

Five-Year Strategic Plan

2015-2020



CITY OF LAKE FOREST



CHAPTER 1

VISION STATEMENT

Lake Forest will continue to be a safe, attractive, and healthy community in which to live, worship, work, and play. Our diverse community will foster the active involvement of its citizenry and businesses, and reflect a distinctive, suburban identity that relies upon an established image of lakes, creeks, forests, parks, and open space.

MISSION STATEMENT

The City of Lake Forest is committed to ensure an optimal quality of life for its community by providing innovative, effective, and efficient services.

VALUES

The City of Lake Forest values...

1. A community where people feel safe and can realize a higher quality of life.
2. Diversity, strength, and stability in the Lake Forest economy.
3. A circulation system that meets local and regional needs.
4. Dialogue with the community on current issues and those issues that challenge the future.
5. Recreational and cultural opportunities and facilities for the community.
6. Continual improvement of services and operations while maintaining a fiscally conservative approach to managing resources.
7. Integrity and high ethical standards in what we do and how we do it.
8. Unique characteristics, aesthetics, and histories of the neighborhoods and communities of Lake Forest.
9. Leadership on municipal issues that affect Lake Forest.
10. Using creativity, innovation, and evolving technology.

CHAPTER 1 OVERVIEW OF THE FIVE-YEAR STRATEGIC BUSINESS PLAN

The Five-Year Strategic Business Plan (“Plan”), first initiated by the City Council in 1999, serves as a touchstone for elected officials and staff to guide short-term and long-term projects and programs along with associated activities and resources. Updated every two years, the Plan serves as a tool to allow the City to assess its current status, identify future goals, and develop strategies toward achieving those goals.

Section I highlights strategic issues, community demographics, and community priorities. Chapter 1 defines strategic issues – the most important issues facing Lake Forest over the next five years. Chapter 2 provides an overview of population, housing, and economic characteristics. Chapter 3 summarizes key findings from the City’s biennial resident and business survey most recently conducted in 2014.

Section II provides a high-level review of the financial resources available to address strategic issues and community priorities. Chapter 4 presents an overview of revenues, and Chapter 5 provides an overview of expenditures. Chapter 6 identifies carryover appropriations which bring unspent balances forward from Fiscal Year 2014-15 along with anticipated carryover capital projects. Chapter 7 identifies those programs and projects that have been deferred until funds become available.

Section III outlines the proposed operating programs and capital improvement projects for the five-year planning period. Chapter 8 provides information on new operating programs, and Chapter 9 describes capital improvement projects. Chapter 10 focuses on the Opportunity Study Area (“OSA”) Public Facilities Business Plan and the current status surrounding the public facilities projects and private development activity.

STRATEGIC ISSUES

The most important issues facing Lake Forest over the next five years (July 2015 – June 2020) are identified in this plan as “Strategic Issues.” Strategic Issues are identified by public input, as captured by the City’s biennial surveys and sources of information including, but not limited to, public workshops, program evaluation forms, and the City’s online resident relationship management program (AskLakeForest.com). These strategic issues, obtained from various sources, are important to translate the community’s vision into reality. This information serves as a guide in developing projects in this Five-Year Plan, as well as City-wide and departmental goals for the City’s annual Operating Budget

and the Two-Year Capital Improvement Projects Budget. Based on identified sources, those issues important to the community that inform the Strategic Plan are:

TRAFFIC

Over the past several years, the City enhanced and beautified portions of its major transportation corridors including El Toro Road, Trabuco Road, Jeronimo Road, and Rockfield Boulevard. The City also added capacity enhancements with the completion of the Alton Parkway extension between Irvine Boulevard and Towne Centre Drive and the Rancho Parkway Project. Both of these projects included new travel and turn lanes, provided traffic relief to parallel routes, and reduced delay on the arterials. The City will pursue additional streetscape and capacity projects on arterial roadways where opportunities are available. Streetscape projects that provide traffic congestion relief will be made shelf-ready to take advantage of outside funding as well as early project implementation.

In 2010, the City adopted the Local Traffic Signal Synchronization Program (LTSSP) and began upgrading traffic signal system components. These improvements included equipment replacements and communication system upgrades. This program also included the preparation and implementation of coordinated traffic signal programs to optimize the progression of traffic on major arterials within Lake Forest. Through synchronization, the City reduced peak-hour traffic delays on El Toro Road, Bake Parkway, Lake Forest Drive, Trabuco Road and Portola Parkway.

The City also made a commitment to participate in the Orange County Transportation Agency (“OCTA”) Regional Traffic Signal Synchronization Program (M2 Project ‘P’). The Project ‘P’ Program targets over 2,000 synchronized intersections across Orange County to maintain traffic signal synchronization, improve traffic flow, and reduce congestion across jurisdictions. The City was awarded OCTA funding for three traffic signal coordination programs with adjacent communities that were recently completed. The City has also received funding for an additional five programs. During the upcoming five-year period, the City will continue its program to synchronize traffic signals throughout the City. The City’s goal is to have 100% of the City’s major transportation corridors synchronized by 2017.

In 2014, the City hired a consultant to evaluate and upgrade the traffic signal communication and monitoring system. This system allows the City to monitor the traffic signals in real time to help staff detect and resolve issues quickly, including making remote changes to traffic signal timing. Currently,

approximately 60% of the signals are connected to the system. Consistent with the timing efforts described above, the City's goal is to have 100% of the signals connected to the system by 2017.

Through traffic modeling, the City maintains its vision for an efficient and sustainable circulation system. The City is currently using the Lake Forest Traffic Model ("LFTM") program for this purpose. The LFTM program identifies necessary traffic improvements in anticipation of the Opportunities Study Area ("OSA") developments currently planned within the City. Traffic modeling ensures that roadway improvements are implemented in a timely manner and continues to serve the City as a method by which to refine its circulation system. During the upcoming five-year period, the City will continue to utilize the LFTM program to ensure that the OSA development and its associated traffic impacts mitigated and that traffic circulation in the City overall is enhanced.

The City also recognizes that factors outside of its control, such as growth in neighboring communities, motorists traveling through Lake Forest, and regional transportation patterns, impact the community's perception of traffic congestion. While occasional traffic delays may simply be unavoidable in Southern California, the City will continue applying a combination of transportation strategies to reduce chronic traffic delays on local arterials, such as roadway capacity enhancements, traffic signal synchronization and coordination, and citywide traffic modeling in addition to continued coordination with adjacent cities.

PUBLIC SAFETY

Maintaining a Safe Community

Using a variety of statistical measures, the City is consistently found to be a safe community at a local, county, state, and national level. As a strategic issue, preserving a safe and peaceful community will continue to be a top priority. In light of anticipated growth in population due to new housing units, Police Services will begin planning future resource deployment to ensure optimized patrol and other law enforcement services. In addition, the Saddleback Substation will provide enhanced public safety by increasing the presence of the Sheriff Department within the City. Also, it is anticipated that the substation's location within City limits will reduce the City's contract police costs related to vehicle replacement and maintenance.

Police Services will continue to incorporate technological advances with the introduction of Virtual Briefings (which provides an electronic map with displaying information regarding crime trends other policing data within the City), Automated License Plate Readers ("ALPR"), and will consider the potential of body-worn

digital recording cameras. In particular, the ALPR enables deputies to drive by locations without stopping while the device alerts them to stolen vehicles or vehicles associated with criminal activity. In similar fashion, Police Services will continue to assess and implement cost-effective new technologies that may enhance its ability to maintain higher levels of community safety.

Police Services Contract Costs

Throughout its history, the City has contracted with the OCSD for police services. This partnership has proven effective at both maintaining a low crime rate and reducing costs to the City. Essentially, the City “purchases” the level of police resources it feels is appropriate for the community and works with the OCSD to ensure that these resources are applied effectively.

However, as with all services, law enforcement costs increase over time for a variety of reasons. Over time, the City’s contract with the OCSD has changed due to desired levels of enhanced services, such as occurred when the communities of Foothill Ranch and Portola Hills joined the City. At that time, staff levels were modified increase patrol coverage service levels. Additionally, there have been increases as a result of labor negotiations, commodity prices like gasoline, and equipment acquisition. The City will continue working with the Sheriff to ensure that contract cost increases are reasonably within the context of historical experience and maintain or provide enhanced levels of public safety to the community.

Saddleback Substation

In May of 2015, the OCSD opened the Saddleback Substation which serves as the eastern command station for southern Orange County. Lake Forest has long sought a police substation in the community as the only other substation in the area was located in Aliso Viejo. The Saddleback Substation will bring a variety of benefits to the City including enhanced response times and reduced direct vehicle maintenance and replacement costs. During the five-year period, the City will work with the OCSD to ensure that the Saddleback Substation is providing benefit to the community.

Musick Jail Expansion

For well over a decade, City officials have worked diligently to minimize the community impacts of a potential Musick Jail expansion on the City’s border. The City, County, and the OCSD entered into a Memorandum of Understanding (“MOU”) consistent with the City’s primary objectives to limit the total inmate population and prevent OCSD from housing maximum security inmates. During

the upcoming five-year period, staff will continue working with OCSD to ensure compliance with the negotiated terms of the MOU as the final design and initial construction of this project is anticipated to occur.

COMMUNITY SERVICES AND PUBLIC FACILITIES

Community services and public facilities add to the high quality of life and foster a healthy and vibrant community for Lake Forest residents. Enhancing recreational opportunities for all ages and abilities along with meeting park acreage per capita goals of 5 park acres per 1,000 resident have been consistent objectives since the City's incorporation. The City has made significant efforts to achieve that goal as its inventory now includes in excess of 300 acres of parkland. However, given the City's population, additional parkland is required. To the end, Community Services is proposing an update to its Community Services Strategic Plan which will assess community park needs and establish updated goals based on those findings.

Several projects planned in the upcoming five years help meet the interest expressed in the 2014 Community Satisfaction Survey by residents for community activities, special events, educational programs, performances, and fitness and exercise programs. The upcoming five-year period will see a significant increase in activity related to public facilities. The construction of the Civic Center and Senior Center will be important strategic priorities that will also be used to conduct senior programs, community events, and generally to provide services to residents.

Increasing Public Facilities and Enhancing Recreational Opportunities

The City recently completed construction of a new Sports Park and Recreation Center. The facility has quickly become the hub of active recreation in the community and one of the premier sports facilities in Orange County. As the newest and one of the largest sports parks in the County, the Lake Forest Sports Park is both a community amenity and regional draw from Orange County. The Sports Park concluded a decade-long process to fulfill the community's desire for a first-class recreational facility. The amenities reflected in the Sports Park Master Plan were developed through a series of community workshops designed to encourage participation so that the final product serves the intended needs of the community. Throughout this collaborative process, the City and its residents worked together to design a sports facility that could be enjoyed by everyone. Now that the facility is open to the public, the City can substantially increase recreation programming to the community. During the upcoming five-year period, the City will work to offer a diverse array of recreational activities and will

monitor ongoing maintenance and programming costs associated with the facility.

Development of Civic Center

The Civic Center is anticipated to centralize civic uses such as meeting and conference facilities, administrative offices, emergency operations, special events, and the arts. The City will continue to focus on advancing the City's eventual "100-year home." The City previously received an Irrevocable Offer of Dedication (IOD) for a 9-acre site on a portion of the IRWD property located at the extension of Indian Ocean Drive intended for future use as a Civic Center. In 2011, the Council held its first public workshop related to the Civic Center, and a Civic Center Conceptual Plan was adopted at the City's 20th Anniversary City Council Meeting. During the previous five-year plan period, the City experienced delays to the project resulting from an ephemeral drainage issue that required permits from the Army Corps of Engineers. This process has required the City to slightly redesign the site to address this environmental issue. While this concern has temporarily slowed down some of the planning efforts related to the new Civic Center Site, the City recently issued Requests for Proposals for both architectural design services and construction management services. Based on recent progress, the City is optimistic that the permitting issues will be resolved and that the project will be completed during the upcoming five-year period.

Preservation and Enhancement of Public Facilities

Over the past seven years, the City invested over \$8 million to enhance City parks through renovated playgrounds, new landscaping, and other facilities such as restrooms and concession stands. In 2014, the City completed Tamarisk and Rimgate Parks. Other park renovation projects, such as Village Pond Park, are now advancing into the construction phase. In addition, the City will, during the upcoming five-year period, consider potential improvements to the Whispering Hills Site and Normandale Park.

OSA-Related Park Projects

As part of the OSA, the City's development partners have constructed parks for use by the community. Some of the most recent examples include the seven-acre Community Park at Baker Ranch, which opened in late 2014. The park was constructed by Shea/Toll pursuant to its development agreement with the City. The park includes tot lots, an outdoor basketball court, a baseball diamond with a soccer overlay, BB&Q areas, a parking lot, and restroom building. In addition, the City worked collaboratively with Shea to bring about the Barker Ranch Dog Park. This 21,000 square foot facility is designed to provide a

recreation area for dogs and their owners and will be open to the general public. In addition, the City will continue to work with the owners of Portola Center to plan and construct the 5-acre park that is also required as a component of the development agreement with the City.

Expanded Recreational Opportunities

The City's Resident Survey has identified community requests for additional recreation opportunities in general, but also specifically for the City's special needs community. To the end, the City began offering additional special needs programming which has included a partnership with a Lake Forest nonprofit, Us Too Gymnastics, to offer gymnastics as well as other family oriented events (Dinner and A Movie) and programs designed specifically for those with autistic disorders (Autism Awareness Events and dances). As part of the Fiscal Year 2015-2016 budget, staff requested additional budgetary allocations for increased special needs programming to include the following:

- Parents Night Out
- Themed Seasonal Parties
- Additional Special Need Dance Nights
- Track and Field Programs
- Increased programming for Autism Awareness Month

The City will continually seek opportunities to expand recreation activities, particularly in the area of Special Needs Programming. Consequently, staff will develop and present additional programming for future consideration by the City Council during the upcoming five-year period.

ECONOMIC DEVELOPMENT AND COMMUNITY PRESERVATION:

The City's General Plan encourages a balanced community with opportunities to reside, work, shop, and play. Employment opportunities and a vibrant local economy are important elements in the City's desire to maintain its quality of life and generate revenues to support desired services. Business satisfaction surveys reinforce the City's role in fostering a positive business climate. Consequently, offering programs and services that facilitate business growth, retention, and expansion will continue to be a strategic issue.

Maintaining and Strengthening the City's Economic Base and Business Climate

The City will continue to utilize its Business Development and Attraction Program to enhance and diversify its economic base and employment opportunities and ensure the City remains viable as a competitive business location. Program

resources will be aimed at addressing the needs of existing businesses, encouraging growth and expansion, and attracting new businesses. Services and programs will respond to the needs of the business community as expressed in the 2014 Satisfaction Survey and through staff's ongoing interaction with businesses. As shared by the business community, businesses use technology (e.g., smart phone applications and social media) and web-based resources (e.g., electronic newsletters and surveys) as primary communication tools.

Dissolution of Redevelopment

The State's elimination of redevelopment agencies created a set of statutory requirement for successor agencies. Under State law, successor agencies are required to "dissolve" the remaining elements of the former redevelopment agencies to ensure that its former tax increment funding is redistributed to local taxing agencies. To that end, the City (through the Successor Agency) has made significant advances in dissolving the former Redevelopment Agency. At the same time, the Successor Agency retained millions of dollars in funding and assets to ensure that the State did not overreach in its attempt to shift local funds away from Lake Forest. As part of the dissolution effort, the Successor Agency, working with local State representatives, successfully passed legislation to address a complex issue involving the transfer of tax increment between the County and the Successor Agency.

The Successor Agency has successfully complied with the dissolution legislation and received its Finding of Completion from the State Department of Finance. Notwithstanding this progress, however, the City and its Successor Agency must remain vigilant to ensure that the State does not overstep its reach, shifting funding dedicated to paying for enforceable obligations of the former Agency, such as bonds used to fund the El Toro Road Streetscape Project. While the dissolution process is in an advanced stage, the Successor Agency will still be required to prepare documents and justify certain expenditures (such as the repayment of the Certificates of Participation issued by the former Agency) during the five-year period. The City will continue to comply with State law, but will guard its financial interest to ensure that only those funds required for distribution under State law are returned to the Orange County Auditor-Controller.

Revitalizing and Facilitating Investment in the former Project Area

The revitalization of the former El Toro Redevelopment Project Area, through the implementation of the Revitalization and Revisioning Strategy, remains an important strategic issue. The former Lake Forest Redevelopment Agency adopted Design Guidelines that are most visibly represented by the Craftsman

architectural style of the El Toro Road Commercial Corridor. The improvements seen today along El Toro Road represent a collaborative partnership between the City, the former Agency, and the business community. Even without redevelopment, the City will continue working cooperatively with property owners and developers to encourage private reinvestment, maintain the integrity of the Design Guidelines, and realize the community's vision for El Toro Road. Additionally, the City will work collaboratively with other local governments, State legislators, and advocacy agencies such as the League of California Cities and the Association of Cities – Orange County, to enact meaningful legislation to reestablish tools for revitalization and preservation of areas in need.

Housing

Approximately 44% of the City's housing was built prior to 1980 and is more than 30 years old. At the same time, economic and other conditions, have stressed some neighborhoods. Given these observations, the City will proactively work with residents in its more established neighborhoods to address such issues as property maintenance and neighborhood preservation. In doing so, the City will focus on understanding these conditions and consider programs and projects to preserve and enhance existing neighborhoods. With regard to the City's newest neighborhoods that comprise the Opportunities Study Area, the City will continue working with developers to provide opportunities for new housing of all types and affordability, including homes for families of low to moderate income.

FINANCIAL STABILITY

The City's ability to provide public services for the community by sustaining financial policies that focus on controlling expenditures, maintaining a balanced budget, and ensuring the City's reserve balances remain fully funded is a key strategic issue. The City has an excellent record of "living within its means" while providing high quality services including delivering successful public projects and community programs as evidenced by the results of the 2014 Resident and Business Surveys. The continued financial stability of the City is of key interest to the City Council and the community. Consequently, continuing to implement the City's highly effective budget, expenditure, and investment policies will continue to be a key focus for the City, particularly as it moves forward with capital projects such as the Civic Center.

COMMUNITY AND REGIONAL PLANNING

The quality of life in Lake Forest is impacted by land use decisions both within and outside of its City limits. The City must monitor and, when necessary, react

to new development and regional planning efforts to ensure the high quality of life in Lake Forest is maintained.

Development of New Neighborhoods in the Opportunities Study Area (OSA)

After years of careful study by the City, development within the OSA has transitioned to project specific entitlement, grading, and the construction of new homes. Portola Center Project (930 homes) is now underway with the active engagement of the nearby residents to ensure the new neighborhoods are compatible with the area. Additionally, other OSA projects, such as the IRWD/Serrano Summit project (608 homes) and Westbay Trust/The Pinnacle community (85 single family view homes) will likely be under construction at some point during the next five years. Baker Ranch has constructed approximately 50% of the total 2,379 units approved as part of its entitlement.

The City also received additional requests for changes in land use from Brookfield (El Paseo), Trumark (Camden Square), and Baker Ranch Properties (Parkside at Baker Ranch) related to their individual land interests. In aggregate, these entitlements have resulted in an additional 469 units being constructed in the community. These new entitlements have resulted in additional development impact fees, affordable housing fees, school mitigation fees for the Saddleback Valley Unified School District, and funding to aid in design and construct new facilities such as the Civic Center.

The eight new neighborhoods within the OSA represent approximately 4,539 entitled residential dwelling units including spacious single family homes, cluster homes, attached homes, both for sale and for rent, as well as additions to the regional open space network and new parks and trails. At build out, these new neighborhoods are projected to increase the City's population by approximately 13,000 new residents. The City has taken great preparation to ensure that the new neighborhoods, and the residents who will enjoy them, are reflected in the recreational and traffic improvements undertaken by the City. Consequently, these neighborhoods include new parks, recreational amenities, and any required LFTM improvements.

Development in Nearby Communities

The City will continue to monitor the implementation of the Orange County Great Park and adjacent residential communities. The City will work closely with the City of Irvine on circulation improvements that overlap with the planned traffic improvements in Lake Forest constructed as part of the OSA build out. The City will also monitor development of the 23,000 acre Rancho Mission Viejo project currently under construction in the unincorporated County area north of San Juan

Capistrano and adjacent to the unincorporated community of Ladera Ranch. At buildout, Rancho Mission Viejo will ultimately comprised of 14,000 new homes, 8,000 of which are restricted for age qualified housing for residents 55 or better. The City will correspond and coordinate efforts with the County, the Ranch Mission Viejo Company, and developers as needed to ensure that changes in regional traffic patterns resulting from the Rancho Mission Viejo developments do not adversely impact the City

ENVIRONMENTAL/INFRASTRUCTURE:

The following are strategic issues because they represent unknown future resource demands. In the case of water quality, the City will be responsible for meeting increasingly stringent regulatory requirements. Maintenance of the City's infrastructure, including designated regional flooding control facilities, is also a growing area of responsibility.

Water Quality/Pollution Prevention

Regulatory requirements have become significantly more stringent and resource intensive during shrinking economic conditions and are further complicated by a lack of funding mechanisms and personnel resources. Municipal National Pollutant Discharge Elimination System ("NPDES") permits issued by California Regional Water Quality Control Boards will require greater safeguards to reduce or eliminate pollutants from dry and wet weather storm drain discharges. Many requirements contained in the municipal NPDES permits issued from the Santa Ana Regional Water Quality Control Board ("SARWQCB") and San Diego Regional Water Quality Control Board ("SDRWQCB") increase the burden on resources including water quality inspections for industrial and commercial facilities, residential areas, homeowner's associations, structural Best Management Practice ("BMP") facilities, water quality management plans, and follow-up investigations triggered by various water quality monitoring and sampling programs.

Flood Control

Designated regional flood control facilities within Lake Forest include Borrego Canyon wash, Serrano Creek, and Aliso Creek. To protect these areas, the City will continue to monitor the Orange County Flood Control District's efforts to improve, operate, and maintain these facilities.

Landscaping

The City will continue enhancing community aesthetics through new and rehabilitated medians, parkways, and slopes. However, given the severity of the drought in California, the City will continue to seek ways in which to conserve water generally, and ensure that new landscaping projects use best management practices to mitigate impacts to the water supply.

Solid Waste Services

The City administers solid waste services to promote its effective management in the community and ensure that the City is compliant with State laws. The City recently awarded a new franchise agreement for solid waste services that complies with the State's waste diversion goals and increased recycling opportunities. The increasing level of regulation in this area and requirements related to waste diversion will continue to be a strategic challenge for the City. To accomplish the State's diversion goal, the City will continue working with its waste hauler to implement programs and policy initiatives aimed at increasing recycling participation in the residential and commercial sectors of the City.

ORGANIZATIONAL CAPABILITIES AND CONSTRAINTS

CAPABILITIES

Active, Engaged Community

The City of Lake Forest was founded by volunteers, as was the Lake Forest Chamber of Commerce more recently. Residents volunteer at local schools, churches, and homeowners associations, while business community members also contribute to the overall quality of life. As discussed later in the Demographics section of the Strategic Plan (Chapter 2), Lake Forest is a well-educated community, which translates into a highly skilled workforce that draws top employers to the City. Community members play a large role in creating and maintaining a "hometown" atmosphere and help keep Lake Forest well positioned to prosper in the future.

Service Model: Contract City

Since incorporation, Lake Forest has operated as a "contract" City, which is defined as a city that essentially, as a matter of basic approach and degree of use, provides municipal services by contracting with another public agency or private organizations. For example, police services are provided by the Orange County Sheriff's Department, while animal control services are provided through

a contract with County Animal Control. Legal services, information technology, municipal engineering, landscape maintenance, and building inspection services are provided via contract with private sector firms. This service model allows the City to react nimbly to changing service level demands by expanding or reducing contract services in a cost-effective manner. Additionally, as reflected in the Fiscal Year 2015-2016 Operating Budget, this service model also allows the City to keep its personnel costs at or below 20% of its operation budget.

Sound Fiscal Practices

Lake Forest has a strong tradition of conservative fiscal management and planning. The City has an ongoing commitment to live within its means by carefully monitoring City expenditures. The City also maintains fully funded reserves, including an emergency services reserve for providing services during a disaster, and an economic contingencies reserve to allow the City to withstand significant economic downturns. These practices have positioned the City to continue to offer value-rich services and quality public amenities.

Information Technology

The City prides itself on providing excellent, relevant, cost-effective services to its constituents. With technological advances and applications becoming more and more embedded in everyday life, the City is preparing to meet the technological demands of its constituents. Like the private sector, the City has prioritized the delivery of online services, including offering transactions and information online, via the City's website. Over the next five years, the City will continue to leverage technology to expand constituents' access to its municipal government through various digital formats, provide additional City services online, and bolster transparency. This includes utilizing social media to foster interactive communication, continuing to image City records so they may be searched and accessed online, and providing services that would typically require visiting City Hall via the Internet. The City will continue use of its online permitting system (EnerGov) and leverage this technology to provide efficient building-related services. The City will also continue to explore and adopt new technology that supports City priorities such as stimulating economic growth and furthering community safety.

Communications

The City's communication capabilities have grown over the years to adapt to the changing needs of the community and the advancement in new media and technology. The City utilizes a mix of traditional and newer forms of media to share information and news with residents and businesses within the community

including: printed newsletters and catalogs; in-person presentations; electronic newsletters; electronic press releases; various websites; a web-based citizen relationship management system; electronic emergency notification systems and social media. The City recently completed a substantial upgrade to its website, which provides more accessibility to information for residents and businesses.

The City will continue to adapt to the evolving demographics of our community. As its “age 50 or better” demographic grows, along with the “millennial” demographic – those that are now ages 13-32 – the City will focus on maintaining those existing modes of communication that are most effective. In addition, the City will branch out into new territory, specifically utilizing more of the capabilities of social media in a way that is meaningful and relevant.

Transparency

Lake Forest has long been committed to providing residents with easy, convenient access to the information they care about. The City currently utilizes available technology and various communication mediums, including Facebook and Twitter, to stay connected to its community. For example, the City has been working to digitize many of its records to make them even more accessible to the public. This effort is in addition to making all agendas, along with reports and attachments, available for public review on the Internet. The City also makes an effort to present specialized and technical information in an easily comprehensible manner. As information demands change and public interest evolves, the City will continue to work to stay on top of emerging issues and proactively provide residents with the information they seek.

CONSTRAINTS

Economy and Impacts to City Revenues

According to the National Bureau of Economic Research, the nation entered a recession in December 2007 with a broad contraction in the economy. Due to the decline in sales and property taxes as a result of the recession, available funding for capital improvement projects and ongoing operations declined during the prior Strategic Planning period. Recently, the economy has begun to show more promising signs of improvement. Although the economy may be recovering, as reflected by the City’s latest revenue projections (Chapters 4 and 5), the City must continue to be conservative in selecting and prioritizing new projects and programs in upcoming years. Ongoing costs related to new programs and capital projects, such as maintenance costs, must also be projected and evaluated within the context of the City’s general revenue limitations. The City will continue monitoring the impact that national and state

economies may potentially have on the local flow of revenue to ensure that the City is prepared to face any future economically challenging times.

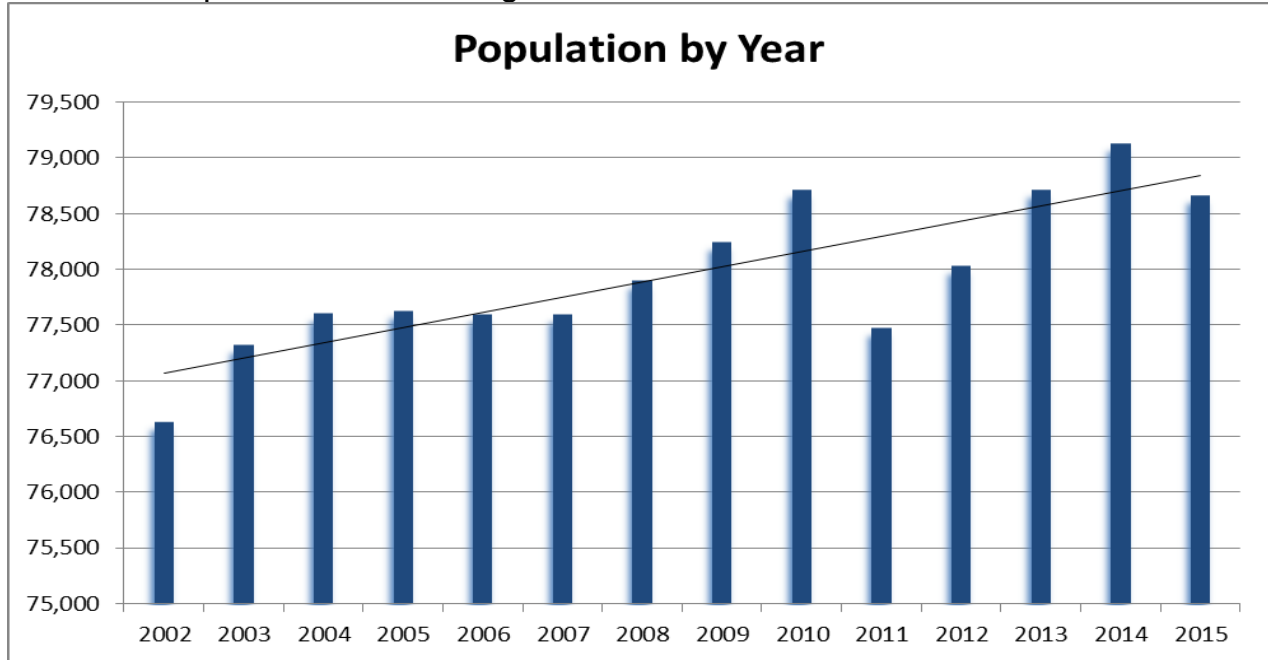
State Budget

As a result of the recession, the State of California previously took drastic measures to bridge its 1 billion dollar deficit including spending cuts, increasing revenues (sales and income tax) through Proposition 30, and eliminating redevelopment agencies. Consequently, despite the passage of Proposition 1A and Proposition 26 in 2010, which were intended to protect local government (cities, counties, and special districts) revenues from being transferred to the California State government for statewide use. Again, while the economy appears to be recovering, the City must remain vigilant regarding proposals that impose unnecessary or unfunded mandates, preempt local authority, limit local flexibility, or raid City finances. The City will continue to voice its opposition to State action that have potentially deleterious effects on the community.

CHAPTER 2 LAKE FOREST COMMUNITY DEMOGRAPHICS (2015)¹

POPULATION AND AGE

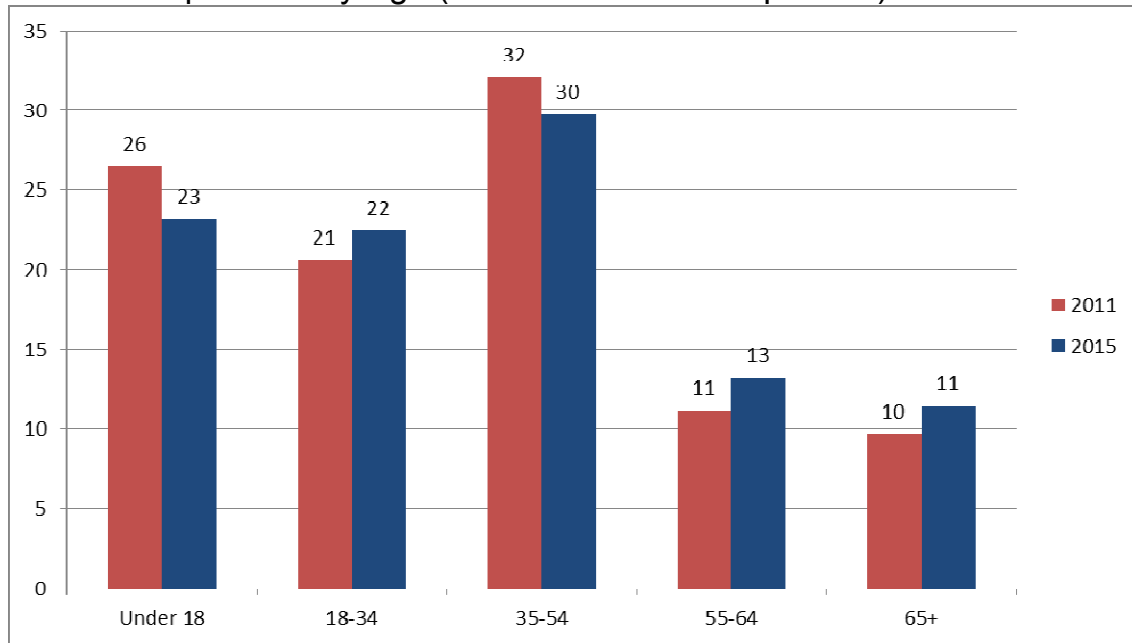
Table 1 – Population 2002 through 2015



With some fluctuations over time, the City's population increased by approximately 2.6 percent since 2002. Of the City's total population, 49.7% were men and 50.3% were women. Over the next five years and through the course of development, with the addition of approximately 4,539 residential units, the City's population is expected to increase by approximately 13,000 residents overall. This would bring the City's population to approximately 91,000 residents in the coming years.

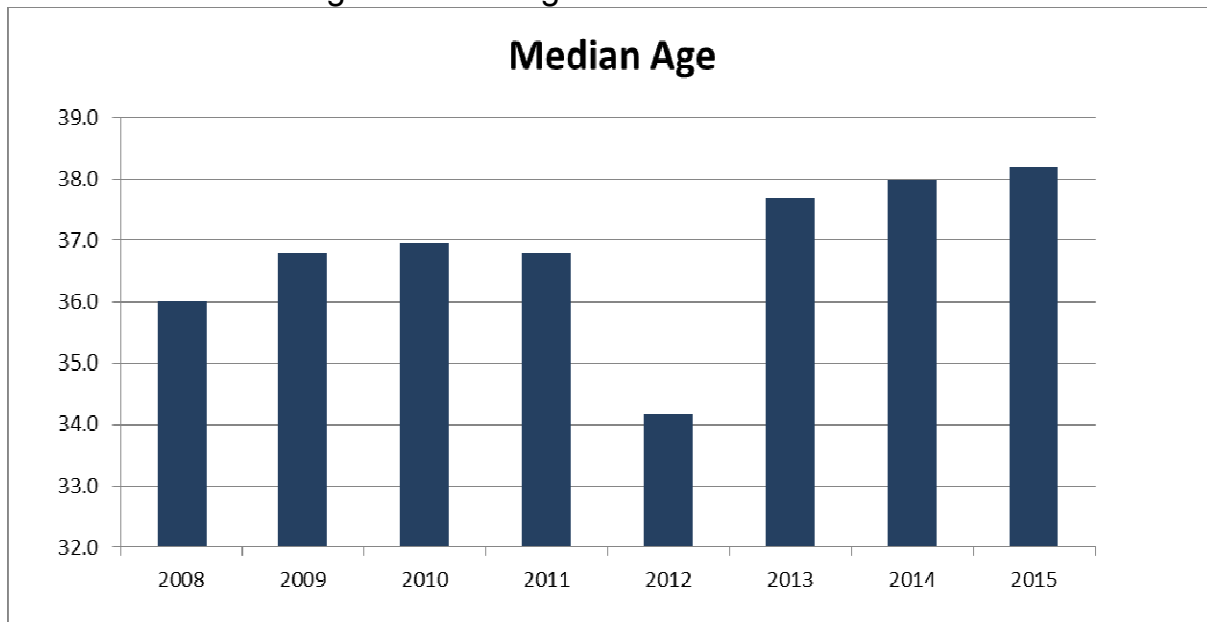
¹ Source Nielsen Claritas

Table 2 – Population By Age (2011 and 2015 Comparison)



The Lake Forest population has become somewhat older since 2011. This is specifically evident in the categories with decreases in the number of residents under 18 and those 35-54 years of age. This corresponds to increases in the population of residents 55 and older. As noted below in Table 3, the City’s median age has increased from 36.8 to 38.2 since 2011.

Table 3 – Median Age 2008 through 2015



ETHNICITY

Over the past several years, the ethnic population of Lake Forest has experienced some changes. As of 2015, the current estimated ethnic composition of Lake Forest represents a population that is 67.7% Caucasian, 14.0% Asian, 1.8% African-American, and 10.7% categorized as “other”, meaning that these individuals did not self-identify as belonging to any of the pre-defined categories. Approximately, 5.1% of residents identified as belonging to two or more racial categories.

Lake Forest – Ethnic Composition 2015

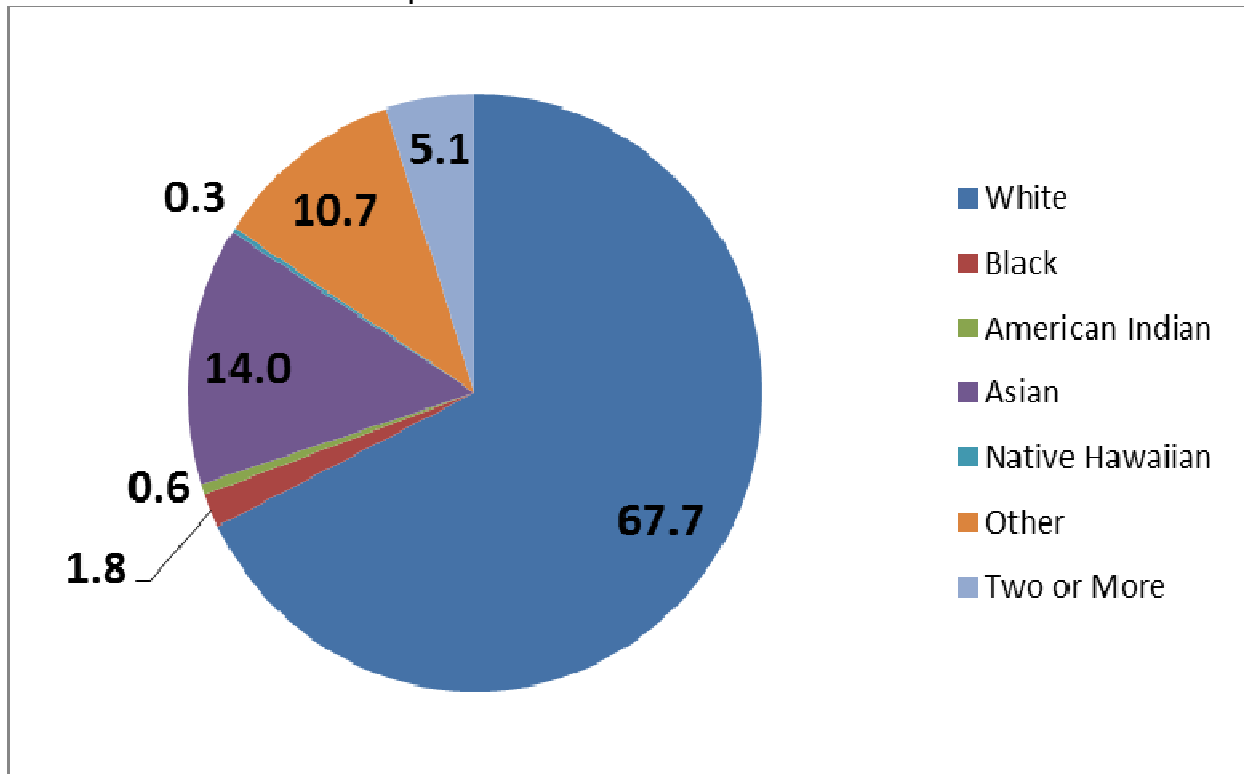
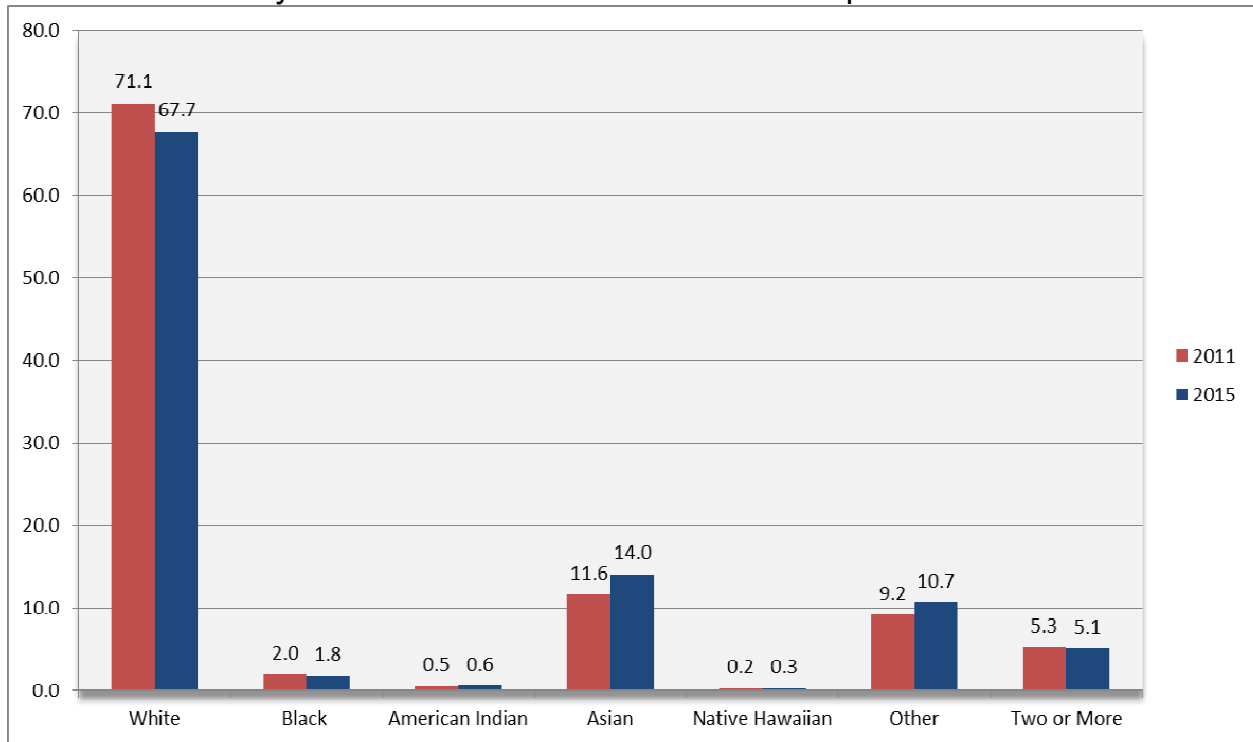


Table 4 – Ethnicity in Lake Forest 2011 and 2015 Comparison

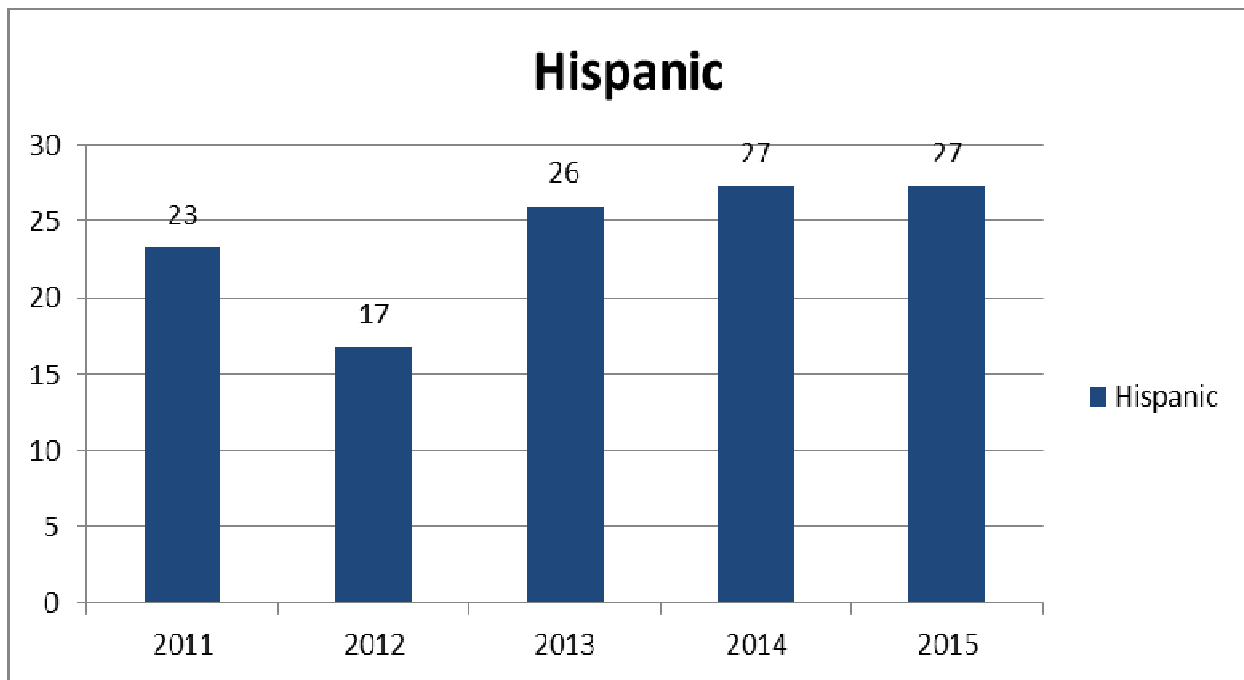


As reflected above, the City’s population relative to certain demographic measures has changed in the past five years. The data reflects that the number of residents that identified in the “white” category declined by 3.4%, while the number of residents that identified in the Asian and Other categories increased by a similar percentage. While it may be difficult to ascertain precisely why this change occurred, in addition to general changes in population, the percentage change may potentially indicate a relationship between residents that previously identified in the “white” category based on the United States Census classification² that subsequently elected one of the other two categories.

In addition to describing the City’s population based on individual ethnic categories, it may also prove beneficial to understand whether other aspects of the City’s demographic population have changed over the past five years. As reflected on the following page, with the exception of 2012, the percentage of residents that identified as “Hispanic” remained relatively steady and represented a 4% increase since 2011. For comparative

² Includes individuals with ancestral roots in Europe, the Middle East, and Northern Africa.

purposes, the number of residents that identified as Hispanic³ in 2008 was 25%



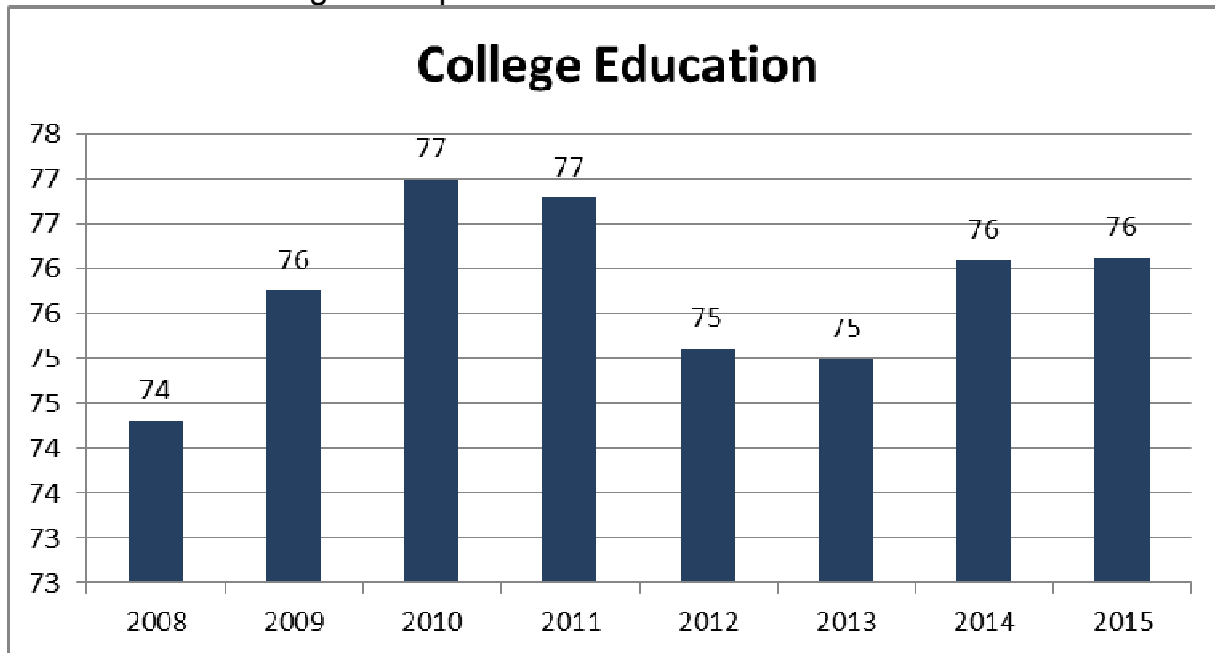
Of the population that identified as Hispanic, this data may be further broken down into categories that attempt to extrapolate national origin. Using this information, 75% of City's Hispanic population identified as having Mexican ancestry, 1.8% identified as Puerto Rican, 1.1% identified as Cuban, and 22% identified themselves as being from some other group. Again, while this classification is not considered its own racial or ethnic category and is also not considered culturally homogenous, it is a demographic statistic that informs the City's general understanding of the characteristics of its population and is presented for informational purposes.

³ *Hispanic/Latino is not a racial category. Consequently, a person that identifies as Hispanic/Latino is also included into the general racial categories (i.e. White, Black, American Indian, Asian, Native American, Other, or Two or More races. Residents that self-identified as Hispanic/Latino represented approximately 27% of the total population in 2015.*

EDUCATION

In 2015, residents with some college is expected to represent 23% of the population and those with an Associate's Degree were 9% of the population. Residents that completed a four-year degree or above included those with a Bachelor's Degree (30%) or a Professional Degree or Higher (14%). The results below, reflect that college educational attainment levels in all categories have been relatively stable over the past five years.

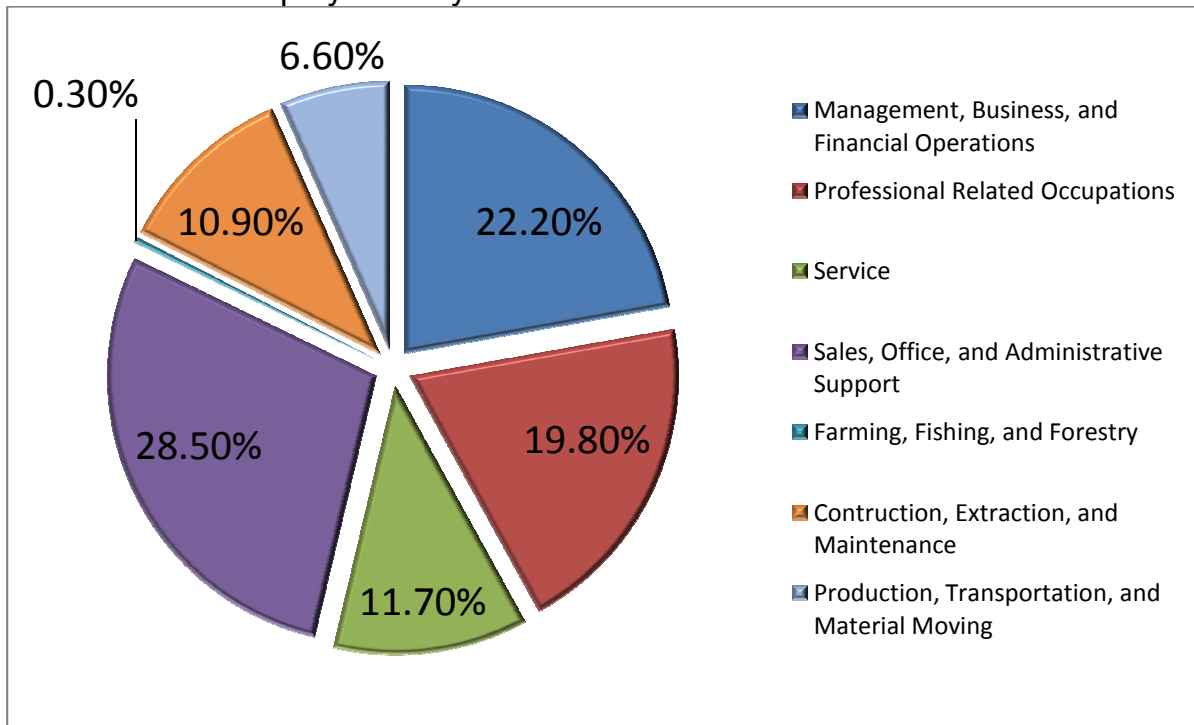
Table 5 – Percentage of Population - Educational Attainment



EMPLOYMENT

The City's median household income in 2015 is estimated to be approximately \$89,698 and the City's unemployment rate was 2.8%. The distribution of employment by category is displayed below. As reflected below, the City's population is primarily employed in white-collar, professional jobs. The distribution of employment by field reflects that approximately 28.50% of the City's population works in a professional office setting and that nearly 20% work in professional-related occupations. Additionally, approximately 22% of the City's workforce is employed in a management, business, or financial operations-related business. The balance of the City's residents are employed in a service industry, construction, extraction, or maintenance related field, or a business relating to agriculture.

Distribution of Employment by Field



Conclusion

Over the past five years, the City has experienced some change in its demographics. Generally, the City is becoming somewhat older and slightly more heterogeneous in terms of its ethnic composition. This is evidenced by the increase in populations 55 or better and by increases in certain ethnic categories. Overall, as a percentage of the population, the educational attainment of residents increased relative to 2008. In addition, a majority of residents work in a professional background, with many residents holding jobs in a professional office environment.

CHAPTER 3

RESIDENT AND BUSINESS SURVEYS

SUMMARY

Understanding evolving community sentiment is crucial to identifying current and future areas for improvement as well as ensuring that appropriate resources are dedicated to maintaining a high level of service in areas of importance to the community. To gauge the community's satisfaction, priorities, and concerns as they relate to services and facilities, the City commissions Resident and Business Satisfaction Surveys ("Surveys") on a biennial basis. Over the years, the results have helped guide City Council and staff in making sound, strategic decisions in a variety of areas, including service improvements and enhancements, budgeting, policy-making, and planning.

The most recent Surveys were completed in late 2014. The following sections focus on the results of the Surveys and summarize generally certain findings for specific community issues. Top issues for residents include reducing traffic congestion, public safety, and improving parks and recreation. Approximately nine-in-ten residents surveyed in 2014 indicated that they were satisfied with the City's overall performance in providing municipal services (90%) and offered positive ratings (excellent or good) for the quality of life in Lake Forest (92%). Approximately 87% of businesses noted that they were satisfied with the City's efforts to provide services and 84% of all businesses rated the business climate as either excellent or good.

Looking forward, the City will continue utilizing the feedback provided through the Surveys and other public means to address the top priorities/concerns of community members. In addition, the City will continue to monitor the evolving demographic trends within the community to anticipate and respond to the emerging needs and preferences. The City's performance in providing municipal services has contributed to a high quality of life in the City, as well as a positive business climate. To that end, the City will continue to utilize the Survey results to focus efforts on delivering and maintaining the high quality of services that it currently provides.

RESIDENT AND BUSINESS SURVEY RESULTS

The Surveys contain extensive amounts of information and were presented previously to the City Council. For purposes of the Strategic Plan, the following sections of this chapter highlight both general and specific perceptions of the City and local issues, in essence summarizing the major findings of the 2014

Resident and Business Surveys. In this fashion, the Strategic Plan is envisioned to contain sufficient information from the Surveys to inform the planning issues upon which certain conclusions of this document are derived.

GENERAL PERCEPTIONS OF CITY AND LOCAL ISSUES

The overwhelming majority of residents shared favorable opinions of the quality of life in Lake Forest, with 55% reporting it is excellent and 37% stating it is good. Eight percent (8%) of residents indicated the quality of life in the City is fair, and only 1 of the 400 residents surveyed used poor or very poor to describe quality of life in the City.

When businesses were asked to rate the business climate in Lake Forest compared with surrounding areas, 28% reported that it is excellent, 56% said it is good, and 14% offered that it is fair. Only 2% of businesses indicated that, when compared with neighboring areas, the business climate in the City of Lake Forest is poor, and no one said it is very poor.

When asked to indicate one thing city government could change to improve Lake Forest, more than one-third (37%) of residents surveyed indicated they were unsure of a change that would make Lake Forest a better place to live (21%) or desired no changes from the City (16%). Of the specific suggestions, the most common were reducing traffic congestion (14%), improving parks and recreation (11%), limiting growth and development (8%), improving and repairing city infrastructure (6%), and improving public safety (5%).

When asked what the City could do to improve the business climate in Lake Forest, more than half (51%) of business managers surveyed were either unsure of a change that could be made (28%) or indicated that no changes were needed (23%). Specific suggestions for improving the business climate included increasing business and networking opportunities (12%), reducing signage restrictions (11%), improving or providing additional parking for customers (9%), improving the safety and security of business areas (8%), and reducing taxes and fees (7%).

Approximately one-third (34%) of local businesses stated that there were no particular features of Lake Forest that benefit their business or that they could not think of any at the time of the interview. Among specific aspects mentioned, access to other local businesses and services (18%), having a convenient, easily-accessible location within the City (15%), Lake Forest's sense of community (11%), the minimal expense and ease of starting a business in Lake Forest (10%), and proximity to local freeways and surrounding areas of interest (9%), were mentioned most often.

When asked if there were any particular challenges associated with doing business in Lake Forest, 71% of business managers surveyed said they could

not provide any examples. The most common specific challenges cited were the location of the business and accessibility to freeways and surrounding communities (7%), advertisement and signage restrictions (5%), local business competition (4%), and general concerns about local regulations and restrictions (4%).

The vast majority of residents (90%) and local businesses (87%) surveyed said that, overall, they were satisfied with the City's efforts to provide municipal services.

SPECIFIC SERVICES: RESIDENT SURVEY

Residents rated maintaining a low crime rate as the most important service (91% extremely or very important), followed by investigating criminal activity (89%) and preparing for emergencies (78%). Residents were most satisfied with the Department's efforts to provide crossing guards near schools (96% very or some- what satisfied), provide child safety programs (96%), and maintain a low crime rate (96%).

Residents rated inspecting buildings as the most important service provided by the Development Services Department (56%), followed by enforcing zoning regulations (53%), issuing building permits (49%), and enforcing sign regulations (48%). Satisfaction ratings assigned to the four development services ranged from a low of 87% for enforcing zoning regulations to a high of 92% for inspecting buildings.

Among the services provided by the Public Works Department, maintaining local streets and roads was viewed as the most important service (89%), followed by providing garbage collection services (88%) and reducing traffic congestion (82%). Residents were most satisfied with the Department's efforts to maintain parks and picnic areas (97%), provide street sweeping services (96%), maintain public landscapes (96%), provide garbage collection services (96%), and maintain trees (95%).

Among the services provided by the Community Services Department, residents assigned the highest importance to providing recreation programs for special needs children (72%), followed by providing recreation and sports programs for teens (66%), providing recreation and sports programs for elementary school-aged children (64%), and providing special events like concerts in the park and the Fourth of July Parade (62%). Residents expressed the highest levels of satisfaction with the Department's efforts to provide recreation and sports programs for elementary school-aged children (92%), special events like concerts in the park and the Fourth of July Parade (92%), and recreation and sports programs for teens (92%).

SPECIFIC SERVICES: BUSINESS SURVEY

The Business Survey rated maintaining a low crime rate as the most important of the services tested (93% extremely or very important), followed by investigating criminal activity (86%). Promoting economic development (68%) and revitalizing outdated areas in the City (67%) were next in the list, although somewhat less important overall. At the top of the satisfaction scale was maintaining a low crime rate (95%), followed by providing building inspection services (95%), investigating criminal activity (95%), and providing business education events (94%).

Among the infrastructure-related services provided by the City to local businesses, members of the business community rated maintaining local streets and roads as most important (80%), followed closely by reducing traffic congestion (77%). Street sweeping (52%), enforcing zoning regulations (49%), enforcing sign regulations (49%), and landscaping median strips and other areas of the City (48%) were viewed as somewhat less important. Overall, satisfaction was greatest with respect to the City's efforts to provide street sweeping services (98%), enforce zoning regulations (95%), landscape median strips and other areas of the City (95%), and maintain local streets and roads (95%).

RECREATION

Among nine recreational amenities and facilities presented to residents, the highest-rated priorities were expanding and improving the network of walking, hiking, and biking trails (75% high or medium priority) and upgrading playground equipment at existing parks (73%). Providing off-leash dog park facilities (56%), a community swimming pool (54%), and additional sports courts (53%) were also popular.

TRAFFIC

Residents reported that, on average, that they encounter bad traffic on Orange County freeways on more than half (56%) of their trips. Trips on major streets in the City were better, with an average of 45% involving bad congestion, compared with roughly 20% of trips in residential areas of the City.

Most (84%) of residents surveyed felt that Lake Forest has either less than (45%) or about the same (39%) traffic congestion as neighboring Orange County cities. A minority (14%) of residents surveyed felt that Lake Forest has more congestion than other Orange County cities.

About three quarters (72%) of residents indicated they were very (34%) or somewhat (38%) satisfied with the City's efforts to improve traffic circulation by

improving roads and inter- sections, timing traffic signals, and other measures, whereas 26% were very (10%) or some- what (16%) dissatisfied.

Residents were asked, *If the City could fund only one traffic or transportation-related project, what should it be?* Almost a third (30%) of respondents were unsure or could not think of any traffic or transportation-related projects for funding. Adjusting the timing of traffic signals (22%) and making improvements and repairs to local streets (19%) were the most common specific suggestions, followed by a general desire for less traffic congestion (10%) and improved public transit services (10%). An additional 9% of residents surveyed said the City should not fund any transportation projects.

COMMUNICATION

Eight-in-ten (82%) of residents surveyed said they were either very (44%) or somewhat (38%) satisfied with the City's efforts to communicate with residents through newsletters, the Internet, social media, and other means.

Overall, 88% of local businesses indicated that they were satisfied with the City's efforts to communicate with them through newsletters, the Internet, social media, and other means.

The single most frequently cited source of City information among residents was the Internet in general (22%). The City's newsletter, referred to in general (19%) and mentioned by name, *The Leaflet*, (18%) were the next most popular specific mentions, followed by the City's website (15%), the *Orange County Register* (8%), and the City's e-Newsletter (6%).

Forty-four percent (44%) of residents surveyed in 2014 mentioned *at least one* of Lake Forest's newsletters as a source of City information.

When asked what information sources they use to find out about City news, information, and programming, members of the business community were most likely to mention the City's website in general (25%), *The Leaflet* (24%), the e-Newsletter (23%), and the City news- letter in general (19%).

Overall, 58% of businesses surveyed in 2014 mentioned *at least one* of Lake Forest's news- letters as a source of City information.

Lake Forest business managers that direct mail to their office was the most effective method the City can use to communicate with their business (92% very or somewhat effective), followed by email (89%), e-Newsletters (89%), and the City's website (85%).

Fifty-one percent (51%) of residents indicated that they had visited at least one of the City's websites in the 12 months prior to the interview.

Website visitors expressed high levels of satisfaction with the City's websites, with 88% of residents surveyed indicating that they were satisfied with the resources available on the sites.

Twelve percent (12%) of residents surveyed indicated that they had visited the City's Face- book page in the past year.

Overall, residents indicated that newsletters mailed directly to their home was the most effective method for the City to communicate with them (89% very or somewhat effective), followed by the City website (77%), email (72%), e-newsletters (71%), and a smart phone application (66%).

Forty-two percent (42%) of local businesses indicated that they had visited the City of Lake Forest's economic development website (www.lakeforestbusiness.com).

When asked to rate their level of interest in a variety of topics that could be addressed on the City's economic development website, local businesses expressed the highest levels of interest in a Shop and Dine directory of local businesses (83% very or somewhat interested), followed by Business and Financial resource guides (79%) and information on business seminars and workshops (74%).

Business managers were also asked about their interest in attending a variety of seminars the City is considering. Businesses expressed the greatest interest in attending business networking events (73% very or somewhat interested), business marketing and sales seminars (72%), and social media and marketing seminars (65%).

BUSINESS BACKGROUND INFO

Local businesses were generally optimistic about their future growth, with 59% anticipating growth and 37% expecting that their business would remain about the same. Three-percent of businesses indicated that they expect their business to decrease in the coming year.

Among the 59% of businesses that anticipated growth, 13% indicated that they would require additional space whereas the remaining 46% were either unsure or did not anticipate needing additional space.

Eleven percent (11%) of businesses surveyed anticipated relocating in the next year. Approximately half (6% of all businesses surveyed) of those expected to relocate to another community.

CONCLUSION:

Overall, the City received positive ratings regarding the services provided from both the residents and the business community. As mentioned earlier, the Surveys inform the City's understanding of emerging needs or preferences of the residents and/or the business community. The results of the Survey contribute to the strategic planning process and are reflected in the City's programs and capital projects.

The 2014 edition of the Surveys revealed that, while satisfaction with City services is high, the top community issues are traffic, improving parks and recreation, and limiting growth and development. As it pertains to traffic, the City asked specific questions to ascertain whether regional or local traffic issues contributed to the perception of "traffic congestion" as the top issue affecting the City. From these questions, the City learned that residents perceived that local traffic is less congested than regional traffic. In addition, approximately 72% of residents are satisfied with the City's efforts to improve traffic circulation. However, the City will maintain its efforts to improve traffic circulation within its boundaries, but also coordinate with neighboring cities, where possible, to facilitate traffic flow on a more regionalized basis.

In addition, the City's residents and businesses emphasized maintaining the City's low crime rate as one of the top priorities for the community. The City maintains a low crime rate at the local, county, state, and national level. The City's contract with the Orange County Sheriff's Department ("OCSD") enables the City to accommodate its service needs based on immediate and long-term priorities. To that end, the City will continue working closely with the OCSD to ensure that staffing levels are focused to address known and emerging community policing issues.

As it pertains to the efforts reflected throughout the Strategic Plan, the City will continue to advance traffic projects, offer enhanced recreational programming (particularly for special needs individuals), improve communication with residents, and ensure the consistent delivery of municipal services such as street sweeping, garbage collection, landscape maintenance, and other basic services. As reflected in the Survey, local businesses were generally optimistic about the local economy and their future growth prospects. Staff will work collaboratively with the business community to ensure the continued success of the City's economic development program.

CHAPTER 4 REVENUE OUTLOOK

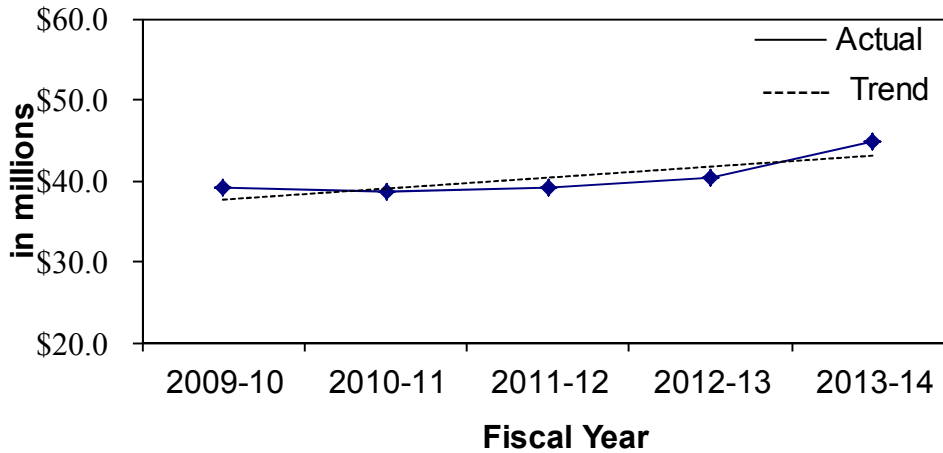
A critical element of the Strategic Plan (“Plan”) is the projection of revenues for the five-year period. The model used by Lake Forest is based on the City’s prior history and future expectations. By understanding what has happened in the past and why, this information can be used to project into the future.

The Past – All Revenues

Overall revenues, excluding one-time items, were flat in Fiscal Years 2009-2010 and 2010-2011 due to the downturn in the economy. Since that time, revenues have started showing signs of modest growth as California rebounded from the recession. These increases were a result of the following factors: (1) sales taxes increased due to the healthy local economy and the growth of current businesses; (2) property tax revenue due to the improvement in the housing market and the development of new housing units in the City; (3) transient occupancy tax due to the improvement in the local economy.

The two most significant categories of revenues are (1) local taxes and (2) revenues from other governments. For Fiscal Year 2013-14, these revenues (property and sales tax) were approximately 90% of total revenues, excluding one-time items. The chart on the following page shows actual revenues received, excluding one-time items, during Fiscal Year 2009-10 through Fiscal Year 2013-14.

All Revenues
(Excluding One-Time Items)



The Past - Local Taxes

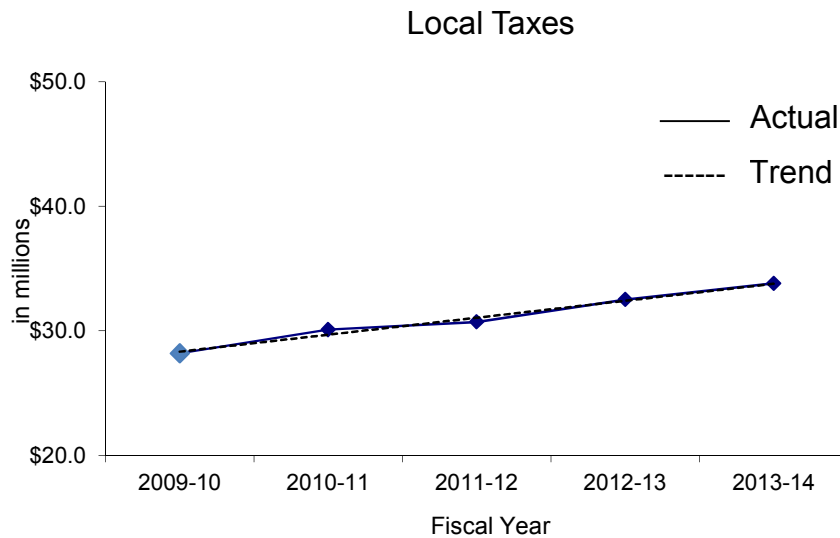
Local taxes, at slightly above 80% of total revenues, are primarily a combination of property, sales, franchise fee, and transient occupancy taxes.

Property tax receipts were flat thru Fiscal Year 2009-10 and 2010-11 due to financial market crisis and recession. Since that time, property tax receipts have increased with the improvement in the local real estate market and bounce back in the economy.

Sales tax receipts also stayed flat thru Fiscal Years 2009-10 and 2010-11 due to the financial crisis. Fiscal Years 2011-12 thru 2013-14 have seen an average of 3% increase per year. This is primarily attributed to the improvement in the local economy, the maturing of existing businesses, the opening of new businesses within the City, and increases in overall sales tax base.

Transient occupancy tax receipts increased an average of almost 10% per year from Fiscal Year 2009-10 to Fiscal Year 2013-14. The City's Hotels have seen the biggest recovery from the far-reaching impacts of the recession, which affected nearly all revenue categories for the City.

Franchise fees have also seen a moderate increases from Fiscal Year 2009-10 through Fiscal Year 2013-14.

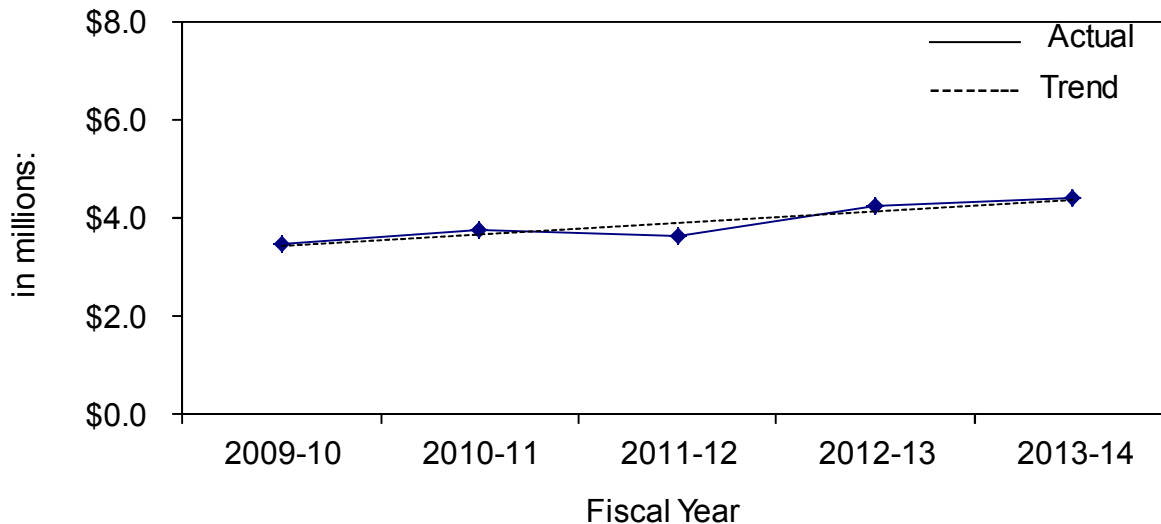


The Past - Revenues From Other Governments

Revenues from other governments, at 10% of total revenues, consist primarily of gas taxes, Measure M revenues, and recurring grants. Overall, these revenues have increased an average of 2% per year from Fiscal Year 2009-10 to Fiscal Year 2013-14. Brief descriptions in regard to changes in these sources are shown below.

- Gas taxes remained relatively stable as the recession and higher gas prices affected driving habits.
- Measure M revenues increased an average of 3% per year resulting from the effects of the recession on consumer purchases. The original source of this revenue is an additional ½ cent sales tax in Orange County for transportation projects.
- Recurring grants have decreased significantly during Fiscal Years 2009-10 thru 2011-12 because of the sluggish economy.

Revenues from Other Governments



The Future

Revenue categories have been projected based on past activity and recent revised estimates for Fiscal Year 2014-15, adjusting for one-time revenues and anticipated future events.

Looking forward, taxes seem to be holding steady and in most cases experiencing modest increases. Property taxes are expected to increase by 5% in Fiscal year 2015-16, 5% in Fiscal Year 2016-17, and 6% in 2017-2018 thru 2019-2010.

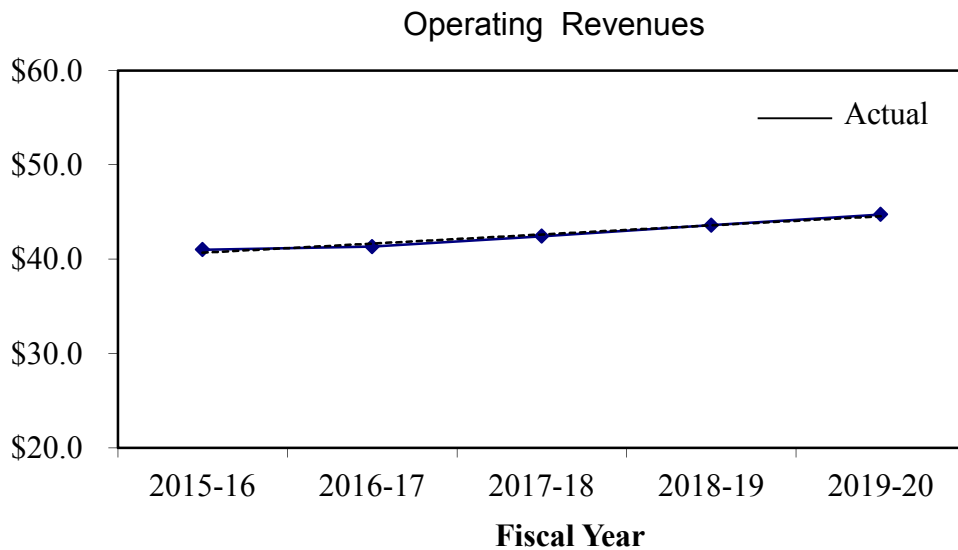
Sales taxes are projected to increase by 3% for Fiscal Years 2015-16 and 2016-17 and 4% for Fiscal Years 2017-18 thru 2019-20.

As always, when planning for the future, the City has chosen to utilize more conservative revenue projections. Consistent with this philosophy, the City has taken a conservative approach to projecting the increase in property taxes, sales taxes, VLF property tax back fill, and franchise fees associated with the construction of up to 4,467 new housing units over the plans five-year horizon. It is clear the fiscal impact on revenues will be positive, and projections will be refined as construction progresses.

Investment earnings are projected to remain relatively flat over the next few years based on the economy and the uncertainty of available yields for the short term. All other revenue categories are expected to remain

relatively stable, with some categories seeing increases, including those revenues that were previously negatively impacted by the housing market and the related downturn in the economy.

These revenue projections are based on the current economy and available projections. In addition, the City will carefully monitor State actions in relation to local revenue sources. As the current economic downturn is subsiding, the City's well diversified revenue base is expected to increase at a modest pace.



CHAPTER 5 OPERATING EXPENDITURE OUTLOOK

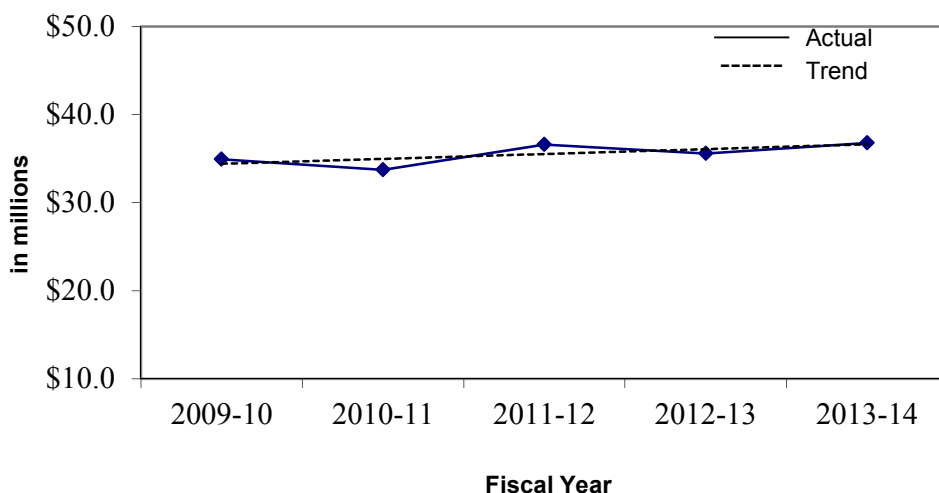
Operating expenditures (total expenditures excluding capital projects and one-time items) are a second component of the financial portion of the Strategic Business Plan (“Plan”). The other two components are revenues and capital projects, which are described in Chapters 4 and 9 respectively. Unlike revenues, the City has greater control over expenditures, since decisions can be made to either increase or decrease spending.

The Past – All Operating Expenditures

Operating expenditures increased over time as the City matured, expanded services, added facilities, and taken ownership of parks previously operated by homeowners associations. This growth occurred over time on a measured basis to provide ample opportunity to determine services that would benefit the community and that could be provided within the budget limitations of the City. Caution is crucial when using the past to project the future as the City continues to pursue a path of steady growth in services during these times of economic uncertainty.

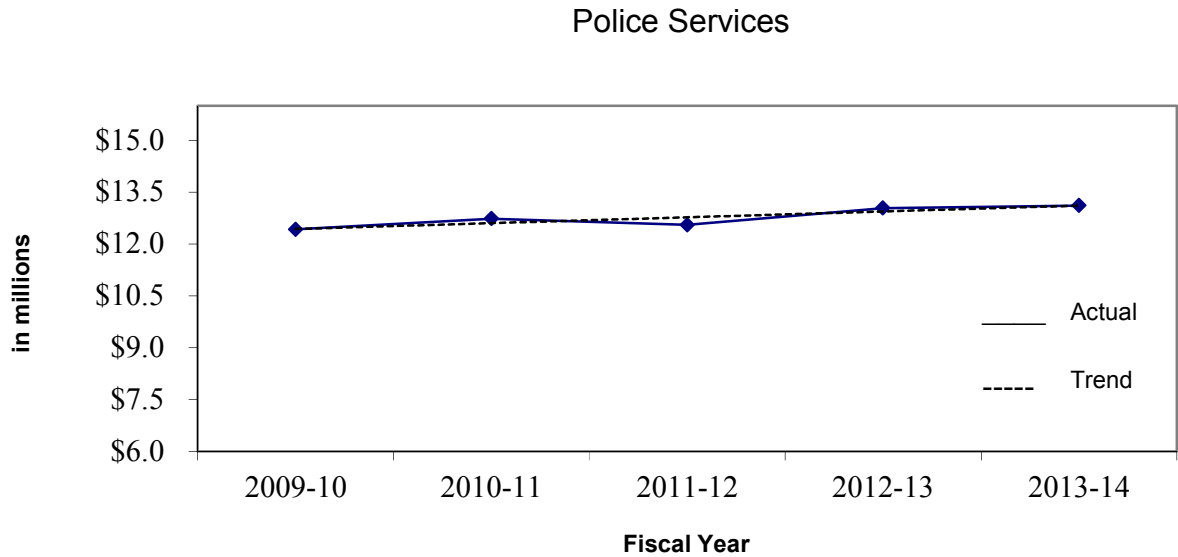
Overall operating expenditures increased by an average of 1.4% per year from Fiscal Year 2009-10 through Fiscal Year 2013-14. These increases were primarily due to higher expenditures in the two most significant departments (Police Services and Public Works) and moderate variations in other departments.

All Operating Expenditures



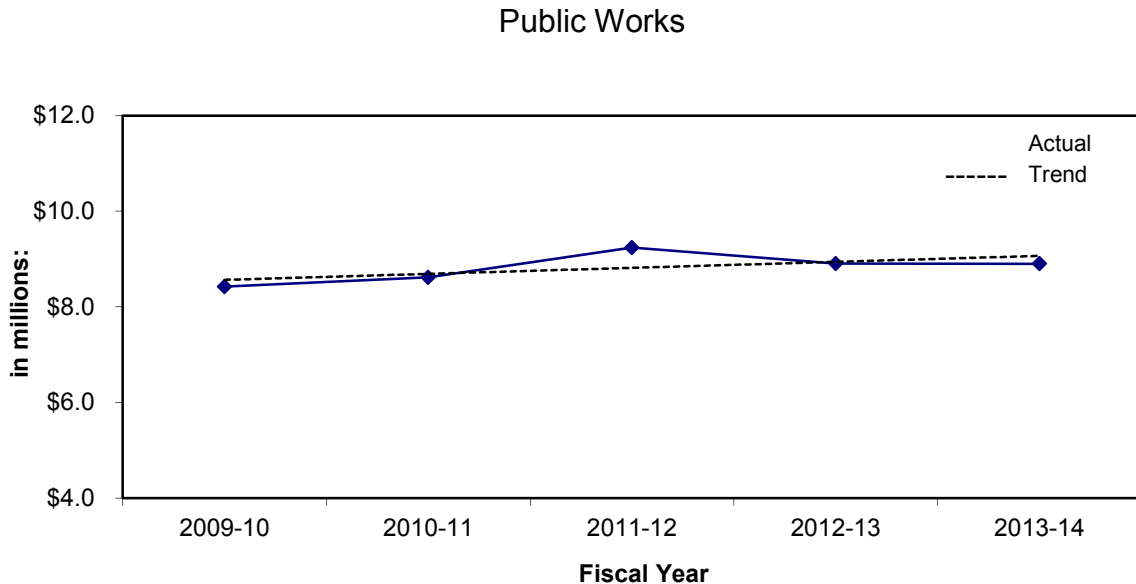
The Past - Police Services

The Police Services Department accounts for almost 35% of operating costs. Expenditures have shown a steady increase over the last five years, with an overall trend of 3% per year. Costs remained relatively stable until Fiscal Year 2007-08, when costs increased due to renegotiation of the County's contract with its law enforcement labor groups, the addition of a Community Services Officer in the City's contract with the County to support a new traffic enforcement program, and the addition of a Public Safety Manager.



The Past - Public Works

The Public Works Department accounts for 24% of operating costs and expenditures have increased steadily over the last five years, with an overall trend of 3.6% per year. Public Works cost will continue to trend upwards with the addition of the Sports Park and the maintenance of the new neighborhoods being developed.



The Future

As was noted previously, unlike revenues, the City has a greater degree of control over changes in the level of expenditures. These would include ongoing expenditures required to operate the City and various one-time expenditures that are likely to occur, such as election costs, replacement of fixed assets (vehicles, computers, etc.), and other special projects.

The biggest increases are in the Public Works and Police Departments. In the Public Works department maintenance cost are increasing with the addition of the Sports Park and cost associated with the development of new neighborhoods. In the police department cost associated with the County's contract for law enforcement services will see increase due to negotiations with law enforcement labor groups.

The Strategic Plan assumes a base of current levels of service with increases of 5.4% in Fiscal Year 2015-16, and 3% in Fiscal Years 2016-17, 2017-18, 2018-19, and 2019-20. In addition, estimated operating costs for each of the proposed capital projects, if applicable, have been determined and these additional operating costs have been included in the Strategic Plan in the year following construction.

**CITY OF LAKE FOREST
CARRYOVER APPROPRIATIONS OVER \$100,000
FISCAL YEAR 2013-14 INTO FISCAL YEAR 2014-15**

Description	Carryover Appropriation
Teed Street Storm Drain Improvements	\$208,424
Portola Streetscape	\$200,000
Environmental Tier I	\$100,000
Street Repaving and Slurry Seal	\$642,483
Citywide Traffic Signal Coordination Plan	\$118,000
Saddleback Ranch Traffic Enhancements	\$150,000
ADA Phase VII	\$208,134
Civic Center	\$314,619
Sports Park	\$9,400,000
Total Carryover Appropriations Over \$100,000	<u>\$11,342,478</u>

CHAPTER 7 DEFERRED PROGRAMS AND PROJECTS

When developing a strategic plan during times of economic uncertainty, it is crucial to scrutinize all programs and projects. The City must remain flexible when reviewing existing and future needs and must prioritize programs and projects to provide the best service possible to the community within existing budgetary constraints. To that end, the following is a list of projects that have been deferred until funds become available (there are no operating programs identified as “deferred” in this Plan). These projects amount to approximately \$122.2 million.

PROJECTS

Name	Description	Total	Funding Source
Americans with Disabilities Act Access Ramp Improvements	Reconstruct existing sidewalk ramps at intersections over the next five years to comply with current standards and requirements of the Americans with Disabilities Act (ADA) and further implement the City's ADA self assessment and transition plan.	\$2,017,000	CIP Fund – 100%
El Toro Road Streetscape Project – Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Jeronimo and Trabuco.	\$2,038,000	CIP Fund – 100%
El Toro Road Streetscape Project – Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along El Toro Road between Trabuco Road and Portola Parkway.	\$6,173,000	CIP Fund – 100%
General Neighborhood Traffic Improvements	Investigate, analyze, design, and construct/implement various traffic safety improvements, traffic signing, or traffic routing solutions. The majority of the aforementioned work is part of an ongoing process within the City Engineering Department. This categorization is for those projects that are extraordinary or beyond the scope of normal activities.	\$464,000	CIP Fund – 100%
Jeronimo Road Streetscape Project – Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Lake Forest Drive and Jeronimo Road.	\$2,700,000	CIP Fund – 100%

PROJECTS

Name	Description	Total	Funding Source
Jeronimo Road Streetscape Project – Phase 3	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Jeronimo Road between Bake Parkway and Lake Forest Drive.	\$900,000	CIP Fund – 100%
Muirlands Boulevard Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Muirlands between Los Alisos and Bake Parkway.	\$5,310,000	CIP Fund – 100%
Normandale Park Development	Construct improvements to Normandale Park with amenities to be determined.	\$12,150,000	CIP Fund – 100%
Portola Parkway Gap Closure	This project lies within unincorporated Orange County and within the City of Irvine’s Planning Area 6. The Orange County Master Plan of Arterial Highways identifies Portola Parkway as a primary arterial highway between State Route 241 and its existing terminus in the City of Lake Forest, a gap of approximately 1.1 miles. Neither the County of Orange nor the City of Irvine have established project development teams, schedules, or funding for this project. Project costs were estimated at over \$81 million in October 2005; with project development, environmental clearances, and design engineering estimated to cost \$14,820,000. The project requires right-of-way across Parcel R of Irvine Open Space Preserve – North, which is subject to the First Amendment to Management Agreement between the City of Irvine and the Irvine Ranch Land Trust Reserve, dated February 1, 2007. Lake Forest staff has initiated discussions and will continue to collaborate with the City of Irvine, County of Orange,	\$81,000,000	N/A

	Orange County Transportation Authority, and other stakeholders to establish Portola Parkway as a regional priority.		
Rockfield Boulevard Streetscape Project Phase 2 – Construction	This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between El Toro Road and Ridge Route Drive.	\$1,330,000	CIP Fund – 100%
Rockfield Boulevard Streetscape Project Phase 3	This project would investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Rockfield Boulevard between Ridge Route Drive to Centre Drive.	\$1,300,000	CIP Fund – 100%
Rue de Fortuna Crosswalk Enhancement	This project would add in-ground pavement lights to the mid-block crosswalk that crosses Rue de Fortuna at Fascia Place.	\$110,000	ATP Grant – 100%
Split-Rail Fencing on Rockfield at Larkwood	This project would install split-rail fencing in the Rockfield Boulevard median at Larkwood Lane to prevent pedestrians from crossing the arterial roadway at its intersection.	\$50,000	Grant Fund – 100%
Toledo Road Streetscape Project	Investigate and implement traffic safety and traffic congestion relief opportunities, and construct raised landscaped median islands and parkway landscaping along Toledo Way between Bake Parkway and El Toro Road.	\$4,186,000	CIP Fund – 100%
Trabuco Road Streetscape Project Phase 2	Investigate and implement traffic safety and traffic congestion relief opportunities, and renovate the raised landscaped median islands and parkway landscaping along Trabuco Road from Lake Forest Boulevard to the Mission Viejo city limits.	\$1,481,000	CIP Fund – 100%
	GRAND TOTAL	\$122,155,000	

CHAPTER 8

PROPOSED OPERATING PROGRAMS

Operating programs provide the resources necessary to maintain City operations and deliver municipal services. Operating programs may include professional services, personnel, and software. Each of the following programs has been detailed on a separate sheet within this chapter. Each sheet contains the department, the program description, a cost detail, and the funding source(s). Following is a list of the proposed programs along with the corresponding page numbers for additional detail:

DEPARTMENT/PROGRAM

Development Services:

Comprehensive General Plan Update

Finance:

Accounting System

Public Works:

Professional Services for an Asset Management Program

Community Services:

Neighborhood Park Improvement Plan (Phase 2)

PROGRAM TITLE: Comprehensive General Plan Update

DEPARTMENT: Development Services

PROGRAM DESCRIPTION:

Comprehensive General Plan Update

The General Plan is a key planning document that represents the community's values for the next 20 years and embodies the City's future growth and development policy. The plan will provide a framework for the management and utilization of the physical, economic and human resources of the City. The current General Plan was adopted in 1994. The first phase of the General Plan update will focus on community outreach and engagement as well as the preparation of technical studies to document demographic, economic and market conditions as well as future projections. This will lead to the formation of a shared vision statement that will guide the development of the General Plan document. The second phase of the update will focus on the development of key goals and policies for future development, potential changes to land use designations, and a comprehensive environmental assessment of the plan.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2015-16 ¹	\$600,000
2016-17	\$600,000
2017-18	\$0
2018-19	\$0
2019-20	\$0
<u>TOTALS</u>	<u>\$1,200,000</u>

SOURCE OF FUNDING:

General Fund - 100%

¹ Fiscal Year 2015-2016 represents the first phase of General Plan Update process.

PROGRAM TITLE: Accounting System

DEPARTMENT: Finance

PROGRAM DESCRIPTION:

As the City has grown over the years, the City has maintained its commitment to providing quality services, maintaining the City's infrastructure, and delivering desired programming. The complexity and volume of accounting requirements associated with this level of service delivery currently exceed the existing system's capabilities. The existing accounting system has been in place since incorporation in 1991, and is lacking in terms of capability and functionality. To address these limitations, this program was previously proposed in the 2011-2016 Plan. Due to priorities at the time, it was deferred, but has now been identified as critical to maintaining efficient operations.

Acquisition of a new accounting system that utilizes current technology will promote greater efficiencies within the City through the automation of manual processes and integration of redundant data. Staff will have the ability to query financial data more effectively and to provide more detailed reporting for auditing and financial analyses. In addition, the acquisition of a capital projects module will allow for ease and accuracy in long-term project tracking. Planning for this program is proposed to begin in Fiscal Year 2014-15 with expenditures beginning in Fiscal Year 2015-16.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2015-16	\$0
2016-17	\$150,000
2017-18	\$120,000
2018-19	\$0
2019-20	\$0
<u>TOTALS</u>	<u>\$270,000</u>

SOURCE OF FUNDING:

General Fund - 100%

PROGRAM TITLE: Professional Services for an Asset Management Program

DEPARTMENT: Public Works

PROGRAM DESCRIPTION:

This request would provide funding to hire a consultant to help the City develop an asset management program for parks and other facilities. The consultant would help review software programs, asset information collection methods; work order systems, develop the scope of work for an RFP and develop a budget and schedule for implementation. This could also include updating the GASB 34 requirements. Requests for additional funding would be made in appropriate future fiscal years.

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2015-16	\$0
2016-17	\$0
2017-18	\$30,000
2018-19	\$0
2019-20	\$0
<u>TOTALS</u>	<u>\$30,000</u>

SOURCE OF FUNDING:

General Fund – 100%

**CHAPTER 9
CAPITAL PROJECTS**

PROJECT TITLE: Americans with Disabilities Act (ADA) Access Ramp Improvements
Phases 9-13

CATEGORY: Streets

PROJECT DESCRIPTION

This project would reconstruct existing sidewalk ramps over the next five years to comply with current standards and requirements of the American with Disabilities Act (ADA). This project would also further implement the City's ADA self-assessment and transition plan. The schedule for design and construction will depend on the annual allocation amount of Community Development Block Grant (CDBG) funds.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$20,000	\$141,200		\$161,200
2016-17	\$18,000	\$135,100		\$153,100
2017-18	\$17,600	\$132,400		\$150,000
2018-19	\$17,300	\$129,700		\$147,000
2019-20	\$16,900	\$127,100		\$144,000
Total	\$89,800	\$665,500		\$755,300

SOURCE OF FUNDING

Community Development Block Grant* 100%

*Subject to grant availability and matching requirement, if any

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	ANNUAL							
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT		X						
DESIGN			X	X		X		
BID PROCESS				X			X	
CONSTRUCTION					X	X	X	X

PROJECT TITLE: Internally Illuminated Street Name Sign Panel Replacement

CATEGORY: Streets

PROJECT DESCRIPTION

This project replaces deteriorated internally illuminated street name sign (ISNS) panels at traffic signals citywide. A 2013 inventory of ISNS panels indicated 176 panels needed replacement due to weather damage. The estimated cost to replace all 176 panels is \$50,000. To date, the City has replaced 74 ISNS panels. This project would replace the remaining damaged signs at approximately 34 sign panels per year over a three-year period, at a cost of \$10,000 per year.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$10,000		\$10,000
2016-17		\$10,000		\$10,000
2017-18		\$10,000		\$10,000
2018-19				
2019-20				
Total		\$30,000		\$30,000

SOURCE OF FUNDING

Gas Tax 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS:
FISCAL YEAR COSTS BEGINS:

PROJECT SCHEDULE

	ANNUAL							
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION	X	X			X	X		

PROJECT TITLE: Portola Parkway Widening/Streetscape

CATEGORY: Streets

PROJECT DESCRIPTION

This project adds a third southbound through lane on Portola Parkway under the SR 241 and constructs a raised landscape median on Portola Parkway between SR 241 and El Toro Road. This project would provide traffic safety and traffic congestion relief opportunities. Competitive OCTA Measure M2 funds would fund \$225,000 of the construction cost.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$800,000		\$800,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$800,000		\$800,000

SOURCE OF FUNDING

Measure M2 CTFP Competitive Grant Funds (City CIP)	28%
Capital Improvement Projects Fund	72%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$3,200
FISCAL YEAR COSTS BEGINS: 2016/2017

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X							
BID PROCESS	X	X						
CONSTRUCTION		X	X	X				

PROJECT TITLE: Sidewalk Repairs

CATEGORY: Streets

PROJECT DESCRIPTION

This annual program focuses on inspecting and improving the City's sidewalks and park locations throughout the City.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$40,000		\$40,000
2016-17		\$40,000		\$40,000
2017-18		\$40,000		\$40,000
2018-19		\$40,000		\$40,000
2019-20		\$40,000		\$40,000
Total		\$200,000		\$200,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	ANNUAL			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun
SELECT CONSULTANT DESIGN	X			
BID PROCESS		X	X	
CONSTRUCTION			X	X

PROJECT TITLE: Street Lights Installation at Various Locations

CATEGORY: Streets

PROJECT DESCRIPTION

This project installs streetlights citywide based on site conditions, need, and requests by residents. Current proposed streetlight locations include northbound Toledo approaching Bake Parkway, and the residential street of Costa Bella.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$15,000			\$15,000
2016-17		\$35,000		\$35,000
2017-18				
2018-19				
2019-20				
Total	\$15,000	\$35,000		\$50,000

SOURCE OF FUNDING

Capital Improvement Projects Fund

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN			X					
BID PROCESS				X	X			
CONSTRUCTION					X	X		

PROJECT TITLE: Street Resurfacing and Slurry Seal (FY 2015-16 to FY 2019-20)

CATEGORY: Streets

PROJECT DESCRIPTION

This annual project provides asphalt overlays on arterial roadways and slurry seals on collector and residential streets as determined by the Pavement Management System. The system is designed to avoid expensive deferred maintenance. Conformance with the system makes the City eligible for Measure M2 funding.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$150,200	\$1,450,300		\$1,600,500
2016-17	\$185,400	\$1,732,600		\$1,918,000
2017-18	\$148,700	\$1,338,500		\$1,487,200
2018-19	\$154,800	\$1,393,700		\$1,548,500
2019-20	\$160,900	\$1,448,400		\$1,609,300
Total	\$800,000	\$7,363,500		\$8,163,500

SOURCE OF FUNDING

Measure M2 Fairshare	91%
Arterial Pavement Management Grant (City CIP)	9%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
 FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	ANNUAL							
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT	X							
CONSULTANT								
DESIGN		X	X					
BID PROCESS			X	X				
CONSTRUCTION				X	X	X		

PROJECT TITLE: Street Traffic Sign Replacement

CATEGORY: Streets

PROJECT DESCRIPTION

This project replaces approximately 600 faded City street traffic signs citywide. The signs would comply with requirements of the 2012 California Manual on Uniform Traffic Control Devices (MUTCD). The signs would be replaced in three phases.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$1,000	\$54,000		\$55,000
2016-17	\$1,000	\$34,000		\$35,000
2017-18	\$1,000	\$29,000		\$30,000
2018-19				
2019-20				
Total	\$3,000	\$117,000		\$120,000

SOURCE OF FUNDING

Gas Tax 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT CONSULTANT DESIGN BID PROCESS CONSTRUCTION	FISCAL YEAR 2015-16				FISCAL YEAR 2016-18			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
	X	X						
		X	X					
			X	X	X	X		

PROJECT TITLE: Alton Parkway and Irvine Boulevard Modification (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project modifies the intersection by restriping the southbound Irvine Boulevard lanes to add left-turn capacity to turn onto Alton Parkway. The project is within the City of Irvine and includes fair share funding of improvements by the LFTM Program and the City of Irvine’s North Irvine Transportation Mitigation (NITM) Program. The LFTM improvements include restriping the Irvine Boulevard southbound approach to add a third left-turn lane and modify the median island to add additional left-turn pocket storage. The total project cost is \$177,000. The costs for the LFTM improvements funded by the City of Lake Forest are \$155,000.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$38,800			\$38,800
2016-17		\$116,200		\$116,200
2017-18				
2018-19				
2019-20				
Total	\$38,800	\$116,200		\$155,000

SOURCE OF FUNDING

Lake Forest Transportation Mitigation Improvements (LFTM) 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
 FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT	X							
DESIGN		X	X					
BID PROCESS				X				
CONSTRUCTION					X	X		

PROJECT TITLE: Alton Parkway and Toledo Way Modification (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project modifies traffic signal intersection operations by adding a right-turn overlap feature for the northbound Toledo Way right-turn onto eastbound Alton Parkway. The overlap feature will add a green arrow to allow vehicles to turn right on red without stopping. This project is in the City of Irvine, but there are no NITM improvements, only LFTM improvement obligations. The cost for the LFTM improvement funded by the City of Lake Forest is \$7,700.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$7,700		\$7,700
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$7,700		\$7,700

SOURCE OF FUNDING				
Lake Forest Transportation Mitigation Improvements (LFTM)				100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A

FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	Fiscal Year 2015-2016				Fiscal Year 2016-2017			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT								
DESIGN								
BID PROCESS								
CONSTRUCTION			X					

PROJECT TITLE: Bake Parkway/Irvine Blvd – Trabuco Road Modifications – Phase 1 (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project modifies the existing eastbound Bake Parkway lanes at Irvine Boulevard - Trabuco Road by re-striping to add a second left-turn lane while maintaining the existing three through lanes. This LFTM improvement would add additional left-turn capacity and reduce the left turn-lane queue from blocking the through lanes. Although this intersection is partially within the City of Irvine, the Phase 1 LFTM improvements are within Lake Forest.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$5,000	\$13,200		\$18,200
2016-17				
2017-18				
2018-19				
2019-20				
Total	\$5,000	\$13,200		\$18,200

SOURCE OF FUNDING

Lake Forest Transportation Mitigation Improvements (LFTM) 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
 FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X							
BID PROCESS		X						
CONSTRUCTION		X						

PROJECT TITLE: Bake Parkway/Portola Parkway Modification (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project modifies the existing median on Portola Parkway to add a second left-turn lane from southbound Portola Parkway to eastbound Bake Parkway. This LFTM improvement would increase the left-turn capacity and reduce the lane queue from blocking the through lanes.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16				
2016-17	\$100,000	\$300,000		400,000
2017-18				
2018-19				
2019-20				
Total	\$100,000	\$300,000		\$400,000

SOURCE OF FUNDING

Lake Forest Transportation Mitigation Improvements (LFTM) 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun
SELECT CONSULTANT DESIGN BID PROCESS CONSTRUCTION					X	X		

PROJECT TITLE: Lake Forest Drive/Rancho Parkway Modifications - Phase 1 (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project adds an additional left-turn lane on northbound Rancho Parkway to westbound Lake Forest Drive by modifying the existing striping and removing the dedicated right-turn lane. This LFTM improvement would accommodate the increase traffic flow due to extending Rancho Parkway to Portola Parkway.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$3,500	\$14,300		\$17,800
2016-17				
2017-18				
2018-19				
2019-20				
Total	\$3,500	\$14,300		\$17,800

SOURCE OF FUNDING

Lake Forest Transportation Mitigation Improvements 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN	X							
BID PROCESS		X						
CONSTRUCTION		X						

PROJECT TITLE: Lake Forest Drive and Rockfield Boulevard (LFTM)

CATEGORY: Traffic

PROJECT DESCRIPTION

This project re-stripes the southbound Rockfield Boulevard approach for 2.5 southbound left-turn lanes and 1.5 southbound through lanes. Re-striping requires modification of the traffic signal for split phased operation on the southbound and northbound Rockfield Boulevard approaches. This project involves re-striping only with no roadway widening.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16				
2016-17				
2017-18	\$18,600			\$18,600
2018-19		\$55,700		\$55,700
2019-20				
Total	\$18,600	\$55,700		\$74,300

SOURCE OF FUNDING

Lake Forest Transportation Mitigation (LFTM) Program 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2017-18				FISCAL YEAR 2018-19			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN			X					
BID PROCESS CONSTRUCTION					X			

PROJECT TITLE: Rockfield Boulevard Traffic Signal Synchronization

CATEGORY: Traffic

PROJECT DESCRIPTION

This project synchronizes eleven traffic signals along Rockfield Boulevard from Los Alisos Boulevard to Bake Parkway (eight intersections in Lake Forest; three intersections in Irvine). This project includes updating signal equipment, signal timing, coordination operations, and maintenance. Total project cost is \$585,000. Lake Forest's share of the project cost is \$107,700 consisting of AQMD and CIP funds. OCTA Measure M funds and Irvine would provide the remaining funds. This project is subject to OCTA grant funding. Lake Forest would be the lead agency.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$98,000			\$98,000
2016-17		\$487,000		\$487,000
2017-18				
2018-19				
2019-20				
Total	\$98,000	\$487,000		\$585,000

SOURCE OF FUNDING

Air Quality Management District	9%
Capital Improvement Projects Fund	9%
Measure M2 CTFP Competitive Grant Funds (City CIP)*	80%
City of Irvine	2%

*Pending grant funding from OCTA

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$4,200

FISCAL YEAR COSTS BEGINS: 2017-2018

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT	X							
DESIGN		X	X	X				
BID PROCESS				X				
CONSTRUCTION					X	X	X	

PROJECT TITLE: Traffic Signal System Communications Enhancements

CATEGORY: Traffic

PROJECT DESCRIPTION

This project includes the purchase and installation of traffic signal system communication equipment necessary to complete the traffic signal synchronization system per the Citywide Traffic Signal Coordination Master Plan. This project will include upgrades and replacement of missing and obsolete communication equipment. This project is part of a long-range program of \$1.5 million for necessary improvements to upgrade, connect, and operate all traffic signals electronically. As of April 2015, 53 of 90 signals maintained by the City are currently tied into the City's Centrac system.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$64,300		\$64,300
2016-17		\$87,500		\$87,500
2017-18		\$75,000		\$75,000
2018-19		\$75,000		\$75,000
2019-20		\$75,000		\$75,000
Total		\$376,800		\$376,800

SOURCE OF FUNDING

Air Quality Management District Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT CONSULTANT DESIGN BID PROCESS CONSTRUCTION	ANNUAL			
	Jul- Sep	Oct- Dec	Jan- Mar	Apr - Jun
CONSTRUCTION	X	X	X	

PROJECT TITLE: Environmental Tier I Improvements (Phases 5 & 6)

CATEGORY: Environmental

PROJECT DESCRIPTION

This project retrofits catch basins at various locations with automatic retractable screens (ARS). The ARS units will prevent trash, debris, and particles carrying pollutants generated and transported at street level, from entering the storm drain system that affects downstream water bodies. This project is in the fifth and sixth phases for catch basin retrofits under the Orange County Transportation Authority grant program for the Environmental Tier 1 Improvements Program. This project is addressing requirements mandated by a pending statewide trash policy under development by the State Water Resources Control Board.

CAPITAL COST DETAIL				
FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$125,000		\$125,000
2016-17		\$250,000		\$250,000
2017-18				
2018-19				
2019-20				
Total		\$375,000		\$375,000

SOURCE OF FUNDING		
Measure M2 CTFP Competitive Grant Funds (City CIP)		75%
Capital Improvement Projects Fund		25%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
 FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN								
BID PROCESS	X				X			
CONSTRUCTION		X	X	X		X	X	X

PROJECT TITLE: Alton Park Monument Sign

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project will replace the river rock facia on the Alton Park sign with tan stack stone. The existing river rock design is the standard used at other City park monuments. The original park sign construction and architectural features throughout Foothill Ranch use the tan stack stone.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$3,000		\$3,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$3,000		\$3,000

SOURCE OF FUNDING

Capital Improvement Projects Fund* 100%

* Implementation is based on Park Policy

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct. - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN								
BID PROCESS		X						
CONSTRUCTION			X					

PROJECT TITLE: Barker Ranch Dog Park

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project constructs a small dog park at the end of Baffin Bay. The developer, Shea Baker Ranch Associates (SBRA), would design and construct the dog park as part of the Baker Ranch development. After construction, the park would be given to the City to own, operate, and maintain as a public dog park. The dog park would have synthetic turf, a shade structure, park furniture, irrigation, and landscaping.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$5,000		\$5,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$5,000		\$5,000

SOURCE OF FUNDING

Developer Funds 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$ 24,000
FISCAL YEAR COSTS BEGINS: 2016-2017

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN	X	X						
BID PROCESS		X	X					
CONSTRUCTION			X	X				

PROJECT TITLE: Etnies Skate Park Facilities Painting and Repairs

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project renovates the Etnies Skate Park infrastructure by painting the office building, restroom, the perimeter fencing, and the fencing on the median of Lake Forest Drive.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$30,000		\$30,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$30,000		\$30,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan- Mar	Apr- Jun
SELECT CONSULTANT DESIGN								
BID PROCESS	X							
CONSTRUCTION			X					

PROJECT TITLE: Irrigation Backflow Devices Protective Equipment Installation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project would secure backflow devices at various locations by constructing a concrete pad and steel enclosure and installing a locking mechanism. The improvements will protect the backflow devices from vandalism and other damages at passive and sports parks, medians, parkways, and slopes.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$5,000	\$95,000		\$100,000
2016-17				
2017-18				
2018-19				
2019-20				
Total	\$5,000	\$95,000		\$100,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X					

PROJECT TITLE: Lake Forest Sports Park Improvements Phase 2

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project installs lights at the batting cages and south tot lot; installs handrails and steps at the terrace seating adjacent to the multi-use turf fields; and installs guardrails at the top level of the terrace seating at the synthetic fields. These improvements would allow use of the batting cages and tot lot at night and provide access to the terrace seating areas.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$55,000	\$305,000		\$360,000
2016-17				
2017-18				
2018-19				
2019-20				
Total	\$55,000	\$305,000		\$360,000

SOURCE OF FUNDING

Opportunities Study Area Capital Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$8,000
FISCAL YEAR COSTS BEGINS: 2016-2017

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN	X							
BID PROCESS		X						
CONSTRUCTION			X	X				

PROJECT TITLE: Park Amenities Replacement

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project replaces park amenities such as trash enclosures, picnic tables, benches, and drinking fountains at City parks. The existing park amenities are in need of replacement.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16				
2016-17		\$40,000		\$40,000
2017-18		\$40,000		\$40,000
2018-19		\$40,000		\$40,000
2019-20		\$40,000		\$40,000
Total		\$160,000		\$160,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2016-17				FISCAL YEAR 2017-20			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT CONSULTANT DESIGN								
BID PROCESS		x				X		
CONSTRUCTION			x	x			X	X

PROJECT TITLE: Park Gazebo Replacements

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project will replace the existing structures with pre-fabricated gazebo structures at Cherry and Borrego Overlook, and Pebble Creek parks. The pre-fabricated gazebos are heavy duty, vandal proof and can match the existing park signs with river rock on the columns.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16	\$10,000	\$350,000		\$360,000
2016-17				
2017-18				
2018-19				
2019-20				
Total	\$10,000	\$350,000		\$360,000

SOURCE OF FUNDING

Capital Improvement Project Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN	X							
BID PROCESS		X						
CONSTRUCTION		X	X	X				

PROJECT TITLE: Park Light Pole Replacements

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

With time, rust and corrosion have deteriorated the bases of light poles and fixtures. A survey of City park found approximately 54 park light poles rusted and in need of replacement. The prior years' work addressed the immediate needs and made minor repairs by constructing concrete bases on 7 poles, leaving approximately 47 poles needing replacement.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$30,000		\$30,000
2016-17		\$30,000		30,000
2017-18				
2018-19				
2019-20				
Total		\$60,000		\$60,000

SOURCE OF FUNDING

Capital Improvement Projects Fund	100%
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OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN	X	X						
BID PROCESS		X						
CONSTRUCTION		X	X	X				

PROJECT TITLE: Playground Resilient Surface Sealant Installation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project would apply a sealant on resilient surfaces at the playgrounds at 19 parks. The sealant would prolong the useful life span and maintain the head impact attenuation of the resilient surface.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$50,000		\$50,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$50,000		\$50,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan.- Mar	Apr- Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun
SELECT CONSULTANT DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X					

PROJECT TITLE: Park Restrooms Floor Sealant Installation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project would apply a sealant on concrete restroom floors at Borrego, Foothill Ranch Community, Concourse, Etnies Skate, Heroes, Mountain View, Rimgate, and Tamarisk parks. The sealant would prolong the useful life of the concrete.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$25,000		\$25,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$25,000		\$25,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X						

PROJECT TITLE: Park Restroom Repairs

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project repairs the restrooms at Pittsford, Serrano Creek, and El Toro Parks. The restrooms are in need of replacing roofs, doors, sinks, and toilets; electrical and ventilation improvements.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$90,000		\$90,000
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$90,000		\$90,000

SOURCE OF FUNDING

Capital Improvement Projects Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: N/A
FISCAL YEAR COSTS BEGINS: N/A

PROJECT SCHEDULE

	Fiscal Year 2015-16				Fiscal Year 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun
SELECT								
CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION	X	X						

PROJECT TITLE: Solar Compactor Receptacle Installation

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project procures and installs Big Belly solar compactor recycling receptacles at City parks. The Big Belly is a fully enclosed system design to eliminate trash overflow, hides unsightly trash, controls pests and vectors, and reduces litter. This project is fully funded by the Beverage Container Recycling Grant.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$72,100		\$72,100
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$72,100		\$72,100

SOURCE OF FUNDING

Beverage Container Recycling Grant 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: \$2,500
FISCAL YEAR COSTS BEGINS: 2016-17

PROJECT SCHEDULE

SELECT	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun	July- Sep	Oct - Dec	Jan - Mar	Apr - Jun
CONSULTANT								
DESIGN								
BID PROCESS	X							
CONSTRUCTION		X	X					

PROJECT TITLE: Village Pond Park

CATEGORY: Parks and Recreation

PROJECT DESCRIPTION

This project rehabilitates Village Pond Park with new landscaping, walkways, park amenities, and water quality improvements. The project design reduces the waterfowl population to a more sustainable number while improving the entire park experience.

CAPITAL COST DETAIL

FISCAL YEAR	DESIGN	CONSTRUCTION	OTHER	TOTAL
2015-16		\$2,003,700		\$2,003,700
2016-17				
2017-18				
2018-19				
2019-20				
Total		\$2,003,700		\$2,003,700

SOURCE OF FUNDING

Park Development Fund 100%

OPERATING BUDGET IMPACT

ANNUAL OPERATING COSTS: TBD
FISCAL YEAR COSTS BEGINS: 2016-2017

PROJECT SCHEDULE

SELECT CONSULTANT DESIGN BID PROCESS CONSTRUCTION	FISCAL YEAR 2015-16				FISCAL YEAR 2016-17			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr- Jun	July- Sep	Oct - Dec	Jan - Mar	Apr - Jun
	X							
		X	X	X				

PROGRAM TITLE: Neighborhood Park Improvement Plan (Phase 2)

DEPARTMENT: Community Services

PROGRAM DESCRIPTION:

COST DETAIL:

<u>FISCAL YEAR</u>	<u>COST</u>
2015-16	\$0
2016-17	\$0
2017-18	\$0
2018-19	\$0
2019-20	\$0
<u>TOTALS</u>	<u>\$30,000</u>

SOURCE OF FUNDING:

General Fund – 100%

CHAPTER 10

OPPORTUNITY STUDY AREA PUBLIC FACILITIES BUSINESS PLAN

Executive Summary

The Opportunities Study Area Public Facilities Plan was first adopted in 2009. Given the recovery in the real estate market, continued significant private development is anticipated over the next five-year planning period. Overall, and inclusive the projects entitled from eight different landowners that have received approvals from the City, this construction activity is expected to generate over \$200 million in fee revenue. When combined with the City's public facilities investment, this funding has been used to design and construct major City capital projects, such as the Lake Forest Sports Park and Recreation Center, and will be used in the future for the Civic Center.

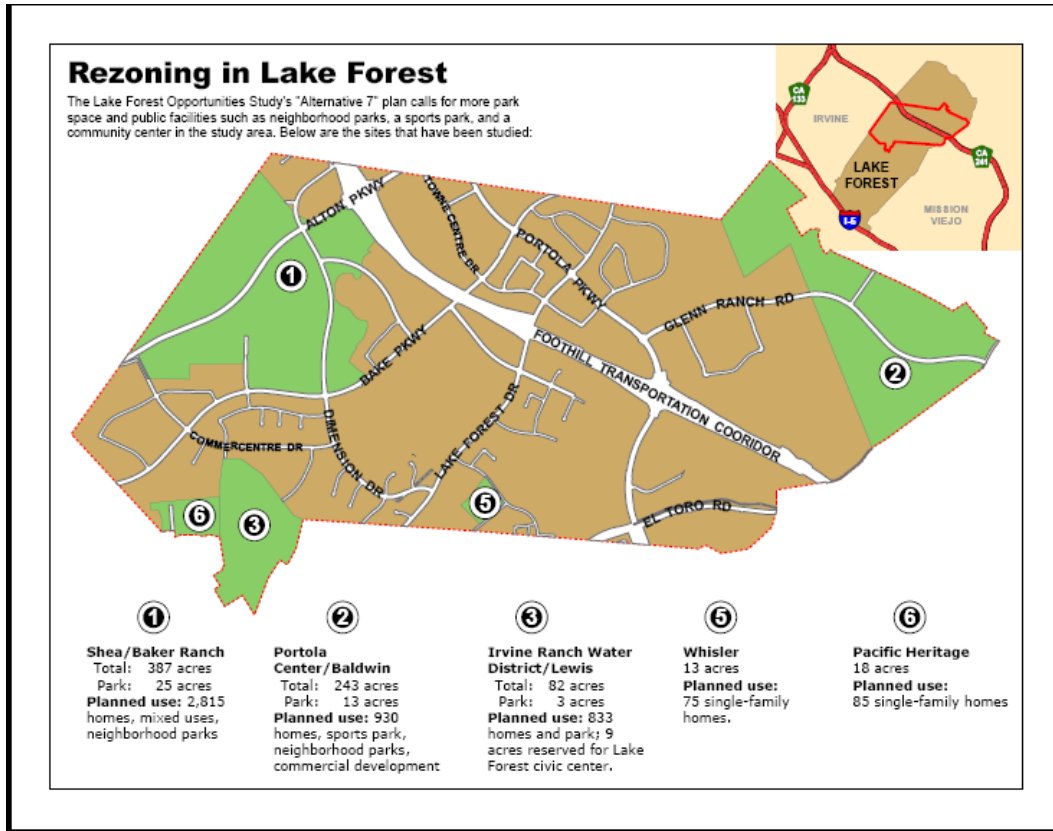
Background

In 2003, the City initiated a series of studies, collectively dubbed the "Opportunities Study," to examine the impacts and benefits of changing allowed land uses for approximately 800 acres of land located under the former El Toro Marine Corps Air Station flight path. At the outset of this effort, the City Council developed objectives to guide the project. These objectives included:

- **Recreational Facilities.** Future residential and/or commercial development within the Project Area should benefit the entire community by providing adequate recreational facilities, including an active sports/park complex.
- **Public Space.** Future residential and/or commercial development within the Project Area should benefit the entire community by providing adequate public open space and other public amenities, including a civic/community center.
- **Development Commitments.** As a precondition to future residential and/or commercial development within the Project Area, each landowner and developer will be required to make binding development commitments determined to be appropriate by the City Council.

In 2008, following five years of study, analysis and negotiations, the City Council voted to certify the Opportunities Study Area (OSA) Final Program Environmental Impact Report and approve a General Plan Amendment and zone changes. Additionally, the Council approved Development Agreements (DAs) with four landowners – Irvine Ranch Water District, Pacific Heritage, Portola Center, and Whisler Ranch.

In 2010, the City Council approved a Development Agreement with Shea Baker Ranch Associates (SBRA), the largest of the five participating landowners in the OSA study. This milestone event marked the formal beginning of the full implementation phase of the OSA, which includes processing tentative maps and the construction of private development and public facilities.



Subsequently, the City received additional applications for changes in land use related to properties located in the former Auto Center and the 30-acre site across from the Lake Forest Sports Park and Recreation Center. In 2013, the City Council approved the conversion of land use in the former Auto Center, which resulted in the construction of 147 multi-family units (Brookfield) and 72 single-family homes (Taylor Morrison). In 2015, the City Council approved a residential project on a 30-acre parcel located directly across the street from the Lake Forest Sports Park. While the final number of units associated with that development have not yet been finalized, the entitlements allows up to 250 residential units. The three residential developments approved subsequent to the original five OSA developments will bring the City additional funding that may be used for public facilities, traffic improvements, and affordable housing.

Public Facilities

A portion of the public benefits provided by the DAs in exchange for a vested change of land use to residential development includes a financial contribution towards the design and construction of public facilities. Each landowner pays its pro-rata share of the public benefit package with a public facilities fee (“PFF”) attributed to each residential unit approved with the tract maps to be paid at the issuance of each building permit. The DAs also allow for community facility district (“CFD”) bond financing that, if utilized, could accelerate the funding of the PFF prior to the issuance of building permits. However, based on the current bond market, a project must be well underway before CFD bonds may be sold and, consequently, this option has not been fully implemented to date.

Based on the anticipated number of residential units, the total projected revenue from the five original OSA projects and the three recently entitled residential projects is approximately over \$200 million. The DAs provide for a limited amount of advanced PFF funds to be paid by the landowners regardless of the timing of their respective projects to fund planning and design of public facilities.

Lake Forest Sports Park

Using advanced PFF funding, the City launched the master planning and environmental review process for the proposed Sports Park in June 2009. As part of the development process, the City worked to assemble the land required for the 86-acre site. In the fall of 2011, the City Council approved the Final Sports Park Master Plan. Clearing and grubbing of the site was completed in 2012, which allowed for mass grading and drainage improvements for the entire 86-acre site to begin. In March 2013, the City Council awarded a contract to Park West Landscaping, Inc. for the construction of the Lake Forest Sports Park and Recreation Center. In November 2014, the City completed the project and unveiled it to the community. The facility was very well-received has become an extremely popular destination for active recreation uses

Lake Forest Civic Center

In addition to the Sports Park, the City began preliminary planning for a new Civic Center facility – dubbed Lake Forest’s 100 Year Home. Pursuant to the development agreement with the Irvine Ranch Water District (“IRWD”), the City received an Irrevocable Offer of Dedication (“IOD”) for a 9-acre site on a portion of the IRWD property located at the extension of Indian Ocean Drive intended for future use as a Civic Center. The state-of-the-art facility will include a senior center, a performing arts center, policing center, and administrative offices for City Hall. Once completed, the facilities are envisioned to be a hub of civic

activity for the community and will serve a central location for the City to provide various services to the community.

In 2011, the Council held its first public workshop related to the Civic Center, and a Civic Center Conceptual Plan was presented at the City's 20th Anniversary City Council Meeting. Subsequently, however, the City, IRWD, and the Army Corps of Engineers have been working to resolve an ephemeral drainage issue that will require environmental mitigation and preservation of a portion of the Civic Center site. This required the City to slightly revise its original Civic Center Conceptual Plan, including reorienting the configuration of some of the buildings.

Consequently, the project has been delayed to obtain the necessary permits from the Army Corps of Engineers. Notwithstanding these challenges, the City has continued to position itself to advance the project. Next steps for the project include obtaining Architectural and Design Services, as well as Construction Management Services, to transform the conceptual plans into shelf-ready construction plans. The City plans to initiate the public participation process that will ultimately inform the final design in Fiscal Year 2015-2016.

Private OSA Development Activity

In contrast to the bleak economic outlook of previous years, there are encouraging signs in the current residential housing market. The City's "new neighborhoods" are in varying stages of development. Two of the City's newest neighborhoods, the Summitcrest development, consisting 29 single-family homes and Whisler Ridge, which consists of 68 single-family homes are complete.

Baker Ranch, a subdivision of approximately 387 acres approved for up to 2,379 homes, began grading the first phase of its development in fall 2012. To date, Baker Ranch has constructed approximately 50% of the total units that will one day complete the development. Serrano Summit, an 82-acre subdivision owned by the Irvine Ranch Water District, was approved for up to 608 homes by the City Council in February 2012. The City Council approved up to 85 single-family homes at Pinnacle at Serrano Highlands, a 25-acre subdivision, in June 2012. Portola Center, located near Portola Hills, is in the Project Plans (Tentative Tract Map and Area Plan) review stage and has started to grade a portion of the property.

Based on project approvals, and inclusive of the Auto Center Developments and the Baker Ranch project, the developments will ultimately result in approximately 4,539 housing units. It is important to keep in mind that development forecasts are highly speculative, dependent on a number of under-defined variables, and must be continually refined.

Public Facility Costs and Scheduling

In addition to the over \$200 million in total revenue, the City is expected to receive \$10.6 million in Lake Forest Transportation Mitigation (“LFTM”) fees, approximately \$5.6 million in affordable housing fees, and roughly \$8.7 million in Foothill Corridor Phasing Program (“FCPP”) road fees. When combined with the City’s initial investment and previously-approved capital project appropriations, the total OSA revenues are expected to be sufficient to cover the costs of the entire OSA public facilities package comprised of the following projects:

- **Alton Parkway:** The City’s segment of Alton Parkway, between Commercentre Drive and Towne Centre Drive, was completed in June 2012 at a cost of approximately \$9.5 million.
- **Rancho Parkway:** The \$4 million project to connect Rancho Parkway between Lake Forest Drive and Portola Parkway opened in fall 2012 and serves as the primary access to the Lake Forest Sports Park and Recreation Center.
- **Lake Forest Sports Park and Recreation Center:** The project includes 86 acres of active and passive recreation uses, making it one of the largest of its kind in south Orange County. The City completed the project, including all land acquisition costs, for approximately \$80 million paid entirely on a cash basis.
- **Civic Center:** The Civic Center, envisioned to include a Community Meeting Center, dedicated senior center, performing arts theater/Council Meeting Chamber, City administrative offices, and policing/emergency operations center, is planned for the 9-acre site dedicated by IRWD. The estimated cost to construct the entire facility is \$60 million.
- **LFTM Intersections:** This project will provide traffic improvements at 16 intersections throughout the city to mitigate OSA development. The improvements are estimated at \$10.6 million, and will be funded by developer-paid LFTM impact fees.

Conclusion

The City recently completed construction of the Sports Park and Recreation Center. With the first initial major public project complete, the City will focus its efforts and the majority of public benefit revenue generated by the OSA into designing and constructing the Civic Center. This project represents long-desired community goals that will further enhance the quality of life for residents and allow the City to deliver enhanced services to specific groups including

senior citizens. During the OSA process, the City has taken great care to negotiate a fee structure that would serve as the basis to design and build these significant projects. Although the developer fees to fund these projects are significant and sufficient to fund the desired public improvements, the timing and complexity of the OSA developments is such that not all of these units will be constructed simultaneously. Given this dynamic, staff worked extensively to design project schedules and cash-flow models that balance the availability of funding and timing for the delivery of community needs. If necessary, the City has the financial resources to internally fund any potential shortfall of developer revenue with existing fund balance. Utilizing this approach, staff believes the City will successfully deliver the public improvements to the community within the desired timeframe, but also remain consistent with its conservative principles to public finances.

CONCLUSION

The Five-Year Strategic Business Plan represents the City's efforts to respond to the needs of the community while maintaining a balanced budget and providing a fiscally conservative roadmap for the future. This roadmap allows the City to continue providing quality services to the community while at the same time remaining fiscally responsible.

Of utmost importance in developing the Strategic Plan is responding to the issues facing Lake Forest over the next five years. Strategic issues are identified by understanding and listening to the community and its evolving wants and needs through collection and analysis of demographic data along with biennial survey responses to identify current and future trends. The strategic issues facing Lake Forest over the next five years are traffic, public safety, community services and public facilities, economic development, community preservation, financial stability, community and regional planning, and environmental and infrastructure issues. These issues serve as guides in developing the projects and programs in this 5-Year Plan, as well as City-wide and departmental goals.

The City will continue to apply a combination of strategies including implementing traffic signal synchronization, citywide traffic modeling, and constructing intersection improvements that comprise the LFTM program. Public safety will continue to be a top priority with the City's commitment to ensuring a full breadth of law enforcement services to prevent and reduce crime and maintain neighborhoods. Based upon current projections, the City will focus on offering community programs to accommodate the interests of a broad spectrum of ages, from pre-schoolers to seniors.

The City will also focus on projects and programs to bolster property values throughout the City, both in commercial and residential areas. Understanding that the City's residents are highly educated, the City will continue to focus its efforts on attracting employers who can utilize the local Lake Forest workforce. In addition, the City will continue working collaboratively with existing businesses to ensure their continued success and the City's economic growth. Finally, the City will proactively monitor the communication preferences of residents across all demographics as new technologies emerge to continue communicating in the most relevant ways possible.

Maintaining a balanced budget requires a careful review of projected revenues and expenditures when planning for the future and identifying projects and programs to be funded. Based on available projections, it appears that the City is recovering from the recession and its effects on the City's revenues. When

projecting revenues, the City has chosen to use the more conservative spectrum of estimates. Looking ahead, as the overall economy recovers from the effects of the recession, it is expected that the City's diverse revenue base will continue realizing stable, modest growth.

Incorporated into the Plan is a five-year schedule of new operating programs and capital improvement projects. The new operating programs/projects and capital improvement projects in the first two years of the Plan represent those approved in the Fiscal Year 2015-16 Operating Budget and the 2015-17 Capital Improvement Projects Budget. During the five-year period, the City will have implemented and/or completed 5 new operating programs and projects and 35 capital improvement projects.

Working with projections is an inexact science. Major components of the financial projections are revenues and expenditures surrounding the OSA projects detailed in Chapter 10 (eight housing projects and the Civic Center). When projecting these revenues and expenditures, the City has maintained its conservative approach. Since the City has committed to building the Civic Center within the five-year planning period, the City has accounted for and included the corresponding maintenance expenditures.

The following pages provide a five-year summary of the revenues and expenditures in the General Fund and the Reserve Fund. Data from the projections for the General Fund show revenues increasing at a faster rate than expenditures in all five years of the planning period. This is a positive indication that the economy is recovering from the effects of the recession.

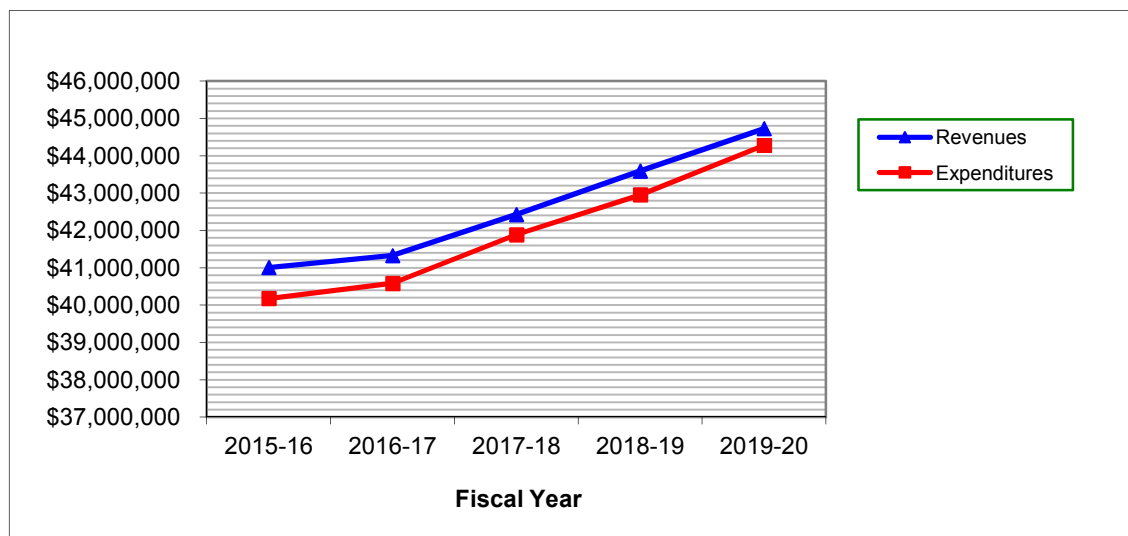
At this point, the City has chosen to show anticipated costs for new public infrastructure, including expenditures associated with the Civic Center. Revenues are projected to exceed expenditures in all five years of the Plan. Consequently, the City anticipates the ability to accommodate new needs without creating a permanent structural deficit.

Over the next two years the City will remain vigilant in its monitoring of all revenues and expenditures. The City recognizes the need to remain flexible when reviewing existing and future needs and has prioritized programs and projects to provide the best service possible to the community within existing budgetary constraints. Although the Plan contemplates a five year horizon, the City prepares a new Plan every two years. This biennial review allows for the inclusion of better information as well as an opportunity to forecast expenditures and revenues based upon then current data. The Plan development and review process allows the City to be proactive, rather than reactive, and make sound decisions based on quality analysis.

At the end of the five-year planning period covered by this Plan, the General Fund balance is estimated to be approximately \$20.0 million. Additionally, per the City's Reserve Policy, the City continues to ensure that all reserves are fully funded with an estimated \$21.8 million at the end of the five-year period. As a result of the City's fiscally conservative policies, the City is well-positioned to continue to deliver high quality services and projects in spite of the recent economic conditions. As always, the City encourages and welcomes community feedback and participation in continuing to maintain a high quality of life in Lake Forest.

GENERAL FUND REVENUES

	2015-16	2016-17	2017-18	2018-19	2019-20
BEGINNING BALANCES	\$24,205,700	\$19,191,800	\$19,811,600	\$19,912,600	\$20,085,700
REVENUES:					
Local Taxes	36,087,700	36,249,000	37,291,000	38,365,000	39,470,000
Licenses and Permits	1,756,300	1,757,000	1,757,000	1,757,000	1,757,000
Other Governments	30,000	160,600	188,200	250,700	252,000
User Fees and Charges	2,266,900	2,278,400	2,288,400	2,298,400	2,308,400
Fines and Forfeitures	385,000	390,000	395,000	400,000	405,000
Use of Money and Property	325,200	337,000	350,000	364,000	378,000
Other Revenue	159,000	159,000	159,000	159,000	159,000
TOTAL REVENUES	41,010,100	41,331,000	42,428,600	43,594,100	44,729,400
OPERATING EXPENDITURES:					
City Council	128,000	147,800	150,700	153,700	156,700
City Manager	694,700	664,400	685,900	708,600	732,500
Economic Development	1,087,100	1,132,300	1,170,300	1,210,200	1,252,000
City Attorney	1,318,000	1,351,100	1,385,100	1,420,100	1,455,900
Finance	1,165,500	1,091,700	1,126,500	1,162,800	1,200,800
Development Services	2,371,600	2,404,900	2,445,100	2,487,400	2,531,700
Public Works	9,709,000	9,996,800	10,264,800	10,541,600	10,827,500
Management Services	5,072,700	4,553,000	4,701,800	4,848,700	5,010,000
Community Services	3,444,700	3,558,600	3,673,900	3,794,100	3,919,300
Police Services	15,141,700	15,682,300	16,284,400	16,627,500	17,195,300
TOTAL OPERATING EXPENDITURES	40,133,000	40,582,900	41,888,500	42,954,700	44,281,700
OPERATING SURPLUS/(DEFICIT)	877,100	748,100	540,100	639,400	447,700
Capital Improvement Projects	0	0	0	0	0
TOTAL EXPENDITURES	40,133,000	40,582,900	41,888,500	42,954,700	44,281,700
NET SURPLUS (DEFICIT)	877,100	748,100	540,100	639,400	447,700
Interfund Transfers	(5,846,800)	(128,300)	(439,100)	(466,300)	(454,100)
ENDING BALANCES	\$19,236,000	\$19,811,600	\$19,912,600	\$20,085,700	\$20,079,300



RESERVE BALANCES

	2015-16	2016-17	2017-18	2018-19	2019-20
BEGINNING BALANCES	\$19,617,100	\$20,355,000	\$20,483,300	\$20,922,400	\$21,388,700
Interfund Transfers	737,900	128,300	439,100	466,300	454,100
ENDING BALANCES	\$20,355,000	\$20,483,300	\$20,922,400	\$21,388,700	\$21,842,800

