

## MEMORANDUM

**DATE:** February 17, 2012  
**TO:** City Council  
**FROM:** John Pietig, City Manager  
**SUBJECT: WEEKLY UPDATES**

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**Big Bend Accident** – Laguna Canyon Road was closed to all traffic from the late hours of Tuesday, February 14 through the early hours of Wednesday, February 15 due to a traffic collision. A vehicle veered off the road and knocked down a utility pole on the inbound side of the road at the Big Bend. The pole that was knocked down is one slated for removal with the City's project to underground utilities and poles through the Big Bend area. Design for the undergrounding project began two years ago and did not originally include this part of the Big Bend. Last month the City Council expanded the scope of the project to include this part of the Big Bend. The actual construction is still a couple of years away due to the complexity of design involving three different utility companies.

**Main Beach Lift Station Construction** - The excavation phase of the project is nearly complete. The shoring has been installed and the site has been excavated down to approximately 14' below mean sea level. A horizontal boring process begins today to install a pipe from the existing sewer manhole in the sidewalk to the bottom of the excavation where the new wet well will be located. The boring will be 48 inches in diameter, approximately 40 feet in length, and be completed in approximately 10 days. Using this boring process eliminates lane closures on Coast Highway. Once the boring process is completed, the placement of the pre-manufactured lift station components will begin.

**DeWitt Burn Dump Stabilization In Progress** – The December 2011 storms revealed an old burn dump site on the City's DeWitt property on Laguna Canyon Road. To prevent buried debris from being washed downstream during heavy rains, the City is putting in place some interim improvements that include a concrete lining of the bottom of the debris laden ravine. The last required permit for the stabilization project was received on Friday, February 10. The lining work should be completed by Friday, February 17.

**Moulton Meadows Storage Shed** - Working with the Community Services and Public Works Departments, Eagle Scouts from Laguna Beach's Troop 38 have constructed a storage shed at Moulton Meadows Park. The shed will provide much needed space for our local AYSO - Region 86 youth soccer organization to store field equipment.

**Police Explorers Graduate** – Six teenage members of our Laguna Beach Police Explorer team graduated Monday evening from the Orange County Explorer Academy. Over 100 Explorers from Los Angeles and Orange Counties attended a week long program that teaches them basic report writing, crime scene investigation, and physical fitness. They also participate in a helicopter and K-9 demonstration. After acceptance by the Police Department, attendance at the academy is their next step toward serving as our most junior members of the department. Police Exploring is an excellent introduction to law enforcement and typically gives members an edge as young adults during the competitive recruitment process for police officer. The County's Explorer program has been invaluable during events such as the Patriots Day Parade, Hospitality Night and July 4<sup>th</sup> where members from other Explorer posts come to help with traffic control and other essential services.

**Better than Expected Results For Assessment District Bond Refunding** – The City Treasurer reports that the savings resulting from the refinancing of seven assessment district bonds has exceeded expectations. The average annual cash savings will be over \$70,000 for a total savings of \$877,000. The average annual savings range from \$167 to \$299 and will be reflected on the 2012/13 property tax bills. All assessment districts were analyzed for potential refinance late last year. Districts 95-6, 94-3, 94-1, 99-1, 99-2, 06-2, 07-2 will benefit from the refinancing. The average savings by district are explained in the attached memo from Fieldman Rolapp & Associates, the financial advisor. The bond pricing occurred on Thursday, February 2, 2012. Word of mouth, newspaper articles and local advertising resulted in approximately \$500,000 of bond placement with Laguna Beach residents. Ninety-one percent (91%) of the bonds sold in a two hour timeframe with approximately 60% sold in retail and 40% in wholesale markets. The bonds funded on February 16, 2012.

**Skateboarding Update** – City staff will provide an update to the City Council on February 28 to review the impact of skateboarding regulations that were effective on May 5, 2011.

Attachment \_\_\_\_\_

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To: Laura Parisi, Treasurer  
 City of Laguna Beach

From: Thomas DeMars and Paul Pender  
 Fieldman, Rolapp & Associates (Financial Advisor to the City)

Re: Savings to Property Owners as Result of Reassessment District No. 12-1 Refunding Bonds

Date: February 8, 2012

The City recently completed the sale of refunding bonds for Reassessment District No. 12-1, which will refinance the bonds for seven of the City's existing Assessment Districts. Property owners in the new Reassessment District, in which there are 723 assessed parcels, will benefit from the refinancing through lower annual assessment levies, starting with their fiscal year 2012-2013 installments. The refunding was structured to meet the three tests required by state law: 1) all property owners will realize savings in each year, 2) the final bond maturity was not extended for any property owner, and 3) the lien was not increased for any property (in fact the total lien was reduced by over \$600,000).

The amount of savings each property owner will realize will vary by parcel, but on average property owners will see a reduction of 18% for their next installment amount. The savings depicted below are shown broken down by the prior Assessment District bonds which were refunded.

### Savings Summary for Reassessment District No. 12-1

Prior City Assessment District	Number of Parcels	Gross Bond Debt Service Savings	Average Annual Cash Savings	Average Annual Cash Savings Per Parcel	Annual Cash Flow Savings (% of levy) <sup>1</sup>	Net Present Value Savings <sup>2</sup>	NPV Savings Per Parcel
AD No. 95-6	40	\$35,922	\$11,974	\$299	28%	\$7,961	\$199
AD No. 94-3	110	\$163,149	\$32,630	\$297	31%	\$31,932	\$290
AD No. 94-1	227	\$223,255	\$55,814	\$246	37%	\$35,614	\$157
AD No. 99-1	61	\$77,520	\$15,504	\$254	23%	\$15,613	\$256
AD No. 99-2	232	\$232,686	\$38,781	\$167	19%	\$51,771	\$223
AD No. 06-2	16	\$40,423	\$3,675	\$230	8%	\$15,271	\$954
AD No. 07-2	37	\$104,364	\$8,697	\$235	9%	\$53,131	\$1,436
<b>TOTALS</b>	<b>723</b>	<b>\$877,319</b>	<b>\$70,186</b>	<b>NA</b>	<b>18%</b>	<b>\$211,293</b>	<b>\$292</b>

**Notes:**

1. Each parcel will see a reduction in their annual assessment, starting for the FY12-13 tax levy.
2. Nets out existing reserve funds utilized in refunding to reduce bonds outstanding (to \$3.359 from \$4.09 million).

### Structure of Savings

The refinancing was structured to maximize savings to property owners on their upcoming assessment installments. As indicated in the table above, these savings will be realized as annual cash savings based on the new, refinanced bond debt service. The Net Present Value Savings and NPV per Parcel columns take into account the fact that existing prior District funds on hand were contributed to the refunding, which had the effect of reducing the bonds outstanding by some \$600,000.