa2**
Repurchase Agreement – Provider	**AA**	**Aa**

Prohibited Investments

State and Federal laws notwithstanding, any investment not specifically described herein including, but not limited to, reverse repurchase agreements, derivatives, options, futures, zero coupon bonds, inverse floaters, range notes, first mortgages or trust deeds, collateralized mortgage obligations (CMO's), limited partnerships, real estate investments trusts (REIT's), open-end mutual funds, closed-end mutual funds, mutual funds with a weighted average maturity greater than 180 days, unregulated and/or uninsured investment pools, common stock, preferred stock, commodities, precious metals, securities with high price volatility, limited marketability (less than three active bidders), securities that may default on interest payments, and any other speculative investment deemed inappropriate under the Prudent Investor standard are strictly prohibited. In addition, any investment transaction that might impair public confidence in the Aliso Viejo City government is to be avoided.

Collateralization

Collateral for Certificates of Deposit (CD) and Negotiated Certificates of Deposit (NCD) must comply with Government Code, Chapter 4, Bank Deposit Law Section 16500 *et seq.* and the Savings and Loan and Credit Union Deposit Law Government Code Section 16600 *et seq.* In addition, if the CD is not FDIC insured or goes over the FDIC $250,000 limit, collateral is required equal to 100 percent of principal.

Collateral for Repurchase Agreements shall be 102 percent of market value of principal and accrued interest. Collateral can be either US Treasury securities or Federal Agency securities. This will provide an addition level of security due to inevitable changes in market conditions.

Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The right of collateral substitution is granted within the parameters and constraints of this Policy.

Investment Pools

Government sponsored investment pools (Pools) are permitted under California Government Code Section 53601 *et seq.* and are an excellent short-term investment option for cash management facilities. These pools can provide safety, liquidity, and yield in a single diversified investment. However, thoughtful investigation and due diligence are required both initially at time of purchase and on an ongoing basis with analysis to determine that the investment pool is being managed in a manner consistent with the objectives of the Policy. The following guidelines include, but are not limited to:

- The Pool shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations, or shall be insured by a municipal insurance corporation.
- The Pool marks to market weekly at a minimum.
- The Pool provides comprehensive, timely monthly reports which include detailed transaction listings, report realized and unrealized gains and losses, provide accurate market values for each security, provide quality rating for individual securities, take delivery DVP, provide third party safekeeping of all investments, and for whom an audit is conducted annually by an independent auditor with no relationship to the Pool.

Money Market Mutual Funds

Money market mutual funds provide another safe, liquid, and diversified investment option for the City's surplus capital. However, certain conditions need to be met both initially and on an ongoing basis. The money market may only invest in US Government securities permitted under this policy and under California Government Code Section 53601 *et seq.* withfinal stated maturities of one year or less "Government Money Market Funds."

In order to be an eligible money market investment under this section, the primary objective of the money market, as stated in the funds' prospectus, is to maintain a constant $1.00 Net Asset Value (NAV). The following additional guidelines include, but are not limited to:

- The money market only invests in US Government securities, and the weighted average maturity of the portfolio is less than 180 days.

- The fund shall be registered with the SEC.
- The money market shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations and shall maintain these ratings for the duration of the investment.

Maturity Limits

The longer the maturity of securities, the greater the market volatility. Therefore, the maximum maturity limit for any given security in the investment portfolio shall not exceed five (5) years.

It is also important to note that specific investments, detailed under the "Authorized and Suitable Investments" section, may be restricted to a shorter maturity.

The weighted average life of the portfolio may not exceed three (3) years in duration.

At a minimum, 15 percent of the portfolio shall remain liquid, accessible on demand by the City without restriction or penalty.

The investment portfolio shall be structured for liquidity purposes; therefore, 40 percent of the portfolio shall mature within 365-days .

Maturities will be selected based on a sufficiently detailed cash flow projection that facilitates selecting investment maturity dates to approximately match the projected dates of budgeted expenditures. Once cash flow needs are matched, maturities are selected based on a "laddering strategy" and the shape of the yield curve.

Extensions in the maximum maturity and average weighted life of the portfolio must be supported by detailed cash flow forecasts demonstrating the adequacy of cash from maturing assets to meet one hundred twenty-five percent (125%) of monthly expenditures for each prospective quarter, ending with the current maximum including capital expenditures funded on a pay-as-you-go basis. Recommendations to extend maturities must be reviewed and approved by the City Manager and City Council.

Qualifications for Financial Institutions and Broker/Dealer's

The Treasurer will maintain a list of qualified financial institutions and broker/dealers authorized to transact business with the City, as stated in Appendix "B".

If the City utilizes a SEC registered external investment advisor, the advisor shall maintain a list of authorized broker-dealers and complete the appropriate due diligence required by the SEC. The external investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes on behalf of the City. The investment advisor shall submit the list of approved broker/dealers to the Finance Director/City Treasurer on an annual basis. The Finance Director/City Treasurer may restrict the use of a broker/dealer which may be deemed unsuitable.

The financial entitieseligible to transact investment business with the City are:

I. Federal Reserve Bank:

Direct purchase of U.S. Treasury Bills, Notes, and Bonds using primary government dealers as designated by the Federal Reserve are exempt from quality requirements and are encouraged due to commission or mark-up discounts.

II. Nationally or State Chartered Banks, Savings and Loans, and Credit Unions:

The City may purchase investments offered from Banks, Savings and Loans, and Credit

Unions provided the institutions are:

- Nationally or State Chartered Institutions.
- Registered as investment securities dealers.
- Ranked in the top 15 percent of institutions within their respective peer group.
- The signatures of two individuals shall be required for the opening and closing of any bank account (the Treasurer, City Manager, Mayor, or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.

III. Broker/Dealers:

The City will purchase investments from primary dealers whenever possible. However, if an investment deemed appropriate for the portfolio is not available through the primary market, then the Treasurer may use an authorized broker/dealer from the pre-approved list of broker/dealers on record.

For a broker/dealer to be considered for placement on the pre-approved list, they must comply with the following:

- Primary or Regional dealers that qualify for SEC Rule 15c3-1
- Provide audited financial statements from the two most frequent years
- A statement certifying that the institution has reviewed the City's Investment Policy and California Government Code Section 53600 *et seq.* and that all securities offered to the City shall comply fully with all provisions of the Policy and the California Government Code.
- The signatures of two individuals shall be required for the opening and closing of any broker/dealer account (the Treasurer, City Manager, Mayor or Mayor Pro Tem). The Accounting Officer, who is independent of the investment function, shall keep a record of all opened and closed accounts. On an annual basis, the Accounting Officer shall provide a list of accounts to the independent auditor.
- Settlement of securities traded through qualified broker/dealers shall occur trade date plus one or two days (depending upon security type), the current industry standard. New issue securities may have longer settlements, but none shall be greater than three weeks.

  The Treasurer is responsible for ensuring that settlement occurs in a timely matter and that execution confirmations reflect accurate trade data. In addition, investment transactions are required to be Delivery v. Payment (DVP).

Diversification Guidelines and Risks

The City recognizes diversification is an investment strategy that will mitigate risk in the investment portfolio. The City's investment portfolio shall be diversified to avoid incurring unreasonable and avoidable risks with regard to specific investment types. Within investment types, the City shall also maintain a mix of securities to avoid concentrations within individual financial institutions, geographic areas, industry types, and maturities.

The City will only invest in fixed rate, fixed maturity securities and, with the exception of U.S. Treasury securities or the Local Agency Investment Fund (LAIF), no more than 60 percent of the investment portfolio shall be invested in any single investment type or financial institution.

Safekeeping and Custody

All security transactions, including collateral for repurchase agreements and certificates of deposit, shall be transacted on a Delivery vs. Payment (DVP) basis. This means that the securities shall be delivered to the City or the City's designated custodian upon receipt of payment by the City.

All securities that may be purchased, including collateral, shall be held by a third-party custodian designated by the Treasurer whenever possible. These securities shall be held in the City's name and control, and the third-party custodian shall be evidenced by safekeeping receipts. The third-party custodian shall send the City, on a monthly basis, a summary of safekeeping assets, and this statement shall be reconciled to the City's records on a monthly basis. Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

Performance Standards and Evaluation

Investment performance is continually monitored and evaluated by the City Treasurer. Investment activity reports are generated on a monthly basis for presentation to the City Manager and City Council.

The weighted average maturity of the pooled portfolio shall not exceed three years and shall be designated to attain a market average rate of return. The market average rate of return will be determined by a custom benchmark that represents the prominent and persistent characteristicsof the portfolio.

An annual audit of the City's Investment Policy, practices, procedures, and portfolio status will be conducted by an independent auditor of all items including, but not limited to, items specified in the Audit Checklist provided in the City's Procedure Manual. The auditor will provide the City Manager and City Council with written observations and recommendations regarding the adequacy of investment controls.

Qualifications and Continuing Education

The City Treasurer shall be a City employee or contract employee. The Treasurer shall be selected on the basis of educational background and experience relevant to the Treasury function.

The City recognizes the need for and is committed to providing ongoing education specific to the investment function for the Treasurer and other City staff and officials involved in the investment process.

GLOSSARY OF TERMS

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Agencies - Federal agency securities and/or Government-sponsored enterprises.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asking Price - The price a broker/dealer offers to sell securities. See Offer

Bankers' Acceptance (BA) - A "draft" or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Basis Point - One basis point is one hundredth of one percent (.01).

Bear Market - A period of generally pessimistic attitudes and declining market prices.

Bid - The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or plus accretion of discount.

Broker - A broker brings buyers and sellers together for a commission.

Bull Market - A period of generally optimistic attitudes and increasing market prices.

Callables - Securities that the issuer has the right to redeem prior to maturity.

Certificate of Deposit - A time deposit with a specific maturity, evidenced by a certificate. Large-denomination CD's are typically negotiable. CD's may be eligible for FDIC insurance.

Collateral - Securities, evidence of deposit, or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, unsecured promissory notes issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing.

Comprehensive Annual Financial Report (CAFR) - The official annual financial report for the City. It includes government-wide and fund financial statements prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame, or an index of the average yield on United States Treasury securities adjusted to a constant maturity. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

GLOSSARY OF TERMS (continued)

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive, and deliver securities when ordered to do so by the principal.

Debenture - A bond secured only by the general credit of the issuer.

Delivery v. Payment (DVP) - Delivery of securities with a simultaneous exchange of payment for the securities.

Demand Deposit Account - Accounts whose balance is available to meet immediate cash needs (maturities up to 7 days).

Derivatives - (1) Financial instruments whose return profile is linked to, or derived from, the security and may include a leveraging factor, or (2) financial contracts based upon notional amount whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities, or commodities).

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Discount Securities - Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U. S. Treasury Bills.

Diversification - Dividing investment funds among a variety of securities offering independent return and risk profiles.

Duration - The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serves as the weights; the future point in time at which, on average, an investor has received exactly half of the original investment in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA).

Federal Credit Agencies - Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., Savings and Loans, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently $100,000) per account.

Federal Funds Rate - The rate of interest at which Federal funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) – Government-sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrifty institutions, credit unions, and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC) - The FHLMC was created under the Federal Home Loan Mortgage Act, Title III of the Emergency Home Finance Act of 1970 as a stockholder-owned government-sponsored enterprise. Freddie Mac, as the corporation is called, is charged with providing stability and assistance to the secondary home mortgage market by buying first mortgages and participation interests and reselling these securities in the form of guaranteed mortgage securities. Although agency obligations are not explicitly guaranteed by the federal government, the rating agencies believe that in the unlikely event of financial difficulties, the federal government will support the agency to the extent necessary to provide for full and timely payment on their securities.

Federal National Mortgage Association (FNMA) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC) - Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System - The central bank of the U. S. which consists of a seven-member Board of Governors, 12 regional banks, and 5,700 commercial banks that are members.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC).

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA).

Government National Mortgage Association (GNMA) - Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

Inactive Deposits - Funds not immediately needed for disbursements.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity, and interest rates.

GLOSSARY OF TERMS (continued)

LAIF (Local Agency Investment Fund) - A special fund in the State Treasury which local agencies may use to deposit funds for investment. There is no minimum investment period, and the minimum transaction is $5,000, in multiples of $1,000 above that, with a maximum balance of $75,000,000 for any agency. It offers high liquidity because deposits can be converted to cash in 24 hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share basis determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly. California Government Code §16429.3 states, in part:

> "money placed with the State Treasurer for deposit in the Local Agency Investment Fund by cities, counties, or special districts shall not be subject to impoundment or seizure by any state official or state agency."

Liquidity - Refers to the ability to rapidly convert an investment into cash with minimal risk of losing some portion of principal and/or interest.

Local Government Investment Pool (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Master Repurchase Agreement - A written contract covering all future transactions between the parties to repurchase and/or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Corporate Notes - Unsecured promissory notes issued by a corporation organized and operating in the United States. These are negotiable instruments and are traded in the secondary market. Medium term corporate notes can be defined as extended maturity commercial paper. Local agencies are restricted by the Government Code to investments in corporations rated in the top three note categories by Moody's Investors Service, Inc., and/or Standard and Poor's Corporation. For medium term notes, eligible purchases consist of instruments that have a rating of "A" or better by both Moody's Investors Service, Inc., and Standard and Poor's Corporation.

Money Market - The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

Negotiable Certificates of Deposit - Unsecured obligations of the financial institution, or bank, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of $1,000,000; the secondary market usually trades in denominations of $500,000, although smaller lots are occasionally available. As a matter of practice, only the ten largest U.S. banks where there is a secondary market established for continued liquidity would be considered for investment.

GLOSSARY OF TERMS (continued)

NRSRO - Nationally recognized statistical-rating organization

New Issue - Term used when a security is originally "brought" to market.

Offer - The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asking Price and Bid.

Open Market Operations - Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserve into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Paper Gain or Loss - Term used for unrealized gain or loss on securities being held in a portfolio based on comparison of current market quotes and their original cost. This situation exists as long as the security is held while there is a difference between cost value (book value) and the market value.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Collection of securities held by an investor.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prudent Person Rule - An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state - the so-called legal list. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Qualified Public Depositories - A financial institution that does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less approved by the Public Deposit Protection Commission to hold public deposits.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (RP or REPO) - A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, or increasing bank reserves.

GLOSSARY OF TERMS (continued)

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - See Custody.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission - Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15(C)3-1 - See Uniform Net Capital Rule.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Spread - a) The yield or price difference between the bid and offer on an issue; b) the yield or price difference between different issues.

Structured Notes - Notes issued by government-sponsored enterprises (FHLB, FNMA, etc.) and corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) in their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options, and shifts in the shape of the yield curve.

Supranational - A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. The three U.S. based supranationals are International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank.

Swap - The sale of one issue and the simultaneous purchase of another for some perceived advantage.

Treasury Bills - A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bonds - Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than ten years.

Treasury Notes - Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to ten years.

Uniform Net Capital Rule - Securities and Exchange Commission requirement that member firms, as well as nonmember broker-dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies, most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

QUALIFIED BROKER/DEALERS

The City has qualified the following Broker/Dealer's:

- Cantella & Co. Inc
- Great Pacific Securities
- Higgins Capital
- Morgan Stanley
- Multi-Bank Securities, Inc
- Mutual Securities, Inc
- Raymond James & Associates, Inc.
- Time Value Investments
- UBS Financial Services, Inc
- Wedbush Securities

ADMINISTRATIVE POLICY

Investment Guidelines, Strategy, and Internal Control

City of Aliso Viejo

ADMINISTRATIVE POLICY

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015 Rev 7/1/2017**	**1 of 4**

PURPOSE

The purpose of this policy is to establish a framework for the investment of surplus City funds within the established internal control procedures for treasury functions.

POLICY

INVESTMENT GUIDELINES AND STRATEGY

GUIDELINES

1. Investment Transaction - Every investment transaction must be authorized and reviewed by the Director of Finance/City Treasurer or his/her designee.

2. Pooled Cash - Whenever practical, local agency cash is consolidated into one bank account and invested on a pooled concept basis. Interest earnings are allocated monthly according to month-end cash and investment balances for each fund.

3. Competitive Bids - Purchases and sales of securities are made on the basis of competitive offers and bids.

4. Cash Forecast - The cash flow for the City is analyzed with the receipt of revenues and maturity of investments scheduled so that adequate cash will be available to meet disbursement requirements.

5. Investment Limitations - Security purchases and holdings are maintained within statutory limits imposed by the California Government Code.

6. Liquidity - The marketability of a security is considered at the time of purchase, as the security may have to be sold at a later date to meet unanticipated cash demands.

7. Diversification - The portfolio should consist of various types of securities, issuers, and maturities.

STRATEGY

1. Economic Forecasts - Economic Forecasts are obtained periodically from economists and financial experts through bankers and brokers to assist the Director of Finance/City Treasurer or his/her designee with the formulation of an investment strategy for the local agency.

2. Implementing Investment Strategy - Investment transactions are executed to conform to anticipated interest rate trends and the current investment strategy plan.

3. Rapport - A close working relationship is maintained with public works, city staff, and large vendors of the city. The objective is to pinpoint when large disbursements will clear the City's bank account. It is essential for good cash control that such large expenditures be anticipated, estimated as to dollar amount, and communicated to the Director of Finance/City Treasurer or his/her designee for liquidity planning purposes.

4. Preserve Portfolio Value - Field standards are developed in order to maintain earnings near the market and to preserve the value of the portfolio.

INTERNAL CONTROL

I. OBJECTIVES OF INTERNAL CONTROL

1. To effectively and efficiently conduct business, including adherence to financial and management policies.
2. Safeguarding its assets and prevention or detection of errors and fraud.
3. Timely preparation of accurate and reliable financial information.
4. Compliance with applicable laws and regulations.

II. COMPONENTS OF INTERNAL CONTROL

1. Control Environment - The control environment is the set of standards, processes, and structures that provides the basis for carrying out internal control across the organization. Management establishes the tone at the top regarding the importance of internal control, including expected standards of conduct, organizational structure, and assignment of authority and responsibility.

2. Risk Assessment - Risk assessment involves a dynamic process for identifying and analyzing risks in achieving the entity's objectives. Risk assessment requires management to consider the impact of possible changes in the internal and external environment that may render established internal controls ineffective.

3. Control Activities - Control activities are the actions established through policies and procedures to ensure that management's directives to mitigate risks are achieved. Segregation of duties is typically built into the development of control activities and may include authorizations, verifications, reconciliations, and reviews.

4. Communication - Communication occurs both internally and externally and provides the organization with the information needed to carry out day-to-day activities.

5. Audits – Audits are the process through which activities can be monitored and evaluated for any internal control deficiencies and communicated to management for taking corrective action.

III. ELEMENTS OF INTERNAL CONTROL

1. Organization - Responsibility for the performance of duties should be assigned and lines of authority and reporting clearly identified and delineated.

2. Segregation of functions - Segregation of functions reduces the risk for an individual to be able to perpetrate and conceal errors or commit fraud in the normal course of duty. If two parts of a transaction are handled by different individuals, collusion is necessary to conceal errors or commit fraud. Functions that should be considered when evaluating segregation of duties are authorization, execution, recording, custody of assets, and reconciliation.

3. Authorization - All transactions should be approved by an authorized individual. The responsibilities and limits of authorization should be clearly delineated. The individual or group authorizing a specific transaction or granting general authority for transactions should be in a position commensurate with the nature and significance of the transactions.

4. Controls over an accounting system - Controls over an accounting system include the procedures, both manual and computerized, carried out independently to ascertain that transactions are complete, valid, authorized, and properly recorded.

IV. LIMITATIONS OF INTERNAL CONTROL

Internal control, no matter how well-designed, implemented, and conducted, can only provide reasonable assurance to management of the achievement of an entity's objectives. Inherent limitations of internal control may include:

1. Recurring, rather than unusual, types of transactions.
2. Human error due to misunderstanding, carelessness, fatigue, or distraction.
3. Potential for collusion that circumvents controls defined by the segregation of functions.
4. Possibility of a management override of the system, despite an otherwise effective system of internal control.

City of Aliso Viejo

ADMINISTRATIVE POLICY

SUBJECT	APPROVED BY:	PROCEDURE NO.	EFF. DATE	PAGE
INVESTMENT GUIDELINES, STRATEGY AND INTERNAL CONTROL	Dave Doyle CITY MANAGER	**11**	**7/1/2015 Rev 7/1/2017**	**4 of 4**

SEGREGATION OF RESPONSIBILITIES FOR TREASURY FUNCTIONS

Function	Responsibility
1. Formal investment policy should be	
* Prepared by	Director of Finance/City Treasurer
* Approved by	City Council
2. Develop Investment Strategy	Director of Finance/City Treasurer or Registered Investment Advisor
3. Receive quotes and recommend investments for purchase	Director of Finance/City Treasurer, Financial Services Manager
4. Approve investment transactions	Director of Finance/City Treasurer, City Manager
5. Execute investment transactions	Director of Finance/City Treasurer
6. Approve investment transactions for compliance with Investment policy and/or State law	Financial Services Manager
7. Record investment transactions in the City's financials	Financial Services Manager/Financial Analyst
8. Verify investment i.e., match broker confirmation to City records	Director of Finance/City Treasurer Financial Services Manager
9. Confirm LAIF and Bank Wires	Director of Finance/City Treasurer Financial Services Manager/Financial Analyst
10. Safeguard assets and records:	
* Reconciliation of City's records to bank statements and safekeeping of records	Financial Services Manager/Financial Analyst
* Annual review of (a) financial institution's financial condition, and (b) safety, liquidity, and potential yields of investment instruments	Director of Finance/City Treasurer, City Manager
11. Annual review of investment portfolio	External Independent Auditors

The segregation of responsibilities as outlined herein is intended to enhance the City's internal controls over treasury functions. It should be noted that from time to time, due to the limited size of the Financial Services staff, segregation of responsibilities may be amended in order to fulfill the business needs of the organization.

City of Aliso Viejo

AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Ann Eifert, Director of Financial Services/City Treasurer

SUBJECT: RESOLUTION OF COMMUNITY FACILITIES DISTRICT NO. 2005-01 (GLENWOOD AT ALISO VIEJO) AUTHORIZING THE ANNUAL LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2023-24

Recommended Action:

Adopt a Resolution of the City Council, acting as the legislative body of Community Facilities District No. 2005-01 (Glenwood at Aliso Viejo) (the "CFD"), authorizing the annual levy of special taxes for fiscal year 2023-24.

Fiscal Impact:

The approval of the CFD special tax levy for FY 2023-24 will provide approximately $2,258,209 required to pay annual debt service on outstanding Special Tax Bonds, administrative expenses of the CFD, and cash flow contingency for anticipated delinquent Special Taxes.

Background:

The CFD was formed by the City on March 16, 2005, for the purpose of financing the acquisition and/or construction of certain public improvements to be owned by the City, the County of Orange and Moulton Niguel Water District required as conditions of approval of the development of property within the CFD. On the same date, the qualified electors of the CFD voted to authorize to levy the special tax pursuant to the rate and method of apportionment thereof and to authorize the issuance of bonds for the CFD in a principal amount not to exceed $37,500,000 to be secured by such special taxes to finance such public improvements. At the request of Shea Homes Limited Partnership, the City conducted proceedings to modify the rate and method of apportionment of special taxes authorized to be levied within the CFD. On November 1, 2006, City Council approved the Modified RMA. On December 6, 2007, the CFD issued Bonds in the amount of $34,070,000 to finance the authorized facilities (the “2007 Bonds”).

On February 13, 2014, the CFD issued the 2014 Special Tax Refunding Bonds for the purpose of refunding the outstanding 2007 Bonds to achieve lower interest rates and provide annual special tax savings to the property owners within the CFD.

Discussion:

To meet the financial requirements of the CFD in FY 2023-24, special taxes are proposed to be levied on Developed Property as defined in the Modified Rate and Method of Apportionment ("Modified RMA") at approximately seventy-nine and 40/100 (79.40%) of the authorized maximum special tax rates. The proposed FY 2023-24 special tax rates are listed in Exhibit "A" of the Resolution. Developed Property are parcels for which building permits were issued and represent 458 units of taxable residential property within the CFD (excludes one parcel for whom the parcel owner fully prepaid their special tax obligation). Building permits have been issued for all planned residential units within the CFD; therefore, the CFD is considered fully developed.

FY 2023-24 is the seventeenth year the CFD will levy special taxes. Special taxes will be levied on Developed Property in FY 2023-24 in an aggregate amount of approximately $2,258,209 to fund the FY 2023-24 net financial requirements of the CFD. The FY 2023-24 financial requirements total $2,352,421 and include payment of debt service on the Bonds, administrative expenses, and anticipated delinquencies. The difference of $94,212 between the proposed levy and net financial requirements will be taken from available contingency funds.

In order to levy the special tax for FY 2023-24, the City Council must adopt the Resolution authorizing the annual special tax levy.

Attachment:

1. Resolution

RESOLUTION 2023-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CA, ACTING AS THE LEGISLATIVE BODY OF COMMUNITY FACILITIES DISTRICT NO. 2005-01 (GLENWOOD AT ALISO VIEJO) AUTHORIZING THE ANNUAL LEVY OF SPECIAL TAXES FOR FISCAL YEAR 2023-24

WHEREAS, the City Council of the City of Aliso Viejo, ("City"), previously undertook proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982", being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, to form Community Facilities District No. 2005-01 (Glenwood at Aliso Viejo) (hereinafter referred to as the "District"), to authorize the levy of special taxes upon land within the District to finance certain facilities; and

WHEREAS, this City Council, by Ordinance No. 2006-086 as authorized by Section 53340 of the Government Code of the State of California, has authorized the levy of a special tax to pay for costs and expenses related to said District, and this City Council is desirous to establish the specific rate of the special tax for the District to be collected for the next fiscal year.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

Section 1: That the above recitals are all true and correct.

Section 2: That in accordance with the Act and Ordinance, there is hereby levied upon all parcels within the District which are not otherwise exempt from taxation under the Act or the Ordinance the special taxes for fiscal year 2023-24 at the rates set forth in the attached referenced and incorporated Exhibit "A". Koppel & Gruber Public Finance is hereby directed to prepare and file with the City Clerk a list of the exact amount of the special tax for each lot or parcel of land in accordance with this Resolution (the "2023-24 Roll").

Section 3: That the rate determined and as set forth above does not exceed the amount as previously authorized by Ordinance of this City Council, and is not in excess of that as previously approved by the qualified electors of the District, and meets the requirements of Proposition 218 that added Articles XIIIC and XIIID to the State Constitution.

The City agrees to defend, indemnify and hold harmless the County of Orange, the Board of Supervisors, the Auditor-Controller, its officers and employees, from litigation over whether the requirements of Proposition 218 were met with respect to such assessment(s).

If any judgement is entered against any indemnified party as a result of not meeting the requirements of Proposition 218 for such assessment(s), the City agrees that County may

offset the amount of any judgement paid by an indemnified party from any monies collected by the County on the City's behalf, including property taxes, special taxes, fees, or assessments.

Section 4: That the proceeds of the special tax shall be used to pay, in whole or in part, the costs of the following:

A. Fund authorized public facilities, including the costs of the construction and engineering design of facilities to be owned, operated and maintained by the City, the Moulton Miguel Water District, and the County of Orange (the "Facilities"); and

B. Payment of incidental expenses of the District, including costs incurred to determine the amount of and collection of special taxes and costs otherwise incurred in order to carry out the authorized purposes of the District.

The proceeds of the special taxes shall be used as set forth above, and shall not be used for any other purpose.

Section 5: The special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Tax Collector is hereby authorized to deduct reasonable administrative costs incurred in collecting any said special tax.

Section 6: All monies above collected shall be paid into the District funds, including any reserve fund.

Section 7: The City Clerk is hereby authorized to transmit a certified copy of this Resolution to the County of Orange ("County") Office of the Auditor-Controller ("County Auditor"). The County Auditor is hereby directed to enter in the next County assessment roll on which taxes will become due, opposite each lot or parcel of land effected the installment of the special tax, and for the exact rate and amount of said tax, reference is made to the attached Exhibit "A".

Section 8**:** This Resolution relating to the levy of the special tax shall take effect immediately upon its final passage in accordance with the provisions of Government Code Section 53340, as amended.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2023.

_____
Richard Hurt
Mayor

APPROVED AS TO FORM:

_____
Scott C. Smith, City Attorney

ATTEST:

_____
Mitzi Ortiz, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ALISO VIEJO)

I, MITZI ORTIZ, City Clerk of the City of Aliso Viejo, California, DO HEREBY CERTIFY that the foregoing is the original of Resolution No. 2023-__ duly passed and adopted by the City Council of the City of Aliso Viejo at their regular meeting held on the 19th day of July, 2023, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

_____
MITZI ORTIZ, MMC
CITY CLERK

(SEAL)

EXHIBIT "A"

COMMUNITY FACILITIES DISTRICT NO. 2005-01
(Glenwood at Aliso Viejo)

FISCAL YEAR 2023-24
SPECIAL TAX RATES

ZONE 1

Land Use Class	Description	Residential Floor Area	Special Tax Rate
1	Residential Property	< 1,901	$3,191.06 per unit
2	Residential Property	1,901 – 2,350	$4,614.26 per unit
3	Residential Property	2,351 – 2,800	$4,936.68 per unit
4	Residential Property	2,801 – 3,250	$5,687.22 per unit
5	Residential Property	3,251 – 3,700	$6,437.72 per unit
6	Residential Property	3,701 – 4,150	$6,537.80 per unit
7	Residential Property	4,151 – 4,600	$7,460.64 per unit
8	Residential Property	> 4,600	$7,616.30 per unit
NA	Undeveloped Property	NA	$0.00 per Acre

ZONE 2

Land Use Class	Description	Residential Floor Area	Special Tax Rate
1	Residential Property	< 1,901	$1,223.04 per unit
2	Residential Property	1,901 – 2,350	$1,334.24 per unit
3	Residential Property	2,351 – 2,800	$1,445.42 per unit
4	Residential Property	2,801 – 3,250	$2,223.74 per unit
5	Residential Property	3,251 – 3,700	$2,946.44 per unit
6	Residential Property	3,701 – 4,150	$3,113.24 per unit
7	Residential Property	4,151 – 4,600	$3,958.26 per unit
8	Residential Property	> 4,600	$4,113.92 per unit
NA	Undeveloped Property	NA	$0.00 per Acre

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: David A. Doyle, City Manager
Patricia Cantonwine, Human Resources Analyst

SUBJECT: AGREEMENT FOR LIMITED TERM-EXTRA HELP SERVICES OF CALPERS RETIREE (CINDY COLLINS)

Recommended Action:

Authorize the City Manager to execute an agreement with retired annuitant Cindy Collins to serve as extra help as defined by the California Public Employees Retirement System (CalPERS) in the capacity of Recreation and Community Services Manager.

Fiscal Impact:

Compensation has been set at $74.37 an hour in compliance with the requirements for CalPERS retired annuitants. The maximum potential fiscal impact will be $71,395. Ms. Collins will only be paid for actual hours worked. Although funds for this service were not specifically included in the fiscal year 2023-24 budget, at this time, it is anticipated that the cost can be absorbed through savings in other recreation areas.

Background:

The City's Recreation and Community Services Manager has requested a leave of absence in accordance with the Family and Medical Leave (FMLA) and California Family Rights (CFRA) Acts. While the actual extent of the leave is unknown, it is anticipated to be approximately sixteen (16) weeks.

This leave of absence creates a long-term vacancy in the critical leadership position for this department. As such, it is necessary to cover the duties and responsibilities with a limited term employment agreement with a qualified individual.

Discussion:

Ms. Collins, a retired CalPERS annuitant, has extensive municipal government experience including approximately 20 years in the roles of Recreation & Community

Services Director and Manager. She will perform the duties and functions of the position including:

- Overseeing the Recreation and Community Services department including managing programs and community events;
- Supervising departmental staff;
- Ensuring adequate facility maintenance and operations;
- Attending Council Meetings and making public presentations as needed; and
- Other necessary functions of the position during the incumbent's leave of absence.

This employment arrangement has been reviewed and sanctioned by CalPERS as well as the City's legal firm.

Attachment:

1. Agreement for Limited Term-Extra Help Services of CalPERS Retiree (Cindy Collins)

AGREEMENT FOR

LIMITED TERM-EXTRA HELP SERVICES OF CALPERS RETIREE

THIS AGREEMENT, is made and entered into this 19th day of July, 2023 by and between the City of Aliso Viejo ("CITY") and Cindy Collins ("EMPLOYEE"). In consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

RECITALS

This Agreement is made and entered into with respect to the following facts:

A. CITY seeks to engage EMPLOYEE on a temporary basis in an extra help capacity, in accordance with the terms set forth in this Agreement; and

B. EMPLOYEE desires to accept employment in an extra help capacity in consideration of and subject to the terms, conditions and benefits set forth in this Agreement; and

C. CITY and EMPLOYEE make this agreement with the mutual understanding that the appointment complies with the requirements applicable to the employment of CalPERS retirees, as codified in Government Code sections 7522.56 and 21224. EMPLOYEE represents that she is a retired annuitant of CalPERS within the meaning of Government Code §§ 7522.56 and 21224 ("Statutes") and acknowledges that the compensation is statutorily limited as provided in Government Code § 21224. EMPLOYEE represents that, as of the effective date of this Agreement, EMPLOYEE has not worked for another CalPERS employer as a retired annuitant during this fiscal year, and that EMPLOYEE therefore acknowledges that EMPLOYEE can work up to 960 hours for the CITY during this fiscal year, and any subsequent fiscal years under this Agreement. EMPLOYEE represents that she has not received unemployment compensation based on employment as a retiree for any public employer during the 12-month period preceding the effective date of this Agreement. EMPLOYEE further represents that EMPLOYEE retired from CalPERS more than 180 days prior to the effective date of this Agreement; and

D. CITY has determined that it is necessary to hire EMPLOYEE, a retired annuitant, because of her extensive knowledge and skills in public agency Recreation and Community Services, including managing community programs and events, supervising full and part-time staff, managing contracts and facility services agreements, maintenance of public facilities which are necessary to assist the City due to the temporary leave of absence of the current Recreation & Community Services Manager, and EMPLOYEE, by virtue of EMPLOYEE's experience, has those special skills. Existing staff does not have the experience or expertise to perform these duties and it is beyond the capacity of the regular employees.

NOW, THEREFORE, CITY and EMPLOYEE, in consideration of the mutual covenants and agreements herein contained, agree as follows:

1. APPOINTMENT OF EMPLOYEE. The CITY hereby appoints EMPLOYEE as an extra help retired annuitant pursuant to the terms set forth in this Agreement.

2. POSITION AND DUTIES. The City Manager hereby agrees to appoint EMPLOYEE to perform the duties and functions set forth below:

- Oversee the Recreation and Community Services department including managing programs and community events
- Supervise staff of the Recreation and Community Services department
- Ensure adequate facility maintenance and operations are completed
- Attend Council Meetings and make public presentations as needed
- Other necessary functions of the Recreation and Community Services Manager position during the incumbent's leave of absence

3. TERM, TERMINATION, AND AT-WILL STATUS.

This Agreement shall become effective upon the date executed both by EMPLOYEE and the City Manager, which date shall be the date first referenced above. EMPLOYEE shall commence the performance of her duties under this Agreement on July 19, 2023 or at such later date as the parties hereto shall agree in writing ("Commencement Date"). This Agreement shall expire as of the first of the following to occur: (i) June 30, 2024; (ii) upon EMPLOYEE working 960 hours for the City during fiscal year 2023-24 or 960 hours in any subsequent fiscal year (including any hours worked for any other CalPERS employers); (iii) upon the position of Recreation and Community Services Manager becoming vacant other due to a leave of absence; or (iv) upon termination of the Agreement by either EMPLOYEE or CITY as provided below.

EMPLOYEE acknowledges that she is an at-will, temporary employee of CITY who shall serve at the pleasure of the City Manager at all times during the period of her service hereunder and shall be subject to termination by City Manager at any time without advance notice and without cause. The terms of CITY's personnel rules, policies, regulations, procedures, ordinances, and resolutions regarding City personnel (collectively "Personnel Policies"), as they may be amended or supplemented from time to time, do not modify this specific agreement to at-will employment, and nothing in this Agreement is intended to, or does, confer upon EMPLOYEE any right to any property interest in continued employment, or any due process right to a hearing before or after a decision by the City Manager to terminate this Agreement and Employee's employment. Nothing contained in this Agreement shall in any way prevent, limit or otherwise interfere with the right of CITY to terminate the services of EMPLOYEE and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of EMPLOYEE to resign at any time from this position with CITY.

4. COMPENSATION. The CITY agrees to provide the following compensation to EMPLOYEE for the services listed in this Agreement:

CITY agrees to pay to EMPLOYEE for services rendered under this Agreement, the hourly rate of $74.37. The City has determined that this hourly rate is neither less than the minimum, nor more than the maximum, hourly rate paid to other employees performing comparable duties as listed on City's publicly available pay schedule, reflected as an hourly rate by dividing the monthly base pay by 173.333. Payments will be made on

regularly scheduled City payroll dates. Employee will be responsible for keeping track of Employee's hours worked on a daily time sheet form, provided by the City and submitted to the City Manager or designee for approval and payroll purposes. Employee understands and agrees that Employee is not, and will not be, eligible to receive any compensation other than this specified hourly rate of pay., which is within the range of pay for Recreation & Community Services Manager on the City's publicly approved pay schedule. The City shall not pay for leave, nor shall EMPLOYEE be entitled to any other fringe benefits, unless required by law. The temporary position under this Agreement is not exempt from FLSA overtime pay requirements. The Employee shall be paid at one and one-half times the regular rate of pay for any time worked in excess of 40 hours per week.

5. NOTICE. Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified or by delivery of same to the custody of the United States Postal Service, or its lawful successor, postage prepared and addressed as follows:

CITY

City of Aliso Viejo
12 Journey Suite 100
Aliso Viejo, CA 92656
Attention: Director of Financial Services

EMPLOYEE

Cindy Collins
[ON FILE]

6. HOURS OF WORK. This employment is for part-time work and, generally, will not exceed 40 hours per week. The City will assign Employee specific hours to work, and under no circumstances may Employee work in excess of 40 hours per week without the express prior permission of the City Manager.

7. COMPLIANCE WITH RESTRICTIONS ON RETIRED ANNUITANT EMPLOYMENT. EMPLOYEE agrees she will comply with all applicable CalPERS regulations governing employment after retirement, including the recordation and reporting of all hours worked for CITY to CalPERS as may be required. CITY shall assist in any such reporting obligations to CalPERS. Additionally, EMPLOYEE shall keep CITY continually apprised of any hours worked by EMPLOYEE for other CalPERS Agencies during the term of this Agreement. By executing this agreement, EMPLOYEE is, in good faith, determining that her appointment meets each of the foregoing requirements, including the unemployment insurance requirement noted, above. While CITY is not in a position to do so, by signing this agreement EMPLOYEE is certifying that EMPLOYEE has not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer. Further, by signing this

agreement, EMPLOYEE is confirming that the 180 day waiting period described above has been met.

Notwithstanding the above, CITY has no way of monitoring the hours that EMPLOYEE works for another CalPERS employer. As such, it is EMPLOYEE's responsibility to ensure that the total hours worked for CITY and any other CalPERS employers do not exceed 960 hours during the fiscal year. CITY's understanding is that EMPLOYEE has not worked for any other CalPERS employer this fiscal year and will not do so during her employment with CITY unless mutually agreed by CITY and EMPLOYEE. EMPLOYEE will notify CITY in advance if EMPLOYEE intends to perform work for any other CalPERS employer, including any services to be performed as an independent contractor.

8. WAIVER. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision. No waiver shall be binding, unless executed in writing by the party making the waiver.

9. ENTIRE AGREEMENT. This Agreement sets forth the entire Agreement between the parties hereto and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

10. SEVERABILITY. The parties agree that should any provision of this Agreement be declared illegal or invalid by decision of any court of law or administrative agency, all other severable provisions of this Agreement shall nevertheless remain in full force and effect.

12. COUNTERPARTS. This Agreement may be executed in any number of counterparts. Any such counterpart when executed shall constitute an original of the Agreement and all such counterparts together shall constitute one and the same agreement.

13. RECITALS. The parties agree that the Recitals to this Agreement are true and correct and are incorporated into this Agreement as if set forth here.

SIGNATURES ON NEXT PAGE

CITY OF ALISO VIEJO

By:_____
David Doyle
City Manager

I, Cindy Collins, agree to this Limited Term Extra Help Services Employment Agreement (CalPERS Retiree), and hereby warrant that I understand and agree with all of the terms and conditions of employment as set forth in this Agreement. Further, I hereby certify to the City of Aliso Viejo that I have not received unemployment insurance payments within the past 12 months arising from work performed as a retiree for any public employer.

By:_____
Cindy Collins

ATTEST:

By:_____
Mitzi Ortiz, MMC
City Clerk

APPROVED AS TO FORM:

By:_____

Best Best & Krieger LLP
City Attorney

APPROVED AS TO COMPLIANCE WITH BUDGET:

By:_____
Ann Eifert
Director of Financial Services

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Lizzy Mendoza, Recreation & Community Services Manager

SUBJECT: AMENDMENT TO LICENSE AGREEMENT WITH RENEWABLE FARMS FOR THE MANAGEMENT AND OPERATIONS OF GOLD COAST FARM AT ALISO VIEJO RANCH

Recommended Action:

Approve and authorize the City Manager to execute the First Amendment to the License Agreement with Renewable Farms for the management and operations of Gold Coast Farm at Aliso Viejo Ranch.

Fiscal Impact:

The City and Renewable Farms will split Gross Revenue derived from the operations at the farm. The City will receive 10% of all gross revenue, and Renewable Farms will receive 90% of all gross revenue. The total gross revenue for the farm rentals and programming is estimated at $350,000. The City is estimated to receive $35,000 annually.

Renewable Farms will cover the operational costs of the facility and the costs of the utilities for the Farm. The City will continue to fund wireless internet service and Capital Improvement Projects at the farm.

Background:

Aliso Viejo Ranch is a City-owned 7.7-acre parcel that represents the last remnant of the original 22,000-acre Moulton Ranch. At the June 21, 2017, City Council Meeting, the City Council approved the Aliso Viejo Ranch Conceptual Site Plan and building drawings. On October 18, 2017, the City Council approved Renewable Farms as the agricultural operator at the farm at the Aliso Viejo Ranch and authorized the City Manager to negotiate the terms and conditions of an agreement. The original License Agreement was approved on June 17, 2020, by the City Council and allowed for ten years with two options to extend for additional five-year terms, for a total of twenty years.

Discussion:

Renewable Farms was established in 2008 as a non-profit organization with a mission to help people grow food for a healthier, sustainable lifestyle. Since 2020, Renewable Farms has managed Gold Coast Farm and demonstrated sustainable agriculture for community and educational purposes, provided volunteer opportunities to the community, and managed Gold Coast Farm as an event venue for weddings and other private events.

Operations at the farm at Aliso Viejo Ranch is supported by revenue from hosting private events on the site. Private events are charged hourly rates as set forth in the License Agreement fee schedule. In addition to private events, the farm hosts City events, community workshops, volunteer opportunities, and classes annually. Revenue for the farm will be collected by the City and distributed to Renewable Farms monthly.

The previous License Agreement allowed for Renewable Farms to be entitled to the first $100,000 of net revenue. The year-end reconciliation determined the net revenues at the farm by deducting total farm expenditures from the total revenue collected, and the City and Renewable Farms equally shared the net revenue above $100,000.

The new License Agreement will require Renewable Farms to be responsible for all farm expenditures, including utilities, payroll, janitorial costs, and maintenance of the farm. The City will provide and pay for dedicated wireless internet services to the farm. All Capital Improvement Projects will remain in the City's sole control and discretion, and all costs and expenses of Capital Improvement Projects will be paid for by the City. All other improvements to the farm will require prior approval by the City. The City shall have the right to audit financial records and the maintenance and repair of the farm to ensure that Renewable Farms shall keep and maintain the proper records and that the farm is in good condition.

In addition, Gold Coast Farm hours will be expanded to offer additional time for residents and the community to enjoy the farm. Guests will be able to enjoy Gold Coast Farm for a total of 30 public hours per week; this is an increase of 12 hours. Wedding events will also be permitted on Fridays during the months of April through July and will continue to be offered on Saturdays throughout the year. Large events will continue to be offered on Fridays and Saturdays. No additional changes were made to the type of events, sound restrictions, or timeline of the events at the farm.

The term of the agreement shall continue for seven years with two options to extend for additional two-year terms, for a total of eleven years.

City Attorney:

The City Attorney reviewed and provided comments, which have been incorporated into the agreement.

Attachment:

1. License Agreement Amendment

LICENSE AGREEMENT

This License Agreement (this "Agreement"), dated for purposes of identification only as the 1st day of July, 2023, is entered into by and between the City of Aliso Viejo, a California municipal corporation, with its principal place of business at 12 Journey, Aliso Viejo, CA 92656 (hereinafter "City"), and Renewable Farms, a non-profit public benefit corporation, with its principal place of business at 468 S. Coate Road, Orange, CA 92869 (hereinafter, "Licensee"). The City and Licensee are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

RECITALS

This Agreement is made and entered into with regard to the following facts, each of which is acknowledged as true and correct by the Parties.

A. City owns that certain real property, located at 100 Park Avenue in the City of Aliso Viejo, known as Aliso Viejo Ranch ("Premises"), and more particularly described and depicted in Exhibit "A," attached hereto and incorporated herein by this reference.

B. The Premises includes an agricultural area and event venue of approximately two acres situated on the eastern portion of the site, including groves of fruit and nut trees, barns, irrigation equipment and infrastructure, a structure referred to as the "Foreman's House", and other improvements which are appurtenant to the Premises (collectively, the "Farm"), which is depicted in Exhibit "B," attached hereto and incorporated herein by this reference. The Farm is commonly referred to in the community and for marketing purposes as "Gold Coast Farm".

C. Pursuant to that certain License Agreement dated June 17, 2020, City currently licenses the Farm to Licensee to operate an agricultural operation to demonstrate sustainable agriculture for community and educational purposes which is financed through use of the Farm as an event venue for weddings and other private events, as described in this Agreement (collectively "Farm Operations").

D. City and Licensee desire to enter into a new license for the use of the Farm for Farm Operations subject to the terms and conditions provided in this Agreement.

TERMS

Now, therefore, for and in consideration for the use of the Farm and the terms and conditions herein, the adequacy of which are hereby acknowledged, the City and Licensee agree as follows:

1. Definitions

1.1 "Capital Improvements" means any buildings, fixtures or other improvements that are not personal property of Licensee that are placed on the Farm by City or Licensee during the term, including any irrigation systems. Capital Improvements will be the property of the City unless otherwise agreed in writing.

1.2 "City Representative" shall be an individual appointed in accordance with Section 10.8.

1.3 "Farm Expenses" means all expenses incurred by Licensee in connection with the use of the Farm and the conduct of Farm Operations pursuant to this Agreement, including all Reimbursable Expenses (as defined below).

1.4 "Gross Revenues" means all revenue which is collected related to or derived from the use of the Farm and conduct of Farm Operations occurring during the term of this Agreement, computed on an accrual basis, including, but not limited to, rental or use fees, the amount of all sales (wholesale or retail) of food, beverages, goods, wares, or merchandise on, at, or from the Farm, or for services of any nature performed on, at, or from the Farm, determined in accordance with generally accepted accounting principles applied on a consistent basis. Gross Revenues shall be reduced by any refunds and credits of a similar nature given, paid, or returned by Licensee or City in the course of Farm Operations.

1.4.1 Gross Revenues shall not include:

a. The cost of providing security as set forth in this Agreement, which will be an offset against Gross Revenue;

b. Applicable gross receipts taxes or sales, and use taxes collected directly from customers or their guests or as a part of the sales price of any goods or services and remitted to the appropriate governmental agency;

c. Gratuities added to billings as compensation to employees of the Farm (all of which will be paid by Licensee to the respective employees);

d. Proceeds of borrowings by City;

e. Proceeds paid as a result of an insurable loss, unless paid for the loss or interruption of business, to the extent such sums are used to remedy said loss;

f. Any interest or investment income earned on Gross Revenue by City or Licensee; and

g. Sale of capital assets.

1.5 "Index" means "Consumer Price Index" which is defined as the Consumer Price Index for all Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor for Los Angeles-Long Beach-Anaheim, All Items and utilizing the previous calendar year annual average. If this Index is discontinued, any other renamed national index covering the Aliso Viejo metropolitan areas or any other successor or substitute index appropriately adjusted.

1.6 "Operating Budget" means the annual operating budget prepared by Licensee for City review and approval that includes all forecasted revenues and expenses of the Farm for the Operating Year.

1.7 "Operating Year" means a twelve (12) month period during the term of this Agreement commencing on July 1 and continuing through and including the following June 30.

1.8 "Quarter-End" means each three (3) month period ending September 30, December 31, March 31, and June 30.

1.9 "Reimbursable Expenses" means all costs incurred by the City in connection with the operation and maintenance of the Farm, including the actual cost of all utilities paid by the City for the Farm and all repair and maintenance work (including labor and materials) performed by the City or by any third party on behalf of the City pursuant to Section 10.4. City labor costs will be billed at fully burdened hourly rates.

2. License to Use the Farm

2.1 City hereby issues to Licensee a non-exclusive license to enter upon and use the Farm for and during the term of this license, and any extension or renewal thereof, solely and exclusively for the conduct of Farm Operations, including, without limitation: allowing Licensee and its employees, agents, contractors, invitees, and anyone entering the Farm under this Agreement (including but not limited to members of the general public) (herein referred to collectively as "Licensee's Designees") to raise grow beds and up to four fish ponds, all of which are to be operated and maintained by Licensee (the "Project"), as more particularly shown on the attached Site Plan depicted in Exhibit "B". The raised grow beds shall be fully functioning to produce maximum crops and such crops shall be of a seasonal variety.

2.2 Licensee shall harvest fish and crops, which shall be donated to those members of the community in need of assistance or farm-to-table events on the site. In addition, Licensee shall donate every month on behalf of the City one-hundred percent (100%) of its gross crops to the City's pre-approved list of non-profit organization(s) (such list may be updated from time to time by City as may be deemed necessary, in the City's sole discretion). The crops shall consist of different seasonal vegetables and at least one fish pond will include fish that can be harvested for consumption. Decorative fish may be kept in other ponds, provided, however, that the preference of the City is for the ponds to focus on sustainable aquaculture.

2.3 The use of the Farm for social gatherings will include the following types of events: private parties, weddings, fundraisers, educational events for school children, corporate events, and other social gatherings of a similar nature (hereinafter referred to as "Events"), with prior City approval. For the purpose of the foregoing definition, Events will include weddings, commitment ceremonies or a renewal of vows for any individuals who may be legally married or enter into a domestic partnership in the State of California. Licensee may use glass drinkware in conducting Events and Farm Operations. Events are subject to restrictions as provided herein, including, without limitation, Sections 4.19 and 4.20.

2.4 All Events will be booked through the City's event registration website. Each party who books an Event with Renewable Farms will be required to sign the facility use terms and conditions and waiver that are attached to this Agreement as Exhibit "F". Any change in the terms and conditions and waiver will be subject to prior approval of the City.

3. Term and Termination; Event Bookings

3.1 This License shall commence on July 1, 2023 ("Commencement Date") and shall continue for a term of seven (7) years with two renewal terms of two (2) years each. Each two-year renewal will automatically go into effect unless City or Licensee gives at least one hundred eighty (180) days written notice of its intent not to extend. If intent not to extend is timely given, then this Agreement will terminate at the end of the then current term. This License and the Licensee's rights hereunder may not be extended beyond the initial term and renewal terms described herein unless such extension is set forth in writing and signed by both City and the Licensee.

3.2 Notwithstanding the foregoing or any other provision of this License, City may terminate this License with or without cause, or for any reason (including, but not limited to, Licensee's failure to pay any sums payable under this Agreement or otherwise violates any term or requirements of this Agreement or if and when City determines that the public interest, health, safety or welfare require such termination in the City's sole discretion).

3.2.1 If the City's termination without cause, the City shall give Licensee at least one hundred and eighty (180) days' written notice prior to the effective date of such termination.

3.2.2 If City's termination is with cause, then prior to terminating, City shall give Licensee, in writing, at least thirty (30) days' written notice to cure a violation of this Agreement. If Licensee has not cured the violation to City's satisfaction, which shall not be unreasonably withheld, within such cure period, then the City may give thirty (30) days written notice of termination. If Licensee violates the Agreement in substantially the same manner a second time, at any time during the term of the Agreement, City may provide thirty (30) days written notice of termination and Licensee will have no right of cure.

3.3 Licensee may terminate this Agreement without cause by giving the City notice, in writing, at least one hundred eighty (180) days prior to the effective date of termination. Licensee shall further have the right to terminate for cause if the City is in violation of its obligations under this Agreement by providing City with at least thirty (30) days' written notice to cure a violation of this Agreement. If City has not cured the violation to Licensee's satisfaction, which shall not be unreasonably withheld, within such cure period, then Licensee may give thirty (30) days written notice of termination. If City violates the Agreement in substantially the same manner a second time, at any time during the term of the Agreement, Licensee may provide thirty (30) days written notice of termination and City will have no right to cure.

3.4 Events may be booked by Licensee up to the end of the initial term or any renewal term unless (i) written notice of non-renewal has been given, in which case no Event will be booked beyond the end of the then current term; or (ii) either party has given notice of termination without cause, in which case no Event will be booked beyond the termination date. No new Events will be booked by Licensee following notice of a violation of this Agreement until such time as such violation has been cured. City reserves the right to book Events at the Farm following the

expiration of the term or any renewal term or otherwise following the termination of this Agreement.

3.5 With respect to any Event for which a deposit has been taken that will occur following the date of termination of this Agreement, the City reserves the right to (i) cancel such Event, in which case Licensee will be responsible for returning ninety percent (90%) of the deposit to the customer and City will be responsible for providing the remaining ten percent (10%) of the deposit to the customer; or (ii) take over responsibility for conducting such event post-termination, in which case the City will be entitled to the full amount of the deposit. With respect to cancellations pursuant to clause (i), the City will reimburse Licensee the portion of any deposit that was received by the City prior to cancellation. City will have no other liability in connection with the return of a deposit to a customer. With respect to the assumptions of events by City, Licensee will pay to City the portion of any deposit that was received by Licensee prior to cancellation.

3.6 Should Licensee at any time abandon the use of the Farm, or any part thereof, or fail at any time for a continuous period of sixty (60) days to use the same for the purposes contemplated herein, then this Agreement shall terminate, and in addition to any other rights or remedies, City shall immediately be entitled to exclusive possession and ownership of the portion so abandoned or discontinued, without the encumbrance of this Agreement or any additional notice to Licensee. City, at its option, may remove any personal property of Licensee remaining on the abandoned property, at Licensee's expense.

4. Licensee's Use of Farm

For and during the term of this License, and any extension or renewal thereof, Licensee's use of the Farm and conduct of Farm Operations shall be subject to, and Licensee shall comply with and cause Licensee's Designees to comply with, the following conditions, covenants and restrictions. Each person entering the Farm shall be considered at all times to be acting as an agent of Licensee.

4.1 Any and all uses of the Farm shall be in compliance with applicable federal, State, and local law, including, without limitation, the Aliso Viejo Municipal Code and City Resolution No. 2018-3.

4.2 Except as provided in this License, the Farm shall be used only for the purposes specified in Section 1, above, and the Farm shall not be used for any other use or purpose whatsoever, without the prior written consent of City.

4.3 Licensee shall not cause, permit or suffer any "hazardous material," "hazardous waste" or "hazardous chemicals", as those terms are used in the Comprehensive Environmental Response, Compensation, and Liberty Act (CERCLA) (42 U.S.C. § 9601(14)) or the Superfund Amendment Reauthorization Act (SARA) (42 U.S.C. § 11021(e)) or any similar Federal, State, or local law, statute, ordinance, regulation or order, or otherwise determined by City, to be brought upon, left, used or abandoned on the Farm.

4.4 Licensee shall only use Food and Drug Administration (FDA) approved non-hazardous chemical treatments at the Farm, including, but not limited to pesticides, insecticides, fungicides, and herbicides.

4.5 Licensee shall not maintain, commit or permit the maintenance or commission of any waste or any nuisance (as defined in California Civil Code section 3479) on the Farm, and Licensee shall not use or permit the use of the Farm for any unlawful purpose.

4.6 Licensee shall make reasonable attempt to control the accumulation or breeding of flies, pests and rodents.

4.7 Licensee shall provide exit signs in at least three (3) exit locations.

4.8 Licensee shall maintain animals on the Farm subject to the requirements and restrictions of the Aliso Viejo Municipal Code and Resolution No. 2018-30.

4.9 Any and all signage on the Farm shall be subject to City's reasonable approval and the Aliso Viejo Municipal Code, as applicable.

4.10 Licensee is authorized to park street legal vehicles and/or trailers in the shared parking lot during the Farm's hours of operation, provided in Section 4.15. Licensee's and Licensee's Designees' vehicles and/or trailers shall neither be parked nor stored at the Farm or on the Premises overnight unless Licensee has received prior written approval from the City.

4.11 City and its authorized representatives shall have the right at all reasonable times to enter upon the Farm and inspect the general condition of the Farm to determine if Licensee is complying with the terms, conditions, requirements and provisions of this License.

4.12 Licensee agrees to allow access to the Farm by Licensee and any of its employees, volunteers, agents, representatives, or contractors only during the hours between 7 a.m. and 12 a.m., daily, except in case of an emergency where immediate response is needed to address potential maintenance and operation issues on the Farm. In the event of an emergency, Licensee agrees to provide at least 24 hours' prior notice to City if reasonably possible. If it is not reasonably possible, then Licensee agrees to provide to City notice immediately after its after-hours entry and access to the Farm and the reasons therefor. Emergency notice shall be provided by Licensee via email and/or telephone to the City Representative or his or her designee.

4.13 Licensee agrees to use City's registration system for registration and facility rentals and leases for general public access programming and Events.

4.14 Licensee shall ensure that front gate to Farm is open and accessible during all general public access hours and during Events. Licensee shall lock Farm upon leaving the Farm at the end of each day. In addition, the front gate to the Farm shall be chained with a daisy lock, which shall be accessible by City at all times. Licensee shall provide to City a key and/or combination to any locks Licensee uses on the Farm.

4.15 Licensee agrees to provide general public access to the Farm between the hours as follows:

Monday: Closed

Tuesday: 9am-4pm

Wednesday: 11am-6pm

Thursday: 1pm-6pm

Friday: 8am to 2pm

Saturday: 8am to 1pm

Sunday: Closed

City-observed holidays: Closed

4.16 Licensee or Licensee's employee(s), volunteer(s), agent(s) or representative(s) shall be on the Farm during all general public access hours and during any Events. Such general public access hours may vary in cases of, including, without limitation, an emergency or Event, including the set-up or take-down of an Event. Should the general public hours vary from the hours provided, above, then Licensee shall reasonably provide notice of any change of hours in its website, phone line, social media, and on-site signage.

4.17 The Parties agree that one raised planter shall be dedicated to the local high school, one raised planter shall be dedicated to the local middle school, and one raised planter shall be dedicated to Soka University, for a total of three (3) dedicated raised planters. Maintenance of the dedicated raised planters shall be responsibility of those schools, respectively, and those schools shall have the authority to enter the Farm during general public access hours to maintain their respective planters. Such schools' use shall not interfere with Licensee and its operations. Should the school dedicated raised planters fail to meet minimum standards for maintenance and management, Licensee may maintain the raised planters to ensure an appropriate level of operation.

4.18 The use of bounce houses during Events will be subject to the following conditions: (i) Licensee will require the party who rents the Farm for the Event to provide additional liability insurance coverage for the day of the Event; and (ii) the vendor providing the bounce house will provide a certificate of insurance listing the party who rents the Farm, the City and Licensee as additional insureds.

4.19 Unless prior written authorization from the City is received, the following restrictions apply to Large Events and Events, as applicable:

4.19.1 "Large Events" shall mean those Events attended by 100 or more persons with the exception of events that are open to the public. Large Events are subject to the following restrictions:

a. Large Events shall be held on the weekends only (weekend shall be defined as Friday and Saturday).

b. Licensee shall ensure one security guard is provided 30 minutes before guest arrival time and remain onsite 30 minutes after the contract end time. Two security guards may be required at the request of the City depending on the scale of the event. Security shall be provided by a City approved professional security service, to properly direct participants and attendees and to prevent unlawful conduct by participants and attendees. The security guards shall have the authority to enforce all rules and regulations governing facility rentals.

c. Alcohol service at Large Events shall stop by 9:30 pm.

4.19.2 For all other Events not deemed to be Large Events the following restrictions apply:

a. Events shall be allowed to take place during weekends and weekdays (weekdays defined as Sunday through Thursday); and

b. Alcohol service shall stop by 9:30 pm.

4.19.3 The City Representative or his or her designee may make *de minimis* changes to any proposed use of the Farm as defined hereunder as may be deemed necessary, including but not limited to the total number of Events and restrictions of such Events. Notice of such changes shall be made by the City Representative or his or her designee in writing to Licensee. For purposes of this Agreement, unless specifically stated otherwise, any reference to Event throughout this Agreement shall also mean Large Event.

4.20 For all Events taking place on the Farm (whether Large Events or Events), the following restrictions apply:

4.20.1 Licensee agrees to limit maximum number of people on the Farm at any time per any and all applicable laws, rules and regulations, including but not limited to the local Building and Fire Codes and Resolution No. 2018-30.

4.20.2 Licensee must secure an alcoholic beverage control license and any other licenses and/or permits as may be required by law to host such events.

4.20.3 Events shall be allowed on the Farm during the following hours: Outdoor Events: 8 a.m. through 10 p.m., at which time all guests shall have vacated the Farm. If amplified sound is used, it shall not be allowed past 9:30 p.m. Whether or not amplified sound is used, at no point shall sound emanating from the Farm exceed the noise limits identified by the Aliso Viejo Municipal Code. No live bands will be permitted at Events including no brass or percussion live music. Live music with one singer and/or one musician may be considered.

4.20.4 Events that are weddings shall only be permitted on Fridays during the months of April – July or Saturdays throughout the year.

4.20.5 Any event where alcohol is served or provided, Licensee shall ensure one to two security guards are provided 30 minutes before guest arrival time and remain until

the contract end time. Security shall be provided by a City approved professional security service, to properly direct participants and attendees and to prevent unlawful conduct by participants and attendees. The security guards shall have the authority to enforce all rules and regulations governing facility rentals.

4.20.6 In the event the Sheriff's Department is called, the cost of their services shall be deducted from the applicant's security deposit and paid to the City. The applicant will be billed for any costs exceeding the security deposit.

4.21 As a condition precedent to the effectiveness of this Agreement, Licensee shall be fingerprinted by the City of Aliso Viejo, which fingerprints shall be submitted to the Department of Justice for transmittal of a criminal record summary by the Department of Justice to City. As an alternative to fingerprinting by City, Licensee may show compliance with the provisions provided below by submitting adequate documentation to the City that he or she has undergone a fingerprint check through the Department of Justice.

4.21.1 Licensee hereby authorizes and directs the Department of Justice to furnish a criminal record summary on Licensee to City's Recreation & Community Services Department containing criminal records information on Licensee, in accordance with the provisions of Education Code Section 10911.5, Penal Code Section 1105.3 and Public Resources Code Section 5164.

4.21.2 Licensee understands that the existence of criminal records under Education Code Section 10911.5, Penal Code Section 11105.3 and/or Public Resources Code Section 5164 may constitute disqualification of Licensee from use the Farm under this Agreement.

4.21.3 Licensee further understands that criminal conduct under the aforementioned statutes occurring subsequent to commencement of this Agreement may be cause for immediate termination of this Agreement.

4.21.4 City acknowledges that the fingerprints and criminal data generated under the provisions of this Agreement are confidential and agrees to use such information only for the purposes for which it was acquired.

5. Responsibilities of Licensee

Without in any way limiting Licensee's right to manage and operate the Farm in accordance with the terms of this Agreement, Licensee shall, in addition to other obligations and responsibilities set forth in this Agreement, perform the following services, or cause the same to be performed for the Farm at its sole cost and expense:

5.1 Manage and market the Farm and use reasonable efforts to achieve and comply with the approved Operating Budget.

5.2 Maintain sufficient, qualified personnel at the Farm to operate the Farm in a manner reasonably believed by Licensee to be efficient and consistent with the Operating Budget (which activities shall include, hiring, training and termination of personnel);

5.3 Consummate arrangements with concessionaires, vendors, licensees, guests, customers or other intended users of the Farm;

5.4 Timely make payment of all Farm Expenses, whether or not identified in the Operating Budget, including the cost of all utilities necessary for Farm Operations (except for wireless internet services as set forth in Section 9.3);

5.5 Obtain and maintain, all licenses and permits required of Licensee by any City, County, State and Federal governmental authority in connection with the operation and management of the Farm, including, without limitation, all licenses, permits and certifications related to the preparation and service of food and alcoholic beverages. City agrees to execute any and all applications and such other documents as shall be reasonably required and to otherwise cooperate, in all reasonable respects, with Licensee in the application for, and obtaining and maintenance of, such licenses and permits;

5.6 Consistent with the obligations set forth in Section 10.1 and 10.2, maintain the Farm and all buildings, improvements, fixtures and personal property (including City Assets) contained therein in good condition and repair and cultivate, maintain and harvest all decorative and agricultural trees and plants located on the Farm in a prudent manner consistent with good horticultural and agricultural practices ("Maintenance Obligations"). For the avoidance of doubt, Licensee will be responsible for damage to and the replacement of trees, whether decorative or used for agricultural purposes, unless such damage was the result of acts or occurrences outside the reasonable control of Licensee (destruction caused by guests at any Event will be the responsibility of Licensee);

5.7 Operate the Farm in compliance with all insurance requirements and legal requirements, except for actions which the City or City's separate contractors are obligated to perform. In the event, at any time during the term of this Agreement, repairs, additions, changes, or corrections in the Farm of any nature shall be required for any reason, Licensee shall notify City and request City's consent to take all reasonable steps to repair and correct any such repairs, additions, changes, or corrections or the replacement of trees and other plants located on the Farm. Licensee will be responsible for the cost of all such work that falls within its Maintenance Obligations or is the result of the failure of Licensee to carry out its Maintenance Obligations. If repairs, additions, changes, or corrections are Capital Improvements or would require expenditures of a capital nature, including repair of buildings or structures other than ordinary repair and maintenance, then the cost shall be the responsibility of the City, provided, however, that no work shall be undertaken by Licensee until the written consent of the City has been obtained; and

5.8 At all times during the term of this Agreement, Licensee will remain in good standing under the laws of the State of California as a non-profit public benefit corporation and will further maintain its tax exempt status as a non-profit corporation pursuant to the rules of the Internal Revenue Service.

6. Operating Procedures and Budget

6.1 Licensee shall set all fees, rates, and charges for the Farm consistent with the Farm's market position for Farm and event facilities in the greater Orange County area; provided

that all such fees, rates and charges shall be subject to the approval of the City. All fees, charges, and prices at the Farm shall be comparable to and competitive with comparable facilities, as mutually identified from time to time by Licensee and City Representative. Facility usage and Event fees shall be as provided in Exhibit "C," attached hereto and incorporated herein by reference, and subject to annual increases on July 1 by the Index. Fee increases in excess of the Index are subject to approval by the City.

6.2 Licensee shall submit to the City Representative or designee, annually on or before March 1 of each year, the Operating Budget for the Farm for the next Operating Year. The Operating Budget shall contain Licensee's reasonable and good faith estimates of all Gross Revenues and Farm Expenses for the next Operating Year, based on what Licensee believes to be reasonable assumptions and projections. Licensee shall not be deemed to have made any guarantee or warranty in connection with the results of operations or performance set forth in the Operating Budget and the parties acknowledge that the Operating Budget is based solely upon Licensee's judgment and the facts and circumstances known by Licensee at the time of preparation.

6.3 The Parties agree that they shall use reasonable efforts to limit the increase in total Farm Expenses during the term of this Agreement to the increase in the Index or increases due to increases in Gross Revenues. Any increase in excess of the increase in the Index shall be documented in the Operating Budget. The parties understand that, as provided in Section 10.5 of this Agreement, recommendations and budgets for Capital Improvements will be treated separately and will not form part of the Operating Budget. Licensee and the City agree to develop by March 1 of each year an Operating Budget that can be forwarded to the City Council for approval.

6.4 Reserved.

6.5 Review of Operating Budget. The City and Licensee shall meet periodically to discuss the operating results of the Farm.

6.6 Licensee acknowledges that it is solely responsible for all Farm Expenses, as defined by section 1.1, required for or on behalf of the Farm, including, without limitation, paying for such Farm Expenses, and that such Farm Expenses will be made in accordance with the terms of this Agreement. Licensee's Farm Expenses shall not include expenses, obligations, costs, or fees attributable to the operation, service, or maintenance of any other facility besides the Farm. Licensee also shall be responsible for all other expenditures and obligations in connection with the Farm, including without limitation, all federal, state and local taxes.

6.7 Farm Gross Revenue. City shall collect all revenues associated with the operations of the Farm with respect to Events by requiring customers to book Events through the City events website. No cash sales will be conducted. Notwithstanding the manner of collection, Gross Revenue from the Farm shall be split ninety percent (90%) to Licensee ("Licensee Share") and ten percent (10%) to the City ("City Share"). Within 30 days after the end of each month, the City shall pay the Licensee Share of Gross Revenues collected by the City from the preceding month to Licensee. The City will retain the City Share of Gross Revenues collected by City. The City will have the right to offset from the Licensee Share all Reimbursable Expenses and any amounts due and payable from the Licensee pursuant to this Agreement or as a result of any breach of this Agreement.

7. Accounting Management, Books and Records:

7.1 Accounting Management. Licensee shall manage all accounting and financial reporting functions of the Farm.

7.2 Books and Records. Licensee shall keep full and accurate books of account and such other records as are necessary to reflect the results of the operation of the Farm. All revenue and income related to the operation of the Farm shall be recorded by Licensee in full and separate books and maintained in accrual format in accordance with generally accepted accounting principles, consistent with entries, supported by documentation, sufficient to allow City to ascertain the accuracy of such books and records. All books and records for the Farm shall be located either at the Farm or at Licensee's corporate office. All such books, records, and reports shall be maintained separately from other facilities operated by Licensee. Licensee agrees to maintain reasonably appropriate accounting, operating, and administrative controls relating to the financial aspects of the Farm. Licensee shall surrender all on-site books and records to City upon expiration or termination of this Agreement and shall maintain all financial and accounting books and records maintained at the corporate office for a period of at least three (3) years after the expiration or earlier termination of this Agreement. City shall have the right to inspect and audit such books and records during such period as provided in Section 8.3 below.

7.3 Inspection. Upon reasonable notice and during normal business hours, City shall have the right during the term of this Agreement to review, inspect, audit, and copy the books, records, invoices, deposit receipts, canceled checks, and other accounting and financial information maintained by Licensee in connection with the operation of the Farm. All such books and records shall be made available to City or its authorized agents, auditors or representatives at the Farm unless City and Licensee agree upon another location. City, at its own expense, shall have the right to retain an independent nationally recognized accounting firm to audit the books and records of the Farm on an annual basis. Such inspection right shall not extend to any inspection of records located at Licensee's corporate offices that are not related to the Farm. If any such audit demonstrates that the Gross Revenues reflected in any financial statements prepared by Licensee are understated by more than five percent (5%), Licensee shall pay to the City the reasonable cost of such audit. In any event, Licensee shall promptly refund to the City any portion of the Gross Revenues that is attributable to the understatement.

7.4 Reports to City. Licensee shall deliver to the Director of Financial Services of the City the following financial statements, in a form reasonably acceptable to City and as outlined in Exhibit "D," attached hereto and incorporated herein by reference:

7.4.1 Within fifteen (15) days after Quarter-End, a profit and loss statement showing the results of operations of the Farm for such month and for the Operating Year to date, which statement shall include sufficient detail to reflect all Gross Revenues; and,

7.4.2 Within thirty (30) days after the end of each Operating Year, a profit and loss statement showing the results of operation of the Farm for such Operating Year which

statement shall include sufficient detail to reflect all Gross Revenues. If requested by City, these financial statements shall be certified by an independent certified public accountant acceptable to City.

7.4.3 Within thirty (30) days after Quarter-End, a report detailing the federal, state, local and sales taxes paid by Licensee on behalf of City and amounts accrued by Licensee for estimated federal, state, local and sales tax liabilities relating to the Farm, in each case arising during such calendar quarter.

8. City Programming at Farm:

8.1 Licensee agrees to host a minimum of four (4) free community workshops annually and a minimum of three (3) paid workshops, classes and/or camps annually.

8.2 All workshops, classes/camps, and events are to be advertised in the quarterly Community Connections brochure and registration taken through the recreation software with the administrative fee included in the cost and any additional credit card fees.

8.3 Licensee may host field trip opportunities for school aged children. Pricing and scheduling is at the discretion of the Licensee. Field trips with number of attendees shall be scheduled through the recreation software system.

8.4 City shall be authorized to annually host a maximum of six (6) City events at the Farm, without any charge, including, without limitation, any facility rental or lease charge. There shall be no limit or restriction on any City event hosted on the farm, with the exception that City shall not hold a City event on a Saturday unless mutually agreed to in writing by the Parties. City shall be solely responsible for the cost to operate and host such events. Licensee shall be obligated to participate in two City events annually. City events may include, but are not limited to: State of the City, Jamfest & Summer Camp Expo, All is Bright Holiday Celebration & Tree Lighting Ceremony, Outdoor Movies, Concerts, and July Fourth festivities. City shall provide Licensee with at least 90 (ninety) days' notice of scheduling a City event and Licensee shall not unreasonably withhold its consent from City to hold any City event.

9. City Contributions to Licensee and Farm.

9.1 City has provided fishponds and raised bed planters, as well as a foreman's house and tin storage shed for Licensee's use, as designated in Exhibit "B".

9.2 Licensee acknowledges that the City has further provided certain personal property for use at the Farm as described on Exhibit "E" ("City Assets") and that all such personal property remains the property of City and will be maintained and left in good condition and repair, ordinary wear and tear excepted, following the expiration or termination of this Agreement.

9.3 During the term of this Agreement, City will provide and pay for dedicated wireless internet services to serve the Farm.

9.4 Permanent ADA restroom: City shall provide an ADA compliant restroom in the foreman's house.

10. Maintenance and Repair of Farm

10.1 Licensee's Obligation to Maintain Farm:

10.1.1 Licensee shall at all times during the term of this License, and any extension or renewal thereof, at its sole cost and expense, remove all trash and debris from the Farm, including, without limitation, trash and debris from any Events and trash and debris from landscaping. All janitorial costs for the Farm and the buildings will be the sole responsibility of Licensee. Additionally, Licensee shall harvest, maintain, operate, irrigate, and prune trees in the general orchard outside of the Farm area, as depicted in Exhibit "B".

10.1.2 Licensee shall keep and maintain in good condition and in substantial repair (all to the satisfaction of City, in its sole discretion), the Farm, all the buildings and facilities located thereon, and all appurtenances and every part thereof, including, without limitation, trees, mulch, edible and non-edible landscaping, raised planters and improvements of any kind erected, installed or made on or within the Farm. Licensee shall at all times in the maintenance and use of the Farm and the raised planters, buildings, structures, facilities, improvements and equipment thereon (if any), comply with all laws, ordinances, policies, and regulations pertaining thereto, and all conditions and restrictions set forth herein. Licensee expressly agrees to maintain the Farm in a safe, clean, wholesome, and sanitary condition and free of trash and debris, to the complete satisfaction of City and in compliance with all applicable laws. City shall provide shared dumpster(s) and green waste dumpster(s) for the Farm and shall pay any associated costs therewith

10.1.3 Licensee acknowledges that as a contractor of the City, Licensee and any contractors used by Licensee, are required to pay prevailing wages with respect to maintenance and repair activities performed at the Farm in accordance with the laws of the State of California. Licensee will provide City with a monthly report detailing all work performed that was subject to prevailing wage and the wages actually paid. Such reporting to the City will in no way relieve Licensee of its obligation to ensure compliance with the regulations and requirements of the California Department of Industrial Relations.

10.2 Water Quality Control:

10.2.1 Licensee shall keep itself and all its employees, volunteers, agents, representatives, and contractors fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the operation of the Project including, without limitation, all applicable provisions of the City's ordinances regulating discharges of storm water; the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); and any and all regulations, policies, or permits issued pursuant to any such authority. This includes, but is not limited to, the municipal separate stormwater permit issued by the California Regional Water Quality Control Board (San Diego Region) Order NO. R8-2009-0030, Order NO. R9-2013-0001, as amended; the Construction General Permit, Order No. 2009-0009-DWQ, as amended, and the Industrial General Permit, Order No. 2014-0057-DWQ, as amended; and any other applicable federal or state water quality certification, permit, license or approval.

10.2.2 Licensee shall comply with the lawful requirements of the City, and any other municipality, drainage district, or other local agency with jurisdiction over the Farm, regarding discharges of storm water to separate storm drain systems or watercourses, including all applicable requirements of the Orange County Drainage Area Management Plan ("DAMP") and the City of Aliso Viejo Local Implementation Plan ("LIP"). Sections 5, 7, and 8 of the DAMP contain requirements related to design and construction of public projects. Contractor shall be familiar the DAMP, and the LIP and shall comply with the requirements as specified therein.

A copy of the DAMP is available on the internet at:

http://www.ocwatersheds.com/StormWater/documents_damp.asp

A copy of the LIP is available on the internet at:

https://avcity.org/DocumentCenter/View/373/Local-Implementation-Plan-LIP-PDF

10.3 Licensee's Default of its Maintenance Duties: In the event that Licensee fails, neglects or refuses to remove trash or debris deposited by Licensee or Licensee's Designees on the Farm or to maintain or make repairs or replacements as required by this License, City shall notify Licensee in writing of such failure or refusal. Should Licensee fail or refuse to correct such default within three (3) business days of receipt of such written notice from City, City may, but shall not be required to, itself or by contract, undertake the necessary maintenance, repair or replacements; and the cost thereof, including but not limited to the cost of labor, materials and equipment and procurement of insurance, plus an administrative fee in the amount of fifteen percent (15%) of the sum of such costs, shall be paid by Licensee to City within ten (10) days of Licensee's receipt of a statement of such costs from City. Any such maintenance, repair or replacement by or on behalf of City shall not be deemed to be a waiver of Licensee's default under this License, and shall not in any way impair, prevent or restrict City from exercising any of its rights or remedies set forth in this License or otherwise provided at law.

10.4 City's Obligation to Maintain Certain Improvements: Within the Farm, City agrees to provide maintenance services related to the fence surrounding the Farm, the foreman's house and equipment related to the aquaponics pumps and the Farm's mechanical and electrical infrastructure, subject to reimbursement for the costs of such maintenance and repair as a Reimbursement Expense. The City shall not be responsible for the maintenance of any other improvements except for what is provided in this Section 10.4, provided, however, that upon request from Licensee, the City may agree to provide such maintenance services as a Reimbursable Expense. All work performed by the City will be billed on a cost recovery basis at the fully burdened rate for the City employees providing the maintenance and repair services together with any costs for equipment and materials and the administrative fee set forth in Section 10.3.

10.5 Capital Improvements and Plan: During the term of this Agreement, Licensee shall submit on or before March 1 of each year, a Capital Improvement Plan for the Farm for the next Operating Year, which shall include Licensee's recommendation of Capital Improvement projects for the next Operating Year and the estimated costs of such Capital Improvement projects.

10.6 Implementation of Capital Improvement Projects. The Parties acknowledge and agree that all Capital Improvement projects are in City's sole control and discretion, and all costs and expenses of Capital Improvement projects will be the responsibility of the City. Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that this Agreement imposes no responsibilities or obligations on the part of Licensee with respect to any aspect of a Capital Improvement project, including design, construction or supervision.

10.7 Non-Capital Improvements:

10.7.1 Prior Consent for Improvements, Licensee shall not make any alteration of or improvement to the Farm without the prior written approval of City.

10.7.2 In the event that Licensee desires to make any alteration, improvement, addition or utility installation in or about the Farm, Licensee shall present such request in writing to City, for each phase of construction, together with detailed plans of the proposed alteration or improvement; and Licensee shall not commence such alteration or improvement unless and until City has granted approval thereto in writing. Licensee shall ensure that its contractor works closely with the City in constructing any improvements to the Farm.

10.7.3 In the event that City grants written approval to any requested alteration of or improvement to the Farm, such approval shall be deemed conditioned upon Licensee acquiring all governmental licenses, approvals and permits required therefor, and such alteration or improvement shall be constructed in strict conformance with the plans approved therefor by City. Once approved by City, no changes or alterations shall be made to the plans without the prior written approval by City. Said approved plans shall automatically become attachments to this License and be incorporated herein.

10.7.4 In the event that City grants written approval to any requested alteration of or improvement to the Farm, Licensee shall construct such alteration or improvement in strict conformance with such approval at Licensee's sole cost and expense. Licensee will comply with all prevailing wage requirements for such improvements as set forth in Section 10.1.3.

10.7.5 Ownership of Improvements: All improvements constructed or placed within the Farm by Licensee, including but not limited to raised planters, landscaping, irrigation systems, electrical and other utilities shall, upon the completion of construction, installation or placement within the Farm, be free and clear of all liens, claims and liability for payment for labor and material. Title to such improvements shall be vest with the City. Unless otherwise authorized by the City, such improvements shall be removed from the Farm at the expiration of this License and the Farm shall be restored to the condition that existed prior to the improvements being constructed at Licensee's sole cost and expense.

10.7.6 Modification of Alterations or Improvements: In the event that Licensee desires to modify or add to any alteration of or improvement to the Farm, Licensee shall not commence any such modification or alteration without the prior written consent of the City Representative.

10.7.7 City Improvements. City shall have the unilateral option to make improvements to the Farm as it deems necessary, in its sole and absolute discretion upon providing reasonable notice to Licensee. City shall have the unilateral option to immediately make improvements to the Farm in cases of an emergency.

10.7.8 Mechanics Liens or Stop-Notices: Licensee shall at all times indemnify and save City harmless from all claims, losses, demands, damages, costs, expenses, or liability costs for labor or materials in connection with construction, repair, alteration, or installation of structures, improvements, equipment, or facilities within the Farm, and from the cost of defending against such claims, including attorney fees and costs.

In the event a lien or stop-notice is imposed upon the Farm as a result of such construction, repair, alteration, or installation, Licensee shall either:

a. Record a valid Release of Lien, or

b. Procure and record a bond in accordance with Section 3143 of the Civil Code, which frees the Farm from the claim of the lien or stop-notice and from any action brought to foreclose the lien.

Should Licensee fail to accomplish either of the two optional actions above within fifteen (15) days after the filing of such a lien or stop-notice, this License shall be in default and shall be subject to immediate termination.

10.8 City Approvals and Actions through the City Manager, or his/her designee. The City Manager, or his/her designee, shall represent the City in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by the City, the City Manager, or his/her designee, is authorized to act, unless this Agreement specifically provides otherwise or the context should otherwise require. The City Manager, or his/her designee, shall have the authority to issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of City so long as such actions do not materially or substantively change the uses of the Farm permitted under this Agreement or cause the City to incur costs. The City Manager, or his/her designee, is authorized to approve extensions of the term (but shall have no obligation to do so) provided that:

a. Each such extension is in writing and is signed by the City Manager and Licensee.

b. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Manager.

11. Legal Relations and Responsibilities

11.1 Nature of Relationship: City and Licensee understand and agree that the only relationship between them created by this License is that of Licensor and Licensee, and that this License does not create, and shall not be construed to create, any City, partnership, joint venture, landlord-tenant or other relationship between City and Licensee.

11.2 Permits and Approvals: Licensee and its contractors, subcontractors, consultants, and subconsultants shall obtain any and all governmental permits, approvals, licenses or other authorizations which may be required in connection with the use of the Farm as set forth in this License. No approval or consent given under this License by City shall affect or limit Licensee's obligations hereunder, nor shall any approvals or consents given by City, in its capacity as a party to this License, be deemed to be approval as to compliance or conformance with any applicable governmental codes, laws, orders, rules or regulations. Licensee shall comply with all City municipal codes (including but not limited to City zoning laws), policies, and plans, including City's fire and evacuation plan for the Farm written by City's Emergency Services Licensee, upon execution of this Agreement. No Event shall be approved by City unless all City Zoning Law and requirements (including but not limited to conditional use permit requirements) have first been met and any and all applicable fees have been paid, unless such laws and requirements have been specifically waived or exempted by the City of Aliso Viejo in its sole discretion.

11.3 Insurance: Without limiting City's right to indemnification, it is agreed that Licensee shall secure, prior to commencing any activities under this Agreement, and maintain, during the term of this Agreement, insurance coverage as follows:

Workers' compensation insurance as required by California statutes and Employers Liability in an amount not less than $1,000,000 per occurrence.

General liability insurance. Commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $2,000,000 per occurrence, $4,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Vendor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Liquor Liability. Liquor liability coverage in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate.

Umbrella or excess liability insurance. An umbrella liability insurance policy in the amount of Five Million Dollars ($5,000,000) that will provide coverage for all the liability policies listed in section 11.3. Such policy or policies shall include the following terms and conditions:

(a) A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;

(b) "Pay on behalf of" wording as opposed to "reimbursement";

(c) Concurrency of effective dates with primary policies.

An excess liability policy, such policy shall be excess of all the liability policies listed in section 11.3. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

Other provisions or requirements

Proof of insurance. Licensee shall provide certificates of insurance and required endorsements to City as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City for the contract period and any additional length of time required thereafter. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Licensee shall procure and maintain for the contract period, and any additional length of time required thereafter, insurance against claims for injuries to persons or damages to property, or financial loss which may arise from or in connection with the performance of the Work hereunder by Licensee, their agents, representatives, employees, or subconsultants.

Primary/non-contributing. Coverage provided by Licensee shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self- insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Licensee or City will withhold amounts sufficient to pay premium from Licensee payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees, and volunteers or shall specifically allow Licensee or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Licensee hereby waives its own right of recovery against City and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Licensee acknowledges and agrees that any actual or alleged failure on the part of the City to inform Licensee of non- compliance with

any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Licensee maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Licensee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Licensee agrees to oblige its insurance agent or broker and insurers to provide the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. If any of the Licensee's insurers are unwilling to provide such notice, then Licensee shall have the responsibility of notifying the City immediately in the event of Licensee's failure to renew any of the required insurance coverages or insurer's cancellation or non-renewal.

Additional insured status. All liability insurance policies shall provide or be endorsed to provide that the City of Aliso Viejo, its officers, agents, employees, representatives and City-designated volunteers are added as additional insureds under such policies with respect to all work, services, activities or any casualty occurring at the Farm.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Licensee agrees to ensure that its subconsultants, subcontractors, and any other party who is brought onto or involved in the project/service by Licensee (hereinafter collectively "subcontractor"), provide the same minimum insurance coverage and endorsements required of Licensee. Licensee agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. However, in the event Licensee's subcontractor cannot comply with this requirement, which proof must be submitted to the City, Licensee shall be required to ensure that its subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with subcontractor's scope of work and services, with limits less than required of the Licensee, but in all other terms consistent with the Licensee's requirements under this agreement. This provision does not relieve the Licensee of its contractual obligations under the agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Licensee with the ability to utilize a subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Licensee

under this agreement given the limited scope of work or services provided by the subcontractor. Licensee agrees that upon request, all agreements with subcontractors, and others engaged in the project, will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Licensee ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Licensee, the City and Licensee may renegotiate Licensee's compensation.

Self-insured retentions. Such insurance shall be written without self-insured retention but may include a deductible of not more than $5,000 per occurrence, provided that such deductible is disclosed to City, in writing, at the inception of this Agreement.

Timely notice of claims. Licensee shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Licensee's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Licensee shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

City's Risk Licensee is hereby authorized to reduce the requirements set forth herein in the event he determines that such reduction is in City's best interest.

11.4 Indemnification. To the fullest extent permitted by law, Licensee shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Licensor, its employees, volunteers, agents, representatives, contractors, subcontractors, in connection with the Farm and use thereof, the performance of Farm Operations and the Project, and this Agreement, including without limitation the payment of all damages, expert witness fees and attorneys' fees and other related costs and expenses. Licensee's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Licensee or the City, its officials, officers, employees, agents or volunteers. Notwithstanding the provisions of the above paragraph, Licensee further agrees to assume all risk, and to indemnify, defend, and hold harmless City from and against any and all claims, demands, defense costs, liability, expense, or damages of any kind or nature arising out of or in connection with personal injury of Licensee's Designees and damage to or loss of any property belonging to Licensee's Designees. The obligations set forth in this indemnification provision shall survive the termination, expiration, or non-extension or renewal of this Agreement.

11.5 Compliance with Laws: Licensee shall keep itself fully informed of all existing and future state and federal laws and all county and City ordinances and regulations which in any manner affect the activities of Licensee under this License, or the possession or use of the Farm by Licensee, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Licensee shall at all times observe and comply with all such existing and

future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, City, and its respective officers, directors, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Licensee or any person or entity holding under Licensee.

11.6 Assignment: The License granted hereby is personal to Licensee and any assignment of said License by Licensee, voluntarily or by operation of law, shall automatically terminate this License, unless Licensee has obtained the prior written consent of City, which may be withheld, in its sole and absolute discretion, for any reason or no reason at all. Should Licensee wish to assign its rights to the License granted to use the Farm as described herein, then Licensee shall inform the City of such intent and City shall have sole and absolute discretion to terminate this License and all the rights granted hereunder.

11.7 Acknowledgment of City's Title: Licensee hereby acknowledges the title of City in and to the Farm, including the real property fixtures and improvements existing or erected thereon (if any), and Licensee hereby covenants and promises never to assail, contest or resist City's title to the Farm.

11.8 Liens: Licensee shall maintain the Farm free from and clear of any claims, obligations, liabilities, liens, encumbrances and charges, including but not limited to any claims, liens or charges arising out of or in connection with the furnishing of materials or the performance of labor on the Farm. Licensee further shall protect and indemnify City and the Farm from and hold them, and each of them, harmless against any and all such claims, obligations, liabilities, liens, encumbrances and charges.

11.9 Possessory Interest Taxation: A possessory interest subject to property taxation may be created by this License. It is understood and agreed that if such a possessory interest is created, Licensee shall be responsible for the payment of all property taxes levied on such interest, and that City shall have no responsibility therefor.

11.10 City's Reservations

11.10.1 City hereby reserves the right to grant easements and rights-of-way for pole or tower lines for transmission of electricity, and easements, leases and rights-of-way for telephone, telegraph, telecommunication facilities, gas, water, sewer and oil lines, for roads and highways, and for other similar uses over and across the Farm at any location or locations within the Farm. In the event Licensee determines that the granting or exercise of any such easement, lease, or right-of-way significantly interferes with Licensee's possession or use of the Farm, Licensee's only remedy shall be to terminate this License upon thirty (30) days written notice to City. Licensee shall not interfere with any easements or rights-of-way pertaining to or affecting the Farm.

11.10.2 Subject to the provisions in Section 11.10.1 above, City hereby reserves the right to sell, transfer or otherwise dispose of any portion of the Premises, including, without limitation, the Farm, at any time. In the event of such sale, transfer or disposition, and notwithstanding any other provision of this License, this License shall, upon the close of escrow or the conveyance of title, terminate as to the portions of the Farm sold, transferred

or disposed of, and Licensee shall release the same from the terms of this License and from any encumbrance which results from this License.

11.10.3 City further reserves unto itself the rights of ingress and egress over all or any portion of the Farm.

11.11 Waiver of Claims: As a material part of the consideration to City under the License, Licensee hereby waives any and all claims that it may have against City during the term of this License, or any extension or renewal thereof, for any damage to goods, wares and merchandise upon or about the Farm, and for any injury to Licensee, Licensee's Designees, or to third parties in or about the Farm, from any cause arising at any time.

11.12 Surrender of Possession: At the expiration or termination of this License, whether with or without cause, Licensee shall promptly quit and surrender the Farm in a good state of repair.

11.13 Disposition of Abandoned Property: If Licensee abandons or quits the Farm or is dispossessed thereof by process of law or otherwise, title to any personal property left on the Farm for fifteen (15) or more days after such event shall at City's option, be deemed to have been abandoned and transferred to City. City shall have the right to remove and dispose of any and all such property without liability therefor to Licensee or to Licensee's Designees, and City shall have no duty to account for such property. Licensee agrees to reimburse City for any and all costs associated with City transferring or disposing of Licensee's or Licensee's Designees' personal property pursuant to this Section.

11.14 Farm "As-Is": Licensee acknowledges that the Farm is being provided to Licensee on an "as-is" basis, and Licensee takes and occupies the Farm without reliance upon any representation by City, or any of its officers, employees, agents or representatives, or any other person, concerning the Farm, its fitness for Licensee's intended use or any other particular purpose of use, or any other promise, representation or inducement not expressly set forth in this License. All persons entering the Farm under this Agreement do so at their own risk.

11.15 No Representation or Warranty Concerning Farm: Licensee acknowledges that neither City, nor any of its officers, employees, agents or representatives, has made any written or oral representation, promise, or warranty, expressed or implied, concerning the Farm, its fitness for Licensee's intended use or any other purpose or use, or any other matter not expressly set forth in this License.

11.16 Disputes: In the event that any action is commenced by a party to this License against the other to enforce its rights or obligations arising from this License or seeking to interpret this License, the prevailing party in such action, in addition to any other relief and recovery ordered by the court, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees. Should City be named in any suit brought by any third party against Licensee in connection with or in any way arising out of Licensee's or Licensee's Designees' occupancy or use of the Farm under this License, Licensee shall pay to City (as the case may be) its costs and expenses incurred in such suit, including reasonable attorneys' fees.

11.17 Security Measures: Licensee acknowledges that City makes no representation or warranty, express or implied, regarding the security of the Farm or the need for or propriety of any security measures at the Farm; and Licensee further acknowledges that City shall have no obligation whatsoever to provide guard service or any other security measures. Licensee expressly assumes all responsibility for the protection and security of the Farm, Licensee, Licensee's Designees and property within the Farm from any and all acts of any third party. Further, Licensee shall comply with all permits and laws concerning security guards for any and all Events conducted on the Farm. Licensee shall also provide security lights of which type is subject to prior approval by the City, during evenings for Events, to access driveway ingress and/or egress to and from the Farm.

11.18 No Obligation to Third Parties: Execution and issuance of this License shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, nor obligate either of the parties hereto to, any person or entity other than the City and Licensee.

11.19 Waiver: Any waiver by any party of a breach of any provision of this License shall not be deemed a continuing waiver or a waiver of any subsequent breach whether of the same or of another provision hereof.

11.20 City's Liability on Termination: Licensee hereby waives all damages or claims for damage that may be caused by any action of City in terminating this License (either with or without cause), or taking possession of the Farm as provided in this License or at law, and Licensee waives and releases any claims, demands, causes of action, whether known or unknown, fixed or contingent, against the City, its respective officers, employees, representatives, successors and assigns based upon, arising from, or relating to the termination of this License. This waiver and release shall include, without limitation, any and all claims in relation to the Farm or Licensee or Licensee's Designees for relocation assistance or benefits arising from the California Relocation Act (commencing with Section 7260 of the California Government Code), the Uniform Relocation Assistance and Real Premises Acquisition Public Act of 1970 (42 U.S.C. Sections 4601 *et seq.),* and any similar or analogous enactment or rule or regulation promulgated pursuant thereto. This paragraph shall be interpreted to give effect to the intent of the parties that Licensee, who has had the opportunity to consult with legal counsel of its choosing, and has engaged in active negotiations as to all of the terms and provisions of this License, shall receive no relocation compensation, benefits, remuneration, advice, or assistance. By waiving and forever releasing claims both known and unknown, Licensee expressly waives any rights under California Civil Code Section 1542, which provides:

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

AF
AF _____ LICENSEE'S INITIALS

12. Non-Exclusive Use by Licensee

12.1 Licensee acknowledges and understands that the Premises, including the Farm, is City-owned property dedicated for the purpose to support City use. Licensee shall not unreasonably interfere with City's use of the Premises.

12.2 The uses allowed per this Agreement shall be on a nonexclusive basis. As such, Licensor reserves the right to allow the Property to be used by other parties and to make additions, deletions, or modifications to its own facilities on the Property, provided that Licensor shall not allow any other party to physically occupy that portion of the Farm where the Project is located and Licensor shall not allow uses which would unreasonably interfere with Licensee's use of the Farm, as provided herein. Licensor reserves the right to make additions, deletions, or modifications to its own facilities on the Premises.

13. Miscellaneous

13.1 Notices: Any notice, payment or instrument required or permitted to be given or delivered by this License may be given or delivered by personal delivery or by depositing the same in any United States mail depository, first class postage prepaid, and addressed as follows:

If to City:	Aliso Viejo, CA 12 Journey, #100 Aliso Viejo, California 92656 Attn: City Manager
With a Copy to:	Best Best & Krieger 18101 Von Karman Ave., Ste. 1000 Irvine, California 92612 Attention: Scott C. Smith
If to Licensee:	Renewable Farms 468 S. Coate Road Orange, CA 92869 Phone: 714-362-4233 Attention: Aaron Flora

or such other person or address as either party may direct in writing to the other; provided, however, that such new or different person or address shall not become effective until acknowledged in writing by the party to who directed. Except where service is by personal delivery or by registered or certified mail, return receipt requested, service of any instrument or writing shall be deemed completed forty-eight (48) hours after deposit in a United States mail depository.

13.2 Warranty of Authority: Each officer of City and Licensee affixing his or her signature to this License warrants and represents by such signature that he or she has the full legal authority to bind his or her respective party to all of the terms, conditions and provisions of this License, that his or her respective party has the full legal right, power, capacity and authority to

enter into this License and perform all of its provisions and obligations, and that no other approvals or consents are necessary in connection therewith.

13.3 Headings: The titles and headings of Sections and Paragraphs of this License, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this License, or to control, limit or modify any of the terms, covenants or conditions hereof.

13.4 Time of Essence: Time is of the essence of this License. Failure to comply with any requirement, including but not limited to any time requirement, of this License shall constitute a material breach of this License.

13.5 Construction and Amendment: This License shall be construed, interpreted, governed and enforced in all respects according to the laws of the State of California and as if drafted by both City and Licensee. No amendment, change or modification of this document shall be valid unless in writing, stating that it amends, changes or modifies this License, and signed by all of the parties hereto.

13.6 Calendar days: Any references to "days" herein shall be calendar days.

13.7 Successors: Subject to the provisions of Paragraph 4.3, above, this License, and all of the terms, conditions and provisions herein, shall inure to the benefit of, and be binding upon, City, Licensee, and their respective successors.

13.8 Partial Invalidity: If any term, covenant, condition or provision of this License is held by a court of competent jurisdiction to be invalid, void, illegal, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way affect, impair, or invalidate any other term, covenant, condition or provision contained in this License.

13.9 Further Assurances: Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

13.10 Record Keeping: Licensee shall keep records and invoices in connection with the work to be performed under this Agreement. Licensee shall produce to City on the 1st of every month, the total gross monthly product and non-profit donation report, also including community outreach, educational workshops and other related activities. All such records shall be clearly identifiable. Licensee shall allow a representative of City to examine, audit and make transcripts or copies of such records and any other documents created pursuant to this Agreement during regular business hours. Licensee shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement for a period of three (3) years from the date of termination of this Agreement.

[Remainder of page left intentionally blank; signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this License Agreement effective as of the Commencement Date.

CITY OF ALISO VIEJO

By:_____
David Doyle
City Manager

RENEWABLE FARMS

By: Aaron Flora
Aaron Flora (Jul 5, 2023 16:20 PDT)
Name:_____
Title: Director

By:_____
Name: _____
Title:_____

ATTEST:

By:_____
Mitzi Ortiz, MMC
City Clerk

APPROVED AS TO FORM:

By:
_____
Best Best & Krieger LLP
City Attorney

APPROVED AS TO COMPLIANCE WITH BUDGET:

By:
_____
Ann Eifert
Director of Financial Services

Exhibit "A"

Aliso Viejo Ranch

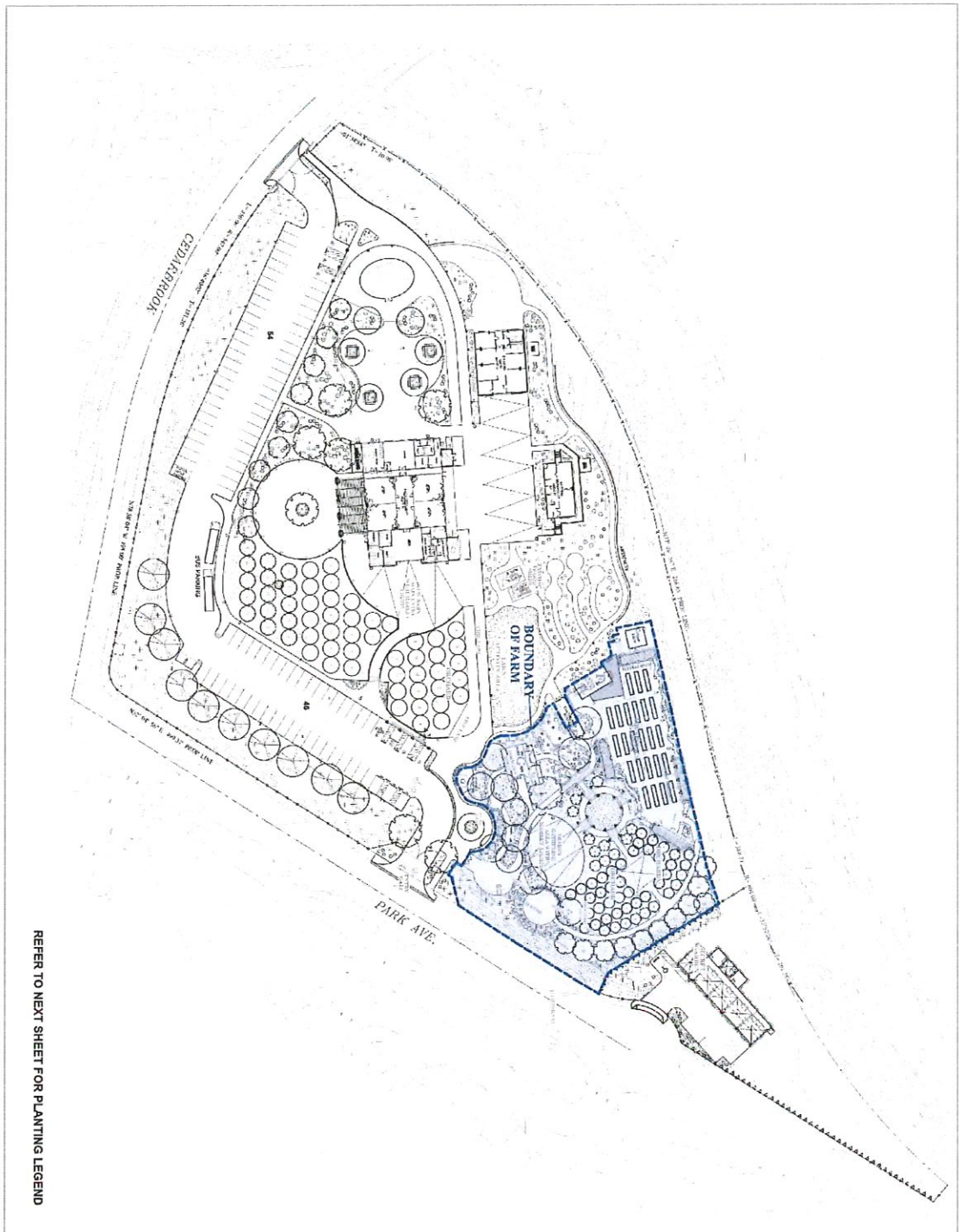


Exhibit "B"

Farm Site Plan

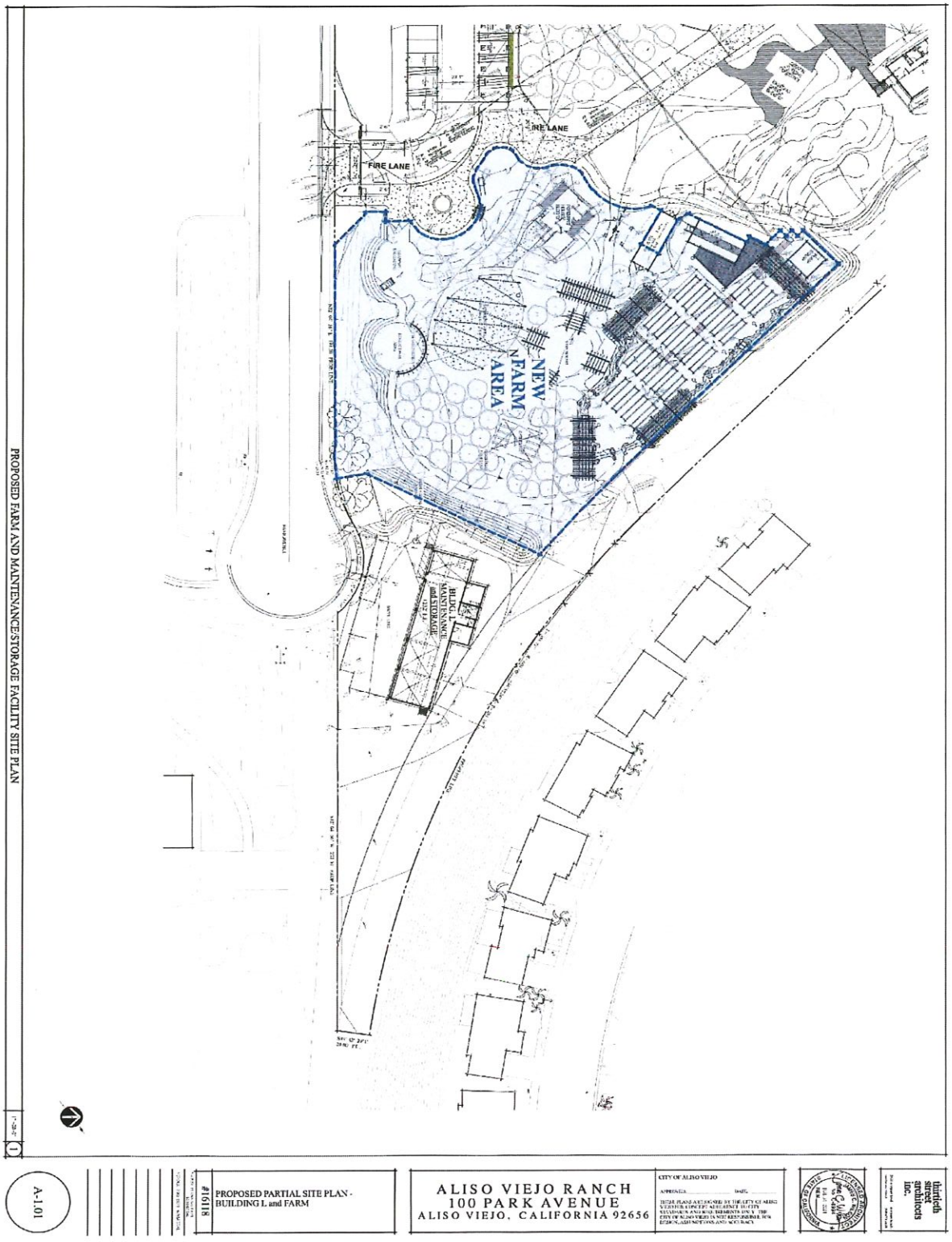


Exhibit "C"

Fee Schedule

Gold Coast Farm	Resident Rate	Non-Resident Rate
City Sponsored	$0	N/A
School District	$309	$415
Non-Profit	$309	$415
Private	$359	$465
Commercial	$569	$669
Saturday 2023	$5,600	$6,500
Friday Weddings 2023	$5,200	$5,800
Saturday 2024	$6,000	$6,500
Friday 2024	$5,300	$5,900

Additional Fees

Security Officer	$36 per hour
Sheriff Department (Minimum Fee)	$342
Cost of Incidental	(Dependent on damages)

Exhibit "D"

Financial Reports

Licensee shall provide the following services as stipulated in Section 7.4 of this Agreement including but not limited to the following:

Financial Reports. Licensee shall review, provide oversight of the preparation of financial statements and provide the City with reports for each accounting period, as well as annual financial statements and reports. Reports are due within fifteen days (15) of Quarter-End and thirty days (30) of year end. Reports include but are not limited to:

1. Current Month and Year End Reports

(a) Balance Sheet – Farm
(b) Income Statement – Farm
(c) GL Detail – Farm
(d) Accounts Payable – Copies of all invoices
(e) Check Register

2. Budgets for the Facilities.

(a) Operating Budget – Farm
(b) Capital Improvement Plan
(c) 5Yr Forecast

3. Financial management.

(a) Annual audit at City's discretion
(b) Establish and assure maintenance of vendor reconciliation including filing of 1099s on a calendar year basis, maintain signed W-9's on file for all vendors paid by the site
(c) Monitor internal controls, policies and procedures
(d) Prepare and file all federal, state income, franchise tax returns and any other applicable reports for the entity
(e) Provide fixed asset/inventory reporting consistent with Licensee's policies and procedures
(f) City shall have ownership of all financial data for history purposes

Exhibit "E"

City Assets

Outside
Trash Barrels: 10
Plastic Trash Bins: 5
Hose:1
Cart Wheel: 1
Picnic Tables: 15
Picnic Tables Seat: 30
Single Table: 1
Hexagon Stand: 1
Electric Cart: 1
Bar: 1
Metal Tub: 1
Coleman Cooler:1
Metal Wire Chairs:2

Foreman's House:
Cushioned Singular Chairs: 2
Wire chair: 1
Leather Sofa: 1
Desk: 1
Small shelf rack: 1
Mini Fridge: 1
Large Yeti: 1
Lamp: 1
Folding wall: 1
Trash/Basket:1

Room Inside Foreman's House
Suede Chair: 1
High Chairs: 3
Large Cushioned chair:1
Ottoman:1
Large Standing Mirror: 1
Standing lamp:1
Table top lamp:1
Desk: 1
Clothing Rack: 1
Wall mirror: 1

Tin Shed
Solo Backpack Sprayer: 1
Craftsman toolbox: 1

Lead blower: 1
Dewalt vacuum: 1
Husky large container: 1
Fan: 1
Weed Wacker: 1
White wire shelf: 5
Rails to hold wire shelf: 8
Rake: 1
Lawn mower: 1
Wide Broom: 2
Miter Saw: 1
White board: 1
Power Washer: 1
Stepping stool: 1
Metal chairs: 2
Dolly: 1
Sawhorse: 2

Exhibit "F"

Facility Use Terms and Conditions and Waiver

Renewable Farms Waiver

Hours

Events can start as early as 12pm on Saturdays and 10am on all other days and all guests must vacate the premises by 10pm. Alcohol service must end by 9pm and amplified music must cease by 9:30pm. Hours of the event may vary according to your agreement.

Media

Renewable Farms may request photographs or videos for publicity, public relations, or promotional materials. Use of such media is at the discretion of the Renter.

Liability Release and Insurance

Renewable Farms is not responsible for lost, stolen, or damaged personal property. A staff member of Renewable Farms will be present during the event for security and assistance to the facility. In addition, all events with over 100 people and all events with alcohol, regardless of size, require a minimum of one security guard by a security company approved by Renewable Farms. One security guard will be provided 30 minutes before guest arrival time and remain onsite 30 minutes after the event's end time. Two security guards may be required depending on the scale of the event. The applicant is responsible for covering the cost of the security services. If the Sheriff's Department is called, Renter will be responsible for covering the cost of their services.

The Renter is responsible for the actions of their guests and must sign the Liability Release Form. Guests must stay within the perimeter of our property during the event. Renewable Farms and the City of Aliso Viejo and its officials, officers, employees, volunteers, agents, representatives, and contractors will not be held responsible for any injuries or death during the Renters event.

The Renter acknowledges that Renewable Farms is an independent operator of the facility and is solely responsible for carrying out all of its obligations in connection with the event, including all obligations associated with the use of the event space. In no event will the City of Aliso Viejo and its officials, officers, and employees be responsible for providing any service to Renter or for the payment of any refund, discount, or credit in connection with the cancellation or any event or the failure of Renewable Farms to fulfill its obligations to the Renter.

Alcohol

Renewable Farms and its Renters shall abide by all laws of the State of California concerning the use and serving of alcohol. Each Renter wishing to have alcohol at their event must abide by the following regulations regarding alcohol use on Aliso Viejo Ranch grounds.

- Alcohol may only be served by and to persons over the age of 21.

- If evidence is found that unauthorized alcohol is being served or that alcohol is served to a minor, the Sheriff's Department will be notified, and the event will be terminated with all fees and deposits forfeited.
- Injuries caused to any person as a result of alcoholic beverages being served to or consumed by someone under the age of 21 shall be the sole responsibility of the organization or individual renting the facility.
- Renters are allowed 1 cocktail at their event. Beer, Wine, and Champagne are all permissible.
- There is no alcohol allowed beyond the gates of the farm.
- Shots are not permissible.
- You must have a designated Renewable Farms or Approved Catering bartender serve all drinks from behind the bar. Self-service is not permitted.
- Alcohol can be served for a max of 4 hours and must conclude 1 hour prior to event end time.

Catering

- A list of preapproved caterers is available to select from.
- Food trucks are only permitted in designated areas.
- If you wish to use a caterer not on the list, approval from Renewable Farms and the City of Aliso Viejo. Caterers must meet the following conditions:

o Applicant shall provide appropriate insurance coverage requirements as follows:

o Prior to commencement of the Services, caterer shall provide proof of Commercial General Liability insurance with coverage at least as broad as Insurance Services Office "occurrence" Form CG 0001 in the amount of $2,000,000, and $4,000,000 in the general aggregate, and Automobile Liability insurance with coverage at least as broad as Insurance Services Office Form CA 0001 in the amount of $1,000,000. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

o The City of Aliso Viejo, its officials, officers, employees, agents and volunteers shall be named as additional insureds with regard to liability and defense of suits or claims arising in connection with the catering services.

o Additional Insured Endorsements shall not (1) be restricted to ongoing operations; (2) exclude contractual liability; (3) restrict coverage to sole liability of Caterer; or (4) contain any other exclusions contrary to the listed requirements.

o If Caterer is an employer or otherwise hires one or more employees during the term of the event, Caterer shall also provide proof of workers' compensation coverage as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000

per accident for bodily injury and disease. The caterer shall waive all subrogation rights against the indemnified parties.

Trash

The Renter will be charged a cleanup fee for leaving behind items that are not considered "standard waste". These unacceptable items include but are not limited to wood pallets, furniture, coolers, hanging rods, crates, etc.

Smoking

Smoking is NOT permitted on the premises of Aliso Viejo Ranch, including the parking lot.

Music

Amplified sound can start as early as 12pm on Saturdays and 10am on all other days, and must end 30 minutes prior to your event end time and no later than 9:30pm. Outside sound equipment is not permitted. The Renter must use the list of preferred DJ's for services. DJ's are required to use our provided system (speakers). Renewable Farms reserves the right to control the volume at any time. No live music unless first approved. (Piano or Guitar during the ceremony is ok)

Decor

- Decorations may not be stapled, glued, taped, or nailed into any part of the facility.
- Free-standing decorations are allowed but must be approved in advance by Renewable Farms.
- A special event/temporary use permit from OCFA is required to use candles and tents. These can be obtained by emailing specialevents@ocfa.org
- The following items and practices are prohibited: Balloon releases, lantern releases, glitter, confetti, dry rice, tiki torches, sparklers, cold sparklers, or fireworks of any sort.

Equipment Rentals

All materials and placement must comply with the Fire Marshall's rules and regulations. Renewable Farms and the City of Aliso Viejo are not responsible for any outside rental equipment lost, stolen, or broken on farm grounds. Renters must account for all items rented from outside vendors before concluding their event.

Use of Bounce House

The use of bounce houses during events will be subject to the following conditions:

- Rental will obtain a permit as necessary from the City of Aliso Viejo;
- Renter will provide additional liability insurance coverage as required by Renewable Farms; and
- The company providing the bounce house must provide a certificate of insurance with no less than $2,000,000 per occurrence and $4,000,000 in the aggregate of general

liability coverage naming Renter, Renewable Farms, and the City of Aliso Viejo, its officials, officers, employees, agents and volunteers as additional insureds.

Furniture

If Renter decides to use tables and benches provided by Renewable Farms, Renter is responsible for moving furniture to the desired location and putting furniture back after the event. If Furniture is not put back in its original place, Renewable Farms will keep all of the clean-up deposit.

Ceremony Rehearsal

- Renter has 4 hours (from 2pm to 6pm) to rehearse for their ceremony on the Thursday or Friday before their scheduled event.
- No Food or Drinks allowed during wedding rehearsal time.
- Renter can also use this time to rearrange the venue and bring in items for the event pending availability and prior approval.

Reservation Deposit

Weddings: To hold a date for a wedding, a 50% down payment is due upon booking, which reserves your date on the Aliso Viejo Ranch calendar. 100% of the rental fee must be paid 10 days prior to the event date.

Private Events: To reserve a date for a private event, we require the full amount due at booking. A separate payment of $500 is also required and due at booking and serves as your refundable cleaning deposit. This money will be deposited. Renewable Farms will refund this amount to you so long as the farm is left in the same condition it was in when you arrived.

Cancellation Policy

In the unlikely event that Renewable Farms finds it necessary to cancel your event after a contract has been signed, we will reschedule your event or refund all fees paid to date.

- The reservation deposit is non-refundable. If a Renter must cancel a reservation date, no refund will be issued.

Force Majeure

The venue shall not be responsible for performing its obligations in the event of circumstances beyond our control. These circumstances may include, but are not limited to; power failures, inclement weather, and acts outside human power where the venue is unable to perform its obligations. The venue will not be liable for any consequential damages or costs of any consequence. If the main area of the venue becomes unavailable for any unforeseen reason prior to or during your event, the venue may substitute the farm grounds with another location on the property.

In the event that unforeseeable circumstances may force you to cancel your event the day of, Renewable Farms will offer the next available date for rescheduling.

Miscellaneous

- If the Renter wants to use the venue past the designated time paid for, Renewable Farms holds the right to deny or accept the request. The cost will be determined on-site by Renewable Farms.
- All animals brought to the venue by Renter must first be approved by Renewable Farms. Animals are limited to those included in the City of Aliso Viejo Municipal Code.
- Renewable Farms can approve or deny any vendors/planners/ or 3rd parties
- Rental items, décor, and other belongings brought on site must be removed the same day unless expressed written permission is received from Renewable Farms and the City of Aliso Viejo.
- There is a 150-person max for all events at the farm unless otherwise specified.
- Set up time for Weddings is as early as 9am unless special permission has been granted.
- Area in front of the farm entrance must always be clear of parked cars unless loading/unloading. Fire lanes must also remain clear.
- Live musicians are not permitted during events unless written permission is received from Renewable Farms.
- All SEND OFF's must be done within our gates and before your event end time. Sparklers of any kind are not permitted.
- Events that are weddings are only permitted on Saturdays or Fridays during the months of April-July.

Cleanup and Damage Deposit

The refundable cleaning deposit is $500. This amount is due at booking. Renewable Farms has 7 days after the event to determine the condition of the facility and any cleaning fees/ damages incurred before returning your damage deposit. The Renter also agrees to pay any damages or cleaning fees, which might exceed the damage deposit. The Renter will be invoiced for additional fees, which are due within 30 days.

I, hereby state that I have read and understand the policies in the Renewable Farms' Rental Policy.

Date:_____ **Event Date:**_____

Applicant's Name:_____ **Signature:**_____

WAIVER OF LIABILITY

In consideration for allowing me, my child, or my party to participate in the activities of Aliso Viejo Ranch, I, for myself, my heirs, personal representatives or assigns, and for my child, do hereby release, waive, discharge and covenant not to sue Aliso Viejo Ranch, Renewable Farms, the City of Aliso Viejo and its officials, officers, employees, volunteers, agents, representatives, and contractors, Aaron P. Flora, and all of the owners, directors, officers, landlords, employees, representatives, and agents affiliated with these entities, from any and all claims, including negligence, resulting in personal injury, accidents, or illnesses (including death) and property loss arising from, but not limited to, participation in the field trip, tour, class, training, observation, or volunteering and participation in all activities involved with the event at Aliso Viejo Ranch on the date listed below.

All activities at Aliso Viejo Ranch carry with it certain inherent risks that cannot be eliminated regardless of the care taken to avoid injuries. The specific risks include but are not limited to: Minor Injuries such as scratches, bruises, and sprains; Major Injuries such as eye injury, bone, joint or tissue injury, heart attacks and concussions; Catastrophic Injuries such as paralysis, drowning, animal attack, and death. These risks increase when other persons, whether or not at the same level of experience or skill, are present at the same time at the same location. I know and appreciate these risks that are inherent in participation in the activities of Aliso Viejo Ranch and hereby assert that my, or my child's participation, is voluntary and that we knowingly assume all such risks.

I also agree to indemnify and hold harmless Aliso Viejo Ranch, Renewable Farms, the City of Aliso Viejo and its officials, officers, employees, volunteers, agents, representatives, and contractors, Aaron P. Flora, and all of the owners, directors, officers, landlords, employees, representatives, and agents affiliated with these entities, from all any and all claims, actions, suits, procedures, costs, expenses, damages and liabilities, including attorney's fees, brought as a result of my, my parties, or my child's, participation in the activities of Aliso Viejo Ranch and Gold Coast Farm.

I understand that the foregoing waiver, assumption of risk, and indemnity provisions are intended to be as broad and inclusive as permitted by the laws of the State of California and that if any portion thereof is held to be invalid, it is agreed that the balance shall continue in full force and legal effect.

I further state that I am, my parties, or my child is, in proper physical condition to participate in the activities of Aliso Viejo Ranch, and I authorize that I, my parties, or my child receive medical treatment if needed while participating in the activities of Aliso Viejo Ranch. I agree to pay all costs associated with medical care and transportation for me or my child.

I grant permission for the use of my, my parties, or my child's, name and likeness related to my participation in the activities of Aliso Viejo Ranch. I also grant the use of my, or my child's, voice and any and all recorded and/or filmed/video/photographed footage of me, or my child, and further waive all rights to any compensation as a result of my, or my child's, name or likeness being used in any way.

Any dispute, controversy, or claim arising out of or related to this Agreement or interpretation of this Agreement will be settled by arbitration in accordance with the Rules of the AAA. The place of arbitration shall be Orange County, CA, and the laws of the State of CA shall be used. The parties shall share equally all initial costs of arbitration. The prevailing party shall be entitled to reimbursement of attorney fees, costs, and expenses incurred in connection with the arbitration. All decisions of the arbitrator shall be final, binding, and conclusive on all parties. Judgment may be entered on any decision in accordance with applicable law in any court having jurisdiction thereof.

The Renter acknowledges that Renewable Farms is an independent operator of the facility and is solely responsible for carrying out all of its obligations in connection with the event, including all obligations associated with the use of the event space. In no event will the City of Aliso Viejo and its officials, officers, and employees be responsible for providing any service to Renter or for the payment of any refund, discount, or credit in connection with the cancellation or any event or the failure of Renewable Farms to fulfill its obligations to the Renter. Renewable Farms and the City of Aliso Viejo and its officials, officers, employees, volunteers, agents, representatives, and contractors will not be held responsible for any injuries or death during the Renters event.

I have read and understand these provisions and fully understand their terms and implications. I understand I am giving up substantial rights, including my right to sue. I acknowledge that I am signing this agreement, freely and voluntarily, and intend by my signature to be a complete and unconditional release of all liability to the greatest extent allowed by law.

Event Date:_____

Participant Name: _____

Signature of Participant:_____

Signature of Parent or Guardian (if participant is a minor): _____

AMENDMENT License Agreement - Renewable Farms FINAL TO SIGN 7.5.2023

Final Audit Report 2023-07-05

Created:	2023-07-05
By:	Lizzy Mendoza (LMendoza@AVCity.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAdIBnlmLZKjWbrCOg9vzB1oILg70vCLjf

"AMENDMENT License Agreement - Renewable Farms FINAL TO SIGN 7.5.2023" History

Document created by Lizzy Mendoza (LMendoza@AVCity.org)
2023-07-05 - 6:53:01 PM GMT- IP address: 12.220.236.226

Document emailed to aaron@renewablefarms.com for signature
2023-07-05 - 6:54:59 PM GMT

Email viewed by aaron@renewablefarms.com
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Signer aaron@renewablefarms.com entered name at signing as Aaron Flora
2023-07-05 - 11:20:44 PM GMT- IP address: 104.35.92.63

Document e-signed by Aaron Flora (aaron@renewablefarms.com)
Signature Date: 2023-07-05 - 11:20:46 PM GMT - Time Source: server- IP address: 104.35.92.63

Agreement completed.
2023-07-05 - 11:20:46 PM GMT

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: So Kim, Community Development Director
Rose Rivera, Senior Planner

SUBJECT: FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH MIKE LINARES, INC. FOR CDBG ADMINISTRATIVE SERVICES

Recommended Actions:

Authorize a First Amendment to the Professional Services Agreement with Mike Linares, Inc. to increase total compensation by $30,000.

Fiscal Impact:

The U.S. Department of Housing and Urban Development ("HUD") allocates annual CDBG funds to the City. The CDBG program allows a maximum of 20 percent of the annual grant to be used for program administrative costs, including City staff and consultant time. In 2022, the City Council approved an agreement in the amount not to exceed $82,500 over three years. This amendment is to increase total compensation by $30,000 for a total of $112,500 to include the cost of preparing the 5-year Consolidated Plan as required by HUD. The increased compensation amount will be covered by the CDBG grant.

Discussion:

On June 15, 2022, the City Council approved a three-year Professional Services Agreement with Mike Linares, Inc. (July 1, 2022 through June 30, 2025) to provide CDBG administrative services in the amount not to exceed $27,500 per year for a total compensation amount of $82,500. While the approved scope of services included the preparation of a 5-year Consolidated Plan, the associated cost of $30,000 was not reflected in the total compensation amount. The proposed first amendment is to include the additional $30,000 to cover the cost of the one time, 5-year Consolidated Plan.

Attachment:

1. Original Agreement

2. First Amendment to the Agreement

CITY OF ALISO VIEJO
PROFESSIONAL SERVICES AGREEMENT
FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES

1. PARTIES AND DATE.

This Agreement is made and entered into this 15th day of June, 2022, by and between the City of Aliso Viejo, a municipal corporation organized under the laws of the State of California with its principal place of business at 12 Journey, Suite 100, Aliso Viejo, California 92656 ("City") and **MIKE LINARES, LLC**, a **CALIFORNIA CORPORATION**, with its principal place of business at **P.O. BOX 3913, SAN CLEMENTE, CA 92672** ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of professional **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE** consultant services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE** consultant services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project.

City desires to engage Consultant to render such services for the **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM IN THE CITY OF ALISO VIEJO** project ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE** consultant services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **JULY 1, 2022** to **JUNE 30, 2025**, unless earlier terminated as provided herein. The City Manager shall have the

unilateral option, at its sole discretion, to renew this Agreement annually for no more than two additional one-year terms.***] Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant shall complete, execute, and submit to City a Request for Taxpayer Identification Number and Certification (IRS FormW-9) prior to commencement of any Services under this Agreement. Neither City, nor any of its officials, officers, directors, employees or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services.

3.2.2.1 Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.2.2 Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include a Force Majeure Event. A Force Majeure Event shall mean an event that materially affects a Party's performance and is one or more of the following: (1) Acts of God or other natural disasters; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the Services); (4) strikes and other organized labor action occurring at the site and the effects thereof on the Services, only to the extent such strikes and other organized labor action are beyond the control of Consultant and its subcontractors, and to the extent the effects thereof cannot be avoided by use of replacement workers; and (5) pandemics, epidemics or quarantine restrictions. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations

and orders, rules to protect the public health, welfare and safety, and other actions of a public agency applicable to the Services and Agreement.

3.2.2.3 Should a Force Majeure Event occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Force Majeure Events and/or delays, regardless of the Party responsible for the delay, shall not entitle Consultant to any additional compensation. Notwithstanding the foregoing in this section, the City may still terminate this Agreement in accordance with the termination provisions of this Agreement.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **MIKE LINARES**.

3.2.5 City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all purposes under this Contract. The City Manager hereby designates **COMMUNITY DEVELOPMENT DIRECTOR**, or his or her designee, as the City's contact for the implementation of the Services hereunder. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **MIKE LINARES**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.10.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance. If the existing policies do not meet the Insurance Requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(a) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence, and if written with an aggregate, the aggregate shall be double the per occurrence limit. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(b) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

(c) Professional Liability: Professional Liability insurance with minimum limits of $1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.).

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

(d) Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

3.2.10.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

(a) The policy or policies of insurance required by Section 3.2.10.2 (a) Commercial General Liability and (c) Contractor's Pollution Liability shall be endorsed to provide the following:

(1) Additional Insured: The City of Aliso Viejo, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of

suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(b) The policy or policies of insurance required by Section 3.2.10.2 (b) Automobile Liability and (d) Professional Liability shall be endorsed to provide the following:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(c) The policy or policies of insurance required by Section 3.2.10.2 (e) Workers' Compensation shall be endorsed to provide the following:

(1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.10.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.10.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.10.6 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.10.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.10.8 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Agreement.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.

3.2.10.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.10.10 Insurance for Subconsultants. All Subconsultants shall be included as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing Subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the City as an Additional Insured to the Subconsultant's policies.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions where applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices,

equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **TWENTY-SEVEN THOUSAND FIVE HUNDRED** DOLLARS annually for a total compensation of (**$27,500**) ("Total Compensation") without written approval of City's **COMMUNITY DEVELOPMENT DIRECTOR**. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation.

Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all non-disputed and approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City.

3.3.5 Prevailing Wages; DIR Registration.

3.3.5.1 Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. It is the intent of the parties to effectuate the requirements of sections 1771,

1774, 1775, 1776, 1777.5, 1813, and 1815 of the Labor Code within this Agreement, and Consultant shall therefore comply with such Labor Code sections to the fullest extent required by law. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.5.2 If the Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Contractor's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under this Agreement.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant:

MIKE LINARES, INC.
P.O. BOX 3913
SAN CLEMENTE, CA 92672
(714) 608-7263

City:

City of Aliso Viejo
12 Journey, Suite 100
Aliso Viejo, CA 92656
Attn: **COMMUNITY DEVELOPMENT DIRECTOR**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has

become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the City's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Fraud Policy. Consultant shall provide a copy of the City's Fraud Prevention Policy to each of its employees assigned to perform Services under this Agreement. Consultant shall submit to the City a statement signed by an authorized representative for Consultant certifying receipt of the City's Fraud Prevention Policy. A finding by the City that any of Consultant's employees have committed fraud against the City or have violated the City's Fraud Prevention Policy shall be grounds for appropriate discipline, up to and including such employee's removal from performance of this Agreement at City's request and/or termination of this Agreement. Consultant shall reimburse the City for any costs and expenses associated with fraud against the City.

3.5.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.6 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.7 Indemnification.

3.5.7.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers,

employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorneys fees and other related costs and expenses except such loss or damage caused by the sole negligence or willful misconduct of the City. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by the Consultant or the City, its officials, officers, employees, agents or volunteers.

3.5.7.2 If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.8 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.9 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.10 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.6 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.7 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.8 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.9 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for

convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.10 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.11 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.12 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.13 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.14 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.15 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.16 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.17 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.19 Declaration of Political Contributions. Consultant shall, throughout the term of this Agreement, submit to City an annual statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of Consultant's employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Agreement.

3.20 Subcontracting.

3.20.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[Signatures on following page.]

SIGNATURE PAGE TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF ALISO VIEJO AND MIKE LINARES, INC.

IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement on this 26th day of July, 2022.

CITY OF ALISO VIEJO

Approved:

By: Mitzi Ortiz (Jul 28, 2022 17:22 PDT)
for David Doyle
City Manager

ATTEST:

By: Charlene Cheng (Jul 28, 2022 17:24 PDT)
for Mitzi Ortiz, MMC
City Clerk

APPROVED AS TO FORM:

Best Best & Krieger LLP
City Attorney

APPROVED AS TO COMPLIANCE WITH BUDGET

By: Ann Eifert (Jul 28, 2022 17:21 PDT)
Ann Eifert
Director of Financial Services

MIKE LINARES, INC.

[If Corporation, TWO SIGNATURES, President OR Vice President AND Secretary OR Treasurer REQUIRED]

By: _____
Its: PRESIDENT
Printed Name: MIKE LINARES

By: _____
Its: SECRETARY
Printed Name: MIKE LINARES

CITY OF ALISO VIEJO

DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of the City Council within the last twelve (12) months by the applicant and all of applicants employees, including any employee(s) that applicant intends to assign to perform the work or services described in Agreement dated _____. If none, please state so:

NONE

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

San Clemente CA
City, State

May 29, 2022
Date

Mike Linares, Inc.
Name of Business

Mike Linares
Print Name

Signature

This executed form must be submitted with the Proposal.

CITY OF ALISO VIEJO

ACKNOWLEDGMENT OF RECEIPT OF FRAUD POLICY

I hereby acknowledge that I have received a copy of the City's "Fraud Prevention Policy" dated October 1, 2008. I understand that I am to promptly read its contents and distribute copies to employees assigned to perform Services for the City of Aliso Viejo.

To the extent that provisions of this policy conflict with previously issued policies or practices, whether or not such policies and practices were contained in written policies, this policy shall prevail.

Mike Linares, Inc.
Name of Business

Mike Linares
Print Name

Signature

May 29, 2022
Date

This executed form must be submitted with the Proposal.

CITY OF ALISO VIEJO

ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS

I, Mike Linares, the President
(President, Secretary, Manager, Owner or Representative)

of Mike Linares, Inc.
(Name of Company or Corporation or Owner), certify that I have read and understand the insurance requirements set forth in the Request for Proposals for the CDBG Administration Services and the Agreement form included therein, and accept such requirements as specified.

Firm: Mike Linares
Name (Please Print or Type)

By: Mike Linares
Signature

Date: May 29, 2022

This executed form must be submitted with the Proposal.

EXHIBIT "A"

SCOPE OF SERVICES

Scope of Work

Mike Linares has reviewed the City's Scope of Work and is prepared to undertake all of the listed duties with two exceptions:

Under the direction of City staff, Mike Linares, Inc. will provide CDBG Administration Services, including but not limited to the following:

1. Provide general CDBG program administration services and technical support under the direction of the Community Development Director.
2. Assist with the developing, implementing, and administering of eligible CDBG programs under the direction of the Community Development Director.
3. Provide a schedule for all HUD requirements to ensure all programs are in place.
4. Prepare and submit reports and plans on an annual basis for the CDBG program, including:
   A. Year 1 (FY22-23): FY21-22 Consolidated Annual Performance Report (CAPER) and the 2023-2027 Consolidated Plan, including the FY23-24 Annual Action Plan (AAP)
   B. Year 2 (FY23-24): FY22-23 CAPER and FY24-25 AAP
   C. Year 3 (FY24-25): FY23-24 CAPER and FY25-26 AAP
5. Provide annual service-provider on-site monitoring.
6. Assist with preparing agendas, staff reports, and recommendations for City Council and other special meetings.
7. Review applications and projects for compliance with the National Environmental Protection Act (NEPA).
8. Assist City Staff in maintaining information on the Integrated Disbursement and Information System (IDIS) and assisting with the voucher/draw-down requests.
9. Represent the City at various agency and organization meetings. Attend meetings of the City Council, City staff, public officials, community leaders, developers, contractors, and the general public as requested by City staff.
10. Facilitate communication between the City of Aliso Viejo and HUD.
11. Generate monthly status reports as necessary or requested.
12. Prepare and implement all public outreach programs and public participation under the CDBG program.
13. Coordinate or facilitate finance-related requirements between the City of Aliso Viejo and HUD.
14. Assist City staff in helping to ensure public works projects using CDBG funds comply with HUD regulations (Note: Mike Linares does not provide federal labor standards compliance services).
15. Provide general program administration and CDBG technical support.

- Annual Action Plan: The Annual Action Plan is the yearly expenditure plan for using CDBG funds. To undertake this process, the consultant will work closely with City staff to determine which projects and programs will be funded with CDBG.
- IDIS Set-up/Uploading: Upon completion and approval of the ConPlan by the Aliso Viejo City Council, Mike Linares, Inc. will set-up and upload the ConPlan and Annual Action Plan in IDIS; this will complete the initial stage of the process. HUD's CPD Representative assigned to the City will review the submitted ConPlan and may request additional information or modifications or approve the document.

EXHIBIT "B"

SCHEDULE OF SERVICES

CDBG Administration: With respect to program implementation, it is important to note that the administration of the CDBG programs is cyclical. At certain times of the grant cycle, extra time and resources are required to complete tasks (e.g., coordinating the annual public service grant allocation process and preparing the Action Plan and CAPER). Below is an outline of the typical implementation schedule for a HUD program year.

MONTH	CDBG -PROGRAM RELATED TASK
July	▪ Start of Program Year – Setup CDBG activities in IDIS ▪ Begin to collect & report data for the year-end report ▪ Prepare public service grant agreements and related materials ▪ Prepare NEPA reviews
August	▪ Collect and report program data for the year-end report ▪ Coordinate year-end financial data with City Finance Department ▪ Prepare draft CAPER
September	▪ Coordinate public review of CAPER ▪ Final CAPER ▪ Submit CAPER to HUD
October	▪ Prepare new grant year CDBG application
November	▪ Solicit housing and non-housing programs/projects for CDBG funds ▪ Distribute CDBG funding applications to sub-recipients & City departments
December	▪ Receive & review funding requests
January	▪ Prepare draft CDBG expenditure plan ▪ Mid-year budget reviews and adjustments
February	▪ Hold required public review/meetings for the proposed use of HUD funds ▪ Draft annual Action Plan

MONTH	CDBG -PROGRAM RELATED TASK
March	▪ Draft annual Action Plan ▪ Committee/Commission meetings
April	▪ Committee/Commission meetings ▪ Assist with preparation of agenda report for City Council Action Plan approval
May	▪ Submit Action Plan to HUD ▪ Prepare grant agreements for the new program year ▪ Monitor subrecipients
June	▪ Closeout program year ▪ Prepare grant agreements for the new program year ▪ Monitor subrecipients ▪ Prepare for year-end reporting
Ongoing	▪ Prepare various HUD-related quarterly, semi-annual and annual reports

Mike Linares' approach is to make sure the steps outlined above are implemented in a timely manner with the assistance and support of City staff and sub-recipients early in the program implementation process to ensure efficient and effective utilization of CDBG resources.

Consolidated Plan Preparation: Several steps will be necessary to initiate and complete the process:

- Citizen Participation: A significant portion of the Con Plan is dedicated to outlining the actions the City will take to obtain the input of residents and stakeholders during the preparation of the ConPlan. Community meetings, community surveys, focus groups, and public hearings are examples of actions utilized by communities. In consultation with City staff, Mike Linares, Inc. will identify existing data sources that can be utilized to prepare this section of the ConPlan.
- Research and Analysis: The ConPlan content and format are dictated mainly by HUD's eConPlan template; however, additional data collection and analysis are required to complete the template. Mike Linares, Inc. will utilize existing data sources to augment data provided by HUD to complete applicable ConPlan narratives and tables.
- Strategic Annual Plan: The Strategic Plan portion of the ConPlan establishes program and multi-year goals to address priority housing and community needs. The Strategic Plan will establish the general categories of programs and activities the City will undertake to meet priority needs. Mike Linares, Inc. will prepare applicable sections of the ConPlan in consultation with City staff to complete strategic five-year and annual activity goals.

EXHIBIT "C"

COMPENSATION

In the event that this Agreement is renewed pursuant to Section 3.1.2, the rates set forth above may be adjusted each year at the time of renewal described in Exhibit "B" in accordance with the annual average Consumer Price Index of the prior calendar year, All Urban Consumers, Los Angeles-Long Beach-Anaheim up to a maximum percentage of five percent (5%).

Cost Proposal

Mike Linares, Inc's proposed cost for CDBG program administrative services is based on an average of six hours per week or approximately 250 hours per year. At an hourly rate of $110.00, a not to exceed contract amount of $27,500 is proposed. This amount includes a flat rate to prepare the Annual Action Plan ($7,500) and the CAPER ($8,500). All rates are subject to an annual revision (at a time fitting for the City's budget preparation process). The adjustment will be based on the Consumer Price Index (CPI) published by the U.S. Department of Labor Statistics.

The proposed cost for the preparation of the 2023-2027 Consolidate is summarized below:

2023-2027 CONSOLIDATED PLAN PREPARATION TASKS	COSTS
DOCUMENT PREPARATION TASKS	
• Review/Revise Citizen Participation Plan & Prepare Applicable Section of the Consolidated Plan	$2,500
• Prepare Housing Market Analysis	$5,750
• Prepare Housing & Community Needs Assessments	$5,750
• Prepare Strategic Plan	$6,000
• Meeting(s) & Public Hearing(s)	$1,500
• Prepare Annual Action Plan *	$5,000
SUB-TOTAL	**$26,500**
CON PLAN RELATED TASKS	
• HUD Required Revisions	NA
• Obtain/Prepare /Analyze Community Needs (i.e., community survey, existing data sources, etc.) **	$3,000
• Reprographics & Miscellaneous Expenses (cost +10%) **	$500
SUB-TOTAL	**$3,500**
NOT TO EXCEED FIXED PRICE	**$30,000**

* Preparation of the FY 23-24 Annual Action Plan is included as a cost of preparing the Consolidated Plan and will not be billed as an annual program administration cost for FY 23-24. General FY 23-24 CDBG program administration will be billed at the agreed-to hourly rate for hours dedicated to regular program administration – approximately $12,500.

** If needed and with prior staff approval.

Agreement - Mike Linares

Final Audit Report 2022-07-29

Created:	2022-07-28
By:	Mitzi Ortiz (mortiz@avcity.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA6o4LtZL1wwgCC-rYpMbkbYtO1lOypsxm

"Agreement - Mike Linares" History

Document created by Mitzi Ortiz (mortiz@avcity.org)
2022-07-28 - 11:56:39 PM GMT- IP address: 70.183.28.2

Document emailed to Ann Eifert (aeifert@avcity.org) for signature
2022-07-28 - 11:57:40 PM GMT

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2022-07-29 - 0:21:15 AM GMT- IP address: 104.47.57.254

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Signature Date: 2022-07-29 - 0:21:54 AM GMT - Time Source: server- IP address: 70.183.28.2

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2022-07-29 - 0:22:00 AM GMT

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2022-07-29 - 0:22:27 AM GMT- IP address: 104.47.57.254

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Signature Date: 2022-07-29 - 0:22:35 AM GMT - Time Source: server- IP address: 70.183.28.2

Document emailed to Charlene Cheng (ccheng@avcity.org) for signature
2022-07-29 - 0:22:38 AM GMT

Email viewed by Charlene Cheng (ccheng@avcity.org)
2022-07-29 - 0:24:20 AM GMT- IP address: 104.47.58.254

Document e-signed by Charlene Cheng (ccheng@avcity.org)
Signature Date: 2022-07-29 - 0:24:34 AM GMT - Time Source: server- IP address: 12.159.99.2

Agreement completed.
2022-07-29 - 0:24:34 AM GMT

CITY OF ALISO VIEJO

FIRST AMENDMENT TO

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT

1. PARTIES AND DATE.

This First Amendment to the COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT ("First Amendment") is entered into on the ___ day of _____, 2023, by and between the City of Aliso Viejo (hereinafter referred to as the "City") and MIKE LINARES, INC., a CALIFORNIA CORPORATION, (hereinafter referred to as the "Consultant"). City and Consultant are sometimes collectively referred to herein as the "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into an agreement entitled COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT dated JUNE 16, 2022 ("Agreement").

2.2 First Amendment. The Parties now desire to amend the Agreement in order to increase the total compensation under the Agreement by **THIRTY THOUSAND Dollars ($30,000)**.

3. TERMS.

3.1 Fees.

Section 3.3.1 of the Agreement is hereby amended to read as follows: "Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. The total compensation shall be TWENTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS annually, plus THIRTY-THOUSAND DOLLARS for the preparation of the Five-Year Consolidated Plan, for a total compensation of ONE HUNDRED TWELVE AND FIVE HUNDRED DOLLARS ($112,500).

3.2 Declaration of Political Contributions. Prior to the City's approval of this Amendment, Consultant shall submit to City a statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of their employees, including any employee(s) that Consultant intends to assign to perform the Services described in this First Amendment.

3.3 Continuing Effect of Agreement. Except as otherwise specifically set forth in this First Amendment, the remaining provisions of the Agreement shall remain in full force and effect.

From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.4 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this First Amendment.

3.5 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

SIGNATURE PAGE FOR FIRST AMENDMENT TO COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN THE CITY OF ALISO VIEJO AND MIKE LINARES, INC.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Agreement on this ____ day of _____, 2023.

CITY OF ALISO VIEJO

Approved:

By:_____
David Doyle
City Manager

ATTEST:

By:_____
Mitzi Ortiz, MMC
City Clerk

APPROVED AS TO FORM:

_____
Best Best & Krieger LLP
City Attorney

APPROVED AS TO COMPLIANCE WITH BUDGET

By:_____
Ann Eifert
Director of Financial Services

MIKE LINARES, INC.

[If Corporation, TWO SIGNATURES, President OR Vice President AND Secretary OR Treasurer REQUIRED]

By:_____

Its:_____

Printed Name:_____

By:_____

Its:_____

Printed Name:_____

CITY OF ALISO VIEJO

DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of the City Council within the last twelve (12) months by Consultant and all of Consultant's employees, including any employee(s) that applicant intends to assign to perform the work or services described in this Agreement:

_____

_____

_____

_____

_____

_____

_____

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

City/County/State	Date
Name of Business	Print Name
Signature	

NOTE: THIS DECLARATION IS INCLUDED AS PART OF THE AGREEMENT AND MUST BE SIGNED AND ATTACHED HERETO.

CITY OF ALISO VIEJO

ACKNOWLEDGMENT OF RECEIPT OF FRAUD POLICY

I hereby acknowledge that I have received a copy of the City's "Fraud Prevention Policy" dated October 1, 2008. I understand that I am to promptly read its contents and distribute copies to employees assigned to perform Services for the City of Aliso Viejo.

To the extent that provisions of this policy conflict with previously issued policies or practices, whether or not such policies and practices were contained in written policies, this policy shall prevail.

Name of Business	Print Name
Signature	
Date	

EXHIBIT "A"
TO FIRST AMENDMENT TO
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT

SCOPE OF SERVICES

Scope of Work

Mike Linares has reviewed the City's Scope of Work and is prepared to undertake all of the listed duties with two exceptions:

Under the direction of City staff, Mike Linares, Inc. will provide CDBG Administration Services, including but not limited to the following:

1. Provide general CDBG program administration services and technical support under the direction of the Community Development Director.
2. Assist with the developing, implementing, and administering of eligible CDBG programs under the direction of the Community Development Director.
3. Provide a schedule for all HUD requirements to ensure all programs are in place.
4. Prepare and submit reports and plans on an annual basis for the CDBG program, including:
   A. Year 1 (FY22-23): FY21-22 Consolidated Annual Performance Report (CAPER) and the 2023-2027 Consolidated Plan, including the FY23-24 Annual Action Plan (AAP)
   B. Year 2 (FY23-24): FY22-23 CAPER and FY24-25 AAP
   C. Year 3 (FY24-25): FY23-24 CAPER and FY25-26 AAP
5. Provide annual service-provider on-site monitoring.
6. Assist with preparing agendas, staff reports, and recommendations for City Council and other special meetings.
7. Review applications and projects for compliance with the National Environmental Protection Act (NEPA).
8. Assist City Staff in maintaining information on the Integrated Disbursement and Information System (IDIS) and assisting with the voucher/draw-down requests.
9. Represent the City at various agency and organization meetings. Attend meetings of the City Council, City staff, public officials, community leaders, developers, contractors, and the general public as requested by City staff.
10. Facilitate communication between the City of Aliso Viejo and HUD.
11. Generate monthly status reports as necessary or requested.
12. Prepare and implement all public outreach programs and public participation under the CDBG program.
13. Coordinate or facilitate finance-related requirements between the City of Aliso Viejo and HUD.
14. Assist City staff in helping to ensure public works projects using CDBG funds comply with HUD regulations (Note: Mike Linares does not provide federal labor standards compliance services).
15. Provide general program administration and CDBG technical support.

- Annual Action Plan: The Annual Action Plan is the yearly expenditure plan for using CDBG funds. To undertake this process, the consultant will work closely with City staff to determine which projects and programs will be funded with CDBG.
- IDIS Set-up/Uploading: Upon completion and approval of the ConPlan by the Aliso Viejo City Council, Mike Linares, Inc. will set-up and upload the ConPlan and Annual Action Plan in IDIS; this will complete the initial stage of the process. HUD's CPD Representative assigned to the City will review the submitted ConPlan and may request additional information or modifications or approve the document.

EXHIBIT "B"

SCHEDULE OF SERVICES

CDBG Administration: With respect to program implementation, it is important to note that the administration of the CDBG programs is cyclical. At certain times of the grant cycle, extra time and resources are required to complete tasks (e.g., coordinating the annual public service grant allocation process and preparing the Action Plan and CAPER). Below is an outline of the typical implementation schedule for a HUD program year.

MONTH	CDBG -PROGRAM RELATED TASK
July	▪ Start of Program Year – Setup CDBG activities in IDIS ▪ Begin to collect & report data for the year-end report ▪ Prepare public service grant agreements and related materials ▪ Prepare NEPA reviews
August	▪ Collect and report program data for the year-end report ▪ Coordinate year-end financial data with City Finance Department ▪ Prepare draft CAPER
September	▪ Coordinate public review of CAPER ▪ Final CAPER ▪ Submit CAPER to HUD
October	▪ Prepare new grant year CDBG application
November	▪ Solicit housing and non-housing programs/projects for CDBG funds ▪ Distribute CDBG funding applications to sub-recipients & City departments
December	▪ Receive & review funding requests
January	▪ Prepare draft CDBG expenditure plan ▪ Mid-year budget reviews and adjustments
February	▪ Hold required public review/meetings for the proposed use of HUD funds ▪ Draft annual Action Plan

MONTH	CDBG -PROGRAM RELATED TASK
March	▪ Draft annual Action Plan ▪ Committee/Commission meetings
April	▪ Committee/Commission meetings ▪ Assist with preparation of agenda report for City Council Action Plan approval
May	▪ Submit Action Plan to HUD ▪ Prepare grant agreements for the new program year ▪ Monitor subrecipients
June	▪ Closeout program year ▪ Prepare grant agreements for the new program year ▪ Monitor subrecipients ▪ Prepare for year-end reporting
Ongoing	▪ Prepare various HUD-related quarterly, semi-annual and annual reports

Mike Linares' approach is to make sure the steps outlined above are implemented in a timely manner with the assistance and support of City staff and sub-recipients early in the program implementation process to ensure efficient and effective utilization of CDBG resources.

Consolidated Plan Preparation: Several steps will be necessary to initiate and complete the process:

- Citizen Participation: A significant portion of the Con Plan is dedicated to outlining the actions the City will take to obtain the input of residents and stakeholders during the preparation of the ConPlan. Community meetings, community surveys, focus groups, and public hearings are examples of actions utilized by communities. In consultation with City staff, Mike Linares, Inc. will identify existing data sources that can be utilized to prepare this section of the ConPlan.
- Research and Analysis: The ConPlan content and format are dictated mainly by HUD's eConPlan template; however, additional data collection and analysis are required to complete the template. Mike Linares, Inc. will utilize existing data sources to augment data provided by HUD to complete applicable ConPlan narratives and tables.
- Strategic Annual Plan: The Strategic Plan portion of the ConPlan establishes program and multi-year goals to address priority housing and community needs. The Strategic Plan will establish the general categories of programs and activities the City will undertake to meet priority needs. Mike Linares, Inc. will prepare applicable sections of the ConPlan in consultation with City staff to complete strategic five-year and annual activity goals.

EXHIBIT "B"
TO FIRST AMENDMENT TO
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ADMINISTRATIVE SERVICES AGREEMENT

COMPENSATION

Cost Proposal

Mike Linares, Inc's proposed cost for CDBG program administrative services is based on an average of six hours per week or approximately 250 hours per year. At an hourly rate of $110.00, a not to exceed contract amount of $27,500 is proposed. This amount includes a flat rate to prepare the Annual Action Plan ($7,500) and the CAPER ($8,500). All rates are subject to an annual revision (at a time fitting for the City's budget preparation process). The adjustment will be based on the Consumer Price Index (CPI) published by the U.S. Department of Labor Statistics.

The proposed cost for the preparation of the 2023-2027 Consolidate is summarized below:

2023-2027 CONSOLIDATED PLAN PREPARATION TASKS	COSTS
DOCUMENT PREPARATION TASKS	
• Review/Revise Citizen Participation Plan & Prepare Applicable Section of the Consolidated Plan	$2,500
• Prepare Housing Market Analysis	$5,750
• Prepare Housing & Community Needs Assessments	$5,750
• Prepare Strategic Plan	$6,000
• Meeting(s) & Public Hearing(s)	$1,500
• Prepare Annual Action Plan *	$5,000
SUB-TOTAL	**$26,500**
CON PLAN RELATED TASKS	
• HUD Required Revisions	NA
• Obtain/Prepare /Analyze Community Needs (i.e., community survey, existing data sources, etc.) **	$3,000
• Reprographics & Miscellaneous Expenses (cost +10%) **	$500
SUB-TOTAL	**$3,500**
NOT TO EXCEED FIXED PRICE	**$30,000**

* Preparation of the FY 23-24 Annual Action Plan is included as a cost of preparing the Consolidated Plan and will not be billed as an annual program administration cost for FY 23-24. General FY 23-24 CDBG program administration will be billed at the agreed-to hourly rate for hours dedicated to regular program administration – approximately $12,500.

** If needed and with prior staff approval.

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: So Kim, Community Development Director

SUBJECT: EIGHTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH KOSMONT & ASSOCIATES, INC. TO PROVIDE ECONOMIC DEVELOPMENT CONSULTING SERVICES

Recommended Action:

Approve and authorize the City Manager to execute an Eighth Amendment to the Professional Services Agreement with Kosmont & Associates, Inc. for economic development consulting services to extend the term to June 30, 2024.

Fiscal Impact:

Funds for this project are available in the adopted FY 2023-24 budget. There is no increase to the previously approved total compensation.

Background:

In May 2015, the City entered into a professional services agreement with Kosmont & Associates, Inc. ("Kosmont") to provide economic development advisory services. Kosmont has and continues to provide market and economic analysis, business attraction and retention strategies, and financial analysis for opportunity sites identified within the City. Most recently, Kosmont has been assisting the City in progressing the Aliso Viejo Town Center Vision Plan and a fiscal impact analysis of the redevelopment of The Commons.

Discussion:

The existing agreement with Kosmont ends on June 30, 2023. Staff is recommending that Kosmont professional services agreement term be extended to June 30, 2024 to further the efforts of the Town Center Vision Plan. No additional appropriation is proposed as the previously approved total compensation amount has not been exhausted and funds are available in the adopted FY 2023-24 budget.

Attachments:

1. Original Professional Services Agreement with Kosmont
2. Eighth Amendment with Kosmont

CITY OF ALISO VIEJO
PROFESSIONAL SERVICES AGREEMENT
FOR
ECONOMIC DEVELOPMENT CONSULTANT SERVICES

1. PARTIES AND DATE.

This Agreement is made and entered into this 21st day of May, 2015, by and between the City of Aliso Viejo, a municipal organization organized under the laws of the State of California with its principal place of business at 12 Journey, Suite 100, Aliso Viejo, California 92656 ("City") and Kosmont & Associates, Inc., doing business as Kosmont Companies with its principal place of business at 865 South Figueroa Street, 35th Floor, Los Angeles, CA 90017 ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of professional economic development consultant services required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional economic development consultant services to public clients, is licensed in the State of California, and is familiar with the plans of City.

2.2 Project.

City desires to engage Consultant to render such services for the economic development consultant services project ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional economic development consultant services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **June 1, 2015** to **June 30, 2016**, unless earlier terminated as provided herein. The City Manager shall have the unilateral option, at its sole discretion, to renew this Agreement annually for no more than two

additional one-year terms. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant shall complete, execute, and submit to City a Request for Taxpayer Identification Number and Certification (IRS FormW-9) prior to commencement of any Services under this Agreement. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.4 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: **Ken Hira, Larry Kosmont, Joseph Dieguez and Archie Davenport.**.

3.2.5 City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for all

purposes under this Contract. The City Manager hereby designates **Glenn Yasui**, or his or her designee, as the City's contact for the implementation of the Services hereunder. Consultant shall not accept direction or orders from any person other than the City's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Ken Hira and Larry Kosmont**, or his or her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.10.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance. If the existing policies do not meet the Insurance Requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(a) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence, and if written with an aggregate, the aggregate shall be double the per occurrence limit. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(b) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

(c) Professional Liability: Professional Liability insurance with minimum limits of $1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least one (1) year from termination or expiration of this Agreement.

(d) Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

3.2.10.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval.

(A) The policy or policies of insurance required by Section 3.2.10.2 (a) Commercial General Liability shall be endorsed to provide the following:

(1) Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(B) The policy or policies of insurance required by Section 3.2.10.2 (b) Automobile Liability and (c) Professional Liability shall be endorsed to provide the following:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(C) The policy or policies of insurance required by Section 3.2.10.2 (d) Workers' Compensation shall be endorsed to provide the following:

(1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.10.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.10.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.10.6 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.10.7 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.10.8 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Agreement.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.

3.2.10.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.10.10 Insurance for Subconsultants. All Subconsultants shall be included as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing Subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the City as an Additional Insured to the Subconsultant's policies.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Verification of Funds. Pursuant to City Council Policy 300-5, if the Services are for an applicant-initiated project for which a deposit account has been established with the City, Consultant shall verify with the City's Representative that sufficient funds are available in City's deposit account for that project before the commencement of any work or services and periodically as the Services progress.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed **Fifty Thousand Dollars ($50,000.00)** ("Total Compensation") without written approval of City Manager. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City. The City Manager may approve Extra Work, provided the cost of the Extra Work, does not exceed ten percent (10%) of the Total Compensation as set forth in Section 3.3.1, for a total increase of $5,000.00. Any Extra Work in excess of this amount shall be approved by the City Council.

3.3.5 Rate Increases. In the event that this Agreement is renewed pursuant to Section 3.1.2, the rates set forth in Exhibit "C" may be adjusted each year at the time of renewal as set forth in Exhibit "C."

3.3.6 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Kosmont Companies
865 South Figueroa Street, 35th Floor
Los Angeles, CA 90017
Attn: Larry J. Kosmont

City: City of Aliso Viejo
12 Journey, Suite 100
Aliso Viejo, CA 92656
Attn: Glenn Yasui

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to

any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the City's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Fraud Policy. Consultant shall provide a copy of the City's Fraud Prevention Policy to each of its employees assigned to perform the tasks under this Agreement. Consultant shall submit to the City's Representative a statement signed by Consultant and by each of its employees who are assigned to perform the Services under this Agreement certifying receipt of and that they have read the City's Fraud Prevention Policy. A finding by the City that Consultant or any of Consultant's employees have committed fraud against the City or have violated the City's Fraud Prevention Policy shall be grounds for appropriate discipline, up to and including such employee's removal from performance of this Agreement at City's request and/or termination of this Agreement. Consultant shall reimburse the City for any costs and expenses associated with fraud against the City.

3.5.5 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.6 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.7 Indemnification.

3.5.7.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action,

costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

3.5.7.2 Additional Indemnity Obligations. Consultant shall defend, with Counsel of City's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.7.1 that may be brought or instituted against City or its directors, officials, officers, employees, volunteers and agents in connection with the performance of Consultant's Services. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse City for the cost of any settlement paid by City or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City's attorney's fees and costs, including expert witness fees. Consultant shall reimburse City and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall survive expiration or termination of this Agreement for a period of one year after expiration or termination of this Agreement, and shall be restricted to insurance proceeds, if any, received by the City, its directors, officials officers, employees, agents, or volunteers.

3.5.8 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.9 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.10 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.11 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.5.12 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.13 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the

prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.14 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.15 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.16 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.17 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.18 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.19 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.20 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority

Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.21 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.22 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.23 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.24 Declaration of Political Contributions. Consultant shall, throughout the term of this Agreement, submit to City an annual statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of Consultant's employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Agreement.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

[***Signatures on following page.***]

IN WITNESS WHEREOF, the parties have executed this Professional Services Agreement for economic development consultant services on this 21st day of May, 2015.

CITY OF ALISO VIEJO

By: _____
David A. Doyle
City Manager

Attest:

By: _____
Mitzi Ortiz, MMC
City Clerk

Approved as to Form:

BEST BEST & KRIEGER LLP

By: _____
Best Best & Krieger LLP
City Attorney

Approved as to Compliance with Budget:

By: _____
Gina Tharani
Director of Financial Services

KOSMONT & ASSOCIATES, INC.
doing business as Kosmont Companies

By: _____

Name: Larry J. Kosmont

Title: President & CEO

[If Corporation, TWO SIGNATURES, President **OR** Vice President **AND** Secretary, **AND** CORPORATE SEAL OF CONSULTANT REQUIRED]

By: _____

Name: Susan Perry

Title: Corporate Secretary

EXHIBIT "A"

SCOPE OF SERVICES

[SEE ATTACHED PROPOSAL]

SCOPE OF SERVICES

Task 1: Project Kick-Off & Demographic/Economic Analysis

Kosmont will conduct a kick-off meeting and tour of the City with City Staff to initiate the assignment, including review of potential economic development opportunity sites within the City, such as Aliso Viejo Town Center. City will provide Kosmont with existing relevant market data, such as property history, ownership, traffic counts, etc.

Kosmont will evaluate the trade area and existing business and retail/restaurant conditions. The evaluation will include an analysis of retailer/restaurant voids and demographic information within standard geographic boundaries (e.g. various radii centered at opportunity site locations, City limits) as deemed relevant by Consultant. Results of Task 1 analyses will be summarized in PowerPoint Presentation format.

Task 2: Economic Development Strategy and Implementation Plan ("Plan")

Based on results of Task 1 analysis, Kosmont will prepare an Economic Development Strategy and Implementation Plan ("Plan"), which will contain recommended potential biotechnology business and retail/restaurant attraction strategies for the Client. The Plan will highlight business attraction strategies and key retail opportunity sites/areas within the City such as Aliso Viejo Town Center specifically for restaurant uses, and corresponding strengths, challenges, and opportunities with regard to future development/redevelopment.

The Plan will generally identify key businesses and retailers/restaurateurs which can be targeted and outline strategies and outreach efforts for attraction. Kosmont will consider the ability of potential tenants to generate tax revenue for the city, create jobs, and fill "voids" (e.g., restaurants and biotechnology sectors) identified during the evaluation.

As relevant to property revitalization, Kosmont will identify possible funding sources, financing structures, and/or other economic development tools, such as, but not limited to, zoning strategies (e.g. development opportunity reserve), Affordable Housing and Sustainable Communities (AHSC) Cap-and-Trade Funds and/or other grants, public (tax-exempt) or public/private (taxable/tax-exempt) bonds or notes, lease or lease/leaseback financing, site-specific tax revenue pledges, enhanced infrastructure financing districts (EIFD), and/or EB-5 immigrant investment. The Task 2 Plan will be summarized in PowerPoint Presentation format.

Task 3: Economic Development Presentation

Consultant will present a Summary PowerPoint Presentation characterizing the Task 1 Analysis Summary and Task 2 Plan at a City Council forum / meeting as deemed appropriate by City and Consultant. Consultant will incorporate staff, Council, and/or other stakeholder feedback into revision of the Summary PowerPoint Presentation.

Task 4: Initial Plan Implementation

Kosmont will work collaboratively with the City on the initial execution and implementation of the Plan identified and approved by the City pursuant to Task 3. Kosmont will assist in the initial recruitment of targeted biotechnology businesses and retailers/restaurateurs by conducting marketing outreach, consisting of telephone and e-mail outreach, arranging property tours, attendance and representation at International Council of Shopping Centers ("ICSC") and/or other retail conferences, and/or other recruiting and project development / land use activities as may be appropriate to solicit interest in the City. As appropriate, Kosmont will perform outreach to existing property owners.

Potential Future Services

Task 4 is not meant to represent comprehensive implementation of the Plan, but rather the initiation of implementation efforts referenced above. Kosmont will be available to assist in the further implementation of the Plan, such as further business and retail recruitment efforts, analysis of possible fiscal benefits, developer requests for proposals and related developer negotiations, evaluation of development pro formas, incentive programs, and funding sources related to prospective new retailers and development as directed by Client, time and budget for which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

III. SCHEDULE AND REQUIRED DATA

Consultant is prepared to commence work as soon as authorized by Client. Client will provide Consultant with existing relevant market data, such as property history, ownership information, traffic counts, etc. Delivery of a draft Summary PowerPoint Presentation is estimated within 8 to 12 weeks from project initiation.

Additional time and budget may be necessary for the further implementation of the Plan as directed by Client, which will be outlined at the appropriate time in a follow-on scope to be approved by Client in advance.

IV. COMPENSATION

The compensation for Tasks 1 through 4 is estimated below to be billed on a time and materials basis.

Task	Estimated Budget
1) Project Kick-Off & Demographic/Economic Analysis	$12,500
2) Economic Development Strategy and Plan	$17,500
3) Economic Development Presentation	$2,500
4) Initial Plan Implementation	$17,500
Estimated Total	**$50,000**

EXHIBIT "B"
SCHEDULE OF SERVICES

Services to be performed as scheduled by mutual agreement of City and Consultant.

In the event that this Agreement is renewed pursuant to Section 3.1.2, the first renewal period shall be from July 1, 2016 to June 30, 2017 . The second renewal period shall be from July 1, 2017 to June 30, 2018.

EXHIBIT "C"

COMPENSATION

[SEE ATTACHED FEE SCHEDULE]

In the event that this Agreement is renewed pursuant to Section 3.1.2, the rates set forth above may be adjusted each year at the time of renewal described in Exhibit "B" in accordance with the March Consumer Price Index, All Urban Consumers, Los Angeles-Riverside-Orange Counties up to a maximum percentage of five percent (5%).

Kosmont Companies
2015 Public Agency Fee Schedule

Professional Services

President & CEO	$295.00/hour
Partner / Senior Vice President / Senior Consultant	$275.00/hour
Vice President / Associate	$185.00/hour
Project Analyst / Project Manager	$150.00/hour
Technical / Research Staff	$ 95.00/hour

- **Additional Expenses**
  In addition to professional services (labor) fees:

  1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**

  2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.

  3) For **Third Party Vendor(s)** retained on behalf of client (with Client's advance approval), fees and costs will be billed to Client at 1.1X (times) fees and costs.

- **Charges for Court/Deposition/Expert Witness-Related Appearances**
  Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until December 31, 2015.

CITY OF ALISO VIEJO

DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of the City Council within the last twelve (12) months by Consultant and all of Consultant's employees, including any employee(s) that applicant intends to assign to perform the work or services described in this Agreement:

None.

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

Los Angeles CA
City/County/State

5-8-2015
Date

Kosmont & Associates, INC.
Name of Business

LARRY J. Kosmont
Print Name

Signature

NOTE: THIS DECLARATION IS INCLUDED AS PART OF THE AGREEMENT AND MUST BE SIGNED AND ATTACHED HERETO.

CITY OF ALISO VIEJO

EIGHTH AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
FOR PLANNING CONSULTANT SERVICES

1. PARTIES AND DATE.

This Eighth Amendment to the Professional Services Agreement for Planning Consultant Services ("Eighth Amendment") is entered into on the ____ day of _____, 2023, by and between the City of Aliso Viejo (hereinafter referred to as the "City") and Kosmont & Associates, Inc., dba Kosmont Companies (hereinafter referred to as the "Consultant"). City and Consultant are sometimes collectively referred to herein as the "Parties."

2. RECITALS.

2.1 Agreement. The Parties entered into an agreement entitled Professional Services Agreement for Economic Development Services dated May 21, 2015 ("Agreement").

2.2 First Amendment. The Parties entered into a First Amendment dated June 1, 2016, to update the scope of services to be provided by the Consultant; provide compensation to Consultant for such additional services; and extend the term provided in Section 3.1.2 of the Agreement.

2.3 Second Amendment. The Parties entered into a Second Amendment dated August 16, 2017, to further update the scope of services to be provided by the Consultant; provide compensation to Consultant for such additional services; and extend the term provided in Section 3.1.2 of the Agreement.

2.4 Third Amendment. The Parties entered into a Third Amendment dated January 16, 2019, to further update the scope of services to be provided by the Consultant; provide compensation to Consultant for such additional services; and extend the term to June 30, 2020.

2.5 Fourth Amendment. The Parties entered into a Fourth Amendment in order to further update the scope of services to be provided by the Consultant provide compensation to Consultant for such additional services; and extend the term provide in Section 3.1.2 of the Agreement.

2.6 Fifth Amendment. The Parties entered into a Fifth Amendment in order to further update the scope of services to be provided by the Consultant; provide compensation to Consultant for such additional services; and extend the term provided in Section 3.1.2 of the Agreement.

2.7 Sixth Amendment. The Parties entered into a Sixth Amendment in order to extend the term to June 30, 2023.

2.8 Seventh Amendment. The Parties entered into a Seventh Amendment to increase the compensation under the Agreement by fifteen thousand dollars ($15,000).

2.9 Eighth Amendment. The Parties now desire to amend the Agreement in order to extend the term to June 30, 2024.

3. TERMS.

3.1 Term. Section 3.1.2 of the Agreement is hereby amended to read as follows: The term of this Agreement shall be from July 1, 2023 to June 30, 2024, unless earlier terminated provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Declaration of Political Contributions. Prior to the City's approval of this Amendment, Consultant shall submit to City a statement in writing declaring any political contributions of money, in-kind services, or loan made to any member of the City Council within the previous twelve-month period by the Consultant and all of their employees, including any employee(s) that Consultant intends to assign to perform the Services described in this Amendment.

3.3 Continuing Effect of Agreement. Except as otherwise specifically set forth in this Eighth Amendment, the remaining provisions of the Agreement shall remain in full force and effect. From and after the date of this Eighth Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Eighth Amendment.

3.4 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Eighth Amendment.

3.5 Counterparts. This Eighth Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

SIGNATURE PAGE FOR EIGHTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT FOR ECONOMIC DEVELOPMENT CONSULTANT SERVICES BETWEEN THE CITY OF ALISO VIEJO AND KOSMONT & ASSOCIATES

IN WITNESS WHEREOF, the parties have executed this Eighth Amendment to Agreement on this ____ day of _____, 2023.

CITY OF ALISO VIEJO

Approved:

By:_____
David Doyle
City Manager

ATTEST:

By:_____
Mitzi Ortiz, MMC
City Clerk

APPROVED AS TO FORM:

_____
Best Best & Krieger LLP
City Attorney

APPROVED AS TO COMPLIANCE WITH BUDGET

By:
Ann Eifert
Director of Financial Services

Kosmont & Associates, Inc., dba Kosmont Companies

[If Corporation, TWO SIGNATURES, President OR Vice President AND Secretary OR Treasurer REQUIRED]

By:_____

Its:_____

Printed Name:_____

By:_____

Its:_____

Printed Name:_____

CITY OF ALISO VIEJO

DECLARATION OF POLITICAL CONTRIBUTIONS

Using the space provided below, please list any political contributions of money, in-kind services, or loans made to any member of the City Council within the last twelve (12) months by Consultant and all of Consultant's employees, including any employee(s) that applicant intends to assign to perform the work or services described in this Agreement:

_____

_____

_____

_____

_____

_____

_____

To the best of my knowledge, I declare under penalty of perjury that the foregoing is true and was executed at:

_____ _____

City/County/State Date

_____ _____

Name of Business Print Name

_____

Signature

NOTE: THIS DECLARATION IS INCLUDED AS PART OF THE AGREEMENT AND MUST BE SIGNED AND ATTACHED HERETO.

CITY OF ALISO VIEJO

ACKNOWLEDGMENT OF RECEIPT OF FRAUD POLICY

I hereby acknowledge that I have received a copy of the City's "Fraud Prevention Policy" dated October 1, 2008. I understand that I am to promptly read its contents and distribute copies to employees assigned to perform Services for the City of Aliso Viejo.

To the extent that provisions of this policy conflict with previously issued policies or practices, whether or not such policies and practices were contained in written policies, this policy shall prevail.

Name of Business	Print Name
Signature	
Date	

EXHIBIT "A"
EIGHTH AMENDMENT TO
AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES

SCOPE OF SERVICES

The scope of services shall include the following economic development programs and activities:

Ongoing Economic Development Advisory

Kosmont will be available to work with the City on Economic Development initiatives such as business attraction, business retention and assisting local businesses.

Kosmont activities will include the update and refinement of previously prepared Citywide and opportunity site marketing collateral and attendance/ coordination of meetings at Innovating Commerce Serving Communities (" ICSC") and/ or other industry conferences as decided by City and Consultant. Kosmont will conduct outreach through phone and email communication, local commercial real estate broker collaboration strategies / meetings, meetings with major landlords, arrangement of site tours, and/ or other recruitment and business retention activities, as deemed appropriate by City and Consultant. These ICSC and local activities and meetings will either be virtual or in person as appropriate.

Consultant will assist the City with pursuit and execution of potential economic incentives, funding sources, and/ or financing structures in the context of potential public- private transactions, such as, but not limited to, special districts / enhanced infrastructure financing districts (" EIFD"), site- specific tax revenue pledges, taxable/ tax exempt) bonds or notes, lease or lease / lease back financing, and/or grants, as appropriate.

Kosmont is available to perform additional economic development and real estate services such as analysis of possible fiscal impacts and economic benefits and/ or project proforma feasibility as requested by the City.

EXHIBIT "B"
EIGHTH AMENDMENT TO
AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES

COMPENSATION

Professional Services	**Hourly Rate**
Chairman & CEO	$ 455
President	$ 385
Senior Vice President	$ 350
Vice President	$ 225
Senior Project Analyst	$ 195
Project Analyst/ Project Research Assistant	$ 165
Project Analyst/ Assistant Project Manager	$ 125
Project Promotion/ Graphics/ GIS Mapping Services	$ 95
Clerical Support	$ 70

Additional Expenses
In addition to professional services (labor fees):

1) An **administrative fee** for in-house copy, fax, phone, postage costs, digital/ technological support and related administrative expenses will be charged, which will be computed at four percent (4.0%) of monthly Kosmont Companies professional service fees incurred; **plus**
2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
3) If Kosmont retains **Third Party Vendor (s)** for Client (with Client' s advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
4) Consultant's **attendance or participation at any public meeting**, whether such participation is in person, digital, video and/ or telephonic (e.g., City Council, Planning Commission, Public Agency Board, other) requested by Client and are beyond those specifically identified in the Scope of Work will be billed at the professional services hourly) fees as shown on this Exhibit B.

Charges for Court/Deposition/ExpertWitness-Related Appearances
Court- related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.

Rates shall remain in effect until June 30, 2024.

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Shaun Pelletier, Director of Public Works / City Engineer

SUBJECT: LOT LINE ADJUSTMENT NO. LL 23-01 FOR LOTS 1, 5, AND 6 OF TRACT NO. 16838, CITY OF ALISO VIEJO, VALUEROCK ALISO VIEJO LLC, VALUEROCK ALISO VIEJO II LLC, LONE MOUNTAIN AZ LLC

Recommended Actions:

1. Adopt a resolution approving Lot Line Adjustment LL 23-01; and

2. Authorize Staff to record proper documents with the Orange County Recorder.

Fiscal Impact:

There is no fiscal impact.

Background:

Valuerock/Lone Mountain own certain real property in the Aliso Viejo Commons located at Aliso Creek Road, Enterprise, and SR-73. Three (3) existing parcels are impacted by this lot line adjustment.

Discussion:

The subject property is being evaluated by the owners for potential development. The lot line adjustment is required to create a parcel to accommodate this future development. Three (3) reconfigured parcels will remain after the adjustment.

Staff respectfully recommends approval of the recommended actions.

Attachments:

1. Resolution

2. Site Plan

3. Lot Line Adjustment LL 23-01

RESOLUTION NO. 2023-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CALIFORNIA APPROVING LOT LINE ADJUSTMENT NO. LL 23-01 FOR LOTS 1, 5 & 6 OF TRACT 16838, CITY OF ALISO VIEJO, VALUEROCK ALISO VIEJO LLC, VALUEROCK ALISO VIEJO II LLC, AND LONE MOUNTAIN AZ LLC

WHEREAS, the Property Owners of Tract 16383 requested a lot line adjustment of Lots 1, 5, and 6; and

WHEREAS, the City Engineer has determined that Lot Line Adjustment of Lots 1, 5, and 6 of Tract 16838 satisfies the requirements of the City's Subdivision Ordinance, set forth in Title 14 of the Aliso Viejo Municipal Code; and

WHEREAS, the City of Aliso Viejo staff desires the City Council to approve Lot Line Adjustment LL 23-01.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALISO VIEJO AS FOLLOWS:

SECTION 1. Approval. The City Council of the City of Aliso Viejo hereby finds that Lot Line Adjustment of Lots 1, 5, and 6 of Tract 16838, as submitted by the applicant is in conformance with the following requirements:

A. The proposed lot line adjustment and project design are consistent with the City's General Plan designation of Town Center Commercial (TCC) and High Density Residential (HDR) for the subject property.

B. The proposed lot line adjustment and project design complies with the Specific Plan No. 2 (SP-2) zone.

Section 2. Certification. The City Clerk shall certify as to the adoption of this Resolution.

Section 3. Recordation. The City Clerk is hereby directed to record a certified copy of this Resolution with the Recorder of the County of Orange.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2023.

_____
Richard Hurt
Mayor

APPROVED AS TO FORM:

_____
Scott C. Smith, City Attorney

ATTEST:

_____
Mitzi Ortiz, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ALISO VIEJO)

I, MITZI ORTIZ, City Clerk of the City of Aliso Viejo, California, DO HEREBY CERTIFY that the foregoing is the original of Resolution No. 2023-__ duly passed and adopted by the City Council of the City of Aliso Viejo at their regular meeting held on the ___ day of _____, 2023, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

_____
MITZI ORTIZ, MMC
CITY CLERK

(SEAL)

IN THE CITY OF ALISO VIEJO

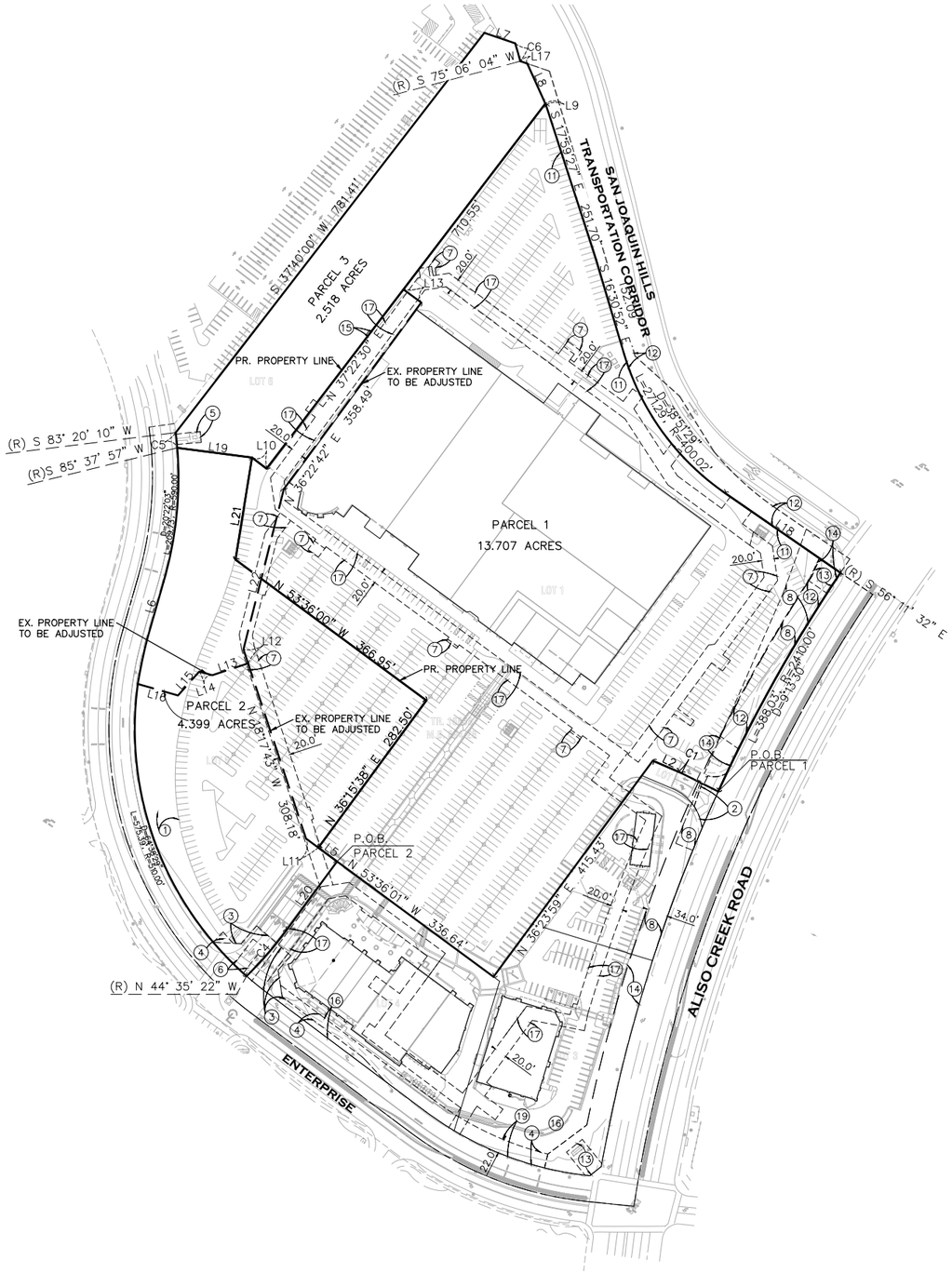
LLA SITE PLAN

APN# 629-101-16, 17, 18 & 19

SITETECH, INC. FEBRUARY 2023

SCALE: 1"=100'

100 0 100 200



OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3

LAND SURVEYOR

SITETECH INC.
PO BOX 592
HIGHLAND, CA 92346
PH: 909-864-3180

CURVE TABLE

	DELTA	R	L
C1	03°07'26"	102.25'	5.57'
C2	61°08'16"	74.37'	79.36'
C3	01°28'51"	2407.82'	62.23'
C4	09°00'39"	600.63'	94.46'
C5	02°17'47"	510.00'	23.65'
C6	02°14'35"	735.00'	28.77'

LINE TABLE

L1	N63°29'18"W	63.25'	L12	N18°17'43"W	22.78'
L2	N66°36'44"W	43.09'	L13	N71°42'17"E	58.25'
L3	N36°23'59"E	28.63'	L14	N74°00'11"W	20.92'
L4	N66°52'27"W	52.45'	L15	N41°37'45"E	49.69'
L5	N53°36'01"W	35.95'	L16	N74°00'11"W	64.88'
L6	N16°00'00"E	89.96'	L17	N71°12'04"W	11.40'
L7	N71°10'00"W	50.35'	L18	S55°21'58"E	217.09'
L8	N24°16'29"W	68.10'	L19	N82°36'00"W	116.73'
L9	S24°16'29"E	1.87'	L20	N36°23'59"E	131.87'
L10	N52°37'30"W	28.34'	L21	N09°12'00"E	160.10'
L11	N53°36'01"W	23.86'	L22	N14°08'37"E	255.80'

EXISTING EASEMENTS

(1) AN EASEMENT FOR WIRES, CABLES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED APRIL 4, 1995 AS INSTRUMENT NO. 95-0141072 OF OFFICIAL RECORDS.

(2) AN EASEMENT FOR STREET OR HIGHWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461909 OF OFFICIAL RECORDS.

(3) AN EASEMENT FOR STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461910 OF OFFICIAL RECORDS.

(4) AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 27, 1996 AS INSTRUMENT NO. 96-0606764 OF OFFICIAL RECORDS. DOCUMENT RE-RECORDED JANUARY 16, 1997 AS INSTRUMENT NO. 97-0024295 OF OFFICIAL RECORDS.

(5) AN EASEMENT FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, RECORDED OCTOBER 21, 1998 AS INSTRUMENT NO. 19980710186 OF OFFICIAL RECORDS.

(6) AN EASEMENT FOR SEWER, WATER AND RECLAIMED WATER PIPE LINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235056 OF OFFICIAL RECORDS.

(7) AN EASEMENT FOR SEWER, WATER AND RECLAIMED WATER PIPE LINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235057 OF OFFICIAL RECORDS.

(8) AN OFFER OF DEDICATION FOR STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED DECEMBER 26, 1989 AS INSTRUMENT NO. 89-696614 OF OFFICIAL RECORDS.

(8) AN OFFER OF DEDICATION FOR STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED DECEMBER 26, 1989 AS INSTRUMENT NO. 89-696614 OF OFFICIAL RECORDS.

(9) THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "EASEMENT GRANT TO MOULTON NIGUEL WATER DISTRICT OF EASEMENT FOR WATER, RECLAIMED WATER AND SEWER FACILITIES" RECORDED JUNE 14, 1994 AS INSTRUMENT NO. 94-0396011 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235055 AND RECORDED APRIL 17, 2009 AS INSTRUMENT NO. 2009000190529, BOTH OF OFFICIAL RECORDS.

(10) AN EASEMENT FOR STREET OR HIGHWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461909 OF OFFICIAL RECORDS.

(11) ABUTTER'S RIGHTS OF INGRESS AND EGRESS TO OR FROM STATE ROUTE 73 OR PARCEL 300184 HAVE BEEN RELINQUISHED IN THE DOCUMENT RECORDED DECEMBER 07, 1995 AS INSTRUMENT NO. 19950547952 OF OFFICIAL RECORDS.

(12) A TEMPORARY EASEMENT FOR CONSTRUCTION AND INCIDENTAL PURPOSES, RECORDED DECEMBER 07, 1995 AS INSTRUMENT NO. 19950547952 OF OFFICIAL RECORDS.

(13) AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 27, 1996 AS INSTRUMENT NO. 96-0606765 OF OFFICIAL RECORDS. IN FAVOR OF: PACIFIC PARK TOWN CENTER ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION AFFECTS: AS DESCRIBED THEREIN THE ABOVE DOCUMENT WAS RE-RECORDED JANUARY 16, 1997 IN/AS INSTRUMENT NO. 97-0024296 OF OFFICIAL RECORDS.

(14) AN EASEMENT FOR ACCESS, INGRESS, EGRESS, MAINTENANCE, REPAIR, DRAINAGE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED DECEMBER 30, 1996 AS INSTRUMENT NO. 96-655963 OF OFFICIAL RECORDS.

(15) AN EASEMENT FOR SEWER, WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235057 OF OFFICIAL RECORDS.

(16) COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, ASSESSMENTS, LIENS, CHARGES, TERMS AND PROVISIONS IN THE DOCUMENT RECORDED DECEMBER 23, 1993 AS INSTRUMENT NO. 93-0894675 OF OFFICIAL RECORDS, DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED AUGUST 26, 1997 AS INSTRUMENT NO. 97-414311 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED DECEMBER 23, 2003 AS INSTRUMENT NO. 2003001511434 OF OFFICIAL RECORDS.

(17) THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "EASEMENT GRANT TO MOULTON NIGUEL WATER DISTRICT OF EASEMENT FOR WATER, RECLAIMED WATER AND SEWER FACILITIES" RECORDED JUNE 14, 1994 AS INSTRUMENT NO. 94-0396011 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235055 AND RECORDED APRIL 17, 2009 AS INSTRUMENT NO. 2009000190529 BOTH OF OFFICIAL RECORDS.

LICENSED LAND SURVEYOR
BERNHARD K. MAYER
NO. 7319
Exp. 6-30-23
STATE OF CALIFORNIA

SITETECH INC.
8061 CHURCH STREET (MAIL: PO BOX 592) HIGHLAND, CA 92346
PH: (909)864-3180, FAX: (909)864-0850

BERNHARD K. MAYER R.C.E. 36866 L.S. 7319 — 02/08/23 DATE

LOT LINE ADJUSTMENT
LL 23-01

RECORD OWNER'S CERTIFICATION

1. WE ARE THE RECORD OWNERS OF ALL THE PARCELS PROPOSED FOR ADJUSTMENT BY THIS APPLICATION
2. WE HAVE KNOWLEDGE OF AND CONSENT TO THE FILING OF THIS APPLICATION AND
3. THE INFORMATION SUBMITTED IN CONNECTION WITH THIS APPLICATION IS TRUE & CORRECT

NAME: VALUEROCK ALISO VIEJO, LLC
ADDRESS: 18301 VON KARMAN AVE #850, IRVINE, CA 92612

BY: _____ BY: _____

Patty Chin, Vice President

NAME: VALUEROCK ALISO VIEJO II, LLC
ADDRESS: 18301 VON KARMAN AVE #850, IRVINE, CA 92612

BY: _____ BY: _____

Patty Chin, Vice President

LONE MOUNTAIN AZ LLC
ADDRESS: 18301 VON KARMAN AVE #850, IRVINE, CA 92612

PHONE: 949-221-1180

BY: _____ BY: _____

Patty Chin, Vice President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Orange)

On 2/2/2023 before me, Christine Chung - Notary Public
(insert name and title of the officer)

personally appeared Patty Chin,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

CHRISTINE CHUNG
Notary Public - California
Orange County
Commission # 2290770
My Comm. Expires Jun 23, 2023

Signature _____ **(Seal)**

LOT LINE ADJUSTMENT
LL 23-01

CONTACT: SITETECH, INC.

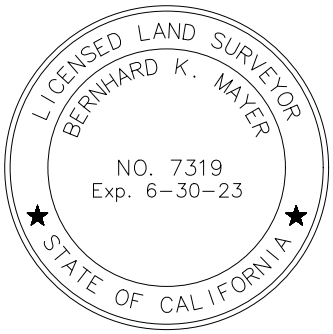
ADDRESS: P.O. BOX 592 HIGHLAND CA, 92346

PHONE:(909) 864-0850

THIS DOCUMENT CONSISTING OF 11 PAGES WAS PREPARED BY ME OR UNDER MY DIRECTION.

02/28/23

BERNHARD K .MAYER DATE



EXAMINED AND APPROVED FOR THE CITY OF ALISO VIEJO.

AMELIA PAULA PEREIRA L.S. 8493
CITY SURVEYOR, CITY OF ALISO VIEJO

DATED THIS 5th DAY OF June, 2023



DATE FILED	ZONING	

LOT LINE ADJUSTMENT
LL 23-01

THE REAL PROPERTY DESCRIBED HEREIN AND THE DIVISION THEREOF INTO THREE PARCELS AS OF THE DATE OF RECORDATION OF THIS DOCUMENT HAS BEEN DETERMINED TO BE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF THE SUBDIVISION MAP ACT OF THE STATE OF CALIFORNIA (SECTION 66410 ET. SEQ. OF THE CALIFORNIA GOVERNMENT CODE) AND THE SUBDIVISION CODE OF ORANGE COUNTY, ENACTED PURSUANT THERETO.

THE PARCELS DESCRIBED HEREIN MAY BE SOLD, LEASED, OR FINANCED WITHOUT FURTHER COMPLIANCE WITH THE SUBDIVISION MAP ACT OR ANY LOCAL ORDINANCE ENACTED HERETO. DEVELOPMENT OF THE PARCELS MAY REQUIRE ISSUANCE OF A PERMIT OR PERMITS OR OTHER GRANT OR GRANTS OF APPROVAL.

CITY OF ALISO VIEJO
SHAUN S. PELLETIER, CITY ENGINEER OF THE CITY OF ALISO VIEJO

_____

SHAUN S. PELLETIER, R.C.E. 77109
CITY ENGINEER, CITY OF ALISO VIEJO

DATE FILED	ZONING	

EXHIBIT "A"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3

PARCEL 1

BEING A PORTION OF LOTS 1 AND 6 OF TRACT NO. 16838 IN THE CITY OF ALISO VIEJO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED DECEMBER 24, 2007 IN BOOK 894, PAGES 20 TO 24 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF LOT 1, OF SAID TRACT 16838, AND THE NORTHWESTERLY LINE OF ALISO CREEK ROAD (120 FEET WIDE), AS SHOWN ON SAID TRACT;

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT 1 NORTH 63˚ 29' 18" WEST A DISTANCE OF 63.25 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 102.25 FEET.

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03˚ 07' 26", AN ARC DISTANCE OF 5.57 FEET.

THENCE NORTH 66˚ 36' 44" WEST A DISTANCE OF 43.09 FEET.

THENCE SOUTH 36˚ 23' 59" WEST A DISTANCE OF 415.43 FEET.

THENCE NORTH 53˚ 36' 01" WEST A DISTANCE OF 336.64 FEET.

THENCE NORTH 36˚ 15' 38" EAST A DISTANCE OF 282.50 FEET.

THENCE NORTH 53˚ 36' 00" WEST A DISTANCE OF 366.95 FEET.

THENCE NORTH 09˚ 12' 00" EAST A DISTANCE OF 160.10 FEET.

THENCE SOUTH 52˚ 37' 30" EAST A DISTANCE OF 28.34 FEET.

THENCE NORTH 37˚ 22' 30" EAST A DISTANCE OF 710.55 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 1;

THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 1 THE FOLLOWING COURSES:

THENCE SOUTH 24˚ 16' 29" EAST A DISTANCE OF 1.87 FEET.

THENCE SOUTH 17˚ 59' 27" EAST A DISTANCE OF 251.70 FEET.

THENCE SOUTH 16˚ 30' 52" EAST A DISTANCE OF 152.09 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 400.02 FEET.

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 38˚ 51' 29", AN ARC DISTANCE OF 271.29 FEET.

THENCE SOUTH 55˚ 21' 58" EAST A DISTANCE OF 217.09 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 2410.00 FEET. A RADIAL LINE FROM SAID POINT BEARS SOUTH 56˚ 11' 32" EAST.

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 09˚ 13' 30", AN ARC DISTANCE OF 388.03 FEET TO THE SAID POINT OF BEGINNING.

CONTAINING 13.71 ACRES, MORE OR LESS.

SUBJECT TO ALL COVENANTS, RIGHTS-OF-WAYS AND EASEMENTS OF RECORD.

SEE EXHIBIT "B" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

EXHIBIT "A"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3

PARCEL 2

BEING A PORTION OF LOTS 1, 5 AND 6 TRACT NO. 16838 IN THE CITY OF ALISO VIEJO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED DECEMBER 24, 2007 IN BOOK 894, PAGES 20 TO 24 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

COMMENCING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF LOT 1, OF SAID TRACT 16838, AND THE NORTHWESTERLY LINE OF ALISO CREEK ROAD (120 FEET WIDE), AS SHOWN ON SAID TRACT.

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT 1 NORTH 63˚ 29' 18" WEST A DISTANCE OF 63.25 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 102.25 FEET.

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03˚ 07' 26", AN ARC DISTANCE OF 5.58 FEET.

THENCE NORTH 66˚ 36' 44" WEST A DISTANCE OF 43.09 FEET.

THENCE SOUTH 36˚ 23' 59" WEST A DISTANCE OF 415.43 FEET.

THENCE NORTH 53˚ 36' 01" WEST A DISTANCE OF 300.69 FEET TO THE POINT OF BEGINNING.

THENCE CONTINUING NORTH 53˚ 36' 01" WEST A DISTANCE OF 35.95 FEET.

THENCE NORTH 36˚ 15' 38" EAST A DISTANCE OF 282.50 FEET.

THENCE NORTH 53˚ 36' 00" WEST A DISTANCE OF 366.95 FEET.

THENCE NORTH 09˚ 12' 00" EAST A DISTANCE OF 160.10 FEET.

THENCE NORTH 82˚ 36' 00" WEST A DISTANCE OF 116.73 FEET TO A POINT ON THE WESTERLY LINE OF SAID LOT 6, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 590.00 FEET. A RADIAL LINE FROM SAID POINT BEARS SOUTH 85˚ 37' 57" WEST.

THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 20˚ 22' 03", AN ARC DISTANCE OF 209.73 FEET.

THENCE SOUTH 16˚ 00' 00" WEST A DISTANCE OF 89.96 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 510.00 FEET.

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 64˚ 38' 29", AN ARC DISTANCE OF 575.39 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 600.63 FEET. A RADIAL LINE FROM SAID POINT BEARS NORTH 44˚ 35' 22" WEST.

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 09˚ 00' 39", AN ARC DISTANCE OF 94.46 FEET.

THENCE NORTH 36˚ 23' 59" EAST A DISTANCE OF 131.87 FEET TO THE SAID POINT OF BEGINNING.

CONTAINING 4.40 ACRES, MORE OR LESS

SUBJECT TO ALL COVENANTS, RIGHTS-OF-WAYS AND EASEMENTS OF RECORD.

SEE EXHIBIT "B" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

EXHIBIT "A"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3

PARCEL 3

BEING A PORTION OF LOT 6 OF TRACT NO. 16838 IN THE CITY OF ALISO VIEJO, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED DECEMBER 24, 2007 IN BOOK 894, PAGES 20 TO 24 INCLUSIVE OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

COMMENCING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF LOT 1, OF SAID TRACT 16838, AND THE NORTHWESTERLY LINE OF ALISO CREEK ROAD (120 FEET WIDE), AS SHOWN ON SAID MAP.

THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT 1 NORTH 63˚ 29' 18" WEST A DISTANCE OF 63.25 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 102.25 FEET.

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03˚ 07' 26", AN ARC DISTANCE OF 5.58 FEET.

THENCE NORTH 66˚ 36' 44" WEST A DISTANCE OF 43.09 FEET.

THENCE SOUTH 36˚ 23' 59" WEST A DISTANCE OF 415.43 FEET.

THENCE NORTH 53˚ 36' 01" WEST A DISTANCE OF 336.64 FEET.

THENCE NORTH 36˚ 15' 38" EAST A DISTANCE OF 282.50 FEET.

THENCE NORTH 53˚ 36' 00" WEST A DISTANCE OF 366.95 FEET.

THENCE NORTH 09˚ 12' 00" EAST A DISTANCE OF 160.10 FEET TO THE POINT OF BEGINNING.

THENCE SOUTH 52˚ 37' 30" EAST A DISTANCE OF 28.34 FEET.

THENCE NORTH 37˚ 22' 30" EAST A DISTANCE OF 710.55 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 6;

THENCE ALONG SAID NORTHEASTERLY LINE NORTH 24˚ 16' 29" WEST A DISTANCE OF 68.10 FEET.

THENCE NORTH 71˚ 12' 04" WEST A DISTANCE OF 11.40 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 735.00 FEET. A RADIAL LINE FROM SAID POINT BEARS SOUTH 75˚ 06' 04" WEST.

THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02˚ 14' 35", AN ARC DISTANCE OF 28.77 FEET.

THENCE NORTH 71˚ 10' 00" WEST A DISTANCE OF 50.35 FEET.

THENCE SOUTH 37˚ 40' 00" WEST A DISTANCE OF 781.41 FEET TO A POINT, BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 590.00 FEET. A RADIAL LINE FROM SAID POINT BEARS SOUTH 83˚ 20' 10" WEST.

THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 02˚ 17' 47", AN ARC DISTANCE OF 23.65 FEET.

THENCE SOUTH 82˚ 36' 00" EAST A DISTANCE OF 116.73 FEET TO THE SAID POINT OF BEGINNING.

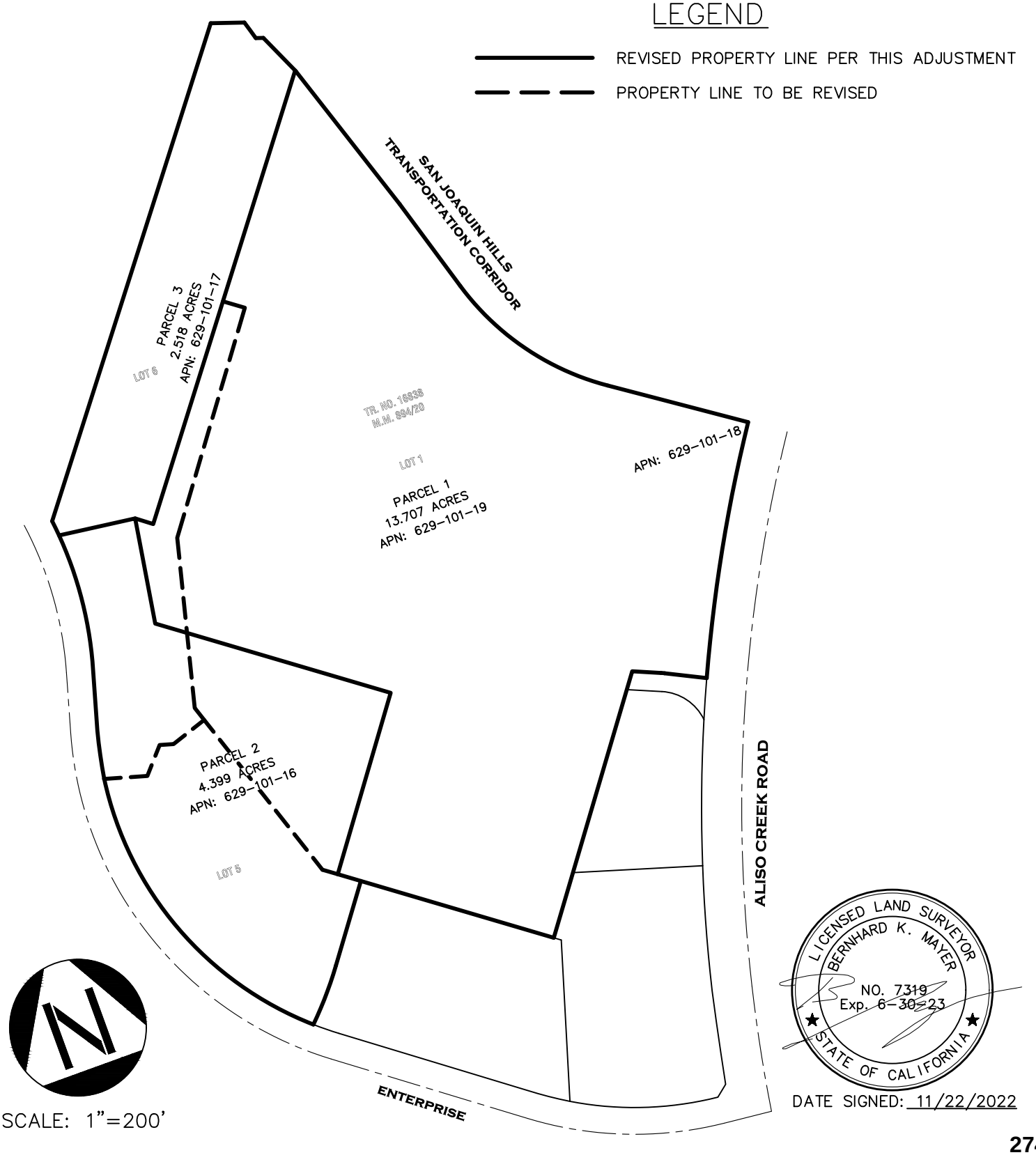
CONTAINING 2.52 ACRES, MORE OR LESS

SUBJECT TO ALL COVENANTS, RIGHTS-OF-WAYS AND EASEMENTS OF RECORD.

SEE EXHIBIT "B" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF.

EXHIBIT "B"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3



SCALE: 1"=200'

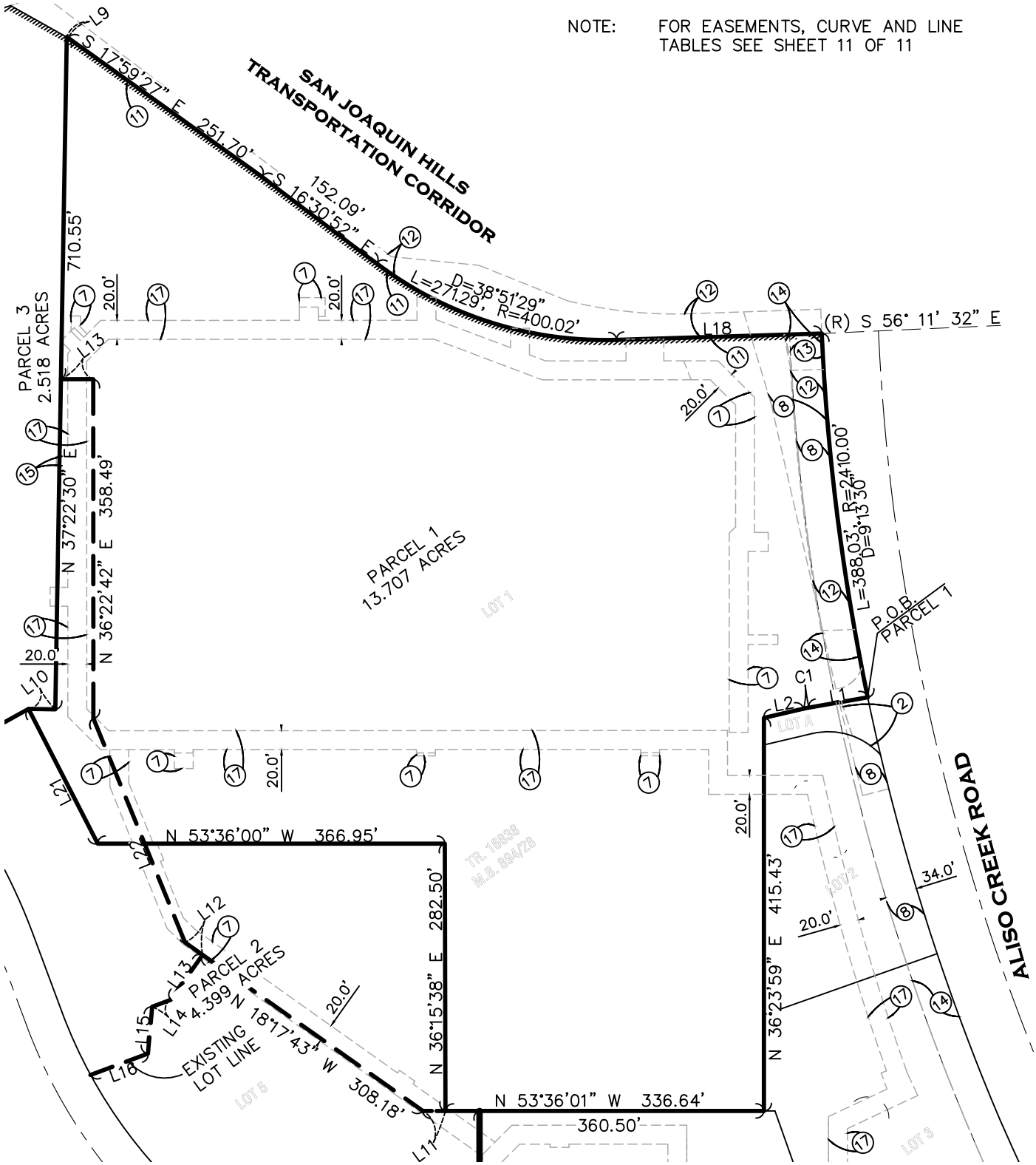
LICENSED LAND SURVEYOR
BERNHARD K. MAYER
NO. 7319
Exp. 6-30-23
STATE OF CALIFORNIA

DATE SIGNED: 11/22/2022

EXHIBIT "B"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; & LONE MOUNTAIN AZ, LLC	629-101-17, 18 & 19	PARCEL 1

NOTE: FOR EASEMENTS, CURVE AND LINE TABLES SEE SHEET 11 OF 11



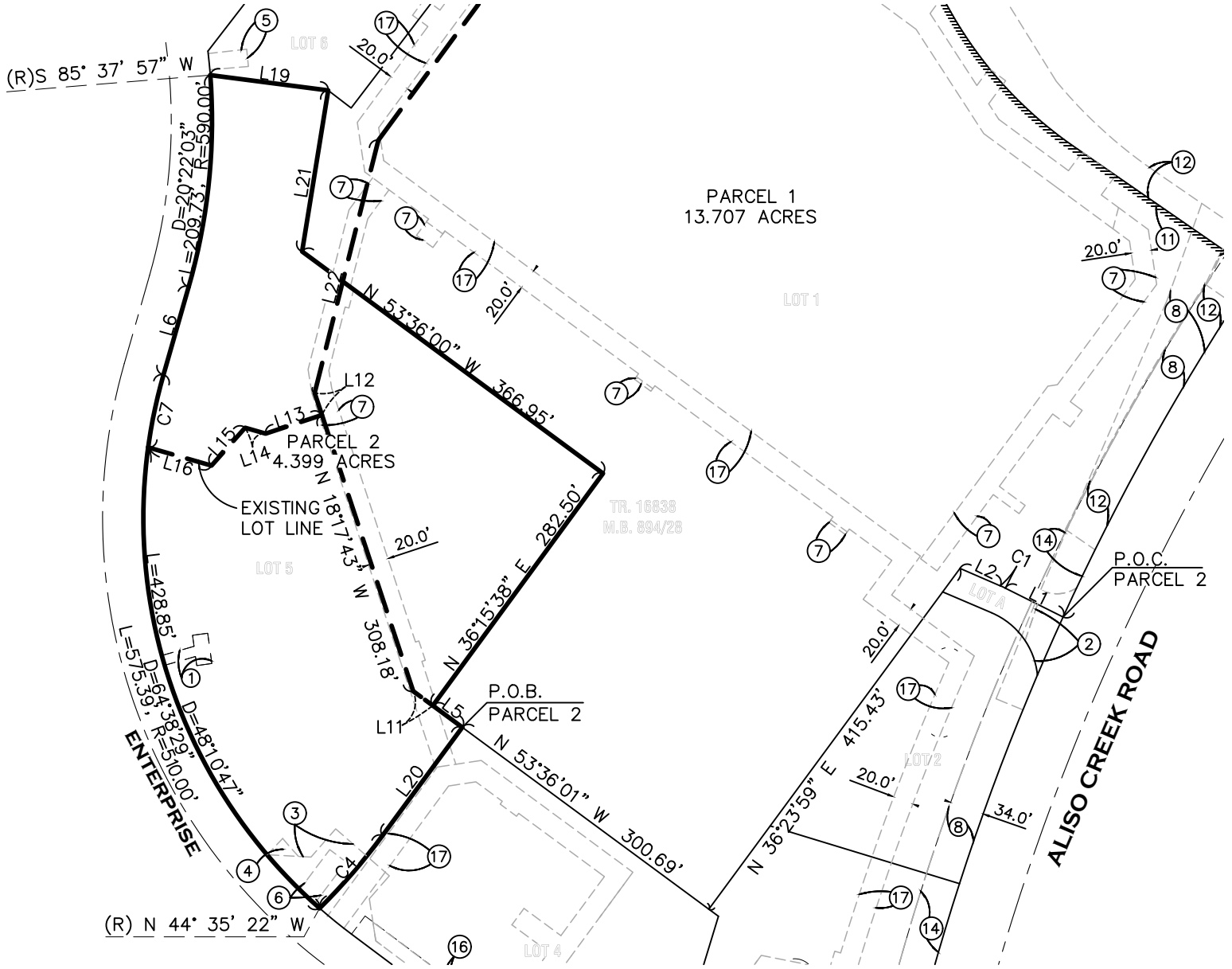
LEGEND

- PROPERTY LINE TO BE REVISED
- REVISED PROPERTY LINE PER THIS ADJUSTMENT
- EXISTING EASEMENTS

SCALE: 1"=150'

EXHIBIT "B"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
VALUEROCK ALISO VIEJO, LLC.; VALUEROCK ALISO VIEJO II, LLC; & LONE MOUNTAIN AZ, LLC	629-101-16, 17 & 19	PARCEL 2



NOTE: FOR EASEMENTS, CURVE AND LINE TABLES SEE SHEET 11 OF 11

LEGEND

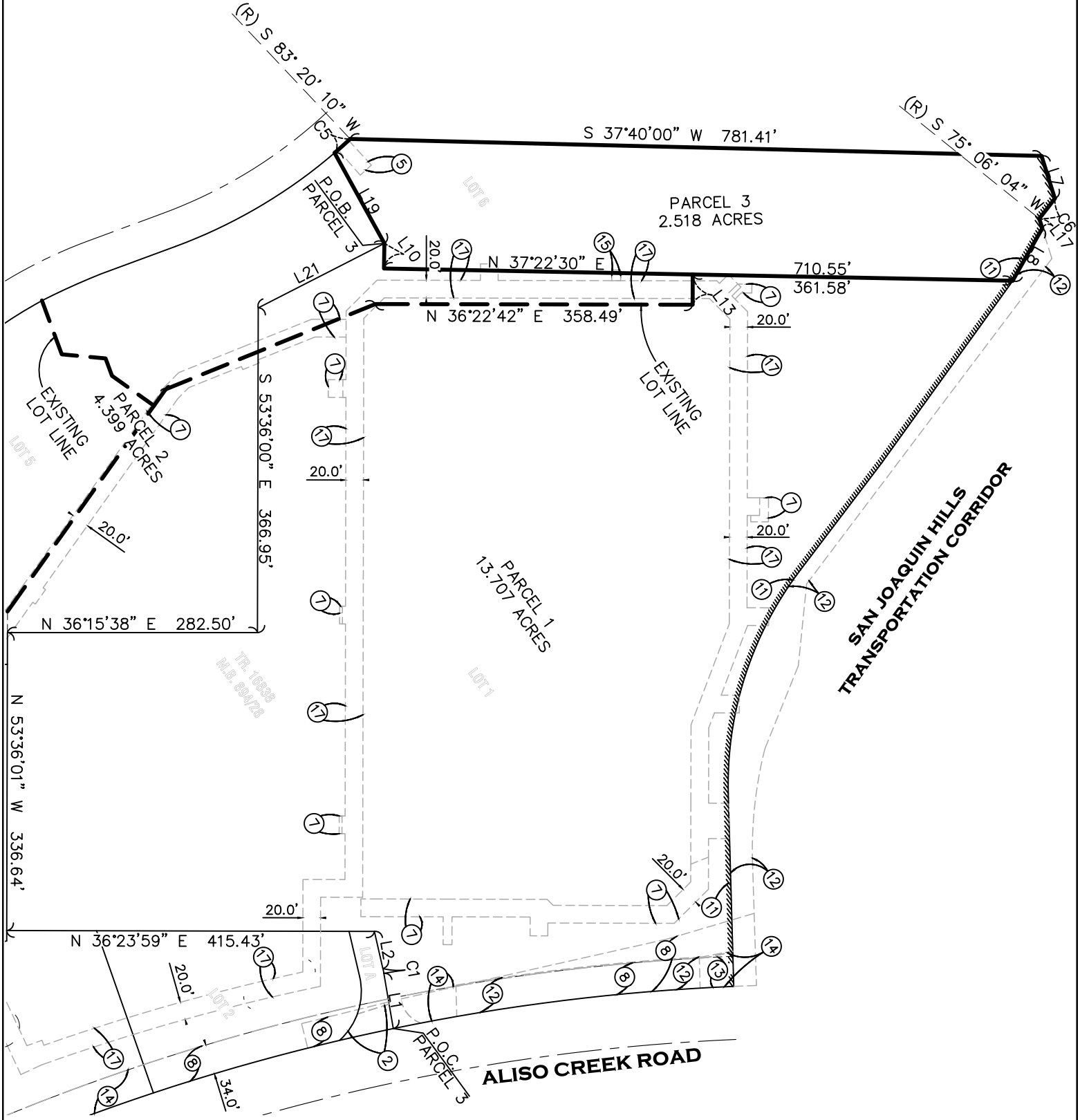
- PROPERTY LINE TO BE REVISED
- REVISED PROPERTY LINE PER THIS ADJUSTMENT
- EXISTING EASEMENTS

N

SCALE: 1"=150'

EXHIBIT "B"
LOT LINE ADJUSTMENT
LL 23-01

OWNER	EXISTING PARCELS A.P. #	PROPOSED PARCEL REFERENCE #
LONE MOUNTAIN AZ, LLC	629-101-17	PARCEL 3



LEGEND

- PROPERTY LINE TO BE REVISED
- REVISED PROPERTY LINE PER THIS ADJUSTMENT
- EXISTING EASEMENTS

NOTE: FOR EASEMENTS, CURVE AND LINE TABLES SEE SHEET 11 OF 11

SCALE: 1"=15'

SHEET 11 OF 11

EXISTING EASEMENTS

(1) AN EASEMENT FOR WIRES, CABLES, CONDUITS AND INCIDENTAL PURPOSES, RECORDED APRIL 4, 1995 AS INSTRUMENT NO. 95-0141072 OF OFFICIAL RECORDS.

(2) AN EASEMENT FOR STREET OR HIGHWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461909 OF OFFICIAL RECORDS.

(3) AN EASEMENT FOR STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461910 OF OFFICIAL RECORDS.

(4) AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 27, 1996 AS INSTRUMENT NO. 96-0606764 OF OFFICIAL RECORDS. DOCUMENT RE-RECORDED JANUARY 16, 1997 AS INSTRUMENT NO. 97-0024295 OF OFFICIAL RECORDS.

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(6) AN EASEMENT FOR SEWER, WATER AND RECLAIMED WATER PIPE LINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235056 OF OFFICIAL RECORDS.

(7) AN EASEMENT FOR SEWER, WATER AND RECLAIMED WATER PIPE LINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235057 OF OFFICIAL RECORDS.

(8) AN OFFER OF DEDICATION FOR STREET AND HIGHWAY AND INCIDENTAL PURPOSES, RECORDED DECEMBER 26, 1989 AS INSTRUMENT NO. 89-696614 OF OFFICIAL RECORDS.

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(9) THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "EASEMENT GRANT TO MOULTON NIGUEL WATER DISTRICT OF EASEMENT FOR WATER, RECLAIMED WATER AND SEWER FACILITIES" RECORDED JUNE 14, 1994 AS INSTRUMENT NO. 94-0396011 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235055 AND RECORDED APRIL 17, 2009 AS INSTRUMENT NO. 2009000190529, BOTH OF OFFICIAL RECORDS.

(10) AN EASEMENT FOR STREET OR HIGHWAY AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 95-461909 OF OFFICIAL RECORDS.

(11) ABUTTER'S RIGHTS OF INGRESS AND EGRESS TO OR FROM STATE ROUTE 73 OR PARCEL 300184 HAVE BEEN RELINQUISHED IN THE DOCUMENT RECORDED DECEMBER 07, 1995 AS INSTRUMENT NO. 19950547952 OF OFFICIAL RECORDS.

(12) A TEMPORARY EASEMENT FOR CONSTRUCTION AND INCIDENTAL PURPOSES, RECORDED DECEMBER 07, 1995 AS INSTRUMENT NO. 19950547952 OF OFFICIAL RECORDS.

(13) AN EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 27, 1996 AS INSTRUMENT NO. 96-0606765 OF OFFICIAL RECORDS. IN FAVOR OF: PACIFIC PARK TOWN CENTER ASSOCIATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION
AFFECTS: AS DESCRIBED THEREIN
THE ABOVE DOCUMENT WAS RE-RECORDED JANUARY 16, 1997 IN/AS INSTRUMENT NO. 97-0024296 OF OFFICIAL RECORDS.

(14) AN EASEMENT FOR ACCESS, INGRESS, EGRESS, MAINTENANCE, REPAIR, DRAINAGE AND INCIDENTAL PURPOSES IN THE DOCUMENT RECORDED DECEMBER 30, 1996 AS INSTRUMENT NO. 96-655963 OF OFFICIAL RECORDS.

(15) AN EASEMENT FOR SEWER, WATER PIPELINES AND INCIDENTAL PURPOSES, RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235057 OF OFFICIAL RECORDS.

(16) COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS, ASSESSMENTS, LIENS, CHARGES, TERMS AND PROVISIONS IN THE DOCUMENT RECORDED DECEMBER 23, 1993 AS INSTRUMENT NO. 93-0894675 OF OFFICIAL RECORDS, DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED AUGUST 26, 1997 AS INSTRUMENT NO. 97-414311 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED DECEMBER 23, 2003 AS INSTRUMENT NO. 2003001511434 OF OFFICIAL RECORDS.

(17) THE TERMS, PROVISIONS AND EASEMENT(S) CONTAINED IN THE DOCUMENT ENTITLED "EASEMENT GRANT TO MOULTON NIGUEL WATER DISTRICT OF EASEMENT FOR WATER, RECLAIMED WATER AND SEWER FACILITIES" RECORDED JUNE 14, 1994 AS INSTRUMENT NO. 94-0396011 OF OFFICIAL RECORDS. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED MARCH 23, 2004 AS INSTRUMENT NO. 2004000235055 AND RECORDED APRIL 17, 2009 AS INSTRUMENT NO. 2009000190529 BOTH OF OFFICIAL RECORDS.

CURVE TABLE

	DELTA	R	L
C1	03°07'26"	102.25'	5.57'
C2	61°08'16"	74.37'	79.36'
C3	01°28'51"	2407.82'	62.23'
C4	09°00'39"	600.63'	94.46'
C5	02°17'47"	590.00'	23.65'
C6	02°14'35"	735.00'	28.77'
C7	08°11'32"	510.00'	72.92'

LINE TABLE

L1	N63°29'18"W	63.25'	L12	N18°17'43"W	22.78'
L2	N66°36'44"W	43.09'	L13	N53°37'18"W	34.16'
L3	N36°23'59"E	28.63'	L14	N74°00'11"W	20.92'
L4	N66°52'27"W	52.45'	L15	N41°37'45"E	49.69'
L5	N53°36'01"W	35.95'	L16	N74°00'11"W	64.88'
L6	N16°00'00"E	89.96'	L17	N71°12'04"W	11.40'
L7	N71°10'00"W	50.35'	L18	S55°21'58"E	217.09'
L8	N24°16'29"W	68.10'	L19	N82°36'00"W	116.73'
L9	S24°16'29"E	1.87'	L20	N36°23'59"E	131.87'
L10	N52°37'30"W	28.34'	L21	N09°12'00"E	160.10'
L11	N53°36'01"W	23.86'	L22	N14°08'37"E	255.80'

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: David A. Doyle, City Manager

SUBJECT: RESOLUTION SUPPORTING ASSEMBLY CONSTITUTIONAL AMENDMENT (ACA) 12 RELATING TO CONTROLLED SUBSTANCES

Recommended Action:

Adopt a Resolution supporting Assembly Constitutional Amendment (ACA) 12 relating to controlled substances.

Fiscal Impact:

There is no fiscal impact associated with adopting the proposed resolution.

Background:

The entire United States, including California, is experiencing an opioid epidemic resulting in an ever-increasing number of overdose deaths. Nearly two-thirds of these overdose deaths are due to fentanyl.

Fentanyl is an extremely potent synthetic opioid 50 times stronger than heroin and 100 times stronger than morphine and can be fatal even in small doses. In 2021, fentanyl accounted for nearly 6,000 deaths in California.

Discussion:

In 2023, Assembly Bill 44, also known as Alexandra's Law, introduced by Senator Tom Umberg (D-Santa Ana), and co-authored by more than 20 California State Senators from both parties, was introduced in the California Senate. This bill would require courts to advise individuals convicted of fentanyl sales and manufacturing-related offenses that subsequent offenses could result in a charge of voluntary manslaughter or murder. California currently has a policy requiring courts to provide similar information to individuals convicted of driving under the influence.

Despite the bi-partisan nature of the bill and the support of many State Senators, a select few members of the California Senate Public Safety Committee effectively killed the bill

on April 25, 2023. The action by this Committee prevents the proposed legislation from being voted on by the California Senate.

As a result, Assemblymember Diane Dixon (R-Newport Beach) co-authored Assembly Constitutional Amendment (ACA) 12, which if approved will place the matter on a future ballot to be decided by the people of California rather than a few select State Senators.

Attachments:

1. Resolution

2. ACA 12 Text

RESOLUTION NO. 2023-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALISO VIEJO, CALIFORNIA, IN SUPPORT OF ASSEMBLY CONSTITUTIONAL AMENDMENT (ACA) 12 RELATING TO CONTROLLED SUBSTANCES

WHEREAS, fentanyl is an extremely potent synthetic opioid 50 times stronger than heroin and 100 times stronger than morphine; and

WHEREAS, illicit fentanyl is found in many different drugs including counterfeit prescription pills sold online, medication legally sold in Mexico, cocaine, and methamphetamine among others because it makes these drugs cheaper to make, more addictive, and more powerful; and

WHEREAS, in 2022, the U.S. Drug Enforcement Administration (DEA) seized more than fifty million fentanyl-laced, fake prescription pills, more than double the amount seized the prior year and over 50% contained lethal amounts of fentanyl; and

WHEREAS, the use of fentanyl has become an epidemic in the United States and devastated hundreds of thousands of families throughout the United States; and

WHEREAS, the COVID-19 pandemic exacerbated this epidemic, with overdose deaths reaching record levels in 2021 with over 1,500 people dying each week in the U.S. from opioid overdoses, with fentanyl accounting for approximately two-thirds of these deaths; and

WHEREAS, in 2021, the death toll from opioid overdoses in the United States surged to 80,411, which is more than ten times the number of U.S. military service members killed in the post-9/11 wars in Iraq and Afghanistan; and

WHEREAS, in 2021, fentanyl overdose deaths of children and teens were 30 times higher than in 2013; and

WHEREAS, in 2021, according to the California Department of Public Health, fentanyl overdoses in California accounted for nearly 6,000 deaths; and

WHEREAS, Senate Bill 44 (known as Alexandra's Law), a bipartisan measure with more than 20 Senate co-authors, would require the courts to advise individuals convicted of fentanyl sales and manufacturing-related offenses that subsequent offenses could result in a charge of voluntary manslaughter or murder; information California currently requires individuals convicted of driving under the influence be provided; and

WHEREAS, Senate Bill 44 was killed by the Senate Public Safety Committee on April 25, 2023, which prevented the bi-partisan bill supported by a majority of California senators from being voted on the Senate floor, pre-empting any consideration of the legislation by the California Senate; and

WHEREAS, the Aliso Viejo City Council is deeply concerned about the devastating effects of fentanyl on families in the United States, California, and our own community;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALISO VIEJO AS FOLLOWS:

SECTION 1. There is an urgent need for legislative action to address the fentanyl crisis and the City Council supports Assembly Constitutional Amendment (ACA) 12.

SECTION 2. To encourage members of California's Senate Public Safety Committee, all other California State Legislators, and Governor Gavin Newsom to support Assembly Constitutional Amendment (ACA) 12.

PASSED, APPROVED AND ADOPTED this 19th day of July, 2023.

_____
Richard Hurt
Mayor

APPROVED AS TO FORM:

_____
Scott C. Smith, City Attorney

ATTEST:

_____
Mitzi Ortiz, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ALISO VIEJO)

I, MITZI ORTIZ, City Clerk of the City of Aliso Viejo, California, DO HEREBY CERTIFY that the foregoing is the original of Resolution No. 2023-__ duly passed and adopted by the City Council of the City of Aliso Viejo at their regular meeting held on the 19th day of July, 2023, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

_____
MITZI ORTIZ, MMC
CITY CLERK

(SEAL)

ACA-12 Controlled substances. (2023-2024)

SHARE THIS:

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY CONSTITUTIONAL AMENDMENT NO. 12

Introduced by Assembly Members Dixon, Alanis, and Joe Patterson
(Coauthors: Assembly Members Chen, Megan Dahle, Davies, Essayli, Flora, Vince Fong, Gallagher, Hoover, Lackey, Mathis, Jim Patterson, Petrie-Norris, Sanchez, Ta, Waldron, and Wallis)
(Coauthors: Senators Alvarado-Gil, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, and Wilk)

June 05, 2023

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 33 to Article I thereof, relating to controlled substances.

LEGISLATIVE COUNSEL'S DIGEST

ACA 12, as introduced, Dixon. Controlled substances.

Existing law makes it a crime to possess for sale or purchase for purpose of sale, transport, import, sell, furnish, administer, give away, manufacture, compound, convert, produce, derive, process, or prepare various controlled substances, including, among others, fentanyl, peyote, and various other opiates and narcotics.

This measure would require a criminal court to advise a person who is convicted of, or who pleads guilty or no contest to, the above-described crimes, as specified, of the danger of selling or administering illicit drugs and counterfeit pills and that, if a person dies as a result of that action, the defendant can be charged with homicide. The measure would require the court to read the advisory statement in a case in which the defendant exchanged a controlled substance containing fentanyl or its analogs for anything else of value, as specified. The measure would require the advisory statement to be included in a plea form, if used, and specified on the record. The measure would require that the fact the advisory was given be recorded in the abstract of conviction and would prohibit the advisement from being used as evidence in the prosecution of a minor in juvenile court.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its 2023–24 Regular Session, commencing on the fifth day of December 2022, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California, that the Constitution of the State be amended as follows:

That Section 33 is added to Article I thereof, to read:

SEC. 33. (a) The people shall have the right to be free from the dangers of poisoning from illicit and counterfeit substances. Fentanyl and other dangerous drugs pose a significant risk to public safety. The defendant in a criminal cause has the right to be informed of the dangers and potential legal consequences of selling, manufacturing, transporting, or administering illicit and counterfeit drugs.

(b) A criminal court shall advise a person who is convicted of, or who pleads guilty or no contest to, a violation of possessing for sale or purchasing for purposes of sale any controlled substance, transporting, importing, selling, or administering a controlled substance, offering to transport, import, sell, or administer a controlled substance, attempting to transport, import, sell, or administer a controlled substance, or manufacturing, compounding, converting, producing, deriving, processing, or preparing a controlled substance, either directly or indirectly by chemical extraction or independently by means of chemical synthesis, of the following:

"You are hereby advised that all illicit drugs and counterfeit pills are dangerous to human life and become even deadlier when they are, sometimes unknowingly, mixed with substances such as fentanyl and analogs of fentanyl. People can and have died from these substances, even in very small doses. It is extremely dangerous and deadly to human life to sell or administer drugs, in any form, when not lawfully authorized to do so. If you do so in the future and a person dies as a result of that action, and you knew or should have known that the substance you provided contained fentanyl or a fentanyl analog, you may be charged with homicide, up to and including the crime of murder, within the meaning of Section 187 of the Penal Code. In addition, this conviction will be considered by a judge or jury as to whether you knew or should have known that the substance you provided to the decedent contained fentanyl or a fentanyl analog."

The court shall additionally read the advisory statement in a case in which the person exchanged a controlled substance containing fentanyl or its analogs for anything else of value, except when the controlled substance containing fentanyl or its analogs is exchanged for a controlled substance or alcohol.

(c) The advisory statement shall be included in a plea form, if used, or the fact that the advisory was given shall be specified on the record.

(d) The fact that the advisory was given shall be recorded in the abstract of the conviction.

(e) This advisement may not be used as evidence in the prosecution of a minor in juvenile court.

City of Aliso Viejo
AGENDA ITEM

DATE: July 19, 2023

TO: Mayor and City Council

FROM: Mitzi Ortiz, Director of Government Services

SUBJECT: SELECTION OF VOTING DELEGATE FOR LEAGUE OF CALIFORNIA CITIES GENERAL ASSEMBLY

Recommended Action:

Designate a voting delegate and up to two alternates for the League of California Cities General Assembly to be held on September 22, 2023 at the Sacramento SAFE Credit Union Convention Center.

Fiscal Impact:

Conference registration is required at a cost of $350 for one-day registration or $650 for full conference registration. Funds for City Council travel and training expenditures have been included in the FY 2023-24 Budget.

Background:

This year's League of California Cities Annual Conference will be held September 20-22, 2023, at the Sacramento SAFE Credit Union Convention Center. The General Assembly is scheduled for Friday, September 22, at 8:30 a.m. and is held to allow the membership to consider and act on League resolutions that establish League policy. In order to vote at this meeting, the City Council must designate a voting delegate. The Council may appoint up to two alternates, one of whom may vote in the event that the voting delegate is unable to serve in that capacity.

Discussion:

The voting delegate and alternate(s) must be registered to attend the conference. At least one must be present at the General Assembly and in possession of a voting card in order to cast a vote. Additional instructions are outlined in the attached correspondence from the League of California Cities regarding this process and the voting procedures. Voting cards may be transferred between the delegate and the alternate(s) only. They are not transferable to another City official.

Staff is recommending Council designate one voting delegate and up to two alternates. The League of California Cities has requested submittal of the Voting Delegate/Alternate Form by August 28, 2023.

Attachment:

1. Memo from League of California Cities

LEAGUE OF CALIFORNIA CITIES

Council Action Advised by August 28, 2023

DATE: Wednesday, June 21, 2023

TO: Mayors, Council Members, City Clerks, and City Managers

RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference and Expo, Sept. 20-22, 2023, Sacramento SAFE Credit Union Convention Center

Every year, the League of California Cities convenes a member-driven General Assembly at the Cal Cities Annual Conference and Expo. The General Assembly is an important opportunity where city officials can directly participate in the development of Cal Cities policy.

Taking place on Sept. 22, the General Assembly is comprised of voting delegates appointed by each member city; every city has one voting delegate. Your appointed voting delegate plays an important role during the General Assembly by representing your city and voting on resolutions.

To cast a vote during the General Assembly, your city must designate a voting delegate and up to two alternate voting delegates, one of whom may vote if the designated voting delegate is unable to serve in that capacity. Voting delegates may either be an elected or appointed official.

Please complete the attached voting delegate form and email it to Cal Cities office no later than Monday, August 28.

New this year, we will host a pre-conference information session for voting delegates to explain their role. Submitting your voting delegate form by the deadline will allow us time to establish voting delegate/alternate records prior to the conference and provide pre-conference communications with voting delegates.

Please view Cal Cities' event and meeting policy in advance of the conference.

Action by Council Required. Consistent with Cal Cities bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council.

Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.

Conference Registration Required. The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. Conference registration is open on the Cal Cities website.

For a city to cast a vote, one voter must be present at the General Assembly and in possession of the voting delegate card and voting tool. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the voting delegate desk. This will enable them to receive the special sticker on their name badges that will admit the voting delegate into the voting area during the General Assembly.

Transferring Voting Card to Non-Designated Individuals Not Allowed. The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the General Assembly, they may *not* transfer the voting card to another city official.

Seating Protocol during General Assembly. At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

The voting delegate desk, located in the conference registration area of the SAFE Credit Union Convention Center in Sacramento, will be open at the following times: Wednesday, Sept. 20, 8:00 a.m.- 6:00 p.m. and Thursday, Sept. 21, 7:30 a.m.- 4:00 p.m. On Friday, Sept. 22, the voting delegate desk will be open at the General Assembly, starting at 7:30 a.m., but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to Cal Cities office by Monday, Aug. 28. If you have questions, please contact Zach Seals at zseals@calcities.org.

Attachments:

- General Assembly Voting Guidelines
- Voting Delegate/Alternate Form
- Information Sheet: Cal Cities Resolutions and the General Assembly

LEAGUE OF CALIFORNIA CITIES

General Assembly Voting Guidelines

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to Cal Cities policy.

2. **Designating a City Voting Representative.** Prior to the Cal Cities Annual Conference and Expo, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the voting delegate form provided to the Cal Cities Credentials Committee.

3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the voting delegate desk in the conference registration area. Voting delegates and alternates must sign in at the voting delegate desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the General Assembly.

4. **Signing Initiated Resolution Petitions**. Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the credentials committee at the voting delegate desk, may sign petitions to initiate a resolution.

5. **Voting.** To cast the city's vote, a city official must have in their possession the city's voting card and voting tool; and be registered with the credentials committee. The voting card may be transferred freely between the voting delegate and alternates but may not be transferred to another city official who is neither a voting delegate nor alternate.

6. **Voting Area at General Assembly.** At the General Assembly, individuals with a voting card will sit in a designated area. Admission to the voting area will be limited to the individual in possession of the voting card and with a special sticker on their name badge identifying them as a voting delegate.

7. **Resolving Disputes**. In case of dispute, the credentials committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the General Assembly.

LEAGUE OF CALIFORNIA CITIES

CITY: _____

2023 ANNUAL CONFERENCE
VOTING DELEGATE/ALTERNATE FORM

Please complete this form and return it to Cal Cities office by Monday, August 28, 2023. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.

To vote at the General Assembly, voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

Please note: Voting delegates and alternates will be seated in a separate area at the General Assembly. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the voting delegate desk.

1. VOTING DELEGATE

Name: _____ Email: _____

Title: _____

2. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

Email: _____

3. VOTING DELEGATE - ALTERNATE

Name: _____

Title: _____

Email: _____

ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES OR

ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).

Name: _____ Email: _____

Mayor or City Clerk: _____ Date: _____ Phone: _____
(circle one) (signature)

Please complete and email this form to votingdelegates@calcities.org by Monday, August 28, 2023.

LEAGUE OF CALIFORNIA CITIES

How it works: Cal Cities Resolutions and the General Assembly

Developing League of California Cities policy is a dynamic process that engages a wide range of members to ensure that we are representing California cities with one voice. These policies directly guide Cal Cities advocacy to promote local decision-making, and lobby against statewide policy that erodes local control.

The resolutions process and General Assembly is one way that city officials can directly participate in the development of Cal Cities policy. If a resolution is approved at the General Assembly, it becomes official Cal Cities policy. Here's how Resolutions and the General Assembly works.

Prior to the Annual Conference and Expo

General Resolutions



Sixty days before the Annual Conference and Expo, Cal Cities members may submit policy proposals on issues of importance to cities. The resolution must have the concurrence of at least five additional member cities or individual members.

Policy Committees



The Cal Cities President assigns general resolutions to policy committees where members review, debate, and recommend positions for each policy proposal. Recommendations are forwarded to the Resolutions Committee.

During the Annual Conference and Expo

Petitioned Resolutions



The petitioned resolution is an alternate method to introduce policy proposals during the annual conference. The petition must be signed by voting delegates from 10% of member cities, and submitted to the Cal Cities President at least 24 hours before the beginning of the General Assembly.

Resolutions Committee



The Resolutions Committee considers all resolutions. General Resolutions approved[1] by either a policy committee or the Resolutions Committee are next considered by the General Assembly. General resolutions not approved, or referred for further study by both a policy committee and the Resolutions Committee do not go the General Assembly. All Petitioned Resolutions are considered by the General Assembly, unless disqualified.[2]

General Assembly



During the General Assembly, voting delegates debate and consider general and petitioned resolutions forwarded by the Resolutions Committee. Potential Cal Cities bylaws amendments are also considered at this meeting.

What's new in 2023?



- Voting delegates will receive increased communications to prepare them for their role during the General Assembly.
- The General Assembly will take place earlier to allow more time for debate and discussion.
- Improvements to the General Assembly process will make it easier for voting delegates to discuss and debate resolutions.

Who's who

Cal Cities policy development is a member-informed process, grounded in the voices and experiences of city officials throughout the state.

The **Resolutions Committee** includes representatives from each Cal Cities diversity caucus, regional division, municipal department, policy committee, as well as individuals appointed by the Cal Cities president.

Voting delegates are appointed by each member city; every city has one voting delegate.

The **General Assembly** is a meeting of the collective body of all voting delegates — one from every member city.

Seven **Policy Committees** meet throughout the year to review and recommend positions to take on bills and regulatory proposals. Policy committees include members from each Cal Cities diversity caucus, regional division, municipal department, as well as individuals appointed by the Cal Cities president.

[1] The Resolution Committee can amend a general resolution prior to sending it to the General Assembly.
[2] Petitioned Resolutions may be disqualified by the Resolutions Committee according to Cal Cities Bylaws Article VI. Sec. 5(f).

For more information visit www.calcities.org/general-assembly