



AGENDA

REGULAR MEETINGS OF THE SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY WATER UTILITY AUTHORITY HOUSING SUCCESSOR SUCCESSOR AGENCY AND CITY COUNCIL

March 21, 2023
6:00 P.M.

*Annette Rodriguez, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember
Jay Sarno, Mayor Pro Tem
Juanita Martin, Mayor*

Council Chambers
11710 Telegraph Road
Santa Fe Springs, CA 90670

You may attend the City Council meeting telephonically or electronically using the following means:

Electronically using Zoom: Go to Zoom.us and click on "Join A Meeting" or use the following link:

<https://zoom.us/j/521620472?pwd=U3cyK1RuKzY1ekVGZFdKQXNZVzh4Zz09>

Zoom Meeting ID: 521620472

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Telephonically: Dial: 888-475-4499

Meeting ID: 521620472

Public Comment: The public is encouraged to address City Council on any matter listed on the agenda or on any other matter within its jurisdiction. If you wish to address the City Council, please use the "Raise Hand" function via Zoom once the Mayor opens Public Comment during the meeting. You may also submit comments in writing by sending them to the City Clerk's Office at cityclerk@santafesprings.org. All written comments received by 12:00 p.m. the day of the City Council Meeting will be distributed to the City Council and made a part of the official record of the meeting. Written comments will not be read at the meeting, only the name of the person submitting the comment will be announced.

Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The City Council may direct staff to investigate and/or schedule certain matters for consideration at a future City Council meeting.

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Please Note: Staff reports, and supplemental attachments, are available for inspection at the office of the City Clerk, City Hall, 11710 E. Telegraph Road during regular business hours 7:30 a.m.-5:30 p.m., Monday-Thursday and every other Friday. Telephone: (562) 868-0511.

City of Santa Fe Springs

Regular Meetings

March 21, 2023

2. ROLL CALL

Annette Rodriguez, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember
Jay Sarno, Mayor Pro Tem
Juanita Martin, Mayor

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. INTRODUCTIONS

PUBLIC FINANCING AUTHORITY

6. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

- a. Minutes of the February 21, 2023 Public Financing Authority Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)

Recommendation:

- Receive and file the report.

WATER UTILITY AUTHORITY

7. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

- a. Minutes of the February 21, 2023 Water Utility Authority Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)

Recommendation:

- Receive and file the report.

- c. Status Update of Water-Related Capital Improvement Projects (Public Works)

Recommendation:

- Receive and file the report.

HOUSING SUCCESSOR

8. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Housing Successor.

Minutes of the February 21, 2023 Housing Successor Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

SUCCESSOR AGENCY

9. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Minutes of the February 21, 2023 Successor Agency Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

CITY COUNCIL

10. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

- a. Minutes of the February 21, 2023 Special and Regular City Council Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Authorize the Purchase of One (1) Toyota Sienna Hybrid Disabled Passenger Van from A-Z Bus Sales and Appropriate \$33,000 from Local Return Prop C Funds to Fully Fund this Purchase (Finance)

Recommendation:

- Authorize the purchase of (1) Toyota Sienna hybrid disabled passenger van by awarding an order to A-Z Bus Sales; and
- Appropriate \$33,000 from Local Return Prop C funds to fully fund this purchase; and
- Authorize the Director of Purchasing Services to process a Purchase Order in the amount of \$83,952.73 to A-Z Bus Sales.

- c. Amendment Number One to Professional Services Agreement with Ron's Maintenance, Inc. for Catch Basin Maintenance Services to Exercise One-Year Renewal Option (Public Works)

Recommendation:

- Approve Amendment Number One to Professional Services Agreement with Ron's Maintenance, Inc. to exercise the second one-year renewal option.
- Authorize the Mayor to sign Amendment Number One.

- d. 2023 SFS Art Fest Traffic Control Plan – Request for Approval (Community Services)

Recommendation:

- Approve the traffic control plans prepared for the lane closures and speed reduction in the area of Pioneer Boulevard and Telegraph Road for the 2023 Art Fest on April 27 and April 28, 2023.

- e. Request for Out-of Travel for the Director of Planning and Assistant Director of Planning, to attend the 2023 International Council of Shopping Center (ICSC) – RECon in Las Vegas (May 21-23, 2023), and for the Director of Planning to attend the 2023 American Planning Association (APA) Annual Conference in Philadelphia (April 1-4, 2023) (Planning)

Recommendation:

- Approve out-of-state travel for the Director of Planning and Assistant Director Planner to attend the 2023 International Council of Shopping Center (ICSC) –RECon in Las Vegas (May 21-23, 2023); and
- Approve out-of-state travel for the Director of Planning to attend the 2023 American Planning Association (APA) Annual Conference in Philadelphia (April 1-4, 2023).

- f. Upgrade the City Hall Campus Phone System Network to Avaya IP Office (Finance)

Recommendation:

- Authorize the purchase of necessary hardware and labor from VOX/Waterfield by piggybacking off Omnia Partners Cooperative Contract No. R200803
- Authorize the Director of Purchasing Services to issue a Purchase Order to Vox/Waterfield in the amount of \$128,505.73.

- g. City of Bellflower Extension of Agreement for Traffic Signal Maintenance Services (Public Works)

Recommendation:

- Approve the agreement extension with the City of Bellflower to provide Signal Maintenance Services; and
- Authorize the Mayor to execute the Agreement on behalf of the City.

NEW BUSINESS

11. Resolution No. 9856, Approving, Authorizing and Directing the Execution of the Joint Exercise of Powers Agreement Relating to Membership in the Gateway Cities Affordable Housing Trust (Planning)

Recommendation:

- Adopt Resolution No. 9856 –approving the City execution of the Joint Exercise of Powers Agreement relating to membership in the Gateway Cities Affordable Housing Trust; and
- Authorize the Mayor or designee to execute the Gateway Cities

City of Santa Fe Springs

Regular Meetings

March 21, 2023

Affordable Housing Trust Joint Powers Authority (JPA) Agreement upon final approval of the language of the JPA by the City Attorney.

12. Fiscal Year (FY) 2022-2023 Midyear Budget Review and Modifications (Finance)

Recommendation:

- Approve the proposed revenue and expenditure adjustments as detailed in Attachments A through C.

13. Presentation and Consideration of the City's Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2022 (Finance)

Recommendation:

- Receive and file the City's Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2022 and related communications.

14. PRESENTATIONS

- Recognition of 2023 Santa Fe Springs Shamrock Fun/Walk Event Sponsors (Community Services)
- Proclamation – Proclaiming March 29, 2023 as “National Vietnam War Veterans Day” (City Manager)

15. PUBLIC COMMENTS *This is the time when comments may be made by members of the public on matters within the jurisdiction of the City Council, on the agenda and not on the agenda. The time limit for each speaker is three minutes unless otherwise specified by the Mayor.*

16. CITY MANAGER'S AND EXECUTIVE TEAM REPORTS

17. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

18. COUNCIL COMMENTS

19. ADJOURNMENT

I, Janet Martinez, City Clerk for the City of Santa Fe Springs, do hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted at the following locations; City's website at www.santafesprings.org; Santa Fe Springs City Hall, 11710 Telegraph Road; Santa Fe Springs City Library, 11700 Telegraph Road; and the Town Center Plaza (Kiosk), 11740 Telegraph Road, not less than 72 hours prior to the meeting.


Janet Martinez, CMC, City Clerk

3/16/23
Date Posted

FOR ITEM NO. 6A
PLEASE SEE ITEM NO. 10A



CONSENT AGENDA

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Public Financing Authority (PFA) is a City entity that has periodically issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the PFA.

Consolidated Redevelopment Project 2006-A Tax Allocation Bonds

Financing proceeds available for appropriation at 2/28/2023

None

Outstanding principal at 2/28/2023

\$37,857,128

Bond Repayment

The former Community Development Commission (CDC) issued a number of tax allocation bonds before it was dissolved by State law effective February 1, 2012 which are administered by the City acting as Successor Agency under the oversight of the appointed Oversight Board. The Successor Agency no longer receives tax increment. Instead, distributions from the Redevelopment Property Tax Trust Fund (RPTTF) are received based on approved obligations. It is anticipated that sufficient allocations from the RPTTF will continue to be made to the Successor Agency to meet ongoing debt service obligations.

Unspent Bond Proceeds

Under an approved Bond Expenditure Agreement, unspent bond proceeds of the former CDC in the amount of approximately \$19 million were transferred to the City in July 2014. The funds are to be spent in accordance with the original bond documents. The unspent proceeds continue to be a source of funding within the City's capital improvement program (CIP).

2016 Bond Refunding

In July 2016, the Successor Agency issued its 2016 Tax Allocation Refunding Bonds, which paid off several bond issuances of the former CDC. The bonds were originally issued through the Public Financing Authority and included the 2001 Series A, 2002 Series A, 2003 Series A, the current interest portion of the 2006 Series A, and 2006 Series B bond issuances.

2017 Bond Refunding

In December 2017, the Successor Agency issued its 2017 Tax Allocation Refunding Bonds, which paid off the 2007 Tax Allocation Bonds of the former CDC. The 2007 Bonds were originally issued through the Public Financing Authority.

A handwritten signature in black ink, appearing to read "Tom Hatch". The signature is fluid and cursive, with the first name "Tom" and last name "Hatch" clearly distinguishable.

Tom Hatch
Interim City Manager/Executive Director

FOR ITEM NO. 7A
PLEASE SEE ITEM NO. 10A



CONSENT AGENDA

Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA)

RECOMMENDATION

Receive and file the report.

BACKGROUND

The Santa Fe Springs Water Utility Authority (WUA) is a City entity that has issued debt for the benefit of the Santa Fe Springs community. The following is a brief status report on the debt instruments currently outstanding that were issued through the WUA.

Water Revenue Bonds, 2013

Financing proceeds available for appropriation at 2/28/2023	None
Outstanding principal at 2/28/2023	\$6,890,000

Water Revenue Bonds, 2018

Financing proceeds available for appropriation at 2/28/2023	None
Outstanding principal at 2/28/2023	\$820,000

In May 2013 the Water Utility Authority issued the 2013 Water Revenue Bonds in the amount of \$6,890,000. The bonds refunded the existing 2003 Water Revenue Bonds (issued through the Public Financing Authority) and provided additional funds for water improvement projects in the amount of \$2,134,339. The funds were restricted for use on water system improvements. In August 2013 the Water Utility Authority Board appropriated the proceeds for the Equipping Water Well No. 12 Project and all proceeds were since used on this project.

In January 2018 the Water Utility Authority issued the 2018 Water Revenue Bonds in the amount of \$1,800,000. The bonds refunded the existing 2005 Water Revenue Bonds (issued through the Public Financing Authority). No additional funds were raised through the issuance of the 2018 Water Revenue Bonds.

The City budget includes sufficient appropriations and adequate revenues are expected to be collected to meet the debt service obligations associated with the 2013 and 2018 Water Revenue Bonds.

The WUA was formed in June of 2009. Water revenue bonds issued prior to this date were issued through the City of Santa Fe Springs Public Financing Authority.

A handwritten signature in black ink, appearing to read "Tom Hatch". The signature is written in a cursive, flowing style.

Tom Hatch
Interim City Manager/Executive Director



City of Santa Fe Springs

Water Utility Authority Meeting

ITEM NO. 7C

March 21, 2023

CONSENT AGENDA

Status Update of Water-Related Capital Improvement Projects

RECOMMENDATION

- Receive and file the report.

BACKGROUND

This report is for informational purposes only. The following is a listing of current active water projects.

Water Utility SCADA Programming And Maintenance

The Water Utility's Supervisory Control And Data Acquisition (SCADA) software and system components are vital in operating and monitoring the drinking water system pressure, imported water connections, and the City's five underpass pump stations. SCADA allows staff to remotely monitor and make changes to specific system parameters.

As the SCADA system was installed more than twenty years ago, much of the hardware is outdated as is the software. Staff is preparing to advertise a Request for Proposals (RFP) for On-call SCADA Programming And Maintenance Services to ensure continued operation of the SCADA system.

INFRASTRUCTURE IMPACT

Having an On-call SCADA programming and maintenance contract in place will ensure continued operation of the City's drinking water system. Updated software and hardware will ensure future compatible components are installed, decrease vulnerability to cyber threats, and increase reliability and functionality of the SCADA system.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim Executive Director

Attachments:

None

FOR ITEM NO. 8
PLEASE SEE ITEM NO. 10A

FOR ITEM NO. 9
PLEASE SEE ITEM NO. 10A



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10A

March 21, 2023

CONSENT AGENDA

Minutes of the February 21, 2023 City Council Meetings

RECOMMENDATION(S)

- Approve the minutes as submitted.

BACKGROUND

Staff has prepared minutes for the following meetings:

- Special City Council Meeting of February 21, 2023
- Regular City Council Meeting of February 21, 2023

Staff hereby submits the minutes for Council's approval.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachment:

1. February 21, 2023 Special Meeting Minutes
2. February 21, 2023 Regular Meeting Minutes



MINUTES OF THE JOINT SPECIAL MEETING OF THE SANTA FE SPRINGS CITY COUNCIL AND PLANNING COMMISSION

February 21, 2023

1. CALL TO ORDER

Mayor Martin and Chair Carbajal called the joint meeting to order at 5:03 p.m.

2. ROLL CALL

Members present: Councilmembers: Rodriguez, Rounds, Zamora, Mayor Pro Tem Sarno and Mayor Martin.

Commissioners: Commissioners: Flores, Jimenez, Mora, Vice Chair Ayala (arrived at 5:05 p.m.) and Chair Carbajal.

Members absent: None.

3. PUBLIC COMMENT

There were no speakers.

CITY COUNCIL/PLANNING COMMISSION

4. STUDY SESSION

A Presentation by the City's consultant, MIG, to provide an update on the Targeted Zoning Amendments, including the draft non-conforming, mixed-use, and multi-family sections, and the certification of the 2021-2029 Housing Element (Planning)

Recommendation:

- Receive the presentation from MIG, and provide feedback as desired.

Cuong Nguyen, Assistant Director of Planning provided a brief recap of the events that took place before the Study Session. He stated that on February 8, 2022 the City adopted the General Plan after 30 years with no comprehensive update. He also stated that there has been extensive outreach for the various amendments that will be presented today by Jose Rodriguez, project manager from MIG.

Mr. Rodriguez provided a brief overview of the Targeted zoning plan. He stated that there was four (4) ZAG (Zoning Advisory Group) Meetings and a series of workshops that were held in the community to ensure that the business and residents had the opportunity to provide their feedback. He also noted that the city mailed out a notice to those that are being affected by the zone change to understand what industrial and mix use standards were being changed. He continued his presentation including the following concentration of the zone changes such as Mixed Use zones. There are currently no mixed-zones, and standards are being written to know what can be built in that location and the intent. There is a series of new tables that list of what is allowed and prohibited. For example, listing whether it is commercial or residential uses.

Mr. Rodriguez also spoke about the Multi-Family zone. He noted that the last update was in the 1960's and one small change in 2017. However, there has not been any comprehensive changes. He noted that one of the noticeable changes was the R-4 zone, which is the high density area.

Mayor Pro Tem Sarno inquired whether there is a limitation on the R-4 zone and what are the minimum requirements.

Mr. Rodriguez stated that it is a minimum of 20 feet per acre. Both R-3 and R-4 zone districts have the ability to have higher and lower zones. He noted that the zone district tables for both uses have been updated with today's state regulations.

Mr. Rodriguez spoke about the non-conforming uses. He noted that these have not been updated and it has been made more flexible changes that are also reflected in the general plan. Staff has ensured that the changes being made were made to accommodate current businesses to ensure that they can continue the business.

He also spoke about the nonconforming situations. He noted that staff is working closely with the business group to ensure that the city is able to compromise with the businesses on standards. Last, he spoke about the Housing Element. He stated that the housing element was adopted by Council on December 1, 2022. Staff is currently working with the state to address comments made on the Housing element and submit the revised element for the third time.

Council Member Zamora inquired what comments is staff addressing and what state laws have changed.

Mr. Rodriguez responded and stated that some of these included changes from 2022 to 2023. He noted that a few of them were related to Fair Housing. He then continued his presentation and noted that the targeted date is May/June 2023. There are comments still being accepted from the public and are open to still implement changes if submitted. He noted that MIG and another firm is working on updating the zone change and standard design. Therefore, around late April/May the final zone update will be brought forward to Council for adoption.

Mr. Rodriguez spoke about drive-thru restaurants and pedestrian walks. He noted that drive-thru's are only allowed on a few locations such as telegraph. He reminded the commission/council that all drive-thru's require a Conditional Use Permit. He also elaborated on the new parking restrictions on some areas and some flexibility.

Council Member Zamora inquired if there will be permitted parking.

Mr. Rodriguez requested clarification whether he's asking for parking on the new sites.

Council Member Zamora inquired what the City is doing with the roads where the city owns half and the others are owned by the county. He also requested to know what the plan if the city is developing a project by those streets.

Mr. Rodriguez noted that there are new state laws that there are new parking requirements within one half mile of a quality station. Cities can no longer provided minimum standards.

Vice Chair Ayala inquired whether staff already had an idea where parking will be located.

Mr. Rodriguez responded and stated they do not at this time. Provided an example of the flexibility there is for this zone change.

Commissioner Jimenez inquired what type of area is the one in discussion at this moment.

Mr. Rodriguez noted it is a mixture of R-4 and R-3.

Commissioner Rodriguez inquired whether there have been any business owners request for drive-thrus or concerns.

Mr. Nguyen noted that staff has received request for drive-thrus. He also addressed the shared parking inquiry. Noted that the new zone will add 600 feet, further than the standard codes for parking.

Chair Carbajal expressed her concerns with the development property with the 44 units on Washington and the off-site parking on street. She inquired how the shared parking will work.

Mr. Nguyen suggested entering into an agreement with a commercial/business to specify the hours of parking to accommodate shared parking.

Mayor Martin noted that the main concern across the board is parking. She expressed the crime is high in the area and this parking change zone can possibility create additional crime concerns.

Planning Director, Wayne Morrell spoke in regards to the comment on required parking for mixed uses.

Mayor Pro Tem Sarno expressed his concerns related to the mixed use zone with the 600feet.

City Attorney Ivy Tsai requested for Mr. Rodriguez to go over the 600 feet from development slide again.

Mr. Rodriguez provided further clarification on the parking requirements for mix use development/agreement.

There was a consensus on all council approving the 600 feet parking requirements.

Mr. Rodriguez requested clarification on direction given for drive-thru. He noted that drive-thru are still allowed through CUP in the mix use zone.

Council member Zamora agreed that he was in approval of this process as long as it is case by case.

Mr. Rodriguez noted it is currently case by case. Therefore, how about across board.

There was a consensus by Council and commissioners to treat is case by case for drive thru requests for all three (3) zones.

Mr. Nguyen noted that if the CDC approves the 3rd changes, it will be brought forward to Council and zone changes will need to be implemented immediately.

5. ADJOURNMENT

Mayor Martin and Chair Carbajal adjourned the meeting at 5:55 p.m.

ATTEST:

Janet Martinez
City Clerk

Juanita Martin
Mayor

Date



MINUTES OF THE REGULAR MEETINGS OF THE CITY COUNCIL

February 21, 2023

1. CALL TO ORDER

Mayor Martin called the meeting to order at 6:00 p.m.

2. ROLL CALL

Members present: Councilmembers/Directors: Rodriguez, Rounds, Zamora, Mayor Pro Tem/Vice Chair Sarno and Mayor/Chair Martin.

Members absent: None.

3. INVOCATION

Invocation was led by Cindy Jarvis.

4. PLEDGE OF ALLEGIANCE

Aaron Doss, member of the Youth Leadership Advisory Committee led the Pledge of Allegiance.

5. INTRODUCTIONS

The following Santa Fe Springs Chamber of Commerce member was introduced: Diego DeLama, Owner of State Farm Insurance.

PUBLIC FINANCING AUTHORITY

6. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Public Financing Authority.

- a. Minutes of the January 24, 2023 Public Financing Authority Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Public Financing Authority (PFA) (Finance)

Recommendation:

- Receive and file the report.

It was moved by Councilmember Zamora, seconded by Councilmember Rodriguez, to approve the Item Nos. 6A through 6B, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nays: None

Absent: None

WATER UTILITY AUTHORITY

7. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Water Utility Authority.

- a. Minutes of the January 24, 2023 Water Utility Authority Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

- b. Monthly Report on the Status of Debt Instruments Issued through the City of Santa Fe Springs Water Utility Authority (WUA) (Finance)

Recommendation:

- Receive and file the report.

- c. Status Update of Water-Related Capital Improvement Projects (Public Works)

Recommendation:

- Receive and file the report.

It was moved by Councilmember Rounds, seconded by Mayor Pro Tem Sarno, to approve Item Nos. 7A through 7C, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nayes: None

Absent: None

NEW BUSINESS

8. Amendment No. 1 to Water Delivery Agreement Between the Cities of Whittier and Santa Fe Springs Utility Authorities (Public Works)

Recommendation:

- Approve Amendment No. 1 to Water Delivery Agreement between the Cities of Whittier and Santa Fe Springs Utility Authorities and authorize the Executive Director to execute the Amendment.

Yvette Kirrin, Interim Director of Public Works provided a brief presentation on item no. 8.

It was moved by Mayor Pro Tem Sarno, seconded by Councilmember Zamora, to approve the Item No. 8, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nayes: None

Absent: None

HOUSING SUCCESSOR

9. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Housing Successor.

Minutes of the January 24, 2023 Housing Successor Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Rodriguez, seconded by Councilmember Rounds, to approve the minutes as submitted, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nays: None

Absent: None

SUCCESSOR AGENCY

10. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the Successor Agency.

Minutes of the January 24, 2023 Successor Agency Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

It was moved by Councilmember Zamora, seconded by Mayor Pro Tem Rounds, to approve the minutes as submitted, by the following vote:

Ayes: Zamora, Sarno, Rodríguez, Rounds, and Martin.

Nays: None

Absent: None

CITY COUNCIL

11. CONSENT AGENDA

Consent Agenda items are considered routine matters which may be enacted by one motion and vote. Any item may be removed from the Consent Agenda and considered separately by the City Council.

a. Minutes of the January 24, 2023 Special City Council Meetings (City Clerk)

Recommendation:

- Approve the minutes as submitted.

b. A Resolution of the City Council Reaffirming the Existence of a Local Emergency Due to the Threat of COVID-19 (pursuant to Government Code section 8630) (City Attorney)

Recommendation:

- Adopt Resolution No. 9847:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, REAFFIRMING THE EXISTENCE OF A LOCAL EMERGENCY DUE TO THE THREAT OF COVID-19.

c. A Resolution of the City Council Affirming Authorization of Remote Teleconference Meetings (City Attorney)

Recommendation:

- Adopt Resolution No. 9848:
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS AFFIRMING THE LEGALLY REQUIRED FINDINGS TO AUTHORIZE THE CONDUCT OF REMOTE TELECONFERENCE MEETINGS DURING A STATE OF EMERGENCY.

d. Authorize the Purchase of a Fireworks Display for the Independence Day Event from Pyro Spectaculars, Inc.(Community Services)

Recommendation:

- Appropriate \$1,850 from the City's General Fund Reserves; and
- Authorize the purchase of a fireworks display in the amount of \$25,850 for the 2023 Independence Day event to be held on Monday, July 3, 2023.

e. Approve and Authorize the Director of Community Services to Sign Grant Agreement between the Santa Fe Springs City Library and the California State Library (Community Services)

Recommendation:

- Approve and Authorize the Director of Community Services to Sign the Grant Agreement between the Santa Fe Springs City Library and the California State Library for the eBooks for All Project.

f. Authorize the Appropriation of \$40,000 from Local Return Prop C Funds to Fully Fund the Purchase of a Cut-Away Bus (Finance)

Recommendation:

- Appropriate \$40,000 from Local Return Prop C funds to fully fund the Ford E-450 Cut-Away bus; and
- Authorize the Director of Purchasing Services to process a purchase order change order in the amount of \$39,741.06.

g. Ordinance No. 1127 – Adopting by Reference the 2022 Edition of the California Fire Code (Fire)

Recommendation:

- Waive further reading and adopt Ordinance No. 1127:
AN ORDINANCE OF THE CITY OF SANTA FE SPRINGS ADOPTING THE 2022 EDITION OF THE CALIFORNIA FIRE CODE, WITH AMENDMENTS, BY AMENDING SECTIONS 93.01, 93.03 AND 93.04 OF CHAPTER 93 (FIRE PREVENTION AND PROTECTION) OF THE SANTA FE SPRINGS MUNICIPAL CODE, AND REPEALING ALL OTHER ORDINANCES AND PARTS OF THE ORDINANCES IN CONFLICT THEREWITH.

It was moved by Councilmember Rounds, seconded by Councilmember Rodriguez, to approve the consent agenda, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nayes: None

Absent: None

PUBLIC HEARING

12. Annual Weed Abatement Program (City Clerk)

Recommendation:

- Open the Public Hearing;
- Receive any comments from the public wishing to speak on this matter and thereafter close the Public Hearing; and
- Direct the Los Angeles County Agricultural Commissioner/Weights & Measures to abate the nuisance by having weeds, rubbish, and refuse removed.

Mayor Martin opened the public hearing at 6:12 p.m.

The following persons spoke during public comment: Bruce Crow

Mayor Martin closed the public hearing at 6:14 p.m.

It was moved by Councilmember Rounds, seconded by Mayor Pro Tem Sarno, to approve direction to the Los Angeles County Agricultural Commissioner/Weights & Measures to abate the nuisance by having weeds, rubbish, and refuse removed, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nays: None

Absent: None

NEW BUSINESS

13. Approval of Professional Services Agreement Between the City of Santa Fe Springs and Koff & Associates for the Executive Recruitment for City Manager and Related Appropriation (Finance)

Recommendation:

- Approve the professional services agreement for the executive recruitment for City Manager with Koff & Associates.
- Appropriate \$25,000 from the General Fund reserves to budget activity 10109000-542050.

Debbie Ford, Human Resource Manager provided a brief presentation on item no. 13.

It was moved by Councilmember Zamora, seconded by Councilmember Rounds to approve the professional services agreement for the executive recruitment for City Manager with Koff & Associates and appropriate \$25,000 from the General Fund reserves to budget activity 10109000-542050, by the following vote:

Ayes: Rodríguez, Rounds, Zamora, Sarno and Martin.

Nays: None

Absent: None

14. PRESENTATIONS

- Milestone Presentation (City Manager)
- Proclamation – Proclaiming the Month of March 2023 as “National Reading Month” in Santa Fe Springs (Community Services)

- c. Proclamation – Proclaiming the Month of March 2023 as “National Development Disabilities Awareness Month” (Community Services)
- d. 2023 Youth Leadership Committee Annual Retreat at Green Valley Lake, CA and Recognition of Retreat Sponsor, Serv-Wel Disposal & Recycling (Community Services)
- e. Introduction of Department of Community Services Newly Hired and Recently Promoted Employees (Community Services)

15. PUBLIC COMMENTS

The following members of the public were present to make a comment: Lee Squire, Bruce Crow, and Dan Haskins.

16. CITY MANAGER’S AND EXECUTIVE TEAM REPORTS

- Interim City Manager, Tom Hatch spoke in regards to the various meetings he’s had with staff and the information that has been provided. Acknowledged the management team and the City Manager’s Office staff.
- Director of Community Services, Maricela Balderas spoke in regards to the Family Day camp; the President’s Day Penny Carnival; Thursday’s Club; STEAM program; Valentines dance. She also announced the upcoming SFS Art Fest scheduled for April 28th from 3PM-11PM.
- Finance Manager, Lana Dich spoke about February 15th Human Resources staff attended a job Fair at Cal State University Dominguez Hills.
- Fire Chief, Chad Van Meeteren spoke about last week’s staff completing the annual host testing.
- Director of Police Services, Dino Torres, spoke in regards the Silver Shield award event that recognized the Whittier Police officers.
- Director of Planning, Wayne Morrell introduced Vince Velasco, planning associate to provide a brief presentation on last year’s accomplishments made by staff and city’s planning commission.
- Interim Director of Public Works, Yvette Kirrin introduced the management staff. She also spoke in regards to recent accomplishments done by Public Works staff. She elaborated the types of accomplishments for the following divisions: Water Department; Maintenance; and Engineering.

17. APPOINTMENTS TO BOARDS, COMMITTEES, COMMISSIONS

There were no appointments.

18. COUNCIL COMMENTS

Council Member Rodriguez acknowledged staff, she also spoke in regards to the following: valentines dance, Los Nietos event, and penny carnival. She requested Interim Director of Public Works to look into when the Bartley project will be moving forward. Last, she gave the condolence to Bishop Collins’ family and friends.

Council Member Rounds thanked all the community members for joining during meetings and events. Also spoke in regards to the valentines dance; penny carnival; He also spoke in regards to the Youth Leadership Committee, acknowledged their

participation and staff's support. He acknowledged Serv-well for always giving back to the community. Congratulated the newly promoted employees and new hire. He acknowledged all department directors and programs they have for the community.

Council Member Zamora echoed Council's previous comments in acknowledging staff. Also, acknowledged military services. Thanked the police officers for their services. Last, acknowledged the 97 year old resident.

Mayor Pro Tem Sarno requested for Interim Director Public works, Yvette Kirrin to look into moving forward with the Traffic Study for the following meeting. He also spoke about attending the penny carnival event. He acknowledged staff for the programs that are putting together for the community. Thanked the Interim City Manager, Tom Hatch for his work.

Mayor Martin acknowledged Interim City Manager, Tom Hatch. She also spoke about having the City moving forward and acknowledged staff and City residents for working on the pool project. Last, she spoke about the POW flag.

19. ADJOURNMENT

Mayor Martin adjourned the meeting at 7:34 p.m. in memory of Debbie Betancourt.

Juanita Martin
Mayor

ATTEST:

Janet Martinez
City Clerk

Date



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10B

March 21, 2023

CONSENT AGENDA

Authorize the Purchase of One (1) Toyota Sienna Hybrid Disabled Passenger Van from A-Z Bus Sales and Appropriate \$33,000 from Local Return Prop C Funds to Fully Fund this Purchase

RECOMMENDATION

- Authorize the purchase of (1) Toyota Sienna hybrid disabled passenger van by awarding an order to A-Z Bus Sales; and
- Appropriate \$33,000 from Local Return Prop C funds to fully fund this purchase; and
- Authorize the Director of Purchasing Services to process a Purchase Order in the amount of \$83,952.73 to A-Z Bus Sales.

BACKGROUND

In the fiscal year 2021-22 budget, City Council approved \$51,000 for the purchase of a Braun Ability Dodge Caravan disabled passenger van. We had no responses to our bid request when we solicited for this purchase. Conversations with vendors confirm that this vehicle is unavailable from the manufacturer and a timeline as to when the manufacturer will make them available is unclear.

It has been the practice to buy American for City vehicles, but the last couple years have recognized both rising costs and an unpredictable availability of vehicles. With the unknown availability, staff recommends purchasing outside our buy American practice and procure this Toyota model vehicle.

City Transportation & Fleet Supervisors have explored alternative vehicle options and have established that the Toyota Sienna disabled passenger van will meet the needs of the City's Transportation Division. This unit has a side entry in-floor slide-out ramp and the passenger layout can be configured to transport two wheelchairs, two ambulatory passengers, and the driver.

The Director of Purchasing Services recommends awarding this order to A-Z Bus Sales based on the lowest received bid.

<u>Vendor</u>	<u>Quoted Price</u>
A-Z Bus Sales	\$83,952.73
Northwest Bus Sales	\$89,499.48
Transportation Equipment Sales Co.	\$91,383.50

FISCAL IMPACT

This unit is \$33,000 over the Council approved budgeted amount; although, there is no impact to the general fund as funds to purchase this vehicle will be taken from Local Return Prop C funds which are designated for transportation projects.

Report Submitted By: Paul Martinez

Date of Report: March 16, 2023

Finance & Administrative Services



City of Santa Fe Springs

City Council Meeting

March 21, 2023

Tom Hatch
Interim City Manager

Attachment(s):

1. A-Z Bus Sales Quote
2. Northwest Bus Sales Quote
3. Tesco Quote



SALES AGREEMENT

Legal Name: **Santa Fe Springs**Date: **3/2/2023**Address: **11710 E. Telegraph Road**

County:

City: **Santa Fe Springs**State: **CA**

Zip Code:

90670Contact: **Joe Barrios**

Office:

Fax:

Email Address: JoseBarrios@santafesprings.org

Cell:

Sales Representative: **Cole Crockett**

Payment Type:

A/P Contact Name:

Ph#

Trade Ins:

STOCK#

QUOTATION SUMMARY

Vehicle Description:	Price
2022 Toyota Sienna AWD Northstar E - 22C204	\$ 78,450.00
Hybrid	
All Specs in PDF	

Quotation is Valid for 30 Days and subject to pricing changes and option availability until executed by the customer.

SPECIFICATION SUMMARY

Model Year: 2022	Make: Toyota	Model: Sienna
Type: Handicap Van	Chassis: Sienna	Wheelchair Lift Type: Ramp
Passenger Capacity: 5 Ambulatory	Wheelbase:	Number of Tie Downs: 2
Seat Fabric:	Engine:	Alternator:
Air Conditioning System: Yes	GVWR:	Other:
Exterior Color/Graphics:	Body Length:	Estimated Delivery: NOW (14 Days for PDI/Delivery)

SALES ORDER

3/2/2023

PRICING SUMMARY

Vehicle as Specified	\$	78,450.00
Dealer Added Options	\$	-
Total Cash Price	\$	78,450.00
ADA Equipment Amount (non-taxable)	\$	26,885.00
Documentation Fee	\$	80.00
Total Taxable Amount	\$	51,645.00
Sales Tax Santa Fe Springs	10.50%	5,422.73
Estimated DMV Fees		
Tire Recycle Fee (California only)		
Delivery to Customer	\$	-
Total Price Per Bus	\$	83,952.73
Quantity		1
Total Sales Order Amount	\$	83,952.73
Cash Deposit		
Trade In Allowance	\$	-
Net of Deposits/Trade Ins	\$	-
Balance Due on Delivery	\$	83,952.73

Vehicle Delivery Address:

DMV Registration Information

Register to Name:

Register to Address:

Lien Holder

Lien Holder Name:

Lien Holder Addr:

Registration Type

Purchaser agrees that this Order is inclusive all information contained herein and Addendum attached; that this Order cancels and supersedes any prior agreement; and as of the date indicated herein comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby; and that this order shall not become binding until accepted by dealer; this sales order may be terminated by the seller at any time at its sole discretion. All pricing is inclusive of and net of manufacturer rebates and concessions, rebates or concessions shall be retained by dealer.

Offered by:

Agreed and Accepted by:

Representative

Date

Purchase

Date

Print Name

Title



SALES AGREEMENT

Legal Name: **Santa Fe Springs**

Date: **3/2/2023**

Address: **11710 E. Telegraph Road**

County:

City: **Santa Fe Springs**

State: **CA**

Zip Code: **90670**

Contact: **Joe Barrios**

Office:

Fax:

Email Address: JoseBarrios@santafesprings.org

Cell:

Sales Representative **Cole Crockett**

Payment Type:

A/P Contact Name: **Ph#**

Trade Ins:

STOCK#

TERMS AND CONDITIONS OF SALE

- TRADE-IN(S).** Purchaser shall deliver trade-in(s) in the same condition as at time of inspection and appraisal by Seller reasonable wear and tear excepted, except as disclosed in the Agreement. Purchaser represents that each bus shall be free and clear of all liens and encumbrances and warrants that the trade-in(s) are that type and condition described in this Agreement, including any attachments hereto.
- TERMS OF PAYMENT.** Unless otherwise agreed, net payment shall be due on delivery. Late payments shall bear interest at the rate of 18% per annum, or the maximum permitted under law, whichever is less. If acceptance of delivery is delayed by Purchaser, payment shall become due on the date when Seller is prepared to deliver. If the financial condition of Purchaser at any time does not, in the judgment of Seller, justify continuance of the work to be performed by Seller hereunder on the terms of payment as agreed upon, Seller may suspend such work, or postpone delivery, and require such assurances of Purchaser's performance as Seller deems adequate, including payment in advance, or Seller may cancel this order and shall receive reimbursement for its reasonable and proper cancellation charges. In the event of bankruptcy or insolvency of Purchaser, voluntary or involuntary, Seller shall be entitled to cancel any order then outstanding at any time and seek reimbursement for its reasonable and proper charges.
- CANCELLATION.** Purchaser may cancel this order only if Seller is able to cancel said order with the manufacturer, and only upon written notice. Upon any cancellation or failure to accept delivery, Purchaser shall pay Seller reasonable cancellation charges and expenses, not to be less than Seller's out-of-pocket expenses including carrying costs. **(Purchaser's Initials)**
- SALES AND OTHER TAXES.** Unless otherwise specified herein, Seller's price does not include federal excise, sales, use, or other taxes. Consequently, in addition to the price specified herein, the amount of any other excise, sales, use, or other tax applicable to the sale or use of the bus(es) purchased hereunder shall be paid by Purchaser, or in lieu thereof Purchaser shall provide Seller with a tax exemption certificate acceptable to the taxing authorities. Purchaser agrees that all taxes related to this transaction, whether arising at the time of the transaction or in the future, are Purchaser's responsibility and further agrees to promptly pay any such taxes.
- DELIVERY.** All buses furnished hereunder shall be delivered to Purchaser at the Seller's dealership location or other location as designated in this Agreement. Unless otherwise provided, delivery will be made via carriers and routes designated by manufacturer with freight charges to be included in the purchase price. Delivery dates are approximate and are based upon receipt of all necessary information from Purchaser. Seller shall not be liable for delays in delivery or manufacturing, or other causes beyond Seller's control.
- TECHNICAL CHANGES.** Purchaser acknowledges that the manufacturer and Seller reserve the right to change the specifications of the bus(es) at any time without obligation to make such changes in other buses previously delivered to Purchaser. In addition, manufacturer and Seller reserve the right to make design changes and substitution of materials subsequent to the receipt of the order which, in manufacturer's or Seller's opinion are necessary to improve the bus. Purchaser agrees to accept any such changes as fulfillment of Seller's obligations under this order.
- REQUIRED EQUIPMENT.** This order shall be deemed to include, whether or not specified herein, all equipment or accessories required by the National Highway Traffic Safety Act or other regulations in effect at the time of order receipt. It is agreed that any additional or different equipment not specified which is required at the time of delivery to meet the foregoing Act or other regulations will be added and the costs shall be paid by Purchaser.
- TITLE AND REMEDIES.** Until full payment by Purchaser of all amounts due hereunder, Seller reserves the title to all equipment furnished hereunder. If Purchaser defaults in payment or performance hereunder or becomes subject to insolvency, receivership, or bankruptcy proceedings, or makes an assignment for the benefit of creditors, or without the consent of Seller voluntarily or involuntarily sells, transfers, leases, or permits any lien or attachment on the equipment delivered hereunder, Seller may treat all amounts then or thereafter owing hereunder by Purchaser as immediately due and payable (subject only to credits required by law) and Seller may repossess said equipment by any means available by law and shall enjoy any and all other remedies of a secured creditor under the Uniform Commercial Code. Purchaser shall execute and deliver to Seller such financing statements and other documents, as Seller may deem appropriate to evidence, perfect, and protect the priority of its security interest in the bus(es) subject to this order.
- GENERAL.** Any assignment by Purchaser of this order or any rights hereunder, without written consent of Seller, shall be void. Clerical errors in this order may be automatically corrected by giving written notice thereof to Purchaser by a duly authorized representative of Seller. No waiver, alteration, or modification of any of the provisions hereof shall be binding unless and until in writing and signed by a duly authorized representative of Seller. To the extent not covered by other terms herein, including terms of warranty and limitation of liability, etc., the provisions of the Uniform Commercial Code shall govern this sale.

This Agreement (including by reference the provisions set out in manufacturer's standard warranty or warranties) shall constitute the entire agreement between Purchaser and Seller, and no understandings or obligations not expressly set forth herein or in manufacturer's standard warranty or warranties are binding upon Purchaser or Seller.

ALL WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER OTHER THAN SELLER ARE THEIRS, NOT SELLER'S, AND ONLY SUCH MANUFACTURER OR OTHER SUPPLIER SHALL BE LIABLE FOR PERFORMANCE UNDER SUCH WARRANTIES. SELLER HEREBY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Signer represents, on behalf of Purchaser, that he/she is duly authorized by Purchaser to bind Purchaser in this agreement.

Accepted and Agreed by:

Signature

(Date)

Signor's Name and Title:

(Must be an officer of the company authorized to approve capital purchases.)

Company



2/24/2023

City of Santa Fe Springs

- Toyota Sienna
- Lowfloor Ramp
- Capacity 4+1+Driver
- Removable front passenger seat
- Toyota ADA NS Dual Mid Row Seat
- Manual in-floor slide-out ramp
- Minimal ramp footprint for flexibility in tight parking conditions
- Retractable L-Track Tie Downs with Floor Mounts and Restraints
- Full Cut lowered floor
- Manual sliding doors
- Slip-resistant
- Easy to clean commercial grade flooring

PER UNIT PRICE:

\$80,995.00

TAX	8,504.48
<hr/>	
	89,499.48



Proven Quality.
Trusted Name.

Transportation Equipment Sales Corporation

February 24th, 2024

2022 Toyota Sienna AWD Northstar E by VMI
 Driver + 4 Passengers + 1 Wheelchair
 Removable front passenger seat
 Toyota ADA NS Dual Mid Row Seat
 Manual in-floor slide-out ramp
 Minimal ramp footprint for flexibility in tight parking conditions
 Retractable L-Track Tie Downs with Floor Mounts and Restraints
 Full Cut lowered floor
 Manual sliding doors
 Slip-resistant
 Easy to clean commercial grade flooring



PER UNIT PRICE:

	\$82,700.00
TAX	8,683.50
<u>TOTAL</u>	<u>\$91,383.50</u>

Noel Graham
 Vice President, TESCO
 419-720-7437



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10C

March 21, 2023

CONSENT AGENDA

Amendment Number One to Professional Services Agreement with Ron's Maintenance, Inc. for Catch Basin Maintenance Services to Exercise One-Year Renewal Option

RECOMMENDATION

- Approve Amendment Number One to Professional Services Agreement with Ron's Maintenance, Inc. to exercise the second one-year renewal option.
- Authorize the Mayor to sign Amendment Number One.

BACKGROUND

On March 16, 2021, the City entered into a contract with Ron's Maintenance, Inc. (RMI) to provide catch basin maintenance services. The City has approximately 397 catch basins within its boundaries. These catch basins are required to be regularly inspected and cleaned to ensure proper operation of the drainage system and protect water quality. The City is responsible for maintaining all catch basins within the City's boundaries and service them a minimum of three times during the wet season (October through April) and once during the dry season (May through September).

The annual cost to perform the catch basin inspection and cleaning by Ron's Maintenance Inc. is \$39,700, an increase of \$7,940 due to increased materials and operating costs. The Agreement provides for two one-year renewals, and the City Council exercised the first one-year renewal last year. Staff recommends renewing the contract for an additional year, since the work performed has been satisfactory and in compliance with the MS4 permit. Renewing the contract with RMI will ensure that the catch basins operate at maximum efficiency and protect water quality.

LEGAL REVIEW

The City Attorney's office prepared Amendment Number One to the Agreement.

FISCAL IMPACT

Catch basin cleaning and inspections is budgeted within the Public Works Operation and Maintenance Fiscal Year 2022/2023 budget. There is sufficient funding available within the budget to cover the annual contract amount of \$39,700.

INFRASTRUCTURE IMPACT

Catch basin inspection and cleaning will provide improved street drainage and ensure compliance with the City's MS4 permit and all other storm drain regulations.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachments:

1. Amendment Number One
2. Professional Services Agreement with Ron's Maintenance, Inc.

Report Submitted By: Yvette Kirrin
Interim Director of Public Works

Date of Report: March 16, 2023

**AMENDMENT NUMBER ONE TO
PROFESSIONAL SERVICES AGREEMENT
WITH RON'S MAINTENANCE, INC.**

This Amendment Number One ("Amendment") is made and entered into this 21st day of March, 2023, by and between the City of Santa Fe Springs ("City") and Ron's Maintenance, Inc. ("Contractor").

WHEREAS, on March 16, 2021, the City and Contractor entered into an agreement for Contractor to provide catch basin cleaning and maintenance services throughout the City services ("Agreement"); and

WHEREAS, the Agreement provides for an initial term through March 31, 2022, and two one-year renewals; and

WHEREAS, the parties exercised the first one-year renewal on March 15, 2022, with compensation of \$39,700.00, which reflected an increase of \$7,940.00 due to materials and operating costs; and

WHEREAS, the parties desire to exercise the second one-year renewal option.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. Pursuant to Section 4.1 of the Agreement, the term of the Agreement is renewed through March 31, 2024.

2. Section 2.1 of the Agreement is amended to reflect an annual compensation amount of \$39,700.00.

3. Except as amended herein, all terms, conditions, and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hand by their duly authorized representatives as of the day and year first above written.

CITY OF SANTA FE SPRINGS

RON'S MAINTENANCE, INC.

Juanita Martin, Mayor

Date: _____

Ronnie E. Norman, President

Date: _____

ATTEST:

Janet Martinez, City Clerk

APPROVED AS TO FORM:

Ivy M. Tsai, City Attorney

**CITY OF SANTA FE SPRINGS
PROFESSIONAL SERVICES AGREEMENT
WITH
RON'S MAINTENANCE, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 16th day of March, 2021 ("Effective Date"), by and between the CITY OF SANTA FE SPRINGS, a municipal corporation ("City"), and RON'S MAINTENANCE, INC., a California corporation ("Contractor").

W I T N E S S E T H :

WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to perform the catch basin cleaning and maintenance services throughout the City, as more fully described herein; and

WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

WHEREAS, City and Consultant desire to contract for the specific services described in the Maintenance and Monitoring Agreement between the City of Compton and Contractor, dated July 17, 2018, and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

WHEREAS, no official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the following professional services:

Inspection and Cleaning Procedures:

- Inspect the condition of each catch basin, grate, screen, and unit; the legibility of "no dumping" signage/stencils; and note any build-up of debris outside the catch basin.
- Note the type and quantity of materials removed from each catch basin and storm drain; document any signs of vector/rodent habitats.
- Look for evidence of illegal dumping of hazardous wastes and immediately notify the City of materials encountered.
- Provide photographic (before and after cleaning activities) documentation of inspection and cleaning activities; minimum of 5 photographs of each basin.
- Document all information from inspections/cleaning, repair and stenciling activities.

On-Going Inspections:

- Perform inspections of all identified catch basins during months of October, January and April (on an annual basis).
- Clean catch basins having blocked screen inlets, blocked screen outlets or are 40% full of trash and debris.
- Document inspection results along with providing photographic documentation.
- Inspect, clear all debris and perform any required minor repairs to catch basins within the jurisdiction of the City a minimum of one time between May 1 and September 30 of each year.

Minor Repairs:

- Make minor repairs to screens and trash collection devices that have minor damage.
- Damage beyond **CONTRACTOR's** capabilities will be reported to the City with 24 hours of discovery.

Vector/Rodents:

- Report to the City within 24 hours of discovery, evidence of vector or rodent breeding/living activities in catch basins/storm drains.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety

Catch Basin Cleaning and
Maintenance Services

in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid on a Price Per Unit basis as follows:

	<u># Units</u>	<u>Unit Price</u>	<u>Extended Price</u>	<u># Occurrences</u>	<u>Annual Total</u>
Catch Basin	397	\$20.00 each	\$ 7,940.00	4	\$ 31,760
Grand Total					\$31,760

The total price paid the Contractor will include compensation for all work, including travel, materials, supplies, vendor services, expenses and subcontracted work.

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services,

Catch Basin Cleaning and
Maintenance Services

approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue through March 31, 2022, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. This Agreement may be extended by two additional one-year periods upon written agreement by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Santa Fe Springs and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Santa Fe Springs, its officers, officials, agents,

employees, and volunteers. Any other insurance maintained by the City of Santa Fe Springs shall be excess and not contributing with the insurance provided by this policy."

- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Santa Fe Springs, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. **Deductible or Self Insured Retention.** If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. **Certificates of Insurance.** Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "A" and incorporated herein by this reference.

5.5. **Non-Limiting.** Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. **Representatives.** The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. **Project Managers.** City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Ron's Maintenance Inc.
P.O. Box 4562
Downey, CA 90241
Tel: (213) 359-3827
Attn: Ronnie Norman Jr.

IF TO CITY:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Tel: (562) 868-0511
Attn: Noe Negrete,
Public Works Director

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles, California.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action,

Catch Basin Cleaning and
Maintenance Services

complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. **Ownership of Documents.** All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.13. **Public Records Act Disclosure.** Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 et seq.). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. **Conflict of Interest.** Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, et seq.) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. **Responsibility for Errors.** Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.16. **Prohibited Employment.** Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. **Order of Precedence.** In the event of an inconsistency in this Agreement and any

of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.


6.26. Corporate Authority. The persons executing this Agreement on behalf of the

Catch Basin Cleaning and
Maintenance Services

parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

Ron's Maintenance Inc.

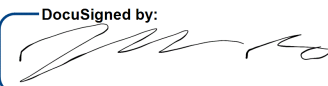
 President
Signature, Title

Date: 4-1-2021

Ronnie Norman
Type or Print Name


20-1345634
Social Security or Taxpayer ID Number

CITY OF SANTA FE SPRINGS

DocuSigned by:

F7259B4907EB483...
John M. Mora, Mayor

Date: 5/5/2021

ATTEST:

DocuSigned by:

F19F32319FB445A...
Janet Martinez, City Clerk

APPROVED AS TO FORM:

DocuSigned by:

31D7E35737D145F...
Ivy M. Tsai, City Attorney

EXHIBIT A
CERTIFICATE OF INSURANCE



City of Santa Fe Springs

City Council Meeting

ITEM NO 10D

March 21, 2023

CONSENT AGENDA

2023 SFS Art Fest Traffic Control Plan - Request for Approval

RECOMMENDATION

- Approve the traffic control plans prepared for the lane closures and speed reduction in the area of Pioneer Boulevard and Telegraph Road for the 2023 Art Fest on April 27 and April 28, 2023.

BACKGROUND

The City of Santa Fe Springs' 2023 Art Fest will take place on Thursday, April 27 and Friday, April 28, 2023 at the Clarke Estate, located at 10211 Pioneer Blvd. Through the guidance and direction of the Heritage Arts Advisory Committee (HAAC), the event continues to grow in scope and participation has increased with over 300 artists and students participating and showcase their art in a variety of media. An estimated 3,000 guests attend this festival annually.

With this continued growth, also come challenges with pedestrian foot and vehicle traffic. The City holds an agreement with Omnet Property Management, Inc. to allow use of their parking lot at 10100 Pioneer Blvd., directly across the street from the Clarke Estate. Annually, staff place signage along the curbside of Pioneer encouraging pedestrians to use the crosswalk, yet, staff has identified the need to reduce vehicle speed along Pioneer Blvd. This traffic plan will help mitigate this challenge. The 2023 SFS Art Fest traffic plan will reduce both North and South Pioneer to one lane and reduce speed to a 25 mph zone. The plan exhibit denotes the locations of lane and road reductions, the placement of traffic control devices and stationing of Portable Changeable Message Signage (PCMS) along the traffic area of the event.

The City is required to obtain insurance coverage as recommended by the California Joint Powers Insurance Authority (CJPIA) which is done annually for the event; however, the CJPIA requires City Council approve traffic control plans for the proposed city street modifications for the 2023 SFS Art Fest event. The traffic control plan is available for review at the office of the City Clerk.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachment

1. City of Santa Fe Springs Art Festival Traffic Plan

CITY OF SANTA FE SPRINGS "ART FESTIVAL"
TRAFFIC CONTROL PLAN





CONSENT AGENDA

Request for Out-of-State Travel for the Director of Planning and Assistant Director of Planning, to attend the 2023 International Council of Shopping Center (ICSC)-RECon in Las Vegas (May 21-23, 2023), and for the Director of Planning to attend the 2023 American Planning Association (APA) Annual Conference in Philadelphia (April 1-4, 2023)

RECOMMENDATIONS:

- Approve out-of-state travel for the Director of Planning and Assistant Director Planner to attend the 2023 International Council of Shopping Center (ICSC) – RECon in Las Vegas (May 21-23, 2023); and
- Approve out-of-state travel for the Director of Planning to attend the 2023 American Planning Association (APA) Annual Conference in Philadelphia (April 1-4, 2023).

BACKGROUND/ICSC RECon 2023

Founded in 1957, the International Council of Shopping Centers (ICSC) is an organization that ensures the retail real estate industry is recognized for the integral role it plays in the social, civic, and economic vibrancy of communities all over the world. With over 700,000 members, the ICSC focuses on:

- Building communities: Retail real estate properties are not only about financial profits but also building a community for friends and families to experience life together.
- Fueling economies: Retail real estate properties are vital to economic development and create jobs, stabilize GDP and drive the economy forward.
- Inspiring innovation: Retail real estate shapes social practices, business policies and technologies of the future.

ICSC 2023 Las Vegas is the one-stop for education, networking and deal-making. This three-day event offers opportunities to learn about industry trends, network with other industry professionals and make deals with colleagues in the same region. The ICSC conference is scheduled to take place May 21-23, 2023 at the Las Vegas Convention Center in Las Vegas, Nevada.

The ICSC conference offers a range of unique networking and educational opportunities for exhibitors. Attending this event gives you a chance to meet some of the biggest names in the industry and spark new business deals, including:

- Connecting with top-tier, iconic brands
- Gaining thought leadership and perspectives from industry-leading experts
- Opportunities for networking and deal-making on the largest industry show floor

- Career-building and professional development opportunities
- Programming focused on innovations across retail real estate

Similarly, to last year, the City will have its own 10' x 10' space within the P3 Pavilion. The P3 Pavilion is an area in the convention center designated for cities and municipalities. Having a space will provide an area to sit and meet with prospective retailers and to continue the City's effort to network and to bring certain businesses to the City. It is also an opportunity to highlight the amenities of the City and the various development opportunities. Moreover, it offers the prospect of matching the right developer(s) with specific developable properties.

BACKGROUND/APA 2023

The American Planning Association (APA) is holding its annual conference April 1, 2023 through April 4, 2023, in Philadelphia, Pennsylvania. The APA is an independent, not-for-profit educational organization that was organized exclusively for charitable, educational, literary and scientific purposes, to advance the art and science of planning and the activity of planning, physically, economically, and socially, at the local, regional, state and national level.

A function of the APA is to educate policy makers and partners on planning issues and advocate policy changes to incorporate planning principals at all levels of government. Within the APA is the American Institute of Planners, the organization that is responsible for the national certification of professional planners.

The Director of Planning has been a member of APA for many years; however, the last time he attended a national conference was in 2018. The 2023 conference will feature a variety of sessions and discussion forums on topics such as Smart City Initiatives-Lessons Learned, Intersection of Freight, Freight, Freight, and Freight, Charge On! Preparing for an Electric Mobility Future, Yes-Transit Can Support Affordable Housing, You're the Messenger: Demonstrating Value to Elected Officials, A Planning Chat with ChatGPT, HUD and Planning for Housing Supply and Affordability, Building Sustainable Affordable Housing at All Income Levels, and Dollar and Sense: Building Publicly Desired Amenities.

This event will not only provide an opportunity to develop relationships, see what others within the planning field are doing, but also an opportunity to find new and innovative approaches to address local issues. Additionally, it is a means to keep current with industry best practices, trends and pending legislation.

FISCAL IMPACT

The projected costs are as follows: **ICSC-RECon 2023**

	Wayne	Cuong	Booth	Total \$
Airfare	N/A (driving)	\$178.97	N/A	\$178.97
Hotel	\$1,167.04	\$1,167.04	N/A	\$2,334.08
Booth (10'x10')	N/A	N/A	\$1,550	\$1,550.00
Booth Rentals	N/A	N/A	\$916.75	\$916.75
Promotional Items	N/A	N/A	\$TBD	
Per Diem Food	TBD	TBD		
Travel to/from airport	N/A	TBD		
Total				\$4,979.80

The projected costs are as follows: **APA 2023**

Airfare	\$1,021.00
Hotel	\$2,024.77
Conference	\$1,010.00
Per Diem Food	\$TBD
Travel to/from airport	\$TBD
Total	\$4,055.77

The total projected cost, excluding TBD's, is \$9,035.57. The money in the budget, that would cover these expenses and incidentals, would come from the following accounts: 103155-540030 (\$4,979.80) and 10103199-540030 (\$4,055.77).

INFRASTRUCTURE IMPACT

There will be no infrastructure impacts



Tom Hatch
Interim City Manager



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10F

March 21, 2023

CONSENT AGENDA

Upgrade the City Hall Campus Phone System Network to Avaya IP Office

RECOMMENDATION(S)

- Authorize the purchase of necessary hardware and labor from VOX/Waterfield by piggybacking off Omnia Partners Cooperative Contract No. R200803
- Authorize the Director of Purchasing Services to issue a Purchase Order to Vox/Waterfield in the amount of \$128,505.73

BACKGROUND

The City Hall campus phone network includes City Hall, Library, Town Center Hall, Aquatic Center, Clarke Estate and Betty Wilson Center. The City Hall campus buildings are linked by physical fiber connections and the Betty Wilson Center is connected via VoIP (Voice over Internet Protocol). The phones on the City Hall campus all operate off the Nortel/Avaya Option 61C phone switch located in the upstairs phone room at City Hall.

The City Hall campus phone switch is connected to a larger network of City facilities which include the Gus Velasco Neighborhood Center, Heritage Park, Activity Center, Municipal Services Yard including Police Staging, Police Service Center, Fire Headquarters and Fire Stations 2, 3, & 4. The network as a whole allows for the transfer and 4-digit dialing of extensions between facilities. In recent years we have systematically upgraded network hardware at each of the remote facilities to Avaya IP Office for the phone switch and Avaya IP Voice Mail Pro for the voice mail.

The City Hall campus phone switch (Option 61C) was installed in 2002 and has proven robust but is beyond the manufacturer's functional lifecycle. While parts are no longer in production they may be available on the grey market without assurance of availability. Without the assurance of parts availability this could lead to possible prolonged downtimes or potentially the inability to repair the phone switch altogether.

Replacing the Option 61C phone switch on the City Hall campus will complete the phone network upgrades and fully integrate all networked facilities to the Avaya IP Office product. Phone maintenance agreements and the availability of parts would provide a level of confidence of increased uptimes and when necessary, timely repairs.

FISCAL IMPACT

Also on tonight's agenda is the approval of mid-year budget modifications. If approved, \$160,000 will be added to the non-recurring budget for fiscal year 2022-23 for the phone system network upgrades. The quote for this upgrade is \$128,505.73 for the hardware, licenses, and professional services. The contingency would cover



City of Santa Fe Springs

City Council Meeting

March 21, 2023

Any ancillary hardware that may be discovered during the upgrade as needing replacement.

INFRASTRUCTURE IMPACT

This will complete the City's phone network upgrade at all our main facilities to Avaya IP Office providing increased network uptimes and the availability of hardware when repairs are necessary.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachment(s):

1. VOX/Waterfield Quote
2. Phone Network Diagram



PROPOSAL

City of Santa Fe Springs

Upg - Op61 replacing OP17487

VERSION

4

QUOTE #

33590.28

DATE PREPARED

2/2/2023

PREPARED FOR

Paul Martinez
Director of Purchasing Services

PREPARED BY

Armando Chacon
6509892756
achacon@voxns.com

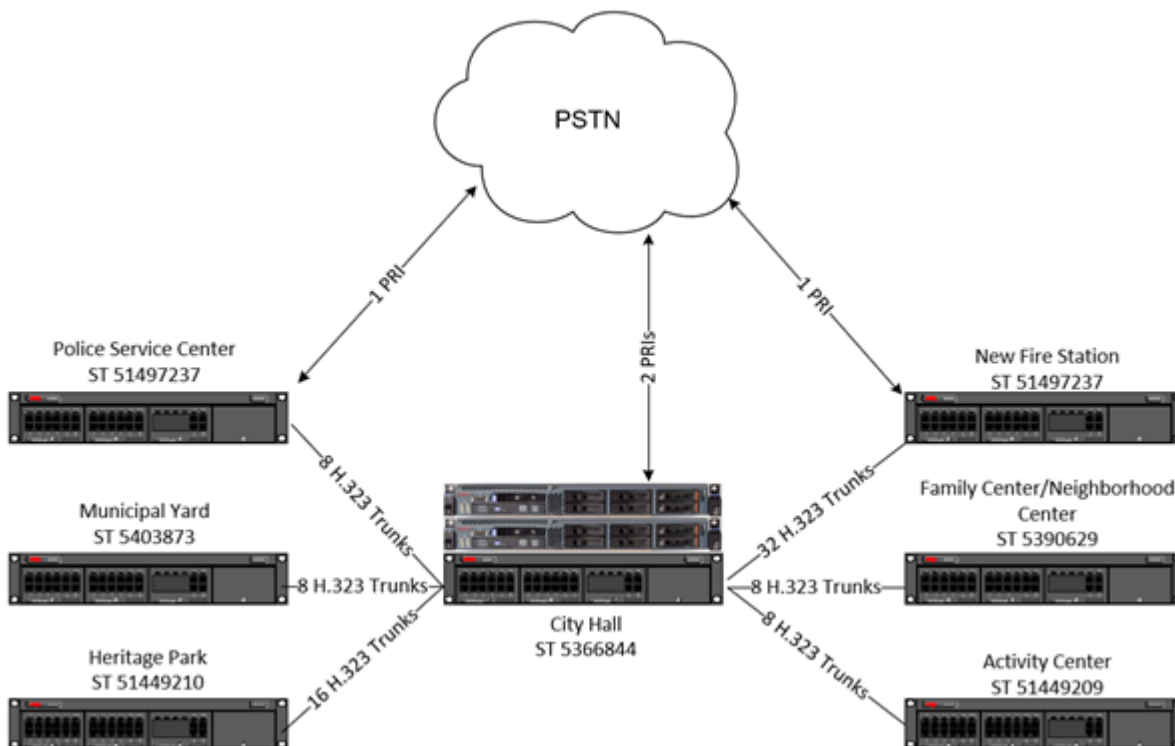


TECHNICAL SOLUTIONS SUMMARY

City of Santa Fe Springs has an IP Office R11 Server Edition. It is networked to an existing CS1K co-located in the same server room as the IP Office. The IP Office is currently configured with the following:

- Main - City Hall - (IPO Primary/Secondary Server / IP500 V2)
- Activity Center - IP500 V2
- Neighborhood Center - IP500 V2
- Child Care Center - IP500 V2
- Municipal Yard - IP500 V2
- Heritage Park - IP500 V2
- Police Service Center - IP500 V2

They would like to migrate their users from the CS1K to the IP Office.



VOX will:

- Provide and install 197 J159 IP Phones
- Add 1 Dual 2 PRI daughterboard for PSTN Access (moved from the CS1K)
- Add 1 VCM64 V2 to support Dual PRI
- Add 1 30 port analog stations expansion module
 - To support 27 Analog stations

TECHNICAL SOLUTIONS SUMMARY

- Paging Interface to be moved from the CS1K to the IP Office
 - Using an analog port to connect to existing paging interface
- Add 1 Receptionist License
- Add 197 licenses to the IP Office to support the new phones
- Administer the stations on the IP Officer
- Provide remote end user 1/2 day Train the Trainer.

Note: 20 new ports were added to Voice Mail pro on a previous project (Down Call Pilot Workaround)

Assumptions:

- Customer has CAT5 cabling or better at all the IP Station locations with a POE ethernet switch that supports POE.
- IP phone installation will happen during hours
- Any labor that is not service impacting will be done during normal business hours

PROPOSAL - BUDGETARY



CONSULTING

CONTACT CENTER

COLLABORATION

NETWORK

SECURITY

MANAGED SERVICES

Upg - Op61 replacing OP17487

Prepared by:

Waterfield Technologies

Armando Chacon
6509892756
achacon@voxns.com

Prepared for:

City of Santa Fe Springs

11710 Telegraph Road
Santa Fe Springs, CA 90670
Paul Martinez
(562) 409-7535
paulmartinez@santafesprings.org

Quote Information:

Quote #: 033590

Version: 4
Delivery Date: 02/02/2023
Expiration Date: 03/02/2023

IP OFFICE - HARDWARE / SOFTWARE

Description		Price	Qty	Ext. Price
2023 OMNIA Pricing - Annual				
Applicable Agreement. This Order Form is pursuant to pricing in the OMNIA Partners Contract, Contract No. R200803, Contractor Name: TD SYNnex. VOX Network Solutions (a Waterfield Tech Company) is an authorized subcontractor. https://www.omniapartners.com/publicsector/suppliers/synnex-corporation/contract-documentation#c38631				
185446	AVAYA COMMUNICATIONS SOLUTION	\$0.00	1	\$0.00
182448	IP OFFICE SERVER EDITION MODEL	\$0.00	1	\$0.00
382687	IP OFFICE R10+ RECEPTIONIST 1 LIC:CU	\$619.00	1	\$619.00
383091	IP OFFICE R10+ IP500 T1 ADDITIONAL 2CHANNELS LIC:CU	\$196.00	16	\$3,136.00
383110	IP OFFICE R10+ AVAYA IP ENDPOINT 1 LIC:CU	\$75.00	197	\$14,775.00
700213440	IP OFFICE ISDN CABLE RJ45/RJ45 3M RED	\$5.05	2	\$10.10
700289770	POWER CORD 18AWG 10 Amp AC US/NORTH AMERICA	\$19.00	1	\$19.00
700417462	IP OFFICE IP500 TRUNK CARD PRIMARY RATE UNIVERSAL DUAL	\$1,670.00	1	\$1,670.00
700429202	IP OFFICE IP500 RACK MOUNTING KIT	\$63.00	1	\$63.00
700504032	IP OFFICE MEDIA CARD VOICE (VCM) CODING MODULE 64 V2	\$368.00	1	\$368.00
700512394	J159 IP PHONE	\$415.00	197	\$81,755.00
700515108	IPO IP500 EXPANSION MODULE PHONE 30 TAA	\$4,200.00	1	\$4,200.00

PROPOSAL - BUDGETARY



CONSULTING CONTACT CENTER COLLABORATION NETWORK SECURITY MANAGED SERVICES

IP OFFICE - HARDWARE / SOFTWARE

Description	Price	Qty	Ext. Price
185579 MAINTENANCE COMPREHENSIVE SUPPORT MODEL	\$0.00	1	\$0.00

Subtotal: \$106,615.10

PROFESSIONAL SERVICES

Description	Price	Qty	Ext. Price
VX-VPS-GP21867 Budgetary Professional Services	\$21,890.63	1	\$21,890.63

Subtotal: \$21,890.63

SUMMARY

Description	Recurring	One-Time
IP OFFICE - HARDWARE / SOFTWARE	\$0.00	\$106,615.10
PROFESSIONAL SERVICES	\$0.00	\$21,890.63

Total: \$0.00 \$128,505.73

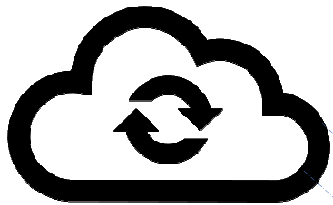
Project Total: \$128,505.73

PAYMENT TERMS

Additional Terms

TAX and Shipping/Handling will be added at time of invoice: not included in this SOW/Quote.

VOX Network Solutions, Inc. PROPRIETARY AND CONFIDENTIAL. All information contained herein is confidential and the proprietary information of VOX Network Solutions, Inc. Disclosure of any information contained herein to any other party is strictly prohibited.



City Hall #ST5366844

HP DL360 172.16.1.50

Server Serial - 6c3be5b21f3c

Server System ID -

0de649a0be6edfb4fa7ec2eef4bfbdb8f6d987020

IP500V2 Server Edition R10.1 172.16.1.51

Serial - 00e007077460 Dongle - 1353224082



1 PRI

IP500V2 RePurposed
from ChildCare

1 PRI

Gus Velasco Neighborhood Center (GVNC)
ST#5390629

IP OFFICE

IP500V2 R10.1 - VMPro 172.16.11.51
Serial - 00e00707e04c
Dongle - 1362436552 (14) End points

Municipal Yard
ST#5403873

IP OFFICE

IP500V2 R10.1 - VMPro 172.16.9.51
Serial - 00e0070734d2 Dongle - 1358238

Heritage Park
ST#51449210

IP OFFICE

P500V2 R10.1- VMPro 172.16.14.51
Serial - 00e0070be502 Dongle - 1368916803
(5) End points

IP OFFICE

IP OFFICE

TIE Line

Option 61C

Option 61C R3.0+ (DC)

2 PRI, 32 ITG H.323

VM Callpilot R02.01.27 (24Pt)

162 Digital 28 Analog 10 IP

Fire Station HQ
ST#51497237

IP OFFICE

IP500V2 R10.1 - VMPro 172.16.12.52
Serial - 00e0070be7b6 Dongle - 1379159153

Police Service C
ST#51497237

IP OFFICE

P500V2 R10.1 - VMPro 172.16.12.51
Serial - 00e0070c3626 Dongle - 1380913780

Activity Center
ST#51449209

IP OFFICE

IP500V2 R10.1- 172.16.4.51
Serial - 00e0070 Dongle - 137295
(4) End points

2 PRI

8 H.323 Trunks

8 H.323 Trunks

16 H.323 Trunks

32 H.323 Trunks

8 H.323 Trunks

8 H.323 Trunks



City of Santa Fe Springs

City Council Meeting

ITEM NO. 10G

March 21, 2023

CONSENT AGENDA

City of Bellflower Extension of Agreement for Traffic Signal Maintenance Services

- Approve the agreement extension with the City of Bellflower to provide Signal Maintenance Services; and
- Authorize the Mayor to execute the Agreement on behalf of the City.

BACKGROUND

The City of Santa Fe Springs has been providing traffic signal maintenance services to the City of Bellflower since October 1995. There was an agreement modification in 2013, to define the scope of work, as well as an update to the number of traffic signals, flashing beacons, etc., under the maintenance contract with Santa Fe Springs. Currently the City of Bellflower has fifty-four (54) signalized intersections at various locations that are 100% within Bellflower's jurisdiction. Bellflower also has seven (7) yellow flashing beacons, four (4) flashing pedestrian signs with in-pavement lighted LED crosswalk and two (2) sets of two (2) radar feedback signs.

There was a five-year agreement extension in 2018 that will expire on April 24, 2023. Staff recommends extending the agreement for another five (5) years. The Agreement does contain a termination clause where the Agreement can be cancelled by either party after 90 days of written notice.

The scope of work remains unchanged and the monthly charges remain the same, as Santa Fe Springs will continue to provide routine maintenance to the traffic signals and flashing beacons and extraordinary maintenance of the street lights, in-pavement lighting, and radar feedback signs.

LEGAL REVIEW

The City Attorney's office prepared Amendment Number Ten to the Agreement.

FISCAL IMPACT

This excludes extraordinary maintenance requests by the City of Bellflower.

INFRASTRUCTURE IMPACT

There is no infrastructure impact.


Tom Hatch
Interim City Manager

Attachments

1. Traffic Signal Agreement with the City of Bellflower
2. Traffic Signal Amendment No. 10
3. Traffic Signal Locations from Amendment No. 9
4. Bellflower Maps (C-D)
5. Scope of Services

Report Submitted By: Yvette Kirrin, Interim Director
Department of Public Works

Date of Report: March 16, 2023



11710 E. TELEGRAPH ROAD ♦ CA ♦ 90670-3679 ♦ (562) 868-0511 ♦ (562) 868-7112 ♦ WWW.SANTAFESPRINGS.ORG

DEPARTMENT OF PUBLIC WORKS

July 5, 2018

City of Bellflower
16600 Civic Center Drive
Bellflower, CA 90706

Attention: Mr. Jeffrey L. Stewart, City Manager

Subject: Agreement File No. 242.1 – Traffic Signal, Street Name Sign and
Highway Lighting
Executed Agreement

Enclosed is a fully executed set of the agreement for your records.

For further information or additional questions regarding the agreement, please feel free to contact Traffic Engineer, Tom Lopez at (562) 868-0511, ext. 7342.

Very truly yours,

Noe Negrete
Director of Public Works/City Engineer

NN/vjd

JAY SARNO, MAYOR ♦ JUANITA TRUJILLO, MAYOR PRO TEM
CITY COUNCIL
RICHARD J. MOORE ♦ WILLIAM K. ROUNDS ♦ JOE ANGEL ZAMORA
CITY MANAGER
RAYMOND R. CRUZ

**CITY OF BELLFLOWER
AGREEMENT FILE NO. 242.1**

**AGREEMENT WITH SANTA FE SPRINGS
FOR TRAFFIC SIGNAL, STREET NAME SIGN
AND HIGHWAY LIGHTING MAINTENANCE**

THIS AGREEMENT is made and entered into this 24th day of April, 2018, by and between the City of Bellflower, a municipal corporation ("Bellflower") and the City of Santa Fe Springs, a municipal corporation ("Contractor"). Contractor and Bellflower are sometimes collectively referred to as ("Parties").

W I T N E S S

WHEREAS, on September 22, 1995, the Parties entered into Agreement File No. 242 for traffic signal, illuminated street name sign and highway safety lighting maintenance (the "1995 Agreement") and subsequently extended the Agreement for additional terms; and

WHEREAS, Parties desire for this Agreement to supersede the last agreement extension which was entered into on or about April 25th, 2013 and

WHEREAS, Bellflower has fifty-two (52) signalized intersections at various locations 100% within Bellflower, and from time to time, may signalize other intersections; and

WHEREAS, Bellflower has four (4) yellow flashing beacons, four (4) flashing pedestrian signs with in-pavement lighted LED crosswalk to be billed as one (1) flashing beacon, and a set of two (2) radar feedback signs to be billed as one (1) flashing beacon 100% owned by Bellflower; and

WHEREAS, Bellflower seeks 24-hour maintenance of Bellflower's traffic signals; and

WHEREAS, Contractor has specialized knowledge, training, and experience in the routine preventative and extraordinary maintenance services of traffic signals; and

WHEREAS, Contractor desires to perform the maintenance services for Bellflower under this Agreement; and

WHEREAS, Bellflower desires Contractor provide such services, subject to the terms and conditions set forth in this Agreement for a period of five (5) years; and

WHEREAS, the purpose of this Agreement is to provide routine preventative and extraordinary maintenance services for existing traffic signals, and those new traffic signals that from time to time may be installed by Bellflower during the life of this Agreement.

Now, therefore, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. CONTRACT TERM

This Agreement is effective as of date first listed above and upon execution by both Parties for a period of five (5) years; provided, that either Bellflower or Contractor, in its sole discretion, shall have the right to terminate this Agreement, without cause at any time, by giving written notice via U.S. certified mail, return receipt requested, at least ninety (90) days prior to the effective date of that termination.

2. MANAGEMENT

Bellflower's Director of Public Works shall represent Bellflower in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Contractor, but not including the authority to expand the tasks to be performed or change the compensation due to Contractor. Bellflower's City Manager shall be authorized to act on Bellflower's behalf and to execute all necessary documents which enlarge the tasks to be performed or change Contractor's compensation, subject to Section 4 hereof. Contractor's Director of Public Works, or his/her designee, shall represent Contractor in all matters pertaining to the administration of this Agreement for Contractor, but not including the authority to expand the tasks to be performed. Contractor's City Manager, or his/her designee, shall be authorized to act on Contractor's behalf and to execute all necessary documents which enlarge the tasks to be performed or change Contractor's compensation.

3. SERVICES

Contractor shall perform the tasks described and set forth in Exhibit B, attached hereto and incorporated herein as though set forth in full. Contractor shall complete the tasks according to the Scope of Work which is also set forth in Exhibit B at the locations more particularly described in Exhibits A, C, D and E.

4. PAYMENT

(a) Bellflower agrees to pay Contractor a flat monthly rate of \$70.00 per signal (52 signals) for routine maintenance and \$35.00 per flasher (4 flashers) plus one (1) in-pavement LED crosswalk light system with four (4) flashing signs to be billed as a flasher and a set of two (2) radar feedback signs to be billed as a flasher for a total of six (6) flashers per month based upon actual signals inspected and maintained. Those monthly rates shall be used for billing. Thereafter, to ensure an equitable annual cost, the rates may be revised and adjusted for each fiscal year upon 60 days written notice and written approval by Bellflower.

(b) Contractor shall not be compensated for any services, including extraordinary maintenance, ("additional services") rendered in connection with its performance of this Agreement which are in addition to routine maintenance, unless the additional services are authorized in advance and in writing by Bellflower's Director of Public Works or her/his designee. Contractor shall be compensated for any additional services in the amounts and in the manner as agreed to by Bellflower's Director of Public Works or her/his designee and Contractor at the time Bellflower's written authorization is given to Contractor for the performance of those services. Bellflower's City Manager may approve amendments to this Agreement for additional work up to the amount authorized pursuant to the most recent Bellflower Council-approved administrative policies relating to Bellflower's City Manager's authority to enter into new agreements. Any additional services in excess of that amount shall

be approved by Bellflower's City Council.

(c) Contractor will submit invoices monthly for actual routine maintenance, extraordinary maintenance and additional services satisfactorily performed. Invoices shall be submitted on or about the tenth business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty days (30 days) after receipt of each invoice as to all non-disputed fees. If Bellflower disputes any of Contractor's fees, then it shall give written notice to Contractor within thirty days (30 days) after receipt of an invoice of any disputed fees set forth on the invoice.

(d) The first bill in each fiscal year for routine maintenance shall show the itemization of salaries and wages, material equipment, and appropriate overheads upon which the flat rates referred to in Section 4a, are based. Materials shall include miscellaneous items of service and expense. All bills for extraordinary maintenance and additional services shall show the itemization specified above.

(e) Payment for extraordinary maintenance and additional services shall include actual salaries, wages, parts and equipment costs and may include an additional 17% added to salaries and wages for overhead and to equipment for depreciation and that 17% shall be shown as separate line items in the invoices for extraordinary maintenance. The cost of parts or supplies is based on actual costs plus a 15% markup. In addition, Contractor's services will be billed on an actual invoice plus a 10% markup

5. TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) Bellflower or Contractor may at any time, for any reason, with or without cause, terminate this Agreement, or any portion hereof, by serving upon the other party at least ninety (90) days prior written notice. Upon receipt of said notice, Contractor shall immediately cease all work under the Agreement, unless notice provides otherwise. If Bellflower terminates a portion of the Agreement, then such termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, Bellflower shall pay to Contractor the actual value of the work satisfactorily performed up to the time of termination. Upon termination of the Agreement pursuant to this Section, Contractor will submit an invoice to Bellflower pursuant to Section 4.

6. DEFAULT OF CONTRACTOR

(a) Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event Contractor is in default for cause under the terms of this Agreement, Bellflower shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to Contractor following notice of default and an opportunity to cure, as set forth in subsection (b) of this Section. If such failure by Contractor to make progress in the performance of work hereunder arises out of causes beyond Contractor's control, and without fault or negligence of Contractor, then it shall not be considered a default.

(b) If Bellflower's City Manager or his/her delegate determines Contractor is in

default in the performance of any of the terms of this Agreement, then he/she shall cause to be served upon Contractor a written notice of the default. Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that Contractor fails to cure its default within such period of time, Bellflower shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

7. OWNERSHIP OF DOCUMENTS

(a) Contractor shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by Bellflower that relates to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained and shall be clearly identified and readily accessible. Contractor shall provide free access to the representatives of Bellflower or its designees at reasonable times to such books and records; shall permit Bellflower to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of Bellflower and may be used, reused, or otherwise disposed of by Bellflower without the permission of Contractor. With respect to computer files, Contractor shall make available to Bellflower, at Contractor's office and upon reasonable written request by Bellflower, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

8. INDEMNIFICATION

(a) Neither Bellflower nor any officer or employee of Bellflower shall be responsible for any damage or liability occurring by reason of any acts or omissions on the part of Contractor under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of Contractor under this Agreement. It is also understood and agreed, pursuant to Government Code, Section 895.4, Bellflower shall fully indemnify, defend, and hold harmless Contractor from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any acts or omissions on the part of Bellflower under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of Bellflower this Agreement.

(b) Neither Contractor nor any officer or employee of Contractor shall be responsible for any damage or liability occurring by reason of any acts or omissions on the part of Bellflower under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of Bellflower under this Agreement. It is also

understood and agreed, pursuant to Government Code, Section 895.4, Contractor shall fully indemnify, defend, and hold harmless Bellflower from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any acts or omissions on the part of Contractor under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of Contractor this Agreement.

9. INDEPENDENT CONTRACTOR

(a) Contractor is and shall at all times remain as to Bellflower a wholly independent Contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither Bellflower nor any of its officers, employees, or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees or agents, except as set forth in this Agreement. Contractor shall not at any time or in any manner represent it or any of its officers, employees, or agents are in any manner officers, employees, or agents of Bellflower. Contractor shall not incur or have the power to incur any debt, obligation, or liability whatever against Bellflower, or bind Bellflower in any manner.

(b) No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, Bellflower shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for Bellflower. Bellflower shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

Contractor shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. Contractor shall at all times observe and comply with all such laws and regulations. Bellflower, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Contractor to comply with the Section.

11. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of Bellflower or Contractor, or their designees or agents, and no public official who exercises authority over responsibilities with respect to the services performed under this Agreement during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with this Agreement.

12. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Contractor in performance of this Agreement shall be considered confidential and shall not be released by Contractor without Bellflower's prior written authorization. Contractor, its officers, employees, agents, or subcontractors, shall not without written authorization from Bellflower's City Manager or unless requested by the Bellflower's City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed

under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives Bellflower notice of such court order or subpoena.

(b) Contractor shall promptly notify Bellflower should Contractor, its officers, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder. Bellflower retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing, or similar proceeding. Contractor agrees to cooperate fully with Bellflower and to provide the opportunity to review any response to discovery requests provided by Contractor. However, Bellflower's right to review any such response does not imply or mean the right by Bellflower to control, direct, or rewrite said response.

13. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by 1) personal service; 2) delivery by a reputable document delivery service, such as, but not limited to, Federal

Express, which provides a receipt showing date and time of delivery; or 3) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as the party may later designate by notice.

To Bellflower:

City of Bellflower
Attention: Jeffrey L. Stewart, City Manager
16600 Civic Center Drive
Bellflower, CA 90706

To Contractor:

City of Santa Fe Springs
Attention: Raymond R. Cruz, City Manager
11710 E. Telegraph Road
Santa Fe Springs, CA 90670

14. ASSIGNMENT

Contractor shall, under no circumstances, assign this Agreement, in whole or in part, to another party without the express written consent of the City Council of Bellflower. On occasion, Contractor is allowed to use subcontractors for specialty items, such as installation of loop detectors, crane work, boring for underground conduits, etc.; provided, that Contractor has notified Bellflower's Public Works Director of such work.

15. GOVERNING LAW

Bellflower and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the State or Federal district court with jurisdiction

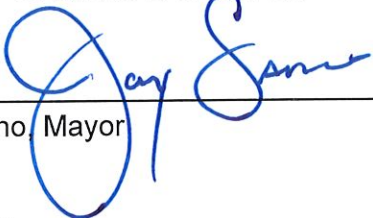
over Bellflower.

16. ENTIRE AGREEMENT

This Agreement contains the entire understanding between Parties relating to the obligations of Parties described in this Agreement. All prior or previous agreements, including, but not limited to, the 1995 Agreement, 2013 Agreement, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Parties are entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. Subsequent modifications to this Agreement shall be effective only if in writing and signed by authorized representatives of Parties.

IN WITNESS WHEREOF, Parties have caused this Agreement to be executed the day and year first above written.

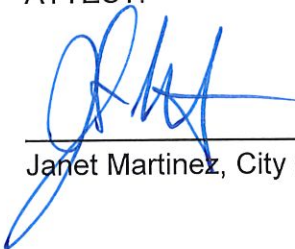
CITY OF SANTA FE SPRINGS



Jay Sarno, Mayor


Date: 6/26/18

ATTEST:



Janet Martinez, City Clerk

APPROVED AS TO FORM:



Yolanda M. Summerhill, City Attorney

Date: June 28th, 2018

CITY OF BELLFLOWER



Jeffrey L. Stewart, City Manager

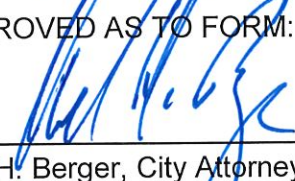
Date: 5/29/18

ATTEST:



Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:



Karl H. Berger, City Attorney

Date: 6/11/2018

ATTACHMENTS:

- Exhibit A: Locations for Maintenance of Traffic Control Devices
- Exhibit B: Scope of Work
- Exhibit C: Map of City Parking Lots
- Exhibit D: Map of Street Lights on Bellflower Boulevard
- Exhibit E: Map of Street Lights in Executive Tract

**CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES**

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 1	Alondra Boulevard & Bellflower Boulevard	6	0
BLF 2	Alondra Boulevard & Clark Avenue	4	0
BLF 3	Alondra Boulevard & Cornuta Avenue	2	0
BLF 4	Alondra Boulevard & Eucalyptus Avenue	2	0
BLF 5	Alondra Boulevard & McNab Avenue	2	0
BLF 6	Alondra Boulevard & Ryon Avenue	2	0
BLF 7	Alondra Boulevard & Virginia Avenue	2	0
BLF 8	Alondra Boulevard & Woodruff Avenue	4	0
BLF 9	Ardmore Avenue & Artesia Boulevard	3	0
BLF 10	Ardmore Avenue & Flower Street	4	0
BLF 11	Artesia Boulevard & Bellflower Boulevard	4	0
BLF 12	Artesia Boulevard & Canehill Avenue	2	0
BLF 13	Artesia Boulevard & Clark Avenue	4	0
BLF 14	Artesia Boulevard & Palo Verde Avenue	4	1
BLF 15	Artesia Boulevard & Woodruff Avenue	4	0
BLF 16	Beach Street & Woodruff Avenue	2	0
BLF 17	Bellflower Boulevard & Belmont Street	4	0
BLF 18	Bellflower Boulevard & Somerset Boulevard	4	0
BLF 19	Bellflower Boulevard & Flora Vista Street	4	0
BLF 20	Bellflower Boulevard & Flower Street	4	0
BLF 22	Bellflower Boulevard & Jefferson Street	2	0
BLF 23	Bellflower Boulevard & Oak Street	4	0
BLF 24	Bellflower Boulevard & Park Street	2	0
BLF 25	Bellflower Boulevard & Ramona Street	4	0
BLF 26	Bellflower Boulevard & Rose Street	6	0
BLF 27	Bellflower Boulevard & Rosecrans Avenue	4	0
BLF 28	Cedar Street & Clark Avenue	2	0

**CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES**

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 29	Civic Center Drive & Flower Street	2	0
BLF 30	Clark Avenue & Somerset Boulevard	4	0
BLF 31	Clark Avenue & Flower Street	4	0
BLF 33	Clark Avenue & Oak Street	1	0
BLF 34	Clark Avenue & Park Street	2	0
BLF 35	Clark Avenue & Rosecrans Avenue	4	0
BLF 36	Somerset Boulevard & Ryon Avenue	2	0
BLF 37	Somerset Boulevard & Woodruff Avenue	4	0
BLF 38	Flora Vista Street & Woodruff Avenue	3	0
BLF 40	McNab Avenue & Rosecrans Avenue	2	0
BLF 41	Palo Verde Avenue & 183rd Street/Allington	4	3
BLF 42	Rosecrans Avenue & Woodruff Avenue	4	0
BLF 43	Prichard Street & Clark Avenue	4	0
BLF 44**	Somerset Boulevard w/o Cabell Avenue	1	0
BLF 45**	Somerset Boulevard e/o Eucalyptus Avenue	2	0
BLF 46**	Somerset Boulevard & McNab Avenue (2 flashers)	0	0
BLF 47	Alondra Boulevard & Pacific Avenue	2	0
BLF 48	Clark Avenue at Bike Trail	2	0
BLF 49	Flora Vista Street at Flower Street	3	0
BLF 50**	Palm Street at Virginia Avenue - IP Crosswalk Lights and Flashing Ped Xing Signs	0	0
BLF 51**	Palm Street e/o Virginia Avenue EB & WB Radar Feedback Signs	0	0
BLF 52	Artesia Boulevard & California Avenue	2	0
BLF 53	Bellflower Boulevard & Walnut Street	4	0
BLF 54**	Bellflower Boulevard & Mayne Street (Flashing Ped Xing Signs)	0	0
BLF 55**	Bellflower Boulevard & Laurel Street (Flashing Ped Xing Signs)	0	0
BLF 56	Lakewood Boulevard at Paramount Place	3	2
BLF 57	Lakewood Boulevard at Somerset Boulevard	4	0

CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 58	Lakewood Boulevard at Paseo Street	1	0
BLF 59	Lakewood Boulevard at Alondra Boulevard	4	0
BLF 60	Lakewood Boulevard at Flower Street	4	0
BLF 61	Lakewood Boulevard at Artesia Boulevard	4	0

*** Indicates locations that are flashing beacons or billed as flashing beacons*

NOTE: Nos. 21, 32, & 39 are not used

**CITY OF BELLFLOWER
AGREEMENT FILE NO. 242.1 – EXHIBIT B**

SCOPE OF WORK

The work to be done, in general, consists of furnishing all labor, materials, tools, equipment and incidentals (unless otherwise specified), to maintain Bellflower's forty-six (46) signalized intersections, and four (4) flashing beacons 100% Bellflower owned as shown on Exhibit "A", in a safe, satisfactory and workmanlike manner.

Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in similar services, as are required by Contractor, in meeting its obligations under this Agreement. All services required under this Agreement will be performed by Contractor, and all personnel shall possess the qualifications, permits and licenses required by the State and local law to perform such services.

A. Permits and Licenses

Contractor shall procure all permits and licenses, and give all notices necessary and incidental to the due and lawful prosecution of the Agreement.

B. Patents

Contractor shall assume all responsibilities arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the work.

C. Equipment Required

Contractor shall be equipped with spare parts sufficient to return a defective signal to operation following ordinary trouble calls. In those cases where a complex controller or component has to be repaired, Contractor shall install a substitute controller or component of its own, while it is repairing the defective controller or component.

D. Records

Contractor shall maintain a record of all service calls and work performed upon the signal equipment, listing dates, arrival time to location, hour of day, description of service work performed, and the certified technician's name who completed the work. A copy of such record shall be maintained at all times within the controller cabinet of each signal location.

A log sheet giving a brief description of all routine and extraordinary maintenance activities shall be attached to each monthly invoice. Each invoice, including attachments, shall have a minimum of the following but not limited to:

1. Location of intersection
2. Technician Name
3. Detailed breakdown of work performed
4. Date of invoice and date of work performed
5. Technician arrival time
6. Requestor's name and call back number
7. Description of damaged work and work performed
8. Invoice number
9. Purchase Order Number

E. Shutdowns

Contractor shall request the assistance from Bellflower's Public Works Department at (562) 804-1424, extension 2259 and notify Bellflower's Director of Public Works or her/his authorized representative or designee at (562) 804-1424, extension 2285, of any signal turn-offs or turn-ons, if traffic is very heavy and Contractor feels it cannot safely bring up the signal.

F. Compliance

Contractor shall comply with all applicable codes, ordinances, laws, rules, regulations.

G. Labor Strike

It shall be the responsibility of Contractor to provide continuous maintenance services, without any interruption, of all traffic signals in Bellflower. In case of a labor strike, Contractor shall provide other means, at his own cost, to provide comparable continuous service as if there were no strike. Failing to do so will cause Bellflower to take whatever action is deemed necessary to provide such service, and the cost will be borne by Contractor.

H. Failure to Perform

If Contractor neglects to perform any of the work properly, or fails to perform any provision of this contract, then Bellflower, within three (3) days after written notice to Contractor, may, without prejudice to any other remedy it may have, make good on such deficiencies, and may deduct the cost thereof from the payment then or thereafter due Contractor; provided, however, that Bellflower's Director of Public Works shall approve such action, and certify the amount thereof to be charged to Contractor.

I. Measurement and Payment

Payment shall be made on a monthly basis for all work satisfactorily completed the prior month. A single invoice that itemizes as follows is

required:

- Routine Maintenance work; and
- Extraordinary Maintenance work

J. Routine Maintenance

The price for Routine Maintenance shall include the following services, and any other service not specified in this subsection shall fall under the category of "Extraordinary Maintenance."

(1) Coordination Timing

For non-interconnected pre-timed systems of pre-timed controllers, Contractor shall check coordination timing not less than once each month.

(2) Monthly Inspections

Contractor shall perform monthly inspections of each signalized intersection as follows:

- (a) Walk the intersection and visually inspect all signal heads for proper operation, alignment, broken lenses, and missing or damaged parts.

During the walk around, depress all pedestrian push buttons, and observe for proper timing operation and display. As soon as possible, replace broken parts, or change parts and align signal heads, adjust all vehicle or pedestrian signals as necessary. Such repairs would be payable under Section K (Extraordinary Maintenance of this Agreement).

- (b) Closely examine the functioning of the traffic controller in relation to the approaching traffic, and compare the timing chart to the intervals that are timed by the traffic controller. Correct the time of intervals, if necessary, as per the timing card and notify Bellflower's Director of Public Works or his/her designee for verification of work performed.
- (c) Observe traffic as it approaches the intersection, in order to determine if the detector loops, detector loop cables, and amplifiers are operating properly. Adjust or re-tune detect amplifiers, if necessary.
- (d) Inspect all load switches, photo-cells, dials, controller cabinet switches, relays, clocks, cabinet locks, cabinet mechanisms, cooling fans, etc., and make routine adjustments or minor

repairs, if necessary.

- (e) Clean the controller cabinet; vacuum if necessary; remove any foreign material. Look for water or excessive dampness inside the cabinet. Determine the cause, and remedy the condition. Check the filter, and replace it if necessary.
- (f) Maintain a clear and accurate record of the field inspection in the controller cabinet. This record will include the monthly inspection summary showing the date and time checked, and who checked it. If a controller needs to be replaced due to malfunctioning and needs repair, then Contractor shall notify Bellflower's Public Works Department within 24 hours of controller replacement. Any replacement controller shall be adjusted to reflect the timing and settings according to the timing chart.
- (g) Replace the air filter elements in all cabinets so equipped, every twelve (12) months during the term of this Agreement.
- (h) A nighttime survey (Night Tour) shall be conducted quarterly to inspect and identify any inoperable intersection lighting, street and parking lot lighting, soffit lighting, and illuminated street name signing. A report of all findings and actions from such survey shall be sent to Bellflower's Director of Public Works for review.
- (i) Notify Bellflower's Public Works Department when the visibility of traffic signal indications or intersection lighting is impaired by trees, shrubbery, or other obstacles.

K. Extraordinary Maintenance

Extraordinary Maintenance shall consist of the following:

- Failure or malfunction of the signal system if caused by vehicle collision, vandalism, civil disorder, windstorm, natural disasters, street construction, replacement or excavation; or
- Minor upgrading or installation as directed by Bellflower.
- Repair of broken lenses, missing or damaged parts, burned-out indications, etc. that are found during the monthly Routine Maintenance and Night Tour inspections.

(1) Repair

Contractor shall repair any and all defective parts of the signal system that cause the signal failure or malfunction, as the occasion arises, such as the signal controller, pedestrian timers, timing dial,

master controllers, coordinating units, (State of California) synchronizer and interconnect, flashers, all kinds of burnouts, detector loops, push buttons, sensing units, communication hardware, and wiring systems, etc., unless the failure or malfunction falls in the category of "Routine Maintenance" as defined in this Agreement.

(2) Loop Detector Replacement

Once it is determined by Bellflower a saw cut has so deteriorated that applying more epoxy is insufficient, the loop detector shall be replaced upon receiving approval from Bellflower's Director of Public Works. Contractor shall provide a schedule for installation of any loop detectors with an estimated completion date.

(3) Lamp Replacement

Contractor shall replace all lamps and Light Emitting Diodes (LED's) in all signals on an 80% depletion curve, in accordance with the time schedule contained in the specifications. All traffic signal lamps must conform to the standards of the N.E.M.A., U.L., E.I.A., A.S.T.M., A.N.S.I., and any local ordinance that may apply.

If incandescent lamps are present and are in need of replacement based upon the above criteria, Contractor shall replace the lamp to an approved manufacturer LED.

Contractor agrees and acknowledges Bellflower's traffic signals contain LED's, which include red, amber and green balls and arrows.

(4) LED Replacement

Contractor agrees to use only standard traffic signal LED's equivalent in performance, reliability and durability to those manufactured to California Department Transportation's (Caltrans) standards. Contractor agrees to supply all labor and equipment to perform the re-lamping function, with the cost of the LED's and associated installation labor to be invoiced to Bellflower. Contractor shall clean, polish and inspect all lenses and reflectors at the time the traffic signals are re-lamped. At this time, all broken or deteriorated parts will be replaced or changed, as necessary, signal heads aligned, mast arm mounted, street name signs adjusted, and optically programmed signal heads adjusted.

(5) Pedestrian Signals and Street Name Signs

Contractor shall replace pedestrian signal modules and internally

illuminated street name sign lamps, as they become dim or inoperative. Contractor shall also replace ballasts and transformers for these units as required.

(6) Lighting at Intersections

Intersection lighting at signalized intersections are to be replaced as they become inoperative, or when directed by Bellflower. High pressure sodium lamps are to be used for replacement.

(7) Emergency Service

Contractor shall maintain a 24-hour per day emergency service for the replacement of burned-out lamps or LED's, turned heads and controller malfunctions, or any damage creating a public hazard. The intersections where said traffic signals are located shall be regularly monitored by Contractor or his representatives. Contractor shall repair parts, replace parts and lamps or LED's, and otherwise keep the traffic signals in good working condition. Contractor shall maintain a local telephone number where representatives of Contractor can be reached 24 hours per day. This telephone number is to be made available to all persons designated by Bellflower.

Contractor shall make immediate service calls on an emergency basis, responding within one (1.5) hours in the event of malfunctions of the controller or signal system, or turned head.

(8) Notification

Contractor shall contact Bellflower's Director of Public Works regarding any Extraordinary Maintenance work (except that necessary to maintain operation) that exceeds \$1000 in cost and seek approval from Bellflower's Director of Public Works before the work is scheduled or commenced.

(9) Emergencies

When directed by Bellflower, Contractor shall respond immediately to emergency calls such as a total blackout, and dispatch the qualified personnel and equipment to reach the site within one (1.5) hours of Bellflower's direction under normal circumstances.

For an emergency repair of a signal that requires the turning off of power to the signal, the following procedure of traffic control shall apply.

(a) Contractor shall dispatch qualified personnel and

equipment to reach the site within one (1.5) hours of Bellflower's direction. Contractor's vehicle shall carry stop signs, traffic cones and other equipment that shall be used when directing traffic during an emergency and/or when deemed necessary by the signal technician, Bellflower's Director of Public Works, or her/his designated representative.

(10) Materials

Materials used in Extraordinary Maintenance shall be paid at Contractor's actual cost from the supplier, plus a 15% markup. All materials and parts shall be new or have the approval of Bellflower's Director of Public Works, if otherwise not new. Bellflower has the right to inspect Contractor's records to verify any material costs used for work relating to Extraordinary Maintenance.

(11) Direct Labor

As part of its monthly invoice, Contractor shall present a record of hours spent on Extraordinary Maintenance of traffic signals and appurtenances per intersection. Bellflower shall pay Contractor's direct cost for such hours of Extraordinary Maintenance as stated below:

Regular time rates will be charged to Bellflower for labor between 6:00 am to 5:00 pm, Monday through Friday. Overtime rates will be charged to Bellflower for labor between 5:00 pm and 8:00 am on weekdays, and 24 hours on Saturdays, Sundays and holidays. Under this Agreement, holidays mean New Year's Day, Martin Luther King Jr.'s Birthday, Lincoln's Birthday, President's Day, Cesar Chavez's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving Day, the day before Christmas from 12 noon to 5:00 pm, if Christmas falls on a day other than Saturday, Sunday or Monday, Christmas Day, the day after Christmas, in those years in which Christmas falls on a Thursday and every day appointed by the President or Governor for a public fast, thanksgiving, or holiday.

(12) Equipment

Bellflower shall pay Contractor's direct cost for equipment used in Extraordinary Maintenance. All salvaged or damaged materials that cannot be repaired or reused shall be delivered by Contractor to a location designated by Bellflower's Engineer. All damaged materials that can be repaired for re-use in Contractor's signal shop, shall be removed to the shop for such repairs, and shall be reinstalled when

repaired.

(13) Painting

Contractor shall provide a cost to Bellflower to repaint all, signal heads, back plates and visors, unless directed otherwise by Bellflower, at least once during the term of this Agreement. Repainting shall be conducted by a method mutually agreed to by both parties.

(14) Maintenance and Inspections

Contractor shall provide intersection lighting and/or street lighting maintenance and inspections for the following specific areas in Bellflower: freeway underpasses, Alondra Bridge, Bellflower-owned parking lots, as show in Exhibit C, Bellflower-owned street lights on Bellflower Boulevard, as shown on Exhibit D, and in the Executive Tract, as shown on Exhibit E.

(15) Conflict Monitor Testing

Contractor shall provide conflict monitor testing. If Contractor determines a conflict monitor unit is defective or malfunctioning, then Contractor shall conduct repairs in accordance with Sections K.(1) and K.(8) above.

L. Protection and Traffic Control

(1) Protection

Contractor shall be responsible for, and shall provide and maintain all required barricades, railings, lights and warning signs, and shall take all necessary precautions to avoid injury or damage to any person or property, and shall, at its own cost and expense, defend, protect and indemnify Bellflower against any claim or liability arising from, or based on the lack of proper safeguards or negligence, whether by himself or his agents, employees or subcontractors.

Contractor shall protect all work, materials and equipment from damage from any cause whatsoever, and provide adequate and proper storage facilities during the progress of the work. It shall provide for the safety and good condition of all work, and replace all damaged or defective work, materials and equipment.

Contractor shall exercise diligence to avoid damage to sprinkler piping, valves, trees, planting, turf, etc., in addition to buildings, structures, pavement, fences and footings. Any required tree branch trimming or removal shall be brought to the attention of Bellflower

promptly, and shall be performed by Bellflower personnel.

M. Traffic Control

Traffic control shall conform to the California Manual on Uniform Traffic Control Devices (California MUTCD), latest edition, and any deviations from the MUTCD must be approved by Bellflower's Director of Public Works or his/her designee.

Contractor shall conduct his operation as to cause the least possible obstruction and inconvenience to vehicular and pedestrian traffic.

Contractor shall furnish, erect and maintain such fences, barriers, lights, warning devices and signs in compliance with the California MUTCD, latest edition, or as may be deemed necessary by Bellflower's Director of Public Works, to give adequate warning to the public at all times the road or street is obstructed, and of any abnormal conditions to be encountered as a result thereof.

(1) Payment for Traffic Control

Payment for barricading, protection and vehicular and pedestrian traffic control shall be included in the cost estimate for extraordinary maintenance to adequately perform the work involved to the satisfaction of Bellflower's Director of Public Works.

N. Guarantee

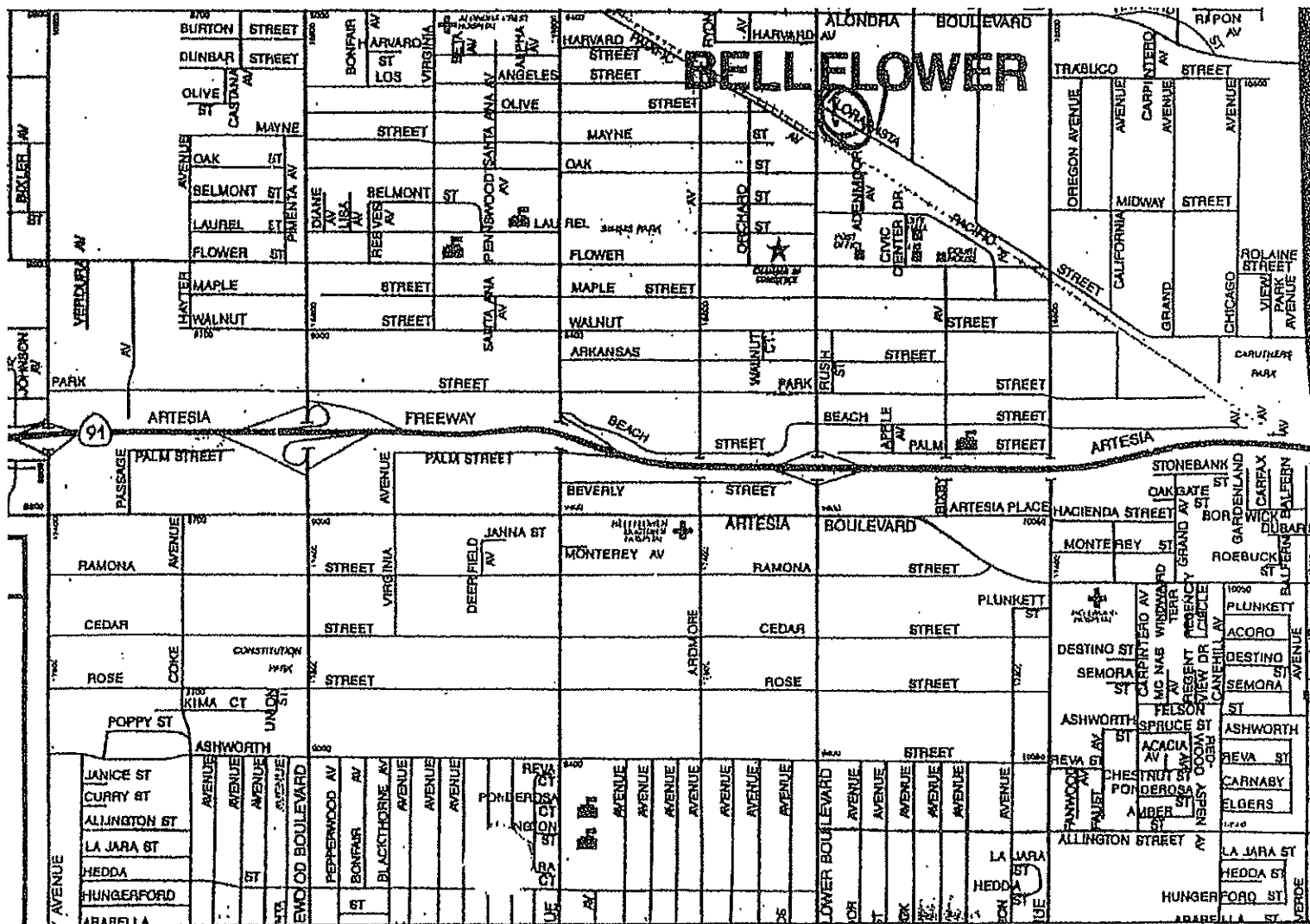
Contractor hereby guarantees the entire work performed by it under this Agreement will meet fully all requirements thereof as to quality of workmanship and materials furnished by it.

Contractor hereby agrees to make, as its own expense, any repairs or replacements made necessary by defects in materials or workmanship supplied by it that become known within one (1) year of the repair or replacement and upon notice to Contractor regarding said defects.

O. Record Requests

At the request of Bellflower's Director of Public Works or her/his designee, Contractor shall provide timing chart information, cost account information or any other documentation related to services provided by Contractor. All third party requests for records shall be routed through the City of Bellflower's Director of Public Works and all requested records will be routed to the Director of Public Works for release to the third party.

Contractor shall be entitled to compensation for such requests on a time and materials basis in accordance with Section 4.(e) of the Agreement.



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SCALE 1" = 80'	

SCALE 1" = 80'

Across from
14025

14000
14000

812826-7

Power Source

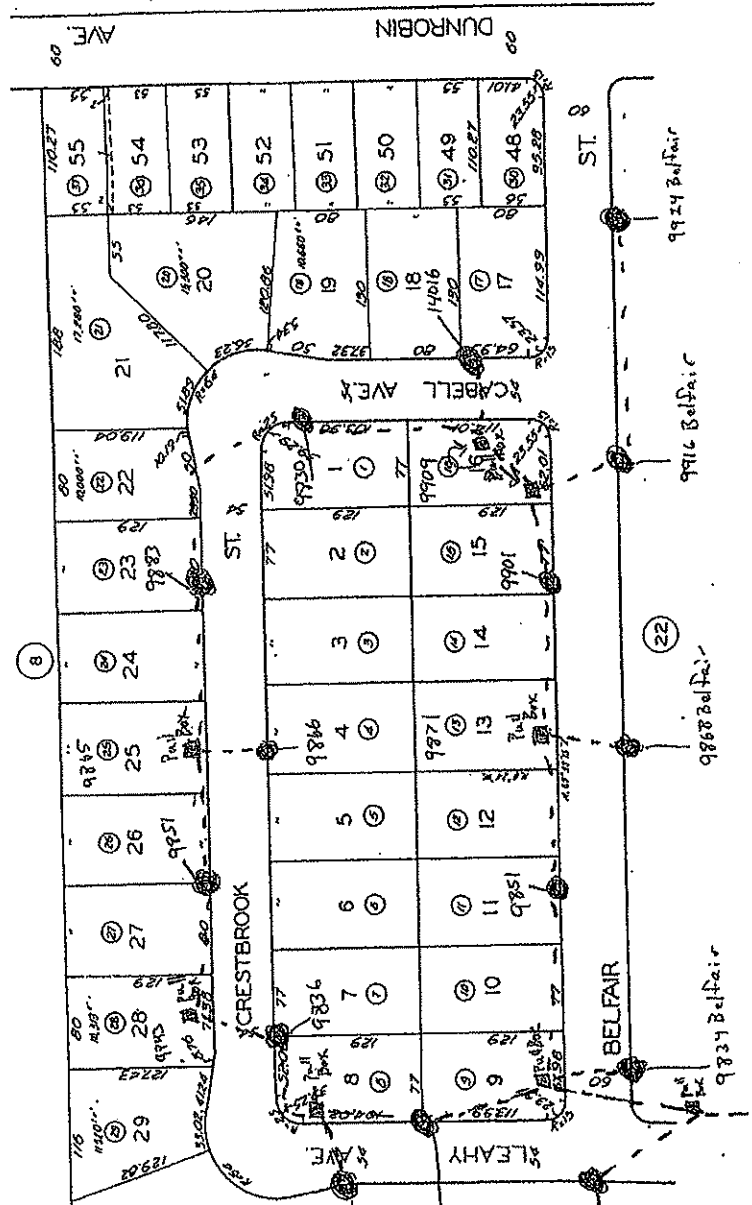
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FOR PREV. ASSNT. SEE:
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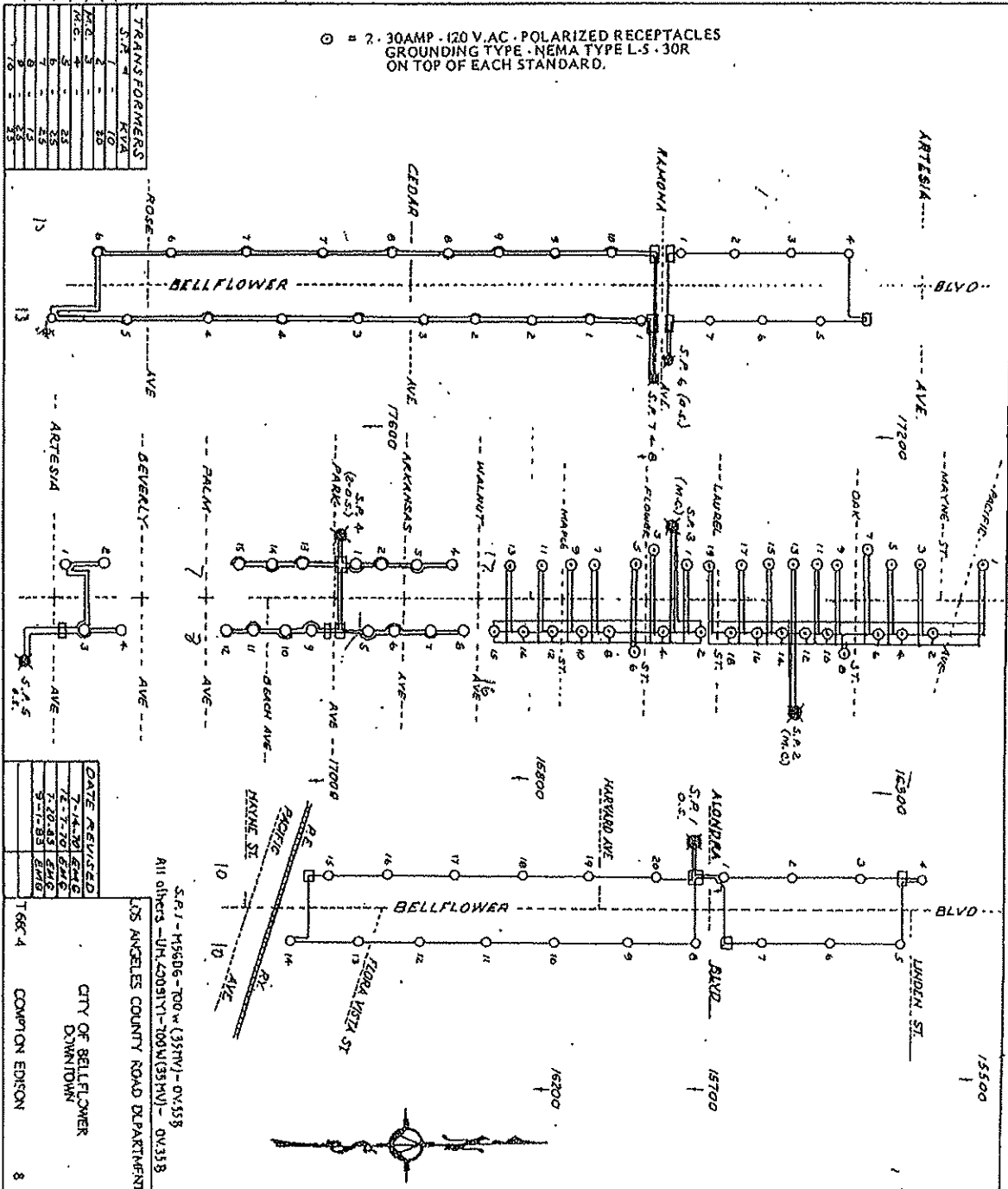
TRACT NO. 19478
M.B. 497-17-18

LDR 8.14

LESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



○ = 2 - 30AMP - 120 V. AC - POLARIZED RECEPTACLES
GROUNDING TYPE - NEMA TYPE L-5 - 30R
ON TOP OF EACH STANDARD.

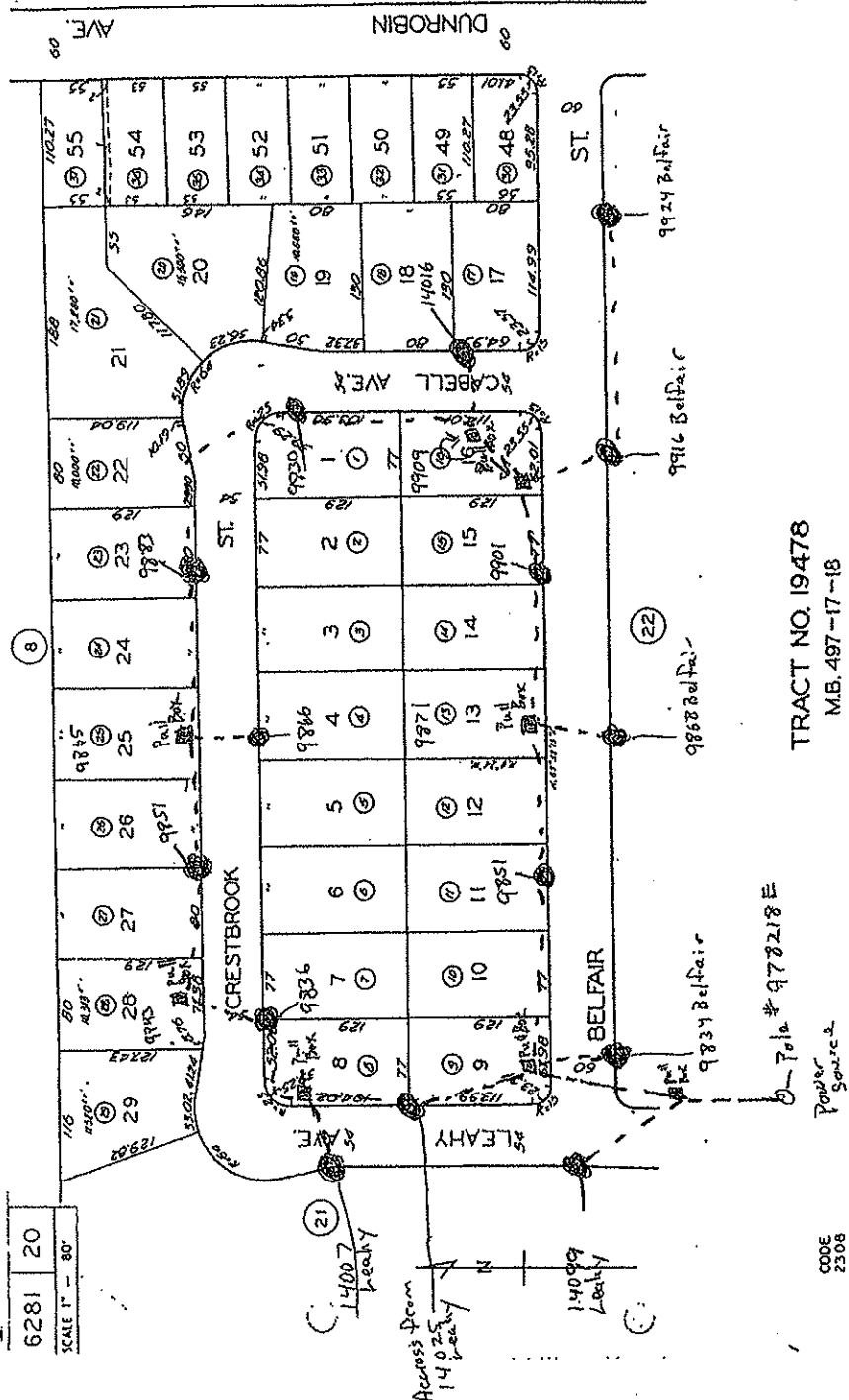


10-5-55
11-10-55
12-25-56
3-21-58
1959

(19)

LDR 8.14

ASSASSIN'S MAP
COUNTY OF LOS ANGELES, CALIF.



TRACT NO. 19478
M.B. 497-17-18

7016 # 978218 E
Power Source

CODE
2308

FOR PREV. ASSAULT. SEE:
4279-32

ATTACHMENT 2

**AMENDMENT NO. 10 TO
AGREEMENT FILE NO. 242.1 BETWEEN
THE CITY OF BELLFLOWER AND
SANTA FE SPRINGS
FOR TRAFFIC SIGNAL, STREET NAME SIGN, AND HIGHWAY LIGHTING
MAINTENANCE**

THIS AMENDMENT NO. 10 (“Amendment”) is made and entered into this 21st day of March, 2023, by and between the CITY OF BELLFLOWER, a general law city and municipal corporation (“Bellflower”), and the CITY OF SANTA FE SPRINGS, a general law city and municipal corporation (“Contractor”).

SECTION 1. Section 1 of the Agreement is amended to extend the term of the Agreement for five years, ending April 24, 2028.

SECTION 2. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

SECTION 3. Except as modified by this Amendment, all other terms and conditions of the Agreement remain the same.

IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first hereinabove written.

CITY OF BELLFLOWER

CITY OF SANTA FE SPRINGS

Jeffrey L. Stewart, City Manager

Tom Hatch, Interim City Manager

ATTEST:

ATTEST:

Mayra Ochiqui, City Clerk

Janet Martinez, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Ivy M. Tsai, City Attorney

ATTACHMENT 3

**CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES**

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 1	Alondra Boulevard & Bellflower Boulevard	6	0
BLF 2	Alondra Boulevard & Clark Avenue	4	0
BLF 3	Alondra Boulevard & Cornuta Avenue	2	0
BLF 4	Alondra Boulevard & Eucalyptus Avenue	2	0
BLF 5	Alondra Boulevard & McNab Avenue	2	0
BLF 6	Alondra Boulevard & Ryon Avenue	2	0
BLF 7	Alondra Boulevard & Virginia Avenue	2	0
BLF 8	Alondra Boulevard & Woodruff Avenue	4	0
BLF 9	Ardmore Avenue & Artesia Boulevard	3	0
BLF 10	Ardmore Avenue & Flower Street	4	0
BLF 11	Artesia Boulevard & Bellflower Boulevard	6	0
BLF 12	Artesia Boulevard & Canehill Avenue	2	0
BLF 13	Artesia Boulevard & Clark Avenue	4	0
BLF 14	Artesia Boulevard & Palo Verde Avenue	4	1
BLF 15	Artesia Boulevard & Woodruff Avenue	4	0
BLF 16	Beach Street & Woodruff Avenue	2	0
BLF 17	Bellflower Boulevard & Belmont Street	4	0
BLF 18	Bellflower Boulevard & Somerset Boulevard	4	0
BLF 19	Bellflower Boulevard & Flora Vista Street	4	0
BLF 20	Bellflower Boulevard & Flower Street	4	0
BLF 22	Bellflower Boulevard & Jefferson Street	2	0
BLF 23	Bellflower Boulevard & Oak Street	4	0
BLF 24	Bellflower Boulevard & Park Street	2	0
BLF 25	Bellflower Boulevard & Ramona Street	4	0
BLF 26	Bellflower Boulevard & Rose Street	6	0
BLF 27	Bellflower Boulevard & Rosecrans Avenue	4	0
BLF 28	Cedar Street & Clark Avenue	2	0
BLF 29	Civic Center Drive & Flower Street	2	0
BLF 30	Clark Avenue & Somerset Boulevard	4	0

CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 31	Clark Avenue & Flower Street	4	0
BLF 33	Clark Avenue & Oak Street	1	0
BLF 34	Clark Avenue & Park Street	2	0
BLF 35	Clark Avenue & Rosecrans Avenue	4	0
BLF 36	Somerset Boulevard & Ryon Avenue	2	0
BLF 37	Somerset Boulevard & Woodruff Avenue	4	0
BLF 38	Flora Vista Street & Woodruff Avenue	3	0
BLF 40	McNab Avenue & Rosecrans Avenue	2	0
BLF 41	Palo Verde Avenue & 183rd Street/Allington	4	3
BLF 42	Rosecrans Avenue & Woodruff Avenue	4	0
BLF 43	Prichard Street & Clark Avenue	4	0
BLF 44 ¹	Somerset Boulevard (EB) w/o Cabell Avenue	0	0
BLF 45 ¹	Somerset Boulevard (WB) e/o Eucalyptus Avenue	0	0
BLF 46 ¹	Somerset Boulevard & McNab Avenue (NE & SW cor) (2 flashers)	0	0
BLF 47	Alondra Boulevard & Pacific Avenue	2	0
BLF 48	Clark Avenue at Bike Trail	2	0
BLF 49	Flora Vista Street at Flower Street	3	0
BLF 50 ²	Palm Street at Virginia Avenue - IP Crosswalk Lights and Flashing Ped Xing Signs	0	0
BLF 51 ³	Palm Street e/o Virginia Avenue EB & WB Radar Feedback Signs	0	0
BLF 52	Artesia Boulevard & California Avenue	2	0
BLF 53	Bellflower Boulevard & Walnut Street	4	0
BLF 55 ⁴	Bellflower Boulevard & Laurel Street Flashing Ped Xing Signs	0	0
BLF 56	Lakewood Boulevard at Paramount Place	3	2
BLF 57	Lakewood Boulevard at Somerset Boulevard	6	0
BLF 58	Lakewood Boulevard at Paseo Street	1	0
BLF 59	Lakewood Boulevard at Alondra Boulevard	4	0
BLF 60	Lakewood Boulevard at Flower Street	6	0

CITY OF BELLFLOWER
EXHIBIT A
LOCATION FOR MAINTENANCE OF TRAFFIC CONTROL DEVICES

ID No.	LOCATION	HIGHWAY SAFETY LIGHTS	ILLUMINATED STREET NAME SIGNS
BLF 61	Lakewood Boulevard at Artesia Boulevard	4	0
BLF 62 ⁴	Somerset Boulevard at Eucalyptus Avenue (SE & NE cor) Flashing Ped Xing Signs	0	0
BLF 63 ⁴	Eucalyptus Avenue bet Somerset Boulevard & Linden Street Flashing Ped Xing Signs	0	0
BLF 64 ³	Eucalyptus Avenue bet Somerset Boulevard & Linden Street NB & SB Radar Feedback Signs	0	0
BLF 65	Bellflower Boulevard at Mayne Street	4	0
BLF 66	Woodruff Avenue at Lindale Street	3	0
BLF 67 ²	Cerritos Avenue at Somerset Boulevard	0	0
BLF 68 ⁴	Cerritos Avenue at Somerset Boulevard	0	0
BLF 69	Harvard St at Bellflower Blvd	3	0
BLF 70 ³	15146 Woodruff Place Radar Feedback Signs	0	0
BLF 71 ³	15301 Woodurff Place Radar Feedback Signs	0	0

updated 01/09/2023

¹ Indicates locations that are flashers.

² Indicates locations that are flashing pedestrian signs or in-pavement crosswalk lights billed as one flasher.

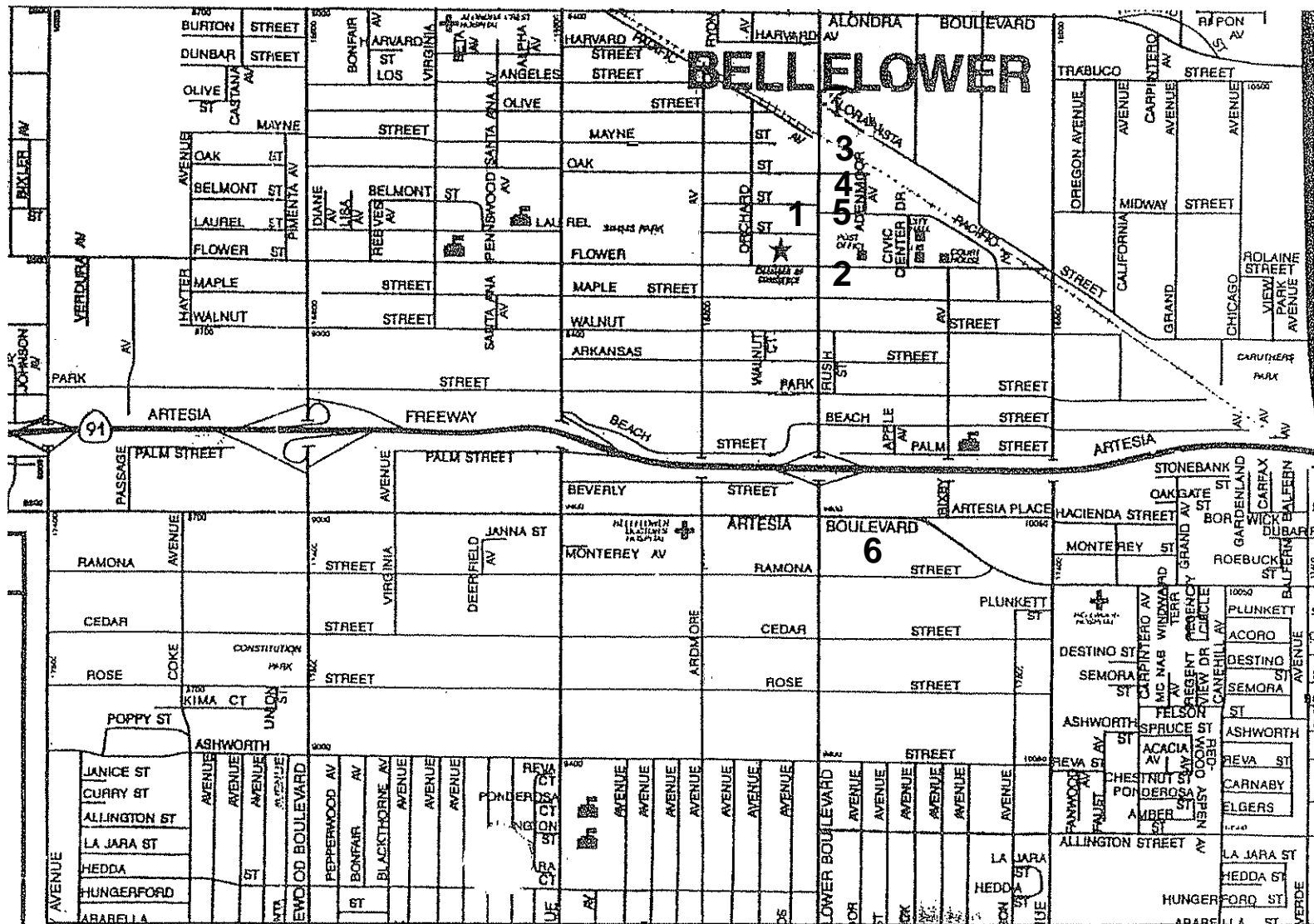
³ Indicates locations that are radar feedback signs billed as one flasher.

⁴ Indicates locations that are RRFB's billed as one flasher.

Note: nos. 21, 32, 39, & 54 not used.

CITY OF BELLFLOWER
 AGREEMENT FILE NO. 242.1 - EXHIBIT C
 PARKING LOT LOCATIONS

ATTACHMENT 4



1. Parking District No. 1 – North of Bellflower Boulevard from Flower Street to Mayne Street
2. North of Flower Street east of alley east of Bellflower Boulevard
3. North of Oak Street east of alley east of Bellflower Boulevard
4. South of Oak Street east of alley east of Bellflower Boulevard
5. North of Belmont Street east of alley of Bellflower Boulevard
6. South of Artesia Boulevard at rear of Doughboy's Store, 9826 East Artesia Boulevard

ARTESIA

BLVD

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16300

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15300

15000

14700

14400

14100

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4200

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3600

3300

3000

2700

2400

2100

1800

1500

1200

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600

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TRANSFORMERS

S.P. 1

S.P. 2

S.P. 3

S.P. 4

S.P. 5

S.P. 6

S.P. 7

S.P. 8

S.P. 9

S.P. 10

S.P. 11

S.P. 12

S.P. 13

S.P. 14

S.P. 15

S.P. 16

S.P. 17

S.P. 18

S.P. 19

S.P. 20

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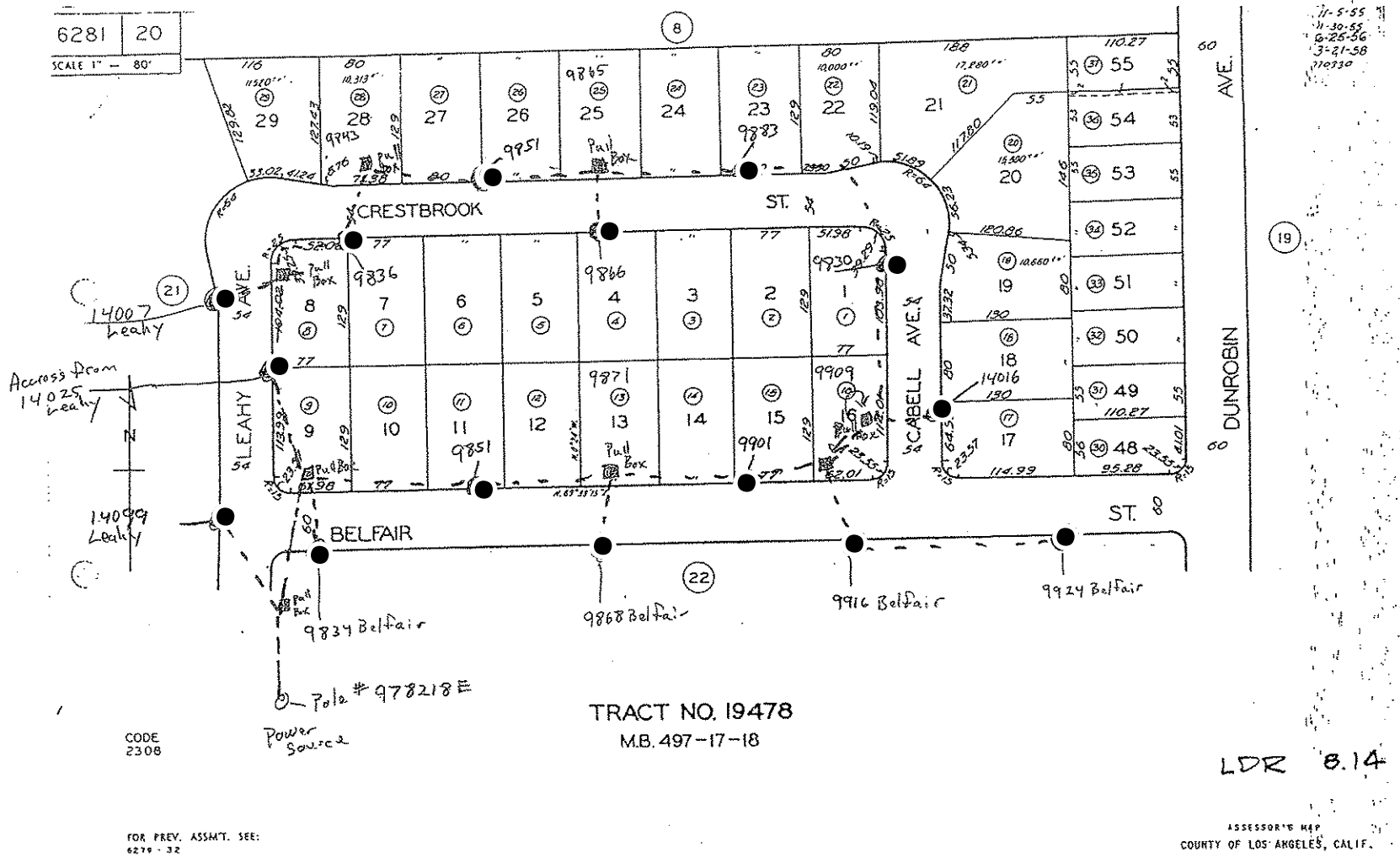
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CITY OF BELLFLOWER
 AGREEMENT FILE NO. 242.1 - EXHIBIT E
 STREET LIGHTS IN EXECUTIVE TRACT



**CITY OF BELLFLOWER
AGREEMENT FILE NO. 242.1 – EXHIBIT B**

SCOPE OF WORK

The work to be done, in general, consists of furnishing all labor, materials, tools, equipment and incidentals (unless otherwise specified), to maintain Bellflower's fifty-four (54) signalized intersections, and thirteen (13) flashing beacons 100% Bellflower owned as shown on Exhibit "A", in a safe, satisfactory and workmanlike manner.

Contractor shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in similar services, as are required by Contractor, in meeting its obligations under this Agreement. All services required under this Agreement will be performed by Contractor, and all personnel shall possess the qualifications, permits and licenses required by the State and local law to perform such services.

A. **Permits and Licenses**

Contractor shall procure all permits and licenses, and give all notices necessary and incidental to the due and lawful prosecution of the Agreement.

B. **Patents**

Contractor shall assume all responsibilities arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the work.

C. **Equipment Required**

Contractor shall be equipped with spare parts sufficient to return a defective signal to operation following ordinary trouble calls. In those cases where a complex controller or component has to be repaired, Contractor shall install a substitute controller or component of its own, while it is repairing the defective controller or component.

D. **Records**

Contractor shall maintain a record of all service calls and work performed upon the signal equipment, listing dates, arrival time to location, hour of day, description of service work performed, and the certified technician's name who completed the work. A copy of such record shall be maintained at all times within the controller cabinet of each signal location.

A log sheet giving a brief description of all routine and extraordinary maintenance activities shall be attached to each monthly invoice. Each invoice, including attachments, shall have a minimum of the following but not limited to:

1. Location of intersection
2. Technician Name
3. Detailed breakdown of work performed
4. Date of invoice and date of work performed
5. Technician arrival time
6. Requestor's name and call back number
7. Description of damaged work and work performed
8. Invoice number
9. Purchase Order Number

E. Shutdowns

Contractor shall request the assistance from Bellflower's Public Works Department at (562) 804-1424, extension 2259 and notify Bellflower's Director of Public Works or her/his authorized representative or designee at (562) 804-1424, extension 2285, of any signal turn-offs or turn-ons, if traffic is very heavy and Contractor feels it cannot safely bring up the signal.

F. Compliance

Contractor shall comply with all applicable codes, ordinances, laws, rules, regulations.

G. Labor Strike

It shall be the responsibility of Contractor to provide continuous maintenance services, without any interruption, of all traffic signals in Bellflower. In case of a labor strike, Contractor shall provide other means, at his own cost, to provide comparable continuous service as if there were no strike. Failing to do so will cause Bellflower to take whatever action is deemed necessary to provide such service, and the cost will be borne by Contractor.

H. Failure to Perform

If Contractor neglects to perform any of the work properly, or fails to perform any provision of this contract, then Bellflower, within three (3) days after written notice to Contractor, may, without prejudice to any other remedy it may have, make good on such deficiencies, and may deduct the cost thereof from the payment then or thereafter due Contractor; provided, however, that Bellflower's Director of Public Works shall approve such action, and certify the amount thereof to be charged to Contractor.

I. Measurement and Payment

Payment shall be made on a monthly basis for all work satisfactorily completed the prior month. A single invoice that itemizes as follows is

required:

- Routine Maintenance work; and
- Extraordinary Maintenance work

J. Routine Maintenance

The price for Routine Maintenance shall include the following services, and any other service not specified in this subsection shall fall under the category of "Extraordinary Maintenance."

(1) Coordination Timing

For non-interconnected pre-timed systems of pre-timed controllers, Contractor shall check coordination timing not less than once each month.

(2) Monthly Inspections

Contractor shall perform monthly inspections of each signalized intersection as follows:

- (a) Walk the intersection and visually inspect all signal heads for proper operation, alignment, broken lenses, and missing or damaged parts.

During the walk around, depress all pedestrian push buttons, and observe for proper timing operation and display. As soon as possible, replace broken parts, or change parts and align signal heads, adjust all vehicle or pedestrian signals as necessary. Such repairs would be payable under Section K (Extraordinary Maintenance of this Agreement).

- (b) Closely examine the functioning of the traffic controller in relation to the approaching traffic, and compare the timing chart to the intervals that are timed by the traffic controller. Correct the time of intervals, if necessary, as per the timing card and notify Bellflower's Director of Public Works or his/her designee for verification of work performed.

- (c) Observe traffic as it approaches the intersection, in order to determine if the detector loops, detector loop cables, and amplifiers are operating properly. Adjust or re-tune detect amplifiers, if necessary.

- (d) Inspect all load switches, photo-cells, dials, controller cabinet switches, relays, clocks, cabinet locks, cabinet mechanisms, cooling fans, etc., and make routine adjustments or minor

repairs, if necessary.

- (e) Clean the controller cabinet; vacuum if necessary; remove any foreign material. Look for water or excessive dampness inside the cabinet. Determine the cause, and remedy the condition. Check the filter, and replace it if necessary.
- (f) Maintain a clear and accurate record of the field inspection in the controller cabinet. This record will include the monthly inspection summary showing the date and time checked, and who checked it. If a controller needs to be replaced due to malfunctioning and needs repair, then Contractor shall notify Bellflower's Public Works Department within 24 hours of controller replacement. Any replacement controller shall be adjusted to reflect the timing and settings according to the timing chart.
- (g) Replace the air filter elements in all cabinets so equipped, every twelve (12) months during the term of this Agreement.
- (h) A nighttime survey (Night Tour) shall be conducted quarterly to inspect and identify any inoperable intersection lighting, street and parking lot lighting, soffit lighting, and illuminated street name signing. A report of all findings and actions from such survey shall be sent to Bellflower's Director of Public Works for review.
- (i) Notify Bellflower's Public Works Department when the visibility of traffic signal indications or intersection lighting is impaired by trees, shrubbery, or other obstacles.

K. Extraordinary Maintenance

Extraordinary Maintenance shall consist of the following:

- Failure or malfunction of the signal system if caused by vehicle collision, vandalism, civil disorder, windstorm, natural disasters, street construction, replacement or excavation; or
- Minor upgrading or installation as directed by Bellflower.
- Repair of broken lenses, missing or damaged parts, burned-out indications, etc. that are found during the monthly Routine Maintenance and Night Tour inspections.

(1) Repair

Contractor shall repair any and all defective parts of the signal system that cause the signal failure or malfunction, as the occasion arises, such as the signal controller, pedestrian timers, timing dial,

master controllers, coordinating units, (State of California) synchronizer and interconnect, flashers, all kinds of burnouts, detector loops, push buttons, sensing units, communication hardware, and wiring systems, etc., unless the failure or malfunction falls in the category of "Routine Maintenance" as defined in this Agreement.

(2) Loop Detector Replacement

Once it is determined by Bellflower a saw cut has so deteriorated that applying more epoxy is insufficient, the loop detector shall be replaced upon receiving approval from Bellflower's Director of Public Works. Contractor shall provide a schedule for installation of any loop detectors with an estimated completion date.

(3) Lamp Replacement

Contractor shall replace all lamps and Light Emitting Diodes (LED's) in all signals on an 80% depletion curve, in accordance with the time schedule contained in the specifications. All traffic signal lamps must conform to the standards of the N.E.M.A., U.L., E.I.A., A.S.T.M., A.N.S.I., and any local ordinance that may apply.

If incandescent lamps are present and are in need of replacement based upon the above criteria, Contractor shall replace the lamp to an approved manufacturer LED.

Contractor agrees and acknowledges Bellflower's traffic signals contain LED's, which include red, amber and green balls and arrows.

(4) LED Replacement

Contractor agrees to use only standard traffic signal LED's equivalent in performance, reliability and durability to those manufactured to California Department Transportation's (Caltrans) standards. Contractor agrees to supply all labor and equipment to perform the re-lamping function, with the cost of the LED's and associated installation labor to be invoiced to Bellflower. Contractor shall clean, polish and inspect all lenses and reflectors at the time the traffic signals are re-lamped. At this time, all broken or deteriorated parts will be replaced or changed, as necessary, signal heads aligned, mast arm mounted, street name signs adjusted, and optically programmed signal heads adjusted.

(5) Pedestrian Signals and Street Name Signs

Contractor shall replace pedestrian signal modules and internally

illuminated street name sign lamps, as they become dim or inoperative. Contractor shall also replace ballasts and transformers for these units as required.

(6) Lighting at Intersections

Intersection lighting at signalized intersections are to be replaced as they become inoperative, or when directed by Bellflower. High pressure sodium lamps are to be used for replacement.

(7) Emergency Service

Contractor shall maintain a 24-hour per day emergency service for the replacement of burned-out lamps or LED's, turned heads and controller malfunctions, or any damage creating a public hazard. The intersections where said traffic signals are located shall be regularly monitored by Contractor or his representatives. Contractor shall repair parts, replace parts and lamps or LED's, and otherwise keep the traffic signals in good working condition. Contractor shall maintain a local telephone number where representatives of Contractor can be reached 24 hours per day. This telephone number is to be made available to all persons designated by Bellflower.

Contractor shall make immediate service calls on an emergency basis, responding within one (1.5) hours in the event of malfunctions of the controller or signal system, or turned head.

(8) Notification

Contractor shall contact Bellflower's Director of Public Works regarding any Extraordinary Maintenance work (except that necessary to maintain operation) that exceeds \$1000 in cost and seek approval from Bellflower's Director of Public Works before the work is scheduled or commenced.

(9) Emergencies

When directed by Bellflower, Contractor shall respond immediately to emergency calls such as a total blackout, and dispatch the qualified personnel and equipment to reach the site within one (1.5) hours of Bellflower's direction under normal circumstances.

For an emergency repair of a signal that requires the turning off of power to the signal, the following procedure of traffic control shall apply.

(a) Contractor shall dispatch qualified personnel and

equipment to reach the site within one (1.5) hours of Bellflower's direction. Contractor's vehicle shall carry stop signs, traffic cones and other equipment that shall be used when directing traffic during an emergency and/or when deemed necessary by the signal technician, Bellflower's Director of Public Works, or her/his designated representative.

(10) Materials

Materials used in Extraordinary Maintenance shall be paid at Contractor's actual cost from the supplier, plus a 15% markup. All materials and parts shall be new or have the approval of Bellflower's Director of Public Works, if otherwise not new. Bellflower has the right to inspect Contractor's records to verify any material costs used for work relating to Extraordinary Maintenance.

(11) Direct Labor

As part of its monthly invoice, Contractor shall present a record of hours spent on Extraordinary Maintenance of traffic signals and appurtenances per intersection. Bellflower shall pay Contractor's direct cost for such hours of Extraordinary Maintenance as stated below:

Regular time rates will be charged to Bellflower for labor between 6:00 am to 5:00 pm, Monday through Friday. Overtime rates will be charged to Bellflower for labor between 5:00 pm and 8:00 am on weekdays, and 24 hours on Saturdays, Sundays and holidays. Under this Agreement, holidays mean New Year's Day, Martin Luther King Jr.'s Birthday, Lincoln's Birthday, President's Day, Cesar Chavez's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving Day, the day before Christmas from 12 noon to 5:00 pm, if Christmas falls on a day other than Saturday, Sunday or Monday, Christmas Day, the day after Christmas, in those years in which Christmas falls on a Thursday and every day appointed by the President or Governor for a public fast, thanksgiving, or holiday.

(12) Equipment

Bellflower shall pay Contractor's direct cost for equipment used in Extraordinary Maintenance. All salvaged or damaged materials that cannot be repaired or reused shall be delivered by Contractor to a location designated by Bellflower's Engineer. All damaged materials that can be repaired for re-use in Contractor's signal shop, shall be removed to the shop for such repairs, and shall be reinstalled when

repaired.

(13) Painting

Contractor shall provide a cost to Bellflower to repaint all, signal heads, back plates and visors, unless directed otherwise by Bellflower, at least once during the term of this Agreement. Repainting shall be conducted by a method mutually agreed to by both parties.

(14) Maintenance and Inspections

Contractor shall provide intersection lighting and/or street lighting maintenance and inspections for the following specific areas in Bellflower: freeway underpasses, Alondra Bridge, Bellflower-owned parking lots, as show in Exhibit C, Bellflower-owned street lights on Bellflower Boulevard, as shown on Exhibit D, and in the Executive Tract, as shown on Exhibit E.

(15) Conflict Monitor Testing

Contractor shall provide conflict monitor testing. If Contractor determines a conflict monitor unit is defective or malfunctioning, then Contractor shall conduct repairs in accordance with Sections K.(1) and K.(8) above.

L. Protection and Traffic Control

(1) Protection

Contractor shall be responsible for, and shall provide and maintain all required barricades, railings, lights and warning signs, and shall take all necessary precautions to avoid injury or damage to any person or property, and shall, at its own cost and expense, defend, protect and indemnify Bellflower against any claim or liability arising from, or based on the lack of proper safeguards or negligence, whether by himself or his agents, employees or subcontractors.

Contractor shall protect all work, materials and equipment from damage from any cause whatsoever, and provide adequate and proper storage facilities during the progress of the work. It shall provide for the safety and good condition of all work, and replace all damaged or defective work, materials and equipment.

Contractor shall exercise diligence to avoid damage to sprinkler piping, valves, trees, planting, turf, etc., in addition to buildings, structures, pavement, fences and footings. Any required tree branch trimming or removal shall be brought to the attention of Bellflower

promptly, and shall be performed by Bellflower personnel.

M. Traffic Control

Traffic control shall conform to the California Manual on Uniform Traffic Control Devices (California MUTCD), latest edition, and any deviations from the MUTCD must be approved by Bellflower's Director of Public Works or his/her designee.

Contractor shall conduct his operation as to cause the least possible obstruction and inconvenience to vehicular and pedestrian traffic.

Contractor shall furnish, erect and maintain such fences, barriers, lights, warning devices and signs in compliance with the California MUTCD, latest edition, or as may be deemed necessary by Bellflower's Director of Public Works, to give adequate warning to the public at all times the road or street is obstructed, and of any abnormal conditions to be encountered as a result thereof.

(1) Payment for Traffic Control

Payment for barricading, protection and vehicular and pedestrian traffic control shall be included in the cost estimate for extraordinary maintenance to adequately perform the work involved to the satisfaction of Bellflower's Director of Public Works.

N. Guarantee

Contractor hereby guarantees the entire work performed by it under this Agreement will meet fully all requirements thereof as to quality of workmanship and materials furnished by it.

Contractor hereby agrees to make, as its own expense, any repairs or replacements made necessary by defects in materials or workmanship supplied by it that become known within one (1) year of the repair or replacement and upon notice to Contractor regarding said defects.

O. Record Requests

At the request of Bellflower's Director of Public Works or her/his designee, Contractor shall provide timing chart information, cost account information or any other documentation related to services provided by Contractor. All third party requests for records shall be routed through the City of Bellflower's Director of Public Works and all requested records will be routed to the Director of Public Works for release to the third party.

Contractor shall be entitled to compensation for such requests on a time and materials basis in accordance with Section 4.(e) of the Agreement.



NEW BUSINESS

Resolution No. 9856, Approving, Authorizing and Directing the Execution of the Joint Exercise of Powers Agreement Relating to Membership in the Gateway Cities Affordable Housing Trust

RECOMMENDATION(S):

- Adopt Resolution No. 9856 –approving the City execution of the Joint Exercise of Powers Agreement relating to membership in the Gateway Cities Affordable Housing Trust; and
- Authorize the Mayor or designee to execute the Gateway Cities Affordable Housing Trust Joint Powers Authority (JPA) Agreement upon final approval of the language of the JPA by the City Attorney.

The Gateway Cities region of Los Angeles County includes 27 cities located along the I-710 corridor in eastern Los Angeles County. Early in 2021 the Gateway Cities Council of Governments (GCCOG) obtained State funding from the Southern California Association of Governments (SCAG) to explore the formation of an affordable housing trust within the region.

Since then, GCCOG and their consultant conducted the following activities:

- Interview the GCCOG cities to determine their housing needs and priorities, explain the concept of the Trust, and investigate their interest in being a member.
- Interview other stakeholders in the region in the same fashion, including the County of Los Angeles, affordable housing developers, financing entities, advocates, research organizations, and other related entities to gain their perspectives.
- Provide an overview of best practices from other local housing trust fund studies, as well as a comparative review of the range of organizational and governance structures.
- Conduct a study of the overall housing needs in the region, determine the existing sources of support to meet these needs, and estimate how much additional funding support will be needed for cities to meet these needs and satisfy their Regional Housing Needs Assessment obligations.
- Identify affordable and homeless housing developments planned within the Gateway Cities, including those in construction and those in the entitlement and pre-development phases. Compare the number of units to be provided and the populations to be served by these units to the housing need report.
- Form a Steering Committee of Gateway COG City Managers and others to work with the Gateway Cities COG and the consultants to make the initial recommendations for how a Trust might be formed and explore the initial sources of funding to support this effort.

- Based on dialogue with the Trust Steering Committee, create and support the negotiation of a Joint Powers Agreement for the Trust, develop an Administrative Plan, Governance Structure, and Bylaws for the Trust.
- Prepare a draft strategic plan for the new Trust, for review and acceptance by the Gateway Cities COG Board and final adoption by the new Board of Directors of the Trust when that Board is in place.
- Develop an operational plan for the first full year of operations of the Trust, proposed as fiscal year July 1st, 2023, to June 30th, 2024.
- Create a draft capital and administrative budget for the first year of Trust operations.

In late summer 2022, a Trust Steering Committee was formed including representatives from member cities, Los Angeles County, developers, and financing entities. The Trust Steering Committee met on three occasions and accomplished a variety of detailed analysis including, a review of other housing trusts best practices, examined potential funding sources for capital and administrative funding, discussed potential housing programs/projects, identify the key components to the Trust Strategic Plan, and helped draft the Joint Powers Agreement.

The Steering Committee unanimously recommended the formation of an affordable housing trust for the Gateway Cities sub-region. In addition, presentations were made to the GCCOG Committee on Homelessness, Gateway Cities City Managers and Planning Directors Committee. All groups expressed unanimous support for the formation of a Trust.

TRUST MEMBERSHIP

As outlined in the JPA, the Trust does not build, own, or manage housing projects. Trust cannot require that housing projects be located in specific cities, require member cities to take an allocation of supportive housing units, or require that cities provide a local funding match. The Trust Board of Directors determines whether a funding application meets the Notice of Funding Availability criteria. Each local jurisdiction maintains land use control and processes the entitlement consistent with its zoning and municipal code requirements.

The JPA contains a provision that requires members to contribute towards administrative expenses of Trust. Member cities are not required to contribute funding until July 1, 2024. Prior to this period the Gateway Cities Council of Governments has secured administrative formation funding for the Trust. The annual membership fees are based upon city population:

- Up to 30,000 = \$7,500
- 30,001 to 60,000 = \$15,000
- 60,001 to 100,000 = \$32,500
- Greater than 100,000 = \$47,500

This amount will increase annually in an amount equal to the U.S. Bureau of Labor Statistics consumer price index for Los Angeles-Long Beach-Anaheim area for the 12-month period preceding the year the fees are assessed.

The City would maintain the right to withdraw from the JPA subject to an approved resolution and by providing a six-month notice.

GOVERNANCE

The Trust will be a public government entity established by joint powers authority and in accordance with the Joint Exercise of Powers Act, as codified in California Government Code section 6500 *et seq.* The Trust will be organized to receive public and private capital and administrative funds to address local housing needs. The Trust will have an ongoing administrative revenue source from city membership fees as specified in the Trust Joint Powers Agreement (JPA) (see Attachment 2) to be signed by each city that is a member of the Trust.

The Trust is governed by a nine-member Board of Directors (Board). Pursuant to the JPA By-Laws (Attachment 3), the Board is comprised of seven elected officials whose governing body is a member of Trust and appointed by the Gateway Cities Council of Governments Board. A Trust member city will be represented on the Board by each population category specified in the Trust Membership fee calculation. Two additional Board members are experts in homelessness or housing policy and approved by the Gateway Cities Council of Governments City Managers Committee.

PAST AND PIPELINE OF AFFORDABLE HOUSING PROJECTS

The Trust will help cities in the Trust subregion address their Regional Housing Needs Assessment (RHNA) which is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan for each city. RHNA quantifies the need for housing within each jurisdiction during specified planning periods.

In the past eight-year planning period, from 2013 through 2021, the GCCOG subregion received tax credit funding for 58 projects totaling nearly 6,000 housing units. A 2022 survey of GCCOG cities revealed that there are 38 affordable housing projects currently in the pipeline that have not yet started construction. Most of these projects need critical gap subsidy funding to start construction. These 38 pipeline projects would benefit from additional funding provided by the Trust which could accelerate and facilitate the creation of an additional 4,000 affordable housing units in the COG subregion.

SUMMARY

Staff recommends that the City of Santa Fe Springs join the Gateway Cities Affordable Housing Trust (Trust), a Joint Powers Authority (JPA) formed among the cities within the Gateway Cities region. The Trust provides funding to preserve and produce affordable housing. These funds improve the financial viability of individual housing projects and programs. This funding can also increase each project's competitiveness for additional state and federal funding sources. Additionally, the Trust works with a variety of government and philanthropy groups to attract more housing funds to the Gateway Cities region. Joining the Trust would support the City to achieve the stated goals and objectives of the 6th Cycle Housing Element and support the region as a whole to bring new dollars to help fund more affordable housing development. To become a member, the City Council would adopt Resolution 9856 and authorize the Mayor or designee to execute the JPA with Trust.

FISCAL IMPACT

The fiscal impact is the annual membership fee of \$7,500, which will commence on July 1, 2024. This amount will increase annually in an amount equal to the U.S. Bureau of Labor Statistics consumer price index for Los Angeles-Long Beach-Anaheim area for the 12-month period preceding the year the fees are assessed.



Tom Hatch
Interim City Manager

Attachment(s):

1. Resolution No. 9856
2. Trust Joint Powers Agreement
3. Trust Joint Powers Authority By-Laws

ATTACHMENT 1

APPROVED:
ITEM NO.:

RESOLUTION NO. 9856

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, APPROVING, AUTHORIZING AND DIRECTING CITY EXECUTION OF THE JOINT EXERCISE OF POWERS AGREEMENT RELATING TO MEMBERSHIP IN THE GATEWAY CITIES AFFORDABLE HOUSING TRUST

WHEREAS, The Gateway Cities Affordable Housing Trust (GCAHT) was formed in 2023 as a joint powers authority between cities throughout the Gateway Cities subregion; and

WHEREAS, GCAHT was created for the purpose of funding housing specifically assisting persons and families of extremely low, very low, low and moderate income within the County of Los Angeles; and

WHEREAS, the City of Santa Fe Springs (the “City”) has determined through its 6th Cycle Housing Element Update that there is great need for more affordable housing in the City; and

WHEREAS, the City of Santa Fe Springs (the “City”) has determined that there are limited financial resources for affordable housing development and that additional local financing increases the competitiveness of individual projects for the State and Federal resources; and

WHEREAS, the City of Santa Fe Springs (the “City”) has determined that it is in the public interest and for the public benefit that the City become a member of the GCAHT in order to further facilitate the development of affordable housing in the City and throughout the region, including the financing of projects therefore by the GCAHT; and

WHEREAS, the City (the “City Council”) will be joining other cities that are members of the GCAHT in efforts to increase State and Federal resources for affordable housing directed to GCAHT; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council of the City (the “City Council”), with the assistance of its staff, have reviewed said document; and

WHEREAS, the GCAHT is authorized to issue grants and loans to developers for the purpose, among others, of financing or refinancing the construction, acquisition and rehabilitation of affordable housing; and

WHEREAS, the City anticipates that there will be affordable housing projects in need of financing located in the City of Santa Fe Springs; and

NOW, THEREFORE the City Council of the City of Santa Fe Springs DOES HEREBY RESOLVE as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City Council hereby authorizes the City's membership in the Gateway Cities Affordable Housing Trust (GCAHT).

SECTION 3. The City Council has reviewed and approves the Joint Exercise of Powers Agreement substantially in the form attached (Exhibit 1) and the Mayor or designee is authorized to execute this Agreement upon final approval of the language of the Joint Exercise of Powers Agreement by the City Attorney.

SECTION 4. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire, construct or operate any Project or any refinancing of any Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, improvement, rehabilitation or operation of any Project; (iii) require any contribution or advance any funds whatsoever to the GCAHT other than membership fees for administrative costs; or (iv) except as provided in this Resolution, take any further action with respect to the GCAHT or its membership therein.

SECTION 5. The Mayor, the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute the Joint Exercise of Powers Agreement and to perform such other acts and deeds, as may be necessary or convenient to affect the purposes of this Resolution and the transactions herein authorized.

SECTION 6. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to the GCAHT:

Gateway Cities Affordable Housing Trust
Attn: Melanie Smith, AICP
Gateway Cities Council of Governments
16401 Paramount Boulevard
Paramount, CA 90723

SECTION 7. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED by the City Council of the City of Santa Fe Springs, at a regular meeting held this **21st** day of **March, 2023** by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Juanita Martin, Mayor

ATTEST:

Janet Martinez, CMC, City Clerk

ATTACHMENT 2

JOINT EXERCISE OF POWERS AGREEMENT

THIS JOINT EXERCISE OF POWERS AGREEMENT (this “Agreement”) is made this 14th day of February 2023 (the “Effective Date”), by and between the following public entities (each a “Party” and, collectively, the “Parties”): City of Artesia, City of Paramount, and City of Lakewood.

RECITALS

- A. The Parties have a strong interest in promoting the health, safety, and welfare of the residents within their geographic boundaries.
- B. Each Party has the individual power to implement affordable housing projects and programs generated within its jurisdictional boundaries, as well as, to create and issue development agreements for such activities.
- C. The Parties find it in their mutual interest to address affordable housing issues on a regional level.
- D. An adequate supply of housing throughout the Gateway Cities subregion will provide social and economic benefits to residents and taxpayers of the Parties.
- E. The Parties desire to act in the public interest to lessen the burden of government by reducing the need for each Party to act individually, and to provide charitable support for affordable housing in the Gateway Cities subregion of Los Angeles County (the “County”).
- F. California Government Code section 6500 et seq. (“Joint Exercise of Powers Act” or “Act”) permits two or more public agencies to create joint powers authorities for the purposes cited herein and permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.
- G. Local land-use decisions remain solely with each Party. Nothing in this Agreement deprives any Party of its sovereign powers with respect to land-use or transfers such powers to the joint powers authority.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the Parties agree as follows:

Section 1. Creation and Purpose.

- (a) Creation of GCAHT. Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the “Gateway Cities Affordable Housing Trust” (“GCAHT”). GCAHT shall be a public entity separate and apart from the Parties and shall administer this Agreement.
- (b) Purpose. This Agreement is made pursuant to the Joint Exercise of Powers Act for the purpose of creating the GCAHT as a public entity separate from the Parties

to: (i) exercise common powers with respect to receiving public and private financing and funds; and (ii) fund the planning and construction of housing of all types and tenures for persons and families of extremely low-, very low-, low- and moderate-income, as defined in Section 50093 of the Health and Safety Code, including, but not limited to, permanent supportive housing. The purpose of this Agreement shall be accomplished, and common powers exercised in the manner set forth in this Agreement. Nothing contained in this Agreement shall preclude the Parties from establishing, maintaining, or providing social programs or services to its residents as each deems proper and necessary.

Section 2. Term and Termination

- (a) Term. This Agreement shall become effective, and GCAHT shall come into existence, on the Effective Date, and this Agreement shall thereafter continue in full force and effect until terminated pursuant to subdivision (b) of this section.
- (b) Termination. This Agreement may be terminated by agreement of the Parties. Upon termination of this Agreement, GCAHT shall be dissolved and, after payment of or provision for payment of all liabilities, the assets of GCAHT shall be distributed to the Parties in proportion to the contribution of each Party to GCAHT and the amounts paid by each Party in connection with GCAHT's activities.

Section 3. Powers and Duties of GCAHT.

- (a) General Powers. GCAHT shall have all the powers common to the Parties to this Agreement necessary or convenient, specified, or implied, to accomplish the purpose of this Agreement as set forth in Section 1, subject to the restrictions set forth in Section 3, subdivision (c) below. Said powers shall be exercised in the manner provided in the Joint Exercise of Powers Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the Parties in the exercise of similar powers.
- (b) Specific Powers. Without limiting the generality of the powers conferred in subdivision (a) of this Section 3, GCAHT is hereby authorized, in its own name, to do all of the acts necessary or convenient to the accomplishment of the purposes of this Agreement and the full exercise of the powers conferred in subdivision (a) of this Section 3, including but not limited to the following:
 - 1. to make and enter into contracts;
 - 2. to contract for staff assistance;
 - 3. to sue and be sued in its own name;
 - 4. to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America, the State of California, Los Angeles County, Party to this Agreement, or any other agency providing funding related to the purposes of this Agreement;

5. to invest any money in the treasury pursuant to Section 6505.5 of the Joint Exercise of Powers Act that is not required for the immediate necessities of GCAHT, as GCAHT determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;
 6. to apply for letters of credit or other forms of financial guarantees in order to enter into agreements in connection therewith;
 7. to carry out all the provisions of this Agreement;
 8. to purchase obligations of any Party;
 9. to engage the services of private consultants to render professional and technical assistance and advice in carrying out the purposes of this Agreement;
 10. to employ and compensate legal counsel determined appropriate by GCAHT in accomplishment of the purposes of this Agreement;
 11. to contract for engineering, construction, architectural, accounting, environmental, land use, or other services determined necessary or convenient by GCAHT in connection with the accomplishment of the purposes of this Agreement;
 12. for the purposes of enforcing affordable housing covenants or holding security interests for loans, to take title to, and transfer, sell by installment sale or otherwise, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which GCAHT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;
 13. for the purposes of renting space for GCAHT to operate, to lease to, and to lease from, a Party or any other person or entity, lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and other interests in real or personal property which GCAHT determines are necessary or convenient in connection with the accomplishment of the purposes of this Agreement;
 14. to solicit charitable contributions from private sources;
 15. to propose amendments to this Agreement; and
 16. to exercise any and all other powers as may be provided for GCAHT in the Joint Exercise of Powers Act or any other applicable law.
- (c) Limitation on Powers. This Agreement does not authorize GCAHT do any of the following:
1. Regulate land use in cities or in the unincorporated area of the County;
 2. Serve as an owner or operator of housing units;

3. Levy, or advocate or incentivize the levying of, an exaction, including an impact fee, charge, dedication, reservation or tax assessment, as a condition of approval of a development project;
4. Require or incentivize inclusionary zoning requirements;
5. Require the Parties to dedicate or assign funding for any GCAHT obligations or programs;
6. Approve a housing project or program that is not supported by the governing body of the jurisdiction (a city or the county) in which the proposed project is sited; or
7. Require the Parties to accept or provide any member of housing units as a prerequisite to joining or remaining a member of GCAHT.

Section 4. Members

The members of GCAHT shall be the Parties who have not withdrawn from GCAHT, and such other Parties as may join GCAHT after execution of this Agreement. New members may join on the terms and conditions set forth in Section 10 hereof. Only cities within the County of Los Angeles and within the Gateway Cities subregion may be a party to this Agreement and a member of GCAHT.

Section 5. Board of Directors

- (a) Selection of Directors. GCAHT shall be governed by a Board of Directors consisting of nine Directors selected as follows:
 1. Seven Directors who are members of the Gateway Cities Council of Governments (GCCOG) Governing Board ("GCCOG Board"), or any elected official serving within the GCCOG jurisdiction that is also a Party and appointed by the GCCOG Board.
 2. Two Directors that are experts in homelessness or housing policy appointed by the Gateway Cities Council of Governments City Managers Committee.
 3. Alternates for each Director position may be established by the appointing entity.
- (b) Board Powers. Subject to the limitations of this Agreement and the laws of the State of California, the powers of GCAHT shall be vested in and exercised by, and its property and its affairs administered by, the Board of Directors.
- (c) Advisory Board. The Board of Directors may appoint advisory boards that may include such persons as designated by the Board of Directors. The Board of Directors shall adopt bylaws that govern the appointment of advisory boards should it determine in its discretion to appoint such advisory boards.
- (d) Compensation. Members of the Board shall serve without compensation but shall be entitled to reimbursement for any expenses actually incurred in connection with

serving as Director; provided such expenses have been previously approved by the Board of Directors and incurred in accordance with any GCAHT policies or procedures governing the same.

- (e) Term. Members of the Board shall serve for a two-year term. There are no term limits. The initial Board will serve a term staggered between one-year and two-year terms. Three of the seven Directors who are members of the GCCOG Board or are appointed by the GCCOG Board in accordance with Section 5(a) shall have an initial term of one year. One of the two Directors that are experts in homelessness or housing policy shall have an initial term of one year. The initial one-year terms will be determined through the drawing of lots.

(f) Meetings of the Board of Directors.

1. Call, Notice and Conduct of Meetings. All meetings of the Board of Directors, including without limitation, regular, adjourned regular, special meetings and adjourned special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, Government Code sections 54950 *et seq.*
2. Regular Meetings. Regular meetings of the Board of Directors shall be held at such dates and times as the Board may fix by resolution from time to time. If any day so fixed for a regular meeting shall fall upon a legal holiday, then such regular meeting shall be held on the next succeeding business day at the same hour. No notice of any regular meeting of the Board of Directors need be given to the individual Directors.
3. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairperson of the Board or by a majority of the Directors. Notices of all special meetings shall be provided to all Parties.
4. Quorum. A majority of the seated members of the Board of Directors shall constitute a quorum at any meeting of the Board except that less than a quorum may adjourn a meeting to another time and place. Every act or decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors.
5. Minutes. The Board of Directors shall keep minutes of all regular, adjourned regular, and special meetings, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Parties.
6. Officers. The Board of Directors shall elect a chairperson and a vice chairperson from among its Directors at the first meeting held in each fiscal year. In the event that the chairperson or vice chairperson so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs or at a special meeting called for that purpose. In the absence or inability of the chairperson to act, the

vice chairperson shall act as chairperson. The chairperson, or the chairperson's absence, the vice chairperson, shall preside at and conduct all Board of Director's meetings.

7. Rules and Regulations. The Board of Directors may adopt, from time to time, by resolution, such rules, regulations, and bylaws for the conduct of its meetings and affairs as the Board determines is necessary or convenient.

Section 6. Additional Officers and Employees

(a) Officers and Contract Staff

1. GCAHT may contract with a Party or the GCCOG, for officers and staff pursuant to Section 6(d), or retain independent contractors, agents, or volunteers as the Board of Directors may deem necessary to carry out any of GCAHT's powers, upon such terms and conditions as the Board may require, including the retaining of professional and technical assistance, provided that adequate funds are available in GCAHT's budget and are appropriated by GCAHT therefor.
2. None of the officers, agents, or staff, if any, directly contracted by GCAHT shall be deemed, by reason of their roles or duties or contracted status, to be employed by the Parties.

- (b) Treasurer and Auditor/Controller. Pursuant to Government Code Sections 6505.5 and 6505.8, the Board of Directors shall appoint an officer or employee of GCAHT, or an officer or employee of a public agency that is a Party, or a certified public accountant to hold the offices of treasurer and auditor for GCAHT. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for GCAHT required by Sections 6505, 6505.5 and 6505.6 of the Government Code, including any subsequent amendments thereto. Pursuant to Government Code Section 6505.1, the auditor and treasurer shall have charge of certain property of GCAHT. The treasurer and auditor shall assure that there shall be strict accountability of all funds and reporting all receipts and disbursements of GCAHT. The treasurer and auditor of GCAHT shall be required to file an official bond with the Board of Directors in an amount, which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be an appropriate expense of GCAHT.

- (c) Attorney. The Board of Directors shall have the power to appoint one or more legal advisors to GCAHT who shall perform such duties as may be prescribed by the Board.

(d) Administrative Services and Reimbursement of Costs.

1. The Board of Directors may contract with a Party to provide necessary administrative services to GCAHT, including the services described in Section 6(a), (b) and (c). The amount charged by the Party to provide such services to GCAHT shall be fixed by agreement between the Board of Directors and the governing board of the Party providing such services. In the absence of an agreement on costs, the Party providing services to GCAHT under this Section 6 may charge GCAHT the amounts necessary to recover the direct and indirect costs of such services.
2. If GCAHT contracts with a Party to provide GCAHT with administrative services through persons who are employees and officers of the Party, then any retirement liabilities associated with that Party's employees and officers shall not constitute a liability of GCAHT or any other Party. This Section 6(d)(2) shall not preclude a Party providing administrative services to GCAHT pursuant to a contract with GCAHT from accounting for such salary and benefit costs when negotiating the rates that the Party will charge GCAHT for providing such services.

Section 7. Financial Provisions

(a) Fiscal Year. The Fiscal Year of GCAHT shall, unless and until changed by the Board of Directors, commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year except that the initial Fiscal Year of GCAHT shall commence on the Effective Date and end on the immediately following 30th day of June.

(b) Budget.

1. General Budget. Within one hundred and twenty days (120) after the first meeting of the Board of Directors, a general budget for the first fiscal year shall be adopted by the vote of a majority of all the Directors. The budget shall distinguish between administrative costs (i.e., the cost of operating GCAHT) and Program costs (i.e., the financing of the programs funded or sponsored by GCAHT). Thereafter, at or prior to the last meeting of the Board of Directors for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of all Directors of the Board.
2. Expenditures for the Approved Budget. The payment of all GCAHT obligations is limited to the amount of appropriations allowed in GCAHT's approved budget, except as it may be revised with the approval of a majority of all of the Directors of the Board of Directors.

(c) Contributions by the Parties.

1. Administrative Cost Contributions. The GCCOG shall be responsible for GCAHT's administrative costs until June 30, 2024. After this initial period, and in consideration of the mutual promises contained herein, the Parties agree that they

shall make annual contributions (each a “Fee” and collectively the “Fees”) towards the budgeted administrative costs of GCAHT in accordance with a cost allocation formula as outlined below:

POPULATION	ANNUAL ADMINISTRATIVE FEE
Up to 30,000	\$7,500
30,001 – 60,000	\$15,000
60,001 – 100,000	\$32,500
>100,000	\$47,500

The Fees shall be assessed annually. After the first fiscal year, the Fees shall increase annually in an amount equal to the U.S. Bureau of Labor Statistics consumer price index for all urban consumers in the Los Angeles-Long Beach-Anaheim area for the 12-month period preceding the year the Fees are assessed. Payment of the Fees shall be due within 30 days of receipt of an invoice from the GCAHT. The invoice shall indicate how the Fees were calculated. A Party's contribution to GCAHT's administrative costs shall be in the form of money, unless the Board of Directors approves another form of contribution such as services, personal property or use of real or personal property, or other in-kind contributions. The acceptance and valuation of any such non-monetary contributions may be used to offset in whole or part a Party's contribution as determined in the sole and absolute discretion of the Board of Directors. Notwithstanding the above, after the first fiscal year the Board of Directors may establish Fees in an amount the Board of Directors deems financially prudent; provided it shall roughly be proportional as to each Party in the amounts reflected in the table above.

2. Program Cost Contribution. The particular programs and program budget, funded, sponsored or operated by GCAHT, as well as the level of, and mechanisms for, the involvement of GCAHT and each Party, in such programs and program budget, shall be determined and approved by the Board of Directors.

(d) Accounts and Reports.

1. Books and Records. There shall be strict accountability of all GCAHT funds and accounts and report of all GCAHT receipts and disbursements. Without limiting the generality of the foregoing, GCAHT shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of GCAHT shall be open to inspection at all reasonable times by each Party and its duly authorized representatives.
2. Annual Audit. The person appointed by the Board of Directors to perform the auditor function for GCAHT shall cause an annual independent audit of the

accounts and records of GCAHT and records to be made by a certified public accountant or firm of certified public accountants in accordance with Government Code section 6505. Such audits shall be delivered to each Party and shall be made available to the public.

3. Annual Financial Report. Pursuant to section 6539.5 of the Government Code, GCAHT shall publish an Annual Financial Report that shall describe the funds received by GCAHT and the use of such funds by GCAHT. The Annual Financial Report shall describe how the funds received by GCAHT have furthered the purposed of GCAHT.
- (e) Funds. Subject to the applicable provisions of any instrument or agreement which GCAHT may enter into, which may provide for a trustee or other fiscal agent to receive, have custody of and disburse GCAHT funds, the person appointed by the Board of Directors to perform the treasurer function for GCAHT shall receive, have the custody of and disburse GCAHT funds as nearly as possible in accordance with generally accepted accounting principles, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 8. Amendments and Additional Parties.

- (a) This Agreement may not be amended or modified except by a vote of two-thirds of all the Parties through formal action approving such an amendment by the Parties' respective governing bodies.
- (b) No addition to, or alteration of, the terms of this Agreement, whether by written or oral understanding of the parties, their officers, employees or agents, shall be valid or effective unless made in the form of a written amendment which is formally adopted and executed by the Parties in the same manner as this Agreement.

Section 9. Non-Liability for Obligations of GCAHT.

- (a) The debts, liabilities, and obligations of GCAHT shall not be the debts, liabilities and obligations of any of the Parties or personal debts, liabilities and obligations or the Directors, officers or employees of GCAHT; provided that a Party may, by an agreement separate from this Agreement, contract for, or assume responsibility for, specific debts, liabilities, or obligations of GCAHT.
 1. Indemnification. The GCAHT shall defend, indemnify and hold harmless each Party, its officers, agents, employees, representatives and volunteers (the "Indemnitees") from and against any loss, injury, claim, lawsuit, liability, expense, or damages of any kind or nature (collectively, "Claims") brought by a third party which arises out of or in connection with GCAHT's administration of this Agreement, including such third party claims arising out of or in connection with any Indemnitees acting within their authorized capacity as an officer, agent, employee, representative or volunteer of GCAHT. The GCAHT's duty to defend and indemnify under this Section shall not extend to Claims otherwise arising out of the Indemnitees' own active negligence, omissions or willful misconduct,

whether in whole or part. The GCAHT shall finance its obligation pursuant to this Subsection by establishing a liability reserve fund, and/or by purchasing commercial insurance, and/or by joining a joint powers insurance authority (JPIA) as determined by the Board. In the event the GCAHT's financial obligations to indemnify, defend and hold harmless, pursuant to this Subsection, exceed the liability reserve fund and/or the proceeds from any applicable insurance and/or JPIA coverage maintained by the GCAHT (hereinafter "Unfunded Liability"), a Party or Parties may meet and confer with GCAHT in good faith to negotiate alternative means or mechanisms by which GCAHT may fund such Unfunded Liability; however, in no event shall the event of an Unfunded Liability relieve, limit or waive GCAHT's obligations of indemnity or defense to each Party as first set forth above in this Section. Nothing herein shall obligate any Party to indemnify or hold harmless GCAHT for any Unfunded Liability.

2. Assignment. Each Party shall assign to the GCAHT its rights, title, and interest to recover damages from any third party for Claims arising out of this Agreement, to the extent that the GCAHT has met its obligations to defend and indemnify such Party pursuant to this Section.
3. Survival. GCAHT's duty to defend, indemnify and hold harmless shall survive and continue in full force and effect after withdrawal of any Party from this Agreement, including as to the withdrawing Party, or termination of this Agreement for any reason with respect to any Claims that occurred before the date of such withdrawal or termination.

Section 10. Admission and Withdrawal of Parties.

- (a) Admission of New Parties. It is recognized that additional Parties other than the original Parties, may wish to join GCAHT. Any city within the Gateway Cities subregion may become a Party to GCAHT upon such terms and conditions as established by the Board of Directors. As a condition precedent to becoming a Party more than six months after the Effective Date, an eligible entity may thereafter become a Party to this Agreement; provided that (1) this Agreement is adopted by its governing body and (2) the eligible entity pays a late joining fee. The late joining fee shall be calculated by totaling the annual fee the eligible entity would have paid under this Agreement had it been a Party in all years prior and up until the Effective Date. Notwithstanding the foregoing, an eligible entity's late joining fee shall not exceed two times the amount of the applicable annual administrative fee existing at the time it becomes a Party. Payment shall be due within 30 days of receipt of an invoice from GCAHT.
- (b) Withdrawal from GCAHT. Parties may withdraw from GCAHT at any time upon their governing board's adoption of a resolution that so states the Party's intent to withdraw from GCAHT. The withdrawal of any Party, either voluntarily or involuntarily, unless otherwise provided by the Board of Directors, shall be conditioned as follows:

1. In the case of a voluntary withdrawal, written notice shall be given to GCAHT six months prior to the effective date of withdrawal; and
2. Unless otherwise provided by a unanimous vote of the Board of Directors, withdrawal shall result in the forfeiture of that Party's rights and claims relating to distribution of property and funds upon termination of GCAHT as set forth in Section 2 above. Withdrawn members shall not be entitled to any reimbursement of Fees.

Section 11. Notices.

- (a) Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid, to the persons and entities listed herein at the following addresses, or to such other address as may be designated to GCAHT on the Parties signature page for formal notice:

Section 12. Miscellaneous.

- (a) Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing or in any manner affecting the scope, meaning or intent of the provisions or language of this Agreement.
- (b) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Agreement.
- (c) Laws Governing. This Agreement is made in the State of California under the Constitution and laws of such State and shall be construed and enforced in accordance with the laws of California.
- (d) Severability. Should any part, term, portion or provision of this Agreement, or the application thereof to any person or circumstance, be held to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual it shall be deemed severable, and the reminder of this Agreement or the application thereof to other persons or circumstances shall continue to constitute the Agreement the Parties intended to enter into in the first instance.
- (e) Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Parties. No Party may assign any right or obligation hereunder without the written consent of a majority of the other Parties.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed and attested by their duly authorized officers as follows:

City of Santa Fe Springs

BY: Title

Dated: _____

ATTEST:

Janet Martinez

Date

NOTICE TO CITY TO BE GIVEN TO:

ATTN: CITY MANAGER OFFICE

City of Santa Fe Springs

11710 Telegraph Road

Santa Fe Springs, CA 90670

APPROVED AS TO FORM:

By: _____

City's Legal Counsel

Date

ATTACHMENT 3

Gateway Cities
Affordable Housing Trust
Bylaws

Approved by the
Gateway Cities Affordable Housing Trust Board of Directors

On _____, 2023

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Part 1 – Introduction to the Gateway Cities Affordable Housing Trust

Establishment

On January 4, 2023, the Gateway Cities Council of Governments approved the formation of the Gateway Cities Affordable Housing Trust (“GCAHT” or “Trust”). The Trust is a joint powers agency, which may do any of the following: (1) fund the planning and construction of affordable housing of all types and tenures for persons and families of extremely low, very low, low, and moderate income as defined in Section 50093 of the Health and Safety Code; (2) receive public and private financing and funds; and (3) authorize and issue bonds, certificates of participation, or any other debt instrument repayable from funds and financing received and pledged by the Trust. The Trust may consist of any of the cities within the Gateway Cities Council of Governments, which is a joint powers agency representing a subregion of Los Angeles County.

The GCAHT was established on _____, by the execution of the Joint Exercise of Powers Agreement (the “Agreement”) by and between the Cities of _____, _____, _____ (collectively, the “Cities”). These Bylaws were adopted by GCAHT’s Board of Directors and provide for the organization and administration of GCAHT. These Bylaws supplement the Agreement.

GCAHT Guiding Vision and Mission

A Steering Committee consisting of staff from various cities within the boundaries of the Trust along with individuals representing Los Angeles County, affordable financing, and affordable developers met on three separate occasions to discuss and recommend various governance, policy, and a guiding vision and mission as follows:

The vision of the Gateway Cities Affordable Housing Trust is to secure funding for the region that will increase the production of affordable housing and provide safe and quality homes for lower and moderate-income individuals and families.

The mission of the Gateway Cities Affordable Housing Trust is to finance the development of affordable housing in the region and thereby increase the supply of housing to lower and moderate-income individuals and families.

GCAHT Guiding Principles

The guiding principles of the GCAHT:

1. Implement the findings and declarations of the Agreement.
2. Provide funding based on principles of fiscal responsibility and demonstrated value to the taxpayer and funder.

3. Retain local control and the ability for local governments to use GCAHT funding for housing solutions when needed, or to participate within the region as a whole.
4. Demonstrate accountability and transparency for members of the Agreement and the public.
5. Promote public-private partnerships, nonprofit collaborations, and community building to maximize sources of public and private funds, when available, and to efficiently accelerate housing for moderate, low, very low and extremely low-income individuals and families.
6. Provide opportunities to strengthen local partnerships and increase capacity of local cities and agencies engaged in fulfilling housing goals.
7. Commit to innovation and best practices in financing, production, and service delivery in supportive housing.
8. Serve the region's needs geographically by (1) extremely low, very low, low, and moderate income, and supportive housing types and (2) by population.
9. Foster collaborative planning to allow for project prioritization and establish a pipeline of projects.
10. Provide access to funding to ensure that the Gateway Cities subregion receives the maximum benefit for the resources provided.
11. Incorporate County's Coordinated Entry System in conjunction with the cities' locally driven protocols to ensure that the developed housing resources has appropriately targeted and prioritized eligible homeless populations for each project.

Part 2 – Bylaws of the Gateway Cities Affordable Housing Trust

ARTICLE I - Name

The name of this entity shall be the “Gateway Cities Affordable Housing Trust” or “GCAHT” in these Bylaws.

ARTICLE II – Board of Directors

Section A: GCAHT Board of Directors

1. All members of the Board of Directors must be from a member city that is a party to the Agreement and shall be appointed as set forth in the Agreement.

2. Each of the nine (9) voting members of the Board of Directors of GCAHT shall be entitled to one (1) vote on the Board.

Section B: Selection of Advisory Board Members

An Advisory Board may be appointed by the Trust Board consisting of various government staff, persons with housing development, housing services, finance, and development expertise.

All Advisory Board members are entitled to attend all GCAHT regular and special meetings and to fully participate in such meetings but shall not constitute voting members of the Board.

Advisory Board members need not be elected officials.

Section C: Terms and Vacancies

1. Board of Directors: As set forth in the Agreement, terms of office for members of the Board of Directors shall be for two (2) years. A Board of Director's seat shall be deemed vacant if he or she leaves elected office, or if his or her appointing body removes him or her. Upon a vacancy, the appointing body shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.
2. Advisory Board: Terms of office for members of the Advisory Board shall be for two (2) years. An Advisory Board member's seat shall be deemed vacant if that member fails to attend three consecutive regular or special meetings. Upon a vacancy, the Trust Board shall be notified and shall attempt to fill the vacancy within sixty (60) days of the vacancy occurring.

ARTICLE III – Duties of Officers and Board Members

Section A: Duties of the Board of Director Members:

1. Meet when called by the Chair to plan and coordinate the business and proposed activities of GCAHT;
2. Review and consider applications for project funding;
3. Review and consider GCAHT's financial information, including the Annual Financial Report, any related independent audit, and the GCAHT's annual budget; and
4. Serve on subcommittees or task forces when appropriate.

Section B: Formation of Subcommittees

The Board may create subcommittees or task forces to accomplish the goals and purposes of

GCAHT.

ARTICLE IV – Meetings

Section A: Regular Meetings

Regular meetings of GCAHT's Board shall be held once every two (2) months, unless otherwise called by the Chair. Meeting notice, agenda, and public comment procedures shall comply with the provisions of the Ralph M Brown Act. The Clerk of the Board shall prepare meeting agendas and handle noticing requirements.

Section B: Special Meetings

Special meetings of GCAHT may be held at any time upon call of the Chair, provided that the special meetings' noticing, and agenda complies with the Ralph M. Brown Act.

Section C: Voting on Project Funding

As set forth in the Agreement, every act or decision done or made by a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. However, the Board should strive to attain a unanimous decision on all projects which receive funding from GCAHT.

Section D: Voting on Amending GCAHT's Bylaws, Principles, or Procedures

1. Amendments to GCAHT's Bylaws, Principles or Procedures shall be considered at a regular meeting and shall comply with the Ralph M. Brown Act.
2. An amendment to these Bylaws must be approved by a majority vote of the Board of Directors.

Section E: Minutes

The Clerk of the Board shall take minutes for GCAHT. A previous meeting's minutes shall be considered and approved at a subsequent meeting by a majority vote of the Board of Directors.

Section F: Meeting Procedure

The conduct of meetings shall be guided by Robert's Rules of Order (most recent published edition) where the question at issue is not determined by these Bylaws.

Section G: Location of Meetings

The Board must meet in publicly accessible places typical for hosting public meetings, such as

Council Chambers or city community rooms.

ARTICLE V – GCAHT Board Code of Conduct

This GCAHT Board Code of Conduct represents GCAHT’s commitment to high standards of ethics, public service, collegiality, and transparency. The following standards should be regarded as minimum expectations for conduct. GCAHT Board Members will act in accordance with and maintain the highest standards of professional integrity, impartiality, diligence, creativity, and productivity. GCAHT will act in accordance with applicable federal, state, and local laws and regulations.

Section A: Compliance with Policies

Members of the Board of Directors and Advisory Board will conduct the GCAHT business in accordance with the Agreement, these Bylaws, and all adopted policies, including conflict of interest policies.

Section B: Conflicts of Interest

1. The Board of Directors may not have a conflict of interest as determined by the California Political Reform Act (the “Act”), inclusive of the Levine Act, California Government Code section 81000, et. seq., and the regulations promulgated to effectuate the Act. Nor shall the Board of Directors have a conflict of interest under California Government Code section 1090.
2. Members of the Board of Directors are required to file a Statement of Economic Interest (Form 700) in the disclosure category as designated on the GCAHT Conflict of Interest Code.

Section C: Confidentiality

Members of the Board of Directors and Advisory Board must maintain the highest standards of confidentiality regarding information obtained directly or indirectly through their involvement with the GCAHT. This includes but is not limited to information about applications for funding, GCAHT members and their organizations and funded agencies. Members must also avoid inadvertent disclosure of confidential information through casual public discussion, which may be overheard or misinterpreted. Notwithstanding the foregoing, the GCAHT recognizes that excepting such confidential information which must be carefully preserved, the conduct of its business shall be open and transparent in accordance with the Ralph M. Brown Act and the California Public Records Act.

Section D: Gifts or Honoraria

It is not permissible for members of the Board of Directors and Advisory Board to offer or accept gifts, gratuities, excessive favors, or personal rewards intended to influence GCAHT decisions or activities.

Section E: Harassment

Harassment, interpreted as unwelcome conduct, comment, gesture, contact, or intimidating and offensive behavior likely to cause offense or humiliation, will not be tolerated and may result in disciplinary measures up to and including removal from GCAHT Board.

Section F: Laws and Regulations

GCAHT business will be conducted in a manner that reflects the highest standards and in accordance with all applicable federal, state, and local laws and regulations.



NEW BUSINESS

Fiscal Year (FY) 2022-2023 Midyear Budget Review and Modifications

RECOMMENDATION

- Approve the proposed revenue and expenditure adjustments as detailed in Attachments A through C.

BACKGROUND

Annually, the midyear budget review process presents an opportunity to adjust forecasted revenues, appropriation amounts, and budget assumptions based on fiscal year-to-date actual information. The fiscal year ("FY") 2022-23 budget was originally adopted in June 2022. Since the pandemic started, consumer behavior has shifted, and the City experienced greater than anticipated online sales and continued growth in business-to-business sales. Sales Tax and Measure Y revenues (2/3 of our General Fund revenue) have outperformed our projections. These favorable revenue results are partially offset by anticipated increases in expenditures, primarily due to rising inflation.

The midyear adjustments being recommended have taken into account any potential disruption in the general economy that the current geopolitical climate may cause. Staff will continue to monitor any adverse fluctuation in anticipated trends for the remaining part of the fiscal year.

General Fund

Staff recommends a \$3.0 million positive adjustment to the revenue and \$1.0 million negative adjustment to the expenditures. The results from the adjustments in the General Fund are anticipated to create a budget surplus of \$3.5 million. This is an increase of approximately \$2.0 million to the budget surplus in comparison to the originally adopted budget (attachment A). As stated, the most significant reason for the change is due to greater than anticipated Sales Tax (\$2.4 million increase) and Measure Y (\$560,000) revenues. Departmental expenditures as a whole are expected to increase by \$1.0 million; there are various savings in expenditures and increases in applied revenues (attachment C) across activities.

Revenues (Attachments A and B)

The originally adopted budget had a projected General Fund revenue of \$69.6 million (not including Applied Revenues). The revised midyear budget forecast is \$72.6 million, or \$3.0 million more than originally estimated. The vast majority of revenue sources are anticipated to come within the targeted budget range – barring any potential economic disruption. The recommended adjustments are for the City's Sales Tax of \$2.4 million and Measure Y of \$560,000. Modest increases are also expected in property transfer taxes of \$39,400.



City of Santa Fe Springs

City Council Meeting

March 21, 2023

Additionally, applied revenues (departmental revenues) need adjustments across the City. The need for favorable departmental revenue adjustments is due to increased demand for in-person services as the City experiences economic recovery from the pandemic. Increases include Family Human Services' bartending and catering licensing of \$10,000, facility rentals revenues of \$11,500, Fire's emergency response reimbursements of \$184,000, Environmental Protection plan check activities of \$90,000, Plan Check & Inspection fees of \$20,000, and Planning's Building and Regulation Inspection fees of \$700,000. These increases were partially offset by decreases in Library's passport services by (\$80,000) due to delays in the implementation of the program and a reduction of Police Services' animal licenses by (\$10,000) (attachment C).

Expenditures (Attachments A and C)

Total budgeted expenditures and uses in the originally adopted budget were approximately \$68.1 million. The proposed expenditure adjustments of \$1.1 million resulted in a revised budget of \$69.1 million, or a 1.5% increase.

While the net impact of the proposed adjustments results in a relatively modest increase, there are recommended adjustments in expenditures throughout departments. Staff recommends an adjustment of \$250,000 in the City Manager's non-recurring activity, which includes \$225,000 for a legal settlement payment and \$25,000 for City Manager recruitment services. The recruitment services were previously approved during the fiscal year.

The City's Community Services Department includes an increase of \$25,000 in Parks and Recreation to enhance the Halloween Carnival event, which was previously approved during the fiscal year.

The Finance Department is requesting an adjustment of \$319,300, which includes: \$28,500 for the voice mail system replacement and E911 phone system as required by law; \$30,000 increase in tuition reimbursement corresponding to an increase in participation by employees; \$160,000 for the upgrade of the City Hall Campus phone system to a new platform; \$24,800 for the Exchange Server update; and \$76,000 for additional paint, carpet, and window covering costs for the Finance and Human Resources cubicle replacement project.

The Fire-Rescue Department is requesting an adjustment of \$328,100, which includes: \$325,000 to backfill vacant positions with existing personnel due to Strike Team engagements and Urban Search and Rescue responses; \$127,000 increase in ongoing costs of Urban Search and Rescue supplies, parts, and natural wear and tear vehicle repair costs; \$90,000 increase in environmental protection plan check costs; \$39,700 in ongoing utilities and station repairs; and an additional \$20,400 increase in Fire Headquarters office replacement project. As noted previously, these costs are



City of Santa Fe Springs

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partially offset by an additional \$184,000 in Emergency Response Reimbursements from the Strike Team engagements and \$90,000 of environmental protection plan check revenues.

The Planning Department is requesting an adjustment of \$420,000 in net savings, which includes a \$100,000 increase in contractual services to backfill existing personnel along with a \$200,000 increase in contracted inspection services. These increases are offset by an adjustment to recognize an additional \$720,000 in Plan Check and Inspection Fees.

Police Services is requesting an adjustment of \$238,500 which includes \$200,000 for contracted operational overtime and \$28,500 for a one-year subscription of ten (10) Stationary Automated License Plate Readers (ALPR). The ALPR adjustment was previously approved during the fiscal year.

Additionally, Public Works is requesting an adjustment of \$255,000, which includes: \$165,000 increase in supplies and materials for various activities due to rising costs; \$50,000 for the acquisition of tamper-proof pull box lids for the City's streetlights; \$20,000 replacement of stolen street light wire; and \$20,000 of overtime for Citywide projects. City staff estimates that approximately 25% of the City's lights are out due to vandalism, and the pull box lids will help deter further damages to the City's streetlights.

The originally adopted budget included an anticipated \$1.5 million operating surplus (attachment A). Staff is now projecting a budget surplus of \$3.5 million. However, there are no recommendations on the use of the additional funding at this time. Once the fiscal year-end results are available, staff will present recommendations to the City Council.

Water Utility Fund

Expenditures and Revenues for the Water fund are trending to meet the budgeted range and an adjustment is not recommended at this time.

Future Outlook

As discussed on previous occasions, staff continues to monitor ongoing economic and organizational issues as we look forward to developing the FY 2023-24 budget. These include:

Current Geopolitical Climate – The invasion of Ukraine by Russia presents an undeniable level of uncertainty in the economy. As with any conflict, there are lasting and spillover effects on the national and local economy that can linger for years to come.



COVID-19 and rising inflation – Although society has begun to adapt to the “new” normal, the virus as well as any potential future variants are still a threat for a segment of the general population. As long as the virus remains a threat, the impacts of it on the economy will continue to be felt. The COVID-19 lockdowns in China have exacerbated issues, creating supply chain disruption. Inflation can also jeopardize the City’s positive financial position as the rise in cost of services and supplies will affect the City’s ability to deliver programs and services in a cost-efficient manner.

CalPERS’ Unfunded Liability – The growth in the City’s Unfunded Liability is also a significant challenge. There are a number of reasons for the substantial increase in the unfunded liability, including a smaller City workforce relative to the number of retirees, CalPERS investment losses, a lower investment discount rate, a shorter amortization period, changes in mortality assumptions, and changing the unfunded liability payment from a percentage of payroll to a fixed amount each year. If investment performance does not meet expectations, the discount rate is lowered further, or other assumption changes are made, these rates could escalate even higher. City staff have established a Pension Trust Fund and will aid in mitigating future impacts on the City’s General Fund.

Infrastructure Funding – While there are funds and accounts that have been established by the City Council, the City will be challenged to provide an increased level of funding to address significant deferred maintenance needs moving forward.

FY 2023-2024 Operating Budget

Staff has started the preparation and development of the FY 2023-24 operating budget. There are a variety of strategic assumptions that will be included in the upcoming budget to ensure the City’s long-term financial viability. For both the General and Water Utility Funds, it is anticipated that the operational changes implemented over the last several years will provide stability in the long term. Staff will continue to work with the City Council through the Finance Subcommittee and Budget Subcommittees to continue the pursuit of internal operating efficiencies and strategies to minimize costs and impacts to City services while exploring new and innovative revenue ideas.



City of Santa Fe Springs

City Council Meeting

March 21, 2023

FISCAL IMPACT

If the recommended midyear changes to the budget are approved, the City's General Fund position will improve from an initial budget surplus of \$1.5 million to a budget surplus of \$3.5 million.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachments:

- A – FY 2022-23 Midyear Budget Review Summary
- B – FY 2022-23 Midyear Budget Review Revenue Adjustments
- C – FY 2022-23 Midyear Budget Review Operating Adjustment

**FY 2022-2023 Midyear Budget Review
Summary**

General Fund

	Original Adopted Budget	Proposed Midyear Budget	Change Favorable / (Unfavorable)	
			\$	%
Revenues	69,618,300	72,617,700	2,999,400	4.3%
Expenditures				
Department	63,587,100	64,145,300	(558,200)	-0.9%
Non-Recurring	1,689,900	2,186,100	(496,200)	-29.4%
Interfund Transfers	2,800,000	2,800,000	-	0.0%
	68,077,000	69,131,400	(1,054,400)	-1.5%
Operating Surplus / (Deficit)	\$ 1,541,300	\$ 3,486,300	\$ 1,945,000	126.2%
Net Change in Available Fund Balance	\$ 1,541,300	\$ 3,486,300	\$ 1,945,000	-

Water Fund

	Original Adopted Budget	Proposed Midyear Budget	Change Favorable / (Unfavorable)	
			\$	%
Revenues	16,966,100	16,966,100	-	0.0%
Expenditures				
Department	14,657,700	14,657,700	-	0.0%
Capital Improvement Projects	438,500	438,500	-	0.0%
Interfund Transfers	1,376,300	1,376,300	-	0.0%
Debt Service	493,600	493,600	-	0.0%
	16,966,100	16,966,100	-	0.0%
Surplus / (Deficit)	\$ -	\$ -	\$ -	-

**2022-2023 Midyear Budget Review
General Fund Revenues**

						Adopted FY 22-23 vs.	
Account		Actual	Actual	Adopted	Midyear	Midyear FY 22-23	
Number	Revenue Source	FY 2020-21	FY 2021-22	FY 2022-23	Budget	Variance	
					FY 2022-23	\$	%
	<u>Taxes</u>						
411010	Property	\$ 3,050,961	\$ 3,023,144	\$ 2,350,000	\$ 2,350,000	\$ -	0.0%
411020	Property - Pass Thru to City	2,555,438	2,340,803	1,850,000	1,850,000	-	0.0%
411060	Utility User's Tax (UUT)	6,618,376	7,568,007	6,300,000	6,300,000	-	0.0%
411030	Sales & Use	32,097,995	39,335,559	33,600,000	36,000,000	2,400,000	7.1%
411035	Transactions & Use (Measure Y)	13,682,006	15,661,416	14,200,000	14,760,000	560,000	3.9%
411500	Transient Occupancy	172,204	158,797	149,000	149,000	-	0.0%
411040	Franchise	3,411,092	3,656,441	3,265,000	3,265,000	-	0.0%
411050	Business Operations	754,270	795,155	765,000	765,000	-	0.0%
411530	Property Transfer	354,943	360,207	260,600	300,000	39,400	15.1%
411510	Oil Well	150,524	145,024	135,000	135,000	-	0.0%
411520	Barrel	138,200	55,833	288,400	288,400	-	0.0%
	Total Taxes	62,986,009	73,100,386	63,163,000	66,162,400	\$ 2,999,400	4.7%
	<u>Use of Money & Property</u>						
415200	Interest Earnings	303,270	411,622	500,000	500,000	-	0.0%
415210	Realized Gains/Loss on Inv	220,256	(2,078,390)	-	-	-	
415220	Unrealized Gains/Loss on Inv	(761,346)	(3,059,796)	-	-	-	
415300	Rentals	326,011	335,893	304,000	304,000	-	0.0%
415310	Ground Lease	880,950	823,999	823,900	823,900	-	0.0%
415320	Development	175,299	405,709	315,200	315,200	-	0.0%
	Total Use Of Money & Property	1,144,440	(3,160,963)	1,943,100	1,943,100	\$ -	0.0%
	<u>State Subventions</u>						
415100	Vehicle In Lieu Taxes	2,297,474	2,359,894	2,266,000	2,266,000	-	0.0%
	Total State Subventions	2,297,474	2,359,894	2,266,000	2,266,000	\$ -	0.0%
	<u>Other</u>						
415900	Other	298,969	289,979	1,046,200	246,200	(800,000)	0.0%
426000	Greenwaste Host Fee	813,551	977,589	-	800,000	800,000	
415330	Water Utility Lease Payment	1,000,000	1,000,000	1,200,000	1,200,000	-	0.0%
	Total Other	2,112,520	2,267,568	2,246,200	2,246,200	\$ -	0.0%
	Total General Fund	\$ 68,540,443	\$ 74,566,885	\$ 69,618,300	\$ 72,617,700	2,999,400	4.3%

FY 2022-23 Midyear Budget Review
Expenditure and Applied Revenue Adjustments

ATTACHMENT C

Description	Budget Adjustments
General Fund	
Proposed Midyear Adjustments:	
<u>Operating/Departmental Expenditures</u>	
<u>General Government</u>	
City Manager - Increase in Non-Recurring for City Manager recruitment	(1) \$ 25,000
City Attorney - Increase in Non-Recurring for legal settlement	225,000
Net Costs /(Savings)	250,000
<u>Community Services</u>	
Library - Decrease in Passport Services revenue	* 80,000
Parks & Recreation - Increase in Halloween Carnival costs	(1) 25,000
Family & Human Services - Increase in Bartending and Catering licensing fees	* (10,000)
Family & Human Services - Increase Facility Rentals at GVNC	* (11,500)
Net Costs /(Savings)	83,500
<u>Finance</u>	
Technology Services - Increase Contractual Services for replacement Voice Mail system and E911 systems	28,500
Technology Services - Increase in Non-Recurring costs for exchange server update	24,800
Human Resources - Increase in Tuition Reimbursement corresponding to Increase in Participants	30,000
Finance/Human Resources - Increase in Non-Recurring costs for cubicle replacement project - paint and carpet	41,000
Finance/Human Resources - Increase in Non-Recurring costs for cubicle replacement project - window coverings	35,000
Administrative Services - Increase in Non-Recurring to upgrade City Hall Campus phone system	160,000
Net Costs /(Savings)	319,300
<u>Fire-Rescue</u>	
Suppression - Increase in Emergency Response Reimbursement	* (184,000)
Suppression - Increase in OT corresponding to increase in Emergency Response Reimbursement	325,000
Suppression - Increase in US&R supplies and mechanical parts costs	127,000
Environmental Protection - Increase in Plan Check Revenue	* (90,000)
Environmental Protection - Increase in Contractual Services for Plan Check Costs	90,000
Buildings & Grounds - Increase in Maintenance and Utilities costs at fire stations	39,700
Increase in Non-Recurring for Fire Headquarters/Offices replacement	20,400
Net Costs /(Savings)	328,100
<u>Planning</u>	
Planning - Increase in Plan Check & Inspection Fees	* (20,000)
Planning - Increase in Contractual Services backfilled existing personnel for environmental related projects	100,000
Building & Regulation - Increase in Inspection Fees	* (700,000)
Building & Regulation - Increase in Contractual Services correlates with increase in Inspection Fees	200,000
Net Costs /(Savings)	(420,000)
<u>Police Services</u>	
Animal Control - Reduction in Animal License Revenue	* 10,000
Contract Patrol - Increase for Automated License Plate Readers	(1) 28,500
Contract Patrol - Increase in Operational Overtime	200,000
Net Costs /(Savings)	238,500

FY 2022-23 Midyear Budget Review
Expenditure and Applied Revenue Adjustments

ATTACHMENT C

Description

Budget Adjustments

General Fund

Proposed Midyear Adjustments:
Operating/Departmental Expenditures

Public Works

Maintenance - Increase in cost of Supplies and Materials for various activities	165,000
Maintenance - Purchase tamper-proof street light pull box lids	50,000
Maintenance - Replacement of stolen street light wire at the City hall	20,000
Maintenance - Increase in OT for Citywide projects	20,000
Net Costs /(Savings)	<u>255,000</u>

General Fund - Total Expenditure Adjustments

\$ 1,054,400

** applied revenues (departmental revenues)*

(1) previously approved by City Council



City of Santa Fe Springs

City Council Meeting

ITEM NO. 13

March 21, 2023

NEW BUSINESS

Presentation and Consideration of the City's Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2022

RECOMMENDATION

Receive and file the City's Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2022 and related communications.

BACKGROUND

Each year, the City engages an independent financial auditor to audit the City's financial statements, known as the Annual Comprehensive Financial Report ("ACFR"). The purpose of the City's ACFR is to provide, independently audited, relevant financial information to the City Council, citizens, staff, grant entities, creditors, bond investors, rating agencies, and other concerned readers.

The City's financial statements contained within the ACFR are presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted governmental auditing standards ("GAGAS"). The statements are reported on a fiscal year basis beginning July 1st and ending June 30th and have been audited by an independent firm of certified public accountants, CliftonLarsonAllen LLP ("CLA") to provide reasonable assurance that the financial statements fairly present the City's financial condition in all material respects. The ACFR, including Independent Auditors' Opinion, are included here as attachment #1.

In keeping with best practices, the City Council has formed an Audit/Finance Subcommittee. Its members, Mayor Pro Tem Sarno and Councilmember Rounds, met with staff and CLA on March 13, 2023 to discuss the annual audit results. This is CLA's third year auditing the City after being selected through a comprehensive procurement process in the summer of 2020.

As required by GAGAS, CLA has also issued a Report on Internal Control and Compliance and an Audit Communication Letter summarizing the results of the audit. These reports, included here as attachment #2 and #3, are used to communicate certain matters to the City Council. The audit did not identify any material weaknesses or significant deficiencies in internal controls.

Overall, the City's General Fund Unassigned Reserve balance increased approximately \$3.1 million from \$24.9 million at June 30, 2021 to \$28.0 million at June 30, 2022. In addition, the City's General Fund Economic Uncertainty Reserve balance was \$7.7 million and Unfunded Liability Reserve was \$18.8 million at June 30, 2022.



City of Santa Fe Springs

City Council Meeting

March 21, 2023

In the Water Fund, the Unrestricted Net Assets increased approximately \$2.9 million from a surplus of \$218,253 million at June 30, 2021 to \$3.1 million at June 30, 2022.

Attached is the City's ACFR, Report on Internal Control and Compliance, and Audit Communications Letter.

FISCAL IMPACT

None.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachments:

1. Final audited FY 2021-2022 Annual Comprehensive Financial Report
2. Report on Internal Controls and Compliance
3. Audit Communication Letter



CITY OF SANTA FE SPRINGS, CA

Annual Comprehensive FINANCIAL REPORT | 2022



JULY 1, 2021 TO JUNE 30, 2022



Annual Comprehensive Financial Report

City of Santa Fe Springs, CA
Year Ended June 30, 2022



City Council

Juanita Martin, Mayor
Jay Sarno, Mayor Pro-Tem
Annette Rodriguez, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember

Planning Commission

David Ayala
Francis Carbajal
Joseph Flores
Gabriel Jimenez
John M. Mora

Traffic Commission

Blake Carter
Johana Coca
Sally Gaitan
Felix Miranda
Linda Vallejo

Executive Management Team

Thomas R. Hatch, Interim City Manager
Ivy M. Tsai, City Attorney
Travis Hickey, Dir. of Fin. and Admn. Svcs
Maricela Balderas, Dir. of Com. Services
Chad A. Van Meeteren, Fire Chief
Wayne Morrell, Director of Planning
Yvette Kirrin, Interim Director of Public Works
Dino Torres, Director of Police Services

Prepared by:

Travis Hickey, Dir. of Fin. and Admn. Svcs
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CITY OF SANTA FE SPRINGS, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

PREPARED BY FINANCE DEPARTMENT

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"A great place to live, work, and play"

February 23, 2023

Honorable Mayor & City Council and
Residents of the City of Santa Fe Springs:

Introduction

It is our pleasure to submit for your information and consideration the Annual Comprehensive Financial Report of the City of Santa Fe Springs (City). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's Department of Finance and Administrative Services. It is our opinion that the data as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a full understanding of the financial activities have been included.

The enclosed financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as recommended by the Governmental Accounting Standards Board (GASB) and include the report of the independent certified public accountants, CliftonLarsonAllen LLP. The complete report is divided into distinct sections:

Introduction-	Letter of transmittal, an organizational chart, and prior year award for financial reporting.
Financial -	Independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, accompanying notes to the financial statements, required supplementary information, and supplementary information.
	MD&A complements this letter of transmittal and should be read in conjunction with it.
Statistical -	Pertinent financial and non-financial data that present historical trends and other information about the City.

Juanita Martin, Mayor • Jay Sarno, Mayor Pro Tem
City Council
Annette Rodriguez • William K. Rounds • Joe Angel Zamora
Thomas R. Hatch, Interim City Manager

**Introduction
(cont.)**

This report presents the financial status of the City and its component units, the Successor Agency to the Community Development Commission, Housing Successor Agency, the Public Financing Authority, and Water Utility Authority as a single reporting entity. Although these component units are legally separate from the City, the City maintains significant financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (A) the ability of the primary government to impose its will on the component unit, or (B) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. For detailed information regarding the City and its component units, please refer to Notes to the Financial Statements section in this report..

**Accounting
System and
Budgetary
Control**

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

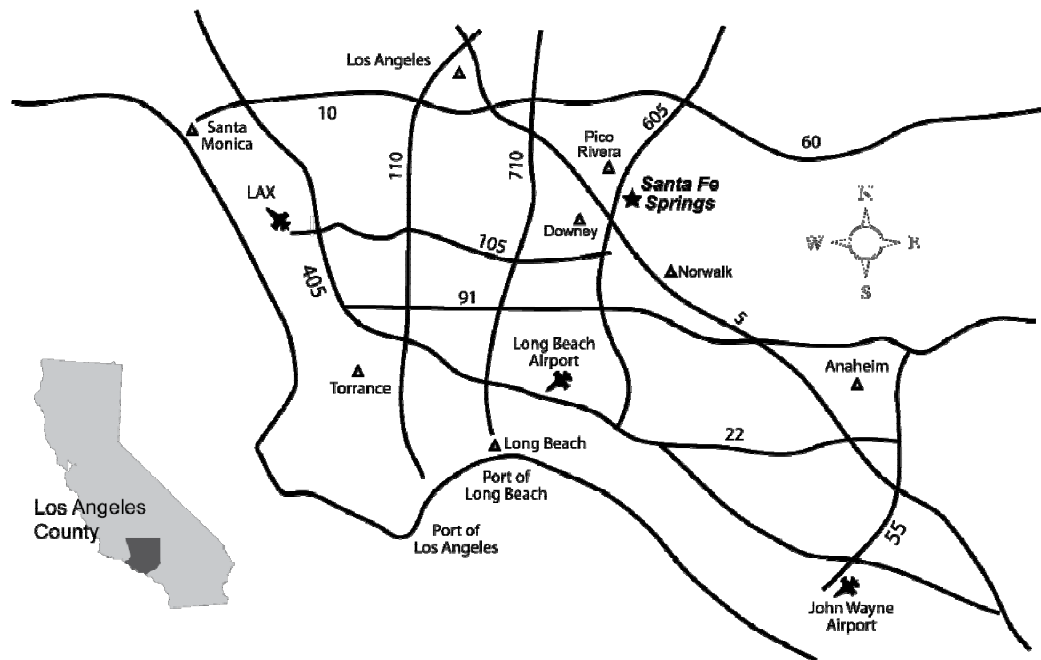
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The accounting system is maintained on a functional basis (activity/sub-activity) in order to reflect the services provided by the City.

The City maintains budgetary controls at the individual fund level to ensure compliance with the budget approved by the City Council. The budget includes estimated revenues and appropriations for the City's General Fund and certain Special Revenue Funds. Operating plans for the City's Water Utility Fund are also prepared as part of the budget.

Profile and Government Structure

The urban development of Santa Fe Springs began in the early 1950's as the result of a planned effort by a coalition of business community members and local residents. During the ensuing years, community pressures resulted in the incorporation of the City on May 15, 1957. The new City covered 4.9 square miles with a population of 11,787. The City of Santa Fe Springs now encompasses nine square miles, with about 84% of the land zoned for commercial and industrial use. The City's population is approximately 18,200; however, the daytime population is estimated at 95,000.



The City of Santa Fe Springs operates as a general law city under the council-manager form of government. Five City Council members are elected at-large for alternating four-year terms. The Mayor is selected annually from among the five members of the City Council. The City Council is responsible for the City's ordinances, operating resolutions, budget adoption and appointment of committee members. Overall, there are 11 standing committees, boards and commissions that provide input to the City Council. Among these are the Planning Commission and the Traffic Commission. The City Manager is responsible for administering the policies and directives approved by the City Council. The City Manager appoints the Executive Management Team, which is comprised of the Director of Finance & Administrative Services, Fire Chief, Director of Community Services, Director of Planning, Director of Police Services, and Director of Public Works.

**Local Economic
Outlook**

The City of Santa Fe Springs is strategically located in southeast Los Angeles County with access to major seaports, airports and transportation corridors. With the vast majority of the City zoned for commercial and industrial use, Santa Fe Springs has historically experienced strong development and redevelopment activity in the community. Sales taxes, transaction and use taxes, and utility user's taxes (UUT) revenues are the largest sources in the General Fund.

The City's sales tax base is comprised of businesses within the following categories: Business and Industry (Manufacturing and business-to-business sales), Building and Construction, Autos and Transportation, General Consumer Goods, Fuel and Service Stations, Restaurants and Hotels and Food and Drugs. Close to two-thirds of the total sales tax revenue is generated by manufacturing and construction businesses. In the past couple of years, the City's businesses have seen a growth in sales and has translated into increases in the City's sales tax.

The City's voters approved the additional 1% transactions and use tax (Measure Y) on November 2018, which became effective April 1, 2019. The additional tax has broadened the City's revenue base and added over \$10 million in General Fund revenue.

Although the COVID-19 pandemic and its economic impact were felt throughout our nation, the City was fortunate that our sales tax base was relatively unaffected by the pandemic as it had little to no effect on the City's revenue stream. In fact, the Stay-at-Home orders generated greater than anticipated online sales which played a pivotal role in the City's increased sales tax revenue. While the sales tax generated in FY 2020-21 was the highest the City had ever generated, the sales tax generated in FY 2021-22 surpassed last year's amount. The Sales Tax revenue and its growth are critical to the City's financial position as it represents nearly half of all of the City's General Fund revenues.

Additionally, this is the third full year of collecting the voter-approved Transaction & Use Tax (Measure Y) and its trend is favorable for the City. Measure Y has lessened some of the financial burdens that have threatened the City's strong financial position. Even during a global pandemic, Measure Y continues to be a consistent and reliable stream of revenue for our City. The Sales Tax and Measure Y combined represent 60% of the City's General Fund revenues.

The City is now in a position to accomplish its long-term goals given the City's financial resiliency during the pandemic. This improved financial position has allowed the City to fund several operational needs and will allow the City's financial position to remain stable barring any unforeseen economic downturns that are out of the City's control.

**Vision, Mission,
and Guiding
Values**

The City has a vision statement that affirms: “The City of Santa Fe Springs is a great place to live, work and play,” with the following mission statement: “The City of Santa Fe Springs is committed to enhancing the quality of life of its residents and businesses by providing: a safe environment, a thriving business community, quality family, youth, and senior services, and sound financial management of the community’s resources.” The guiding values are as follows:

- Personal integrity, honesty, and ethics
- Public service
- Compassion
- Responsibility, accessibility, and accountability
- Dedication

**Accomplishments
& Outlook**

Historically, the City has utilized a two-year operating budget during stable financial times and a six-year Capital Improvement Program (CIP) as some of the most significant planning tools to achieve the City’s vision and identified missions. The unprecedented events of recent years necessitated more swift and short-term actions. In moving past the “Great Recession” and the elimination of redevelopment, the City has begun to re-establish some of the above long-range planning tools along with strategic goals that will better guide the City into the future. This includes, as approved by the State, the ability to spend capital funding from previously-issued tax allocation bonds.

Public safety is the highest priority in the community. This is evidenced by the continued financial commitment provided to both Fire and Police Services. The Fire-Rescue and Police Services Departments continue to combine their manpower to provide the resources and tools to manage emergency and security issues that may arise in the community and region. The City continues to purchase specialized equipment with the use of grant funding. The following are some of the highlights by department:

Department of Fire- Rescue

The Department of Fire- Rescue is comprised of 57 members working from four fire stations providing not only the traditional services of fire suppression, hazardous materials response, fire prevention, and emergency medical services, but also a full-service Environmental Protection Division. The environmental protection and response components are considered model systems in the State of California. The City’s status as a Certified Unified Program Agency (CUPA) makes Santa Fe Springs a “one-stop-shop” in administering all the hazardous materials, hazardous waste, and tank programs in the City. The State has long held the City’s CUPA as one of the most regarded programs in the State. The CUPA Division utilizes the California Environmental Reporting System (CERS) allowing business residents to file their annual hazardous materials disclosures electronically. The Fire Prevention Division also provides many services, including code enforcement, plan checks, issuing permits, fire investigations, and public education events.

**Accomplishments
& Outlook (cont.)**

Fire-Rescue suppression personnel have implemented a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues as well as update emergency contact information in the department's database. The Department of Fire Rescue conducted over 2200 business and residential inspections and responded to over 3,900 emergency calls in FY 2021-22.

The Department of Fire Rescue currently staffs a State Regional Urban Search and Rescue Team (US&R) designated at the highest level as a "Heavy" rescue team by the Office of Emergency Services (OES). Fire-Rescue also staffs a Type I Hazardous Materials Response Team with all staff trained to the Haz-Mat "Specialist" level. The City is currently one of only thirty Hazardous Material Teams in the State certified as a Type I Response Team and qualified to mitigate emergencies involving acts of terrorism and weapons of mass destruction. The Department houses and maintains an OES Fire Engine for local and statewide disaster response. The Department continues to support neighboring communities through the California Master Mutual Aid Agreement in response to major disasters and emergencies including brush fires, landslides, earthquakes, acts of terrorism, major disasters, etc. In FY 2021-22, the Department of Fire-Rescue assisted outside of their jurisdiction 12 times to major fire incidents and was reimbursed over \$1,200,000 in backfill expenses for labor and equipment to respond to these incidents.

The department, in partnership with Rio Hondo College, continues to manage the Regional Homeland Security Training Center located directly adjacent to the Headquarters' Fire Station. This state-of-the-art facility was built with grant funding for the purpose of assisting local fire and police agencies in increasing awareness and training regarding terrorist activity including building collapse, hazardous materials, rail car incidents, confined space, trench rescue, etc. The center has been recognized by the California State Training Institute (CSTI) as the primary training center for Hazardous Material Specialists Training in Southern California.

In FY 2021-22, the Fire-Rescue Department secured \$419,000 through the 2019 State of Homeland Security Grant Program (SHSGP). This funding supports the purchase of equipment and training for the Homeland Regional Training Center, the City's Type I Hazardous Materials Response Team, and the City's Urban Search and Rescue (USAR) Response Team. As in the past years, the use of grant funds has provided relief to the City budget as these vehicles, equipment, and training would typically have been funded through the City's General Fund.

**Accomplishments
& Outlook (cont.)****Department of Police Services**

Since October of 1995, the Department has partnered with the Whittier Police Department to deliver quality law enforcement services by combining Whittier Police Department's contract services with City personnel and management resources. The Santa Fe Springs Policing Team consists of City administrative personnel, Public Safety Officers, Code Enforcement Inspectors, Family & Youth Intervention staff and Whittier Police Department sworn personnel who focus on developing solutions to address community law enforcement issues and service needs. The team also places a strong emphasis on preventing youth from engaging in delinquent behavior and effectively maintains a safe and desirable and working environment for the City of Santa Fe Springs by addressing quality of life issues affecting the community.

Community-Police partnerships are essential in establishing trust, maintaining support and meeting the needs and expectations of our citizens. A proactive Community Oriented Policing approach continues to guide the department with the development and implementation of many unique and effective public safety programs and services.

During FY 2021-2022, the Department of Police Services continued to strive toward keeping crime and property loss rates at the lowest possible levels, maintain acceptable response times for emergency service calls, promote the use of technology, and enhance coordination between schools and the City. The policing team focused on enhancing community partnerships by providing a variety of programs, services and tools designed to deter and reduce crime, assist families with at-risk youth, and maintain the safety and well-being of all citizens within the community. Some of the Department efforts and accomplishments included:

- Whittier Police Department Officers responded to 14,329 calls for service throughout the City and provided 1,546 pro-active patrols. Additionally, a dedicated Traffic Enforcement Officer focused on traffic and pedestrian safety and field patrol officers responded to 3,106 traffic related incidents. Police officers also responded to several incidents involving Driving Under the Influence (DUI) offenses resulting in arrests and 37 citations were processed for cost recovery.
- The Investigative Bureau made 7 arrests in 5 homicide cases that were investigated. The unit also partnered regularly with LA County District Attorney Investigators (Community Violence Reduction Team) to conduct sweeps and address violators who jeopardize the safety of the community.
- Officers conducted 73 compliance searches in the City to address issues affecting public safety and quality of life issues

Accomplishments & Outlook (cont.)

- The Special Enforcement Team made 36 arrests for violations including weapons, narcotics and outstanding warrants. The team also conducted compliance checks on sex registrants.
- In an effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic overtime enforcement. Over 500 hours were dedicated to traffic enforcement details, which resulted in 741 citation being issued for hazardous violations such as distracted driving, unsafe speed, disobeying signage, red light violations and unsafe movements.
- Traffic Officers also remained dedicated to monitoring high collision intersections. Enforcement efforts resulted in 742 citations for traffic violations observed during routine field patrol.
- Public Safety Officers (PSOs) played a critical role in the department's field operations. PSOs responded to approximately 5,439 calls for service and provided 4,627 pro-active patrols throughout the City. Calls for service included, but were not limited to parking violations, graffiti vandalism, safety hazards, non-criminal and criminal reports and other quality of life issue concerns. A total of 4,808 parking citations were issued.
- PSOs responded to 128 traffic collision related incidents; leaving sworn personnel available to respond to emergent calls for service and reducing overall response times for priority calls.
- Police response times to priority calls decreased by 22%, while response times to all calls for service reduced by 35%.
- Enhancing community-partnerships by improving community relations was also a key area of focus. The department introduced Cookies & Photos with Santa, Trick-or-Treat at the Police Services Center, and hosted information booths at community and City special events.
- The Bike Patrol Program was implemented. Public Safety Officers provided pro-active patrol on bicycles in residential neighborhoods, City facilities, and parks to improve citizen engagement and ensure a safe community.
- The department continued to focus on crime prevention efforts and subscribe to Crimereports.com; providing citizens with access to up-to date city crime statistics.
- The department partnered with Graffiti Tracker to aid with graffiti vandalism documentation and analytic services to help identify, track and prosecute graffiti vandals.
- Automatic License Plate Reader Cameras were installed throughout the City. These cameras are part of the latest technologies to aid in crime prevention and the apprehension of criminals. The use of the devices enhances productivity, effectiveness and officer safety.
- Additionally, security cameras were installed in select residential locations to help deter criminal activity and enhance neighborhood safety and security

Accomplishments & Outlook (cont.)

- Technological upgrades to improve efficiency were also an area of focus including the purchase of drones. Drone technology has been a reliable law enforcement tool that remains beneficial to officer safety and aiding in criminal investigations.
- The Family and Youth Intervention (FYIP) Team identified and worked with families experiencing relationship, behavioral challenges and youth engaging in delinquent behavior. Individual case plans were developed and services were coordinated. Additionally, 46 local families completed the Parent Project and 25 families completed the Loving Solutions Program.
- The Department remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the Red Ribbon Campaign. The FYIP team worked with City leaders and schools to promote the Red Ribbon Campaign by producing a Red Ribbon Campaign video shared via social media platforms and school district websites.
- The annual Red Ribbon Campaign Art Contest was also conducted in October. Staff received hundreds of art entries from local students in grades pre-Kindergarten to High School.
- The “Every 15 Minutes” Program was delivered via virtual format. In partnership with Santa Fe High School and the California Highway Patrol, a powerful message was delivered by the City Council and youth were reminded about the life changing consequences of drinking and driving and the impact of poor decision making. Funding for the program was provided by a \$9,000 grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- The department emphasized crime prevention and disaster preparedness through the Safe Neighborhood Team (SNT). Meetings were held bimonthly throughout the year. Residents came together to learn and discuss crime prevention tips and strategies, crime trends, disaster preparedness, and share their public safety concerns in a public forum. Additionally, the department hosted a Neighborhood Safety Community Meeting at Los Nietos Park.
- SNT Community Block Parties were also held to bring community members together to get to know their neighbors and policing team in a relaxed environment.
- As part of the department’s emergency preparedness effort to raise awareness on the importance of having an emergency preparedness plan and practice safety during an earthquake, the Department led City staff as they participated in the “Great Shake Out” earthquake drill.
- An emergency preparedness EOC exercise was also held to give staff an opportunity to learn more about the City’s EOC and better understand their role and gain hands on experience in developing a disaster response plan in the event of a disaster.

Accomplishments & Outlook (cont.)

- In an effort to enhance our Emergency Notification System (ENS), the Department entered into a partnership with Everbridge for ENS services and training. The systems enhanced capabilities will allow alerts to reach a larger portion of the residential and business community.
- The Department partnered with the Southeast Area Animal Control Authority to host the annual Low-Cost Pet Vaccination. 188 animals were licensed, 305 received vaccinations and 26 pets were microchipped.
- Administrative staff issued 16 regulatory permits for catering food truck operations.

Code Enforcement is another significant component of the Department of Police Services that is responsible for enforcing Santa Fe Springs Municipal codes related to residential and business property maintenance standards, including business licensing. Code Enforcement Inspectors also enforce building code violations, zoning violations, health and safety standards related to environmental protection and neighborhood preservation. The Division works closely with all City departments to ensure community needs are met.

Code Enforcement activity for FY 2021-2022, included 147 new code enforcement cases initiated to address numerous violations related to property maintenance concerns, illegal garage conversions, illegal structures, hazardous property conditions, illegal business operations, inoperable and abandoned vehicles, and illegal land use activity.

Additional Code Enforcement activity included:

- Coordinated outreach and partnered with outside agencies to remove homeless encampments located on City property, Burlington Northern Santa Fe Railroad, Union Pacific Railroad, LA County Public Works, Caltrans and private properties. The team coordinated with these agencies and business owner's to assist with several homeless encampment cleanups. Although, these homeless encampments were located on outside agency property, they ran through the Santa Fe Springs jurisdiction and negatively impacted the residential and business community.
- Over 340 contacts were made with individuals experiencing homelessness.
- Code Enforcement Inspectors investigated 198 complaints received from the public, conducted 465 residential and commercial inspections and 1,288 follow-ups in an effort to get properties into compliance.
- Inspectors also issued 384 Notice of Violations and 136 Administrative Citations for various code violations.
- Code Enforcement staff also remained dedicated to participating in ongoing training. Inspectors participated in over 166 hours of enforcement continued education and officer safety trainings.
- Staff assisted the Fire Department with compliance inspections and addressing non-compliant businesses.

Accomplishments & Outlook (cont.)

- Code Enforcement Staff processed 5 Alcohol Sales Conditional Use Permits and Compliance Reviews.
- Staff also continued to work closely with the Planning Department to identify potential impacts and mitigate hazards of new and existing developments by developing conditions of approval to ensure safety and minimize negative impacts.

Department of Public Works

The City's Department of Public Works is responsible for efficiently developing, constructing and maintaining the City's infrastructure. The infrastructure consists of streets, facilities, parks, fleet, traffic signals and street lighting, and water distribution system. This encompasses routine and preventive maintenance items as well as responding to numerous citizen requests for service. The City prides itself in having a functional and well-maintained infrastructure that the community can enjoy.

The Engineering Division is responsible for the administration of the Capital Improvement Program (CIP), working closely with the Council CIP Subcommittee. In addition, traffic engineering and development review services are provided within the Engineering Division. In FY 2021-22, the Engineering Division issued approximately 300 total excavation and construction permits.

During FY 2021-22, the Department of Public Works coordinated a multitude of capital improvement projects including:

Facility Improvements

- Town Center Plaza Parking Lot
- Aquatic Center Roof Improvements
- Gus Velasco Neighborhood Center Playground Removal
- Gus Velasco Neighborhood Center Landscape Restoration Project
- Bridge Lighting Upgrade at the Telegraph Road
- Clarke Estate Carpet Improvements, Betty Wilson Center Flooring and Painting Improvements
- Police Service Center Carpet Improvements

Park Improvements

- Horseshoe Pits (Little Lake, Santa Fe Springs, & Los Nietos Parks)
- Interior/Exterior Painting Facilities (Santa Fe Springs, Los Nietos, & Little Lake Parks)
- Little Lake Park Bus Stop Improvements
- New Cabinets at SFS Park Recreation Building
- New Outdoor Fitness Court at Los Nietos Park
- Heritage Park Train Exhibit Improvements (Paint -Engine and Caboose)
- Heritage Park Train Exhibit Improvements (Box Car Rehabilitation)

Accomplishments & Outlook (cont.)

Street Improvements

- Florence Avenue Bridge over I-5 Freeway Widening Project

Street Light Improvements

- LED Residential Street Light Conversion (SCE Owned Street Lights)

Department of Planning and Development

The Planning and Development Department provides staff support to the City Planning Commission, Housing Successor, Successor Agency, and the City Council, and other development related activities. The Planning and Development Department is responsible for the following divisions: Planning (both current and long-range planning); Building & Safety (managing the plan check process, issuing permits, and conducting inspections); Economic Development (creating, retaining, attracting and expanding the business community) and Housing (improving the quality of our neighborhoods and providing affordable housing options and the managing and disposing of the assets of the former redevelopment agency).

The role of the department is to foster public involvement and creativity and assist decision makers and the public in formulating and implementing policies, which balance environmental, economic and social needs for the present, and future. The department is committed to playing a prominent role in shaping the community through high-quality standards citywide to preserve and cultivate smart and sustainable growth of the City's residential, commercial, and industrial areas. Through the regulation of land use and development, the Department of Planning and Development continually strives to protect and enhance the City's environment and quality of life, resulting in a diverse and livable community where residents, businesses, and visitors can thrive.

Planning Activities during FY 2021-2022

- 1) Total number of entitlements processed:
 - Discretionary entitlements: 57 total.
 - Administrative entitlements: 20 total (*wireless projects*).
- 2) Advance Planning projects completed:
 - Ordinance No. 1118 – Relating to Billboards along the Interstate 605.
 - Ordinance No, 1122 – Relating to Water-pumping and treatment plants within the M-2 zone.
 - Adopted the 2040 Santa Fe Springs General Plan on February 8, 2022.
- 3) Total number of plan checks completed:
 - 434 total.
- 4) Total number of Zone Certification Letters prepared:
 - 68 total.

**Accomplishments
& Outlook (cont.)**

- 5) Various miscellaneous permits processed:
 - 5 Office Trailer Permits.
 - 4 Home Occupation Permits.
 - 6 Preliminary Application Reviews.
 - 2 Banner Permits.
- 6) Total number of individuals assisted at the counter:
 - 797 total.

Building Activities during FY 2021-2022

- 1) Total permits issued:
 - 969 total
 - 450 building permits
 - 274 electrical permits
 - 112 mechanical permits
 - 110 plumbing permits
 - 14 sewer permits
 - 9 grading permits
- 2) Overall valuation of permits issued:
 - \$180,761,835 total
 - It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have a valuation.
- 3) Total number of individuals assisted at the counter:
 - 522 total (increase of 489 or 1,581% from FY 2020-2021).

Economic Development Activities during FY 2021-22

- 1) A new Economic Development Element and Economic Development Implementation Plan were adopted as part of the 2040 Santa Fe Springs General Plan.
- 2) Approved entitlements for a new Chick-Fil-A drive-thru restaurant at 13225 Telegraph Road.
- 3) The Exclusive Negotiating Agreement (ENA) was extended for Parcel 1 (Sculpture Garden Site)
 - Proposed project by Westland to developed 10 – 2,500sf units, 5 – 100sf kiosks, outdoor dining, and an entertainment stage. The Project will be the catalyst for a new Downtown Santa Fe Springs.

Housing Activities during FY 2021-2022

- 1) The 2021-2029 Housing Element was adopted as part of the 2040 Santa Fe Springs General Plan.
 - The Housing Element was submitted to the California Department of Housing and Community Development (HCD).
 - The City received a findings letter from HCD and is working with our consultant to make final changes and bring the City's housing element into compliance with Article 10.6 of the Government Code.
- 2) Approved entitlements for a new 54-unit condominium project (Aspire by Melia Homes) at 11733 Florence Avenue. Construction activities are currently underway.

**Accomplishments
& Outlook (cont.)**

- 3) Approved entitlements for a new 101-unit affordable housing project (The Richman Group) and 19-units of transitional/supportive housing (The Whole Child) at 13231 Lakeland Road.
- 4) Approved entitlements for a new 44-unit Single Room Occupancy (SRO) affordable housing project (Primestor) at 11350 Washington Boulevard.
- 5) Accessory Dwelling Units (ADUs) reviewed and approved: 24 total.

Upcoming Activities

In addition to what is listed above, staff is in the intermediate stages of completing the following projects:

- 1) Targeted Zoning Code Update
- 2) Creating ADU Guidelines;
- 3) Adopting a new Transportation Study Guidelines; and
Creating Objective Design Standards for multi-family residential developments.

Department of Community Services

The Department of Community Services includes the following Divisions: 1) Administration; 2) Parks and Recreation Services (PRS); 3) Library and Cultural Services (LCS); 4) Family and Human Services (FHS). It is one of the City departments that has the most direct impact to the residents of Santa Fe Springs. Programs and services are available to City residents, as well as business residents. These programs and services range from social, recreational, and cultural services. During Fiscal Year 2021/2022, the Department of Community Services achieved several significant accomplishments.

The following include a variety of in-person and virtual program accomplishments:

- Due to the ongoing COVID-19 pandemic and health and safety guidelines, a hybrid of virtual and in-person classes were offered in Fiscal Year 2021/2022. 126 classes were offered ranging from toddler classes, language classes, fitness classes, music lessons, sports, and many more. In total, 695 participants joined PRS classes.
- Youth Sports leagues and clinics were offered in basketball, soccer, flag football, boxing and pee wee sports with a total of 829 participants.
- The Adult Sports Program offered year-round basketball, volleyball and softball leagues. A total of 135 teams, which included an estimated 1,350 participants, registered for these programs.
- The Aquatics Program returned to full operation in the summer of 2021, and included group and private swim lessons, recreational swim, lap swim and rentals. In total, there were 957 participants. In the

**Accomplishments
& Outlook (cont.)**

summer of 2022, the Aquatic Center was closed due to renovations, and trips were scheduled to the beach and neighboring aquatic centers. 64 participants attended these trips.

- The Day Camp program operated in the summer of 2021 as a distanced program due to the on-going COVID-19 pandemic, and made a return to normal operation in the summer of 2022. Camps offered included Spring Camp, Summer Camp, Fall Camp, and a special 1-day Grinchmas themed camp. There were a total of 419 participants in the Day Camp Program.
- The Excursions Program returned in spring of 2022 for the first time since the beginning of the COVID-19 pandemic. Excursions included trips to the Anaheim Angels game, Hollywood Sight Seeing, and the USS Iowa. A total of 60 participants attended these trips.
- The 2021 Independence Day event was the first in-person special event since the beginning of the COVID-19 pandemic. While various municipalities in the County did not host an event due to the restrictions imposed by the County's health protocols, Santa Fe Springs was able to successfully deliver an event and fireworks display. Due to the County's COVID-19 protocols, capacity was limited to 1,500 attendees.
- The Fiestas Patrias event was held on Friday, September 10, 2021 at Los Nietos Park. The event featured dance performances, a re-enactment of El Grito, and a live performance by legendary Latin group, La Sonora Dinamita. Over 2,500 people attended.
- The Community Services Department hosted the annual Walk to School Day event on Wednesday, October 6, 2021. Five elementary schools from Little Lake City School District and Los Nietos School District participated. Walk to School Day is a global event participated in by over 40 countries around the world. It is estimated that 400 students participated in this program.
- The annual Halloween Carnival was held in-person at Los Nietos Park on Sunday, October 31, 2021 and included game booths for kids, an inflatable zone, and a costume parade. It is estimated 1,500 community members attended the event.
- The annual Tree Lighting Ceremony returned to an in-person event and was held on Saturday, December 4, 2021 at Town Center Plaza. The event featured a snow sledding area, pictures with Santa, food vendors, a holiday boutique, hot cocoa and cookies, and a train ride through Clarke Estate. There was also live musical performances by our local schools. An estimated 1,300 people attended.

Accomplishments & Outlook (cont.)

- In its 41st year, the Santa Float Program made its return to traditional form. During the two week period, the Float made 24 stops throughout Santa Fe Springs and 15 Home Visits. During the second night of stops, the Float had a special visit from one of the pioneers of the Santa Float, Parks and Recreation Advisory Committee Member and Planning Commissioner Ken Arnold and the Arnold family. It is estimated over 5,000 people visited Santa. 76 volunteers helped ensure the success of the program, and to acknowledge their support, a special volunteer recognition dinner was held on January 26, 2021.
- The Holiday Home Decorating Contest returned in 2021 and resulted in the most entries received in the past 10 years with 27 entries.
- In an effort to get community members ready for the Shamrock 5K Fun Run/Walk, the Parks and Recreation Division launched a 5K training program on Sunday, January 23, 2022. The Couch to 5K training program was a five week interval training program designed for beginner and intermediate levels. 27 participants registered for this program.
- The annual 5K Fun Run/Walk & Toddler ¼ Dash was held on Saturday, March 12, 2022. 515 runners registered for this program.
- The Community Services Department held a ribbon cutting for its newest park amenity, the Fitness Court at Los Nietos Park. The Fitness Court is an innovative outdoor bodyweight circuit training center designed to provide a full body workout in only seven minutes. Equipment usage is free and park visitors can also download the free Fitness Court App – a coach-in-your-pocket style platform – that transforms the gym into a digitally supported wellness ecosystem.
- Due to a rise in COVID-19 transmission, the Penny Carnival was again held online and drew 18 people to virtual trivia games and activities. The virtual trivia games and activities included American Trivia, Wheel of Fortune, Bingo, and Jeopardy.
- The Teens Empowered and Engaged in Neighborhood Services Program (T.E.E.N.S.) hosted a Community Garden cleanup event. There were over 100 volunteers from the Santa Fe High Eco Club, Santa Fe High Baseball team, Cal High Eco Club, our T.E.E.N.S. program, Starbucks, and the Youth Leadership Committee.
- Approximately 449 middle and high school students participated in our T.E.E.N.S. Program, which offered offered bi-weekly meetings that included holiday-themed games, trivia, and educational workshops.

Accomplishments & Outlook (cont.)

- A new event “Chalk It Out!” in which local youth were invited to create sidewalk chalk art, was held on Saturday, April 2, 2022 at Town Center Plaza. Recognizing that youth have been through a tough time, physically and emotionally due to the pandemic, a focus on mental health wellness is necessary for the youth community. Chalk art is a form of art expression that can provide youth an overall better mental health and a sense of comfort. Approximately 78 youth participated in the event.
- After a two year hiatus, Parks and Recreation Services hosted the Easter Eggstravaganza Event on Saturday, April 16, 2022 at Los Nietos Park. Staff stuffed approximately 10,000 eggs for the egg hunt and it is estimated that 1,500 people attended.
- The Library resumed in-person programming in September 2021. In addition to Preschool and bilingual Storytimes, we offered the following special programs:
 - First Friday – Our award-winning First Friday program resumed on April 1 with the Korean Classical Music and Dance Company. In June, we presented the Sakai Flamenco dancers.
 - Afternoon Tea – The event was hosted in April and focused on the rich history of Santa Fe Springs. Speaker Jaque Nunez highlighted Native American history, while attendees enjoyed a full three course tea service.
 - Battle of the Books – Literacy Services hosted a Battle with students from Rancho Santa Gertrudes Elementary School.
 - Author Day – Literacy Services invited students for a pizza lunch and to meet author Rex Ogle, who read an excerpt from his book *Free Lunch*.
 - Animal Sleepover – 27 children befriended a new stuffed animal and then left them in the Library to spend the night. The children watched their new friends on social media as they played throughout the Library.
 - STEAM Power – Aimed at elementary school age children, this new program explores science, technology, engineering, art, and math concepts through experiments and art activities.
 - Dia de los Niños – The Library received a \$500 grant to provide a Dia de los Niños program for children. This special bilingual program featured crafts, activities, and bilingual book giveaway.

Accomplishments & Outlook (cont.)

- In Fiscal Year 2020/21, the Library reclassified its Administrative Clerk II position to Librarian II – Technical Services. This professional position oversees all technology functions, including the administration of the Library’s public access computers, integrated Library system and all STEAM programming.
- The Library upgraded its public copier and began offering WI-FI printing. Patrons can now print in black and white or color from the Library’s computers or their personal devices.
- The Library began a new book group, Murder Ink. This group of true-crime book lovers meet monthly via Zoom. This brings the total of book clubs offered to six.
- The Library was awarded \$2,000 from the California State Library to implement the ZIP Books program. This program allows the library to fulfill physical book and audio book requests from patrons by purchasing the items from Amazon and sending them directly to the patron.
- The Library was awarded a grant of \$30,000 from the California State Library to transform the William C. Gordon Learning Center at Gus Velasco Neighborhood Center from a small circulating library with a few computers into a TechLab for Seniors. This new lab has 13 new computers, new computer furniture and equipment selected with senior needs in mind, a new printer and a new large TV monitor to facilitate computer classes. Scheduled to open in September 2022, lab users will be assisted by tech-savvy Library staff who can help seniors with lab computers and also assist with seniors’ personal devices.
- The Library has been pre-approved by the U.S. State Department to offer Passport Acceptance service. Individuals will be able to come to the Library to submit their application and documentation to receive a passport. We anticipate offering this in-demand service starting October 2022.
- The 2022 Summer Concert and Movie Series consisted of 5 concerts and 3 movie nights. It included the participation of the Abigail Barraza Foundation as well as the Police Services Department that hosted National Night Out. The final concert featured Mariachi Las Colibri. In total, the series had approximately 4,500-5,000 attendees across all 8 event dates with movies averaging 150-300 guests per event and concerts averaging 500-800 per event.
- The 2021 Día De Los Muertos event returned to an in-person event on Saturday, October 16th at Heritage Park. Approximately 1,200 guests visited the event, which offered food vendors, sugar skull crafts for kids,

Accomplishments & Outlook (cont.)

artisan items for sale, and a community ofrenda showcase. The live entertainment consisted of several dance groups, as well as a performance by Grammy Award-winning Mariachi Divas. A total 153 sugar skulls were sold to community members, and another 80 skulls were donated to the Gus Velasco Neighborhood Center (GVNC) for distribution to older adults, bringing the total to 233 skulls distributed.

- The annual Las Posadas was held Friday, December 10th. The event hosted the tradition of participants gathering at the north end of Heritage Park where they are led along the walkway knocking on three doors seeking shelter. Approximately 400 participants took part in the procession led by Mary and Joseph and a group of Mariachi singing “Pidiendo Posada” (asking for shelter) at each stop along the way. The event concluded with colorful folkloric dancers, Mariachi entertainment, crafts and an opportunity to see Santa Claus.
- After a two year hiatus, the Department of Community Services hosted its annual SFS Art Fest on Friday, May 6, 2022 at Clarke Estate. The event featured 112 artists exhibiting over 300 art pieces, as well as art vendors, non-profit organizations, entertainment, and food vendors. There were 2,500 participants throughout the entire evening with 1,100 of those participants being present at approximately 7:30 p.m. The Preview & Showcase Night was held on Thursday, May 5th with about 450 business and community residents enjoying an art mixer.
- The annual Pioneer Living Day returned to an in-person event on June 4th, and provided families and children an opportunity to go back in time to the early days of the pioneers. Approximately 200 participants enjoyed games, interactive experiences like panning for gold and arrowhead making, live demonstrations like blacksmithing and rope making, as well as crafts through the decades to celebrate the history of fun.
- Approximately 109 Santa Fe Springs Older Adult residents renewed their gym membership since the reopening of the Gus Velasco Neighborhood Center (GVNC) in March 2022.
- In July 2021, two outdoor exercise programs were reinstated. Movin' and Groovin', held at Los Nietos Park on Mondays and Wednesdays, had an attendance of 35 Older Adults. City Strollers, which was held at Heritage Park, had 16 participants who walked laps through park. Each month from June through August, the walker with the most laps received a \$30 gift card to Sketchers, donated by TEAM UP-Medical/Medicare representatives that frequent our senior activities.
- Following the reopening of the GVNC in February, 2022, 17 new and returning classes have been implemented.

Accomplishments & Outlook (cont.)

- During the GVNC closure, the Senior Buzz publication was mailed out every two months to 258 Santa Fe Springs Older Adults. The Buzz contains information on program updates, upcoming events, Coronavirus tips, puzzles, word searches, and healthy recipes, to mention a few. The Senior Buzz continues to be distributed at the GVNC since re-opening.
- Community Services Department, in partnership with the Rotary Club, provided a modified drive-through event where backpacks filled with school supplies were provided to 115 Santa Fe Springs children. Over \$9,000 was received in monetary donations from City businesses and school supplies from individuals and companies.
- The annual Volunteer Income Tax Assistance Program began in February 2022, and continued in a modified drop off format to help reduce the spread of COVID-19. A total of 300 tax returns were completed.
- Community Services Department continued to partner with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors. During the GVNC closure, SASSFA continued to prep 796 frozen meals per month for homebound and congregate meal seniors in the city and surrounding communities. SASSFA's homebound meals increased to 96 meals (45 homebound and 51 congregate) per day and were home delivered to all registered participants. Since its return on May 23, 2022 to in-person service, an average of 30 meals are served daily in the congregate meal program and 45 meals continue to be delivered daily to homebound seniors.
- The Thankful Neighbor Holiday Basket program provided Thanksgiving Baskets to 115 low-income families and older adult residents. \$50 Northgate gift cards were also provided.
- The Neighborly Elf Program provided 126 holiday food baskets to low-income families and older adult residents. In addition, gift cards were provided to families:
 - Children ages 10 and under received a \$15.00 gift card
 - Youth ages 11-18 received a \$25.00 gift card
- In 2021-2022, Human Services Caseworkers provided assistance in completing forms to 221 individuals. The majority of the form assistance is provided to older adults in need of accessing or maintaining affordable housing, or government assistance to pay for needed services.
- The Human Services Caseworkers coordinated with numerous partners from local government and non-profit agencies to secure food,

**Accomplishments
& Outlook (cont.)**

supervision, income, medical care, and housing for a disabled adult, whose caregivers died of COVID-19 and left him without food or income.

- Human Services Case Workers responded to 144 inquiries for affordable housing, which is becoming increasingly in demand. Most of those who called are older adults and families who are homeless or at-risk of homelessness.
- Community Services Department sponsored 10 Santa Fe Springs children to attend a “sleep away camp” in partnership with Woodcraft Rangers.
- In partnership with Spiritt Family Services, the Family and Human Services Division hosted an in-person workshop, “Healthy Children, Healthy Families”, which provided families with strategies to prevent child abuse & neglect and strengthen their family’s protective factors to promote healthy families and communities.
- Family and Human Services continues to partner with United Way, Southern California Edison and So Cal Gas to provide utility assistance to low-income families at risk of having their utilities disconnected. Through this partnership, the Division processed 295 applications, totaling \$27,361 in utility assistance grants during FY 2021/2022. Case workers fielded 782 phone calls that were attributed to this program alone.
- Through the Family and Human Services Funds (FHS), the City provided \$1,579.89 in water utility assistance and \$480 in sponsorships to Santa Fe Springs residents experiencing financial hardship. The total amount of FHS funds used for direct client assistance was \$2,059.89.
- As Certified Application Counselors under Covered California, Case Workers provided enrollment in affordable health care to 20 uninsured families and individuals. They also provided information and education about Covered California to 53 individuals and families.
- The Family & Human Services Division continues to partner with United Way and Southern California Edison to provide utility assistance to low-income families. Through this partnership and funding, and overcoming the challenges of servicing virtually, by phone or email, the Division processed 214 applications totaling to \$33,593.36 in utility assistance grants during FY 2021/2022.
- Gus’ Kitchen Food Pantry and Community Closet located at the Gus Velasco Neighborhood Center was used by 144 clients, who were able to obtain food, clothing, and hygiene products. In addition, during the

**Accomplishments
& Outlook (cont.)**

Safer at Home order, items from Gus' Kitchen were donated to the local school districts and food banks.

City Manager

The City Manager is responsible for carrying out the policies and directives of the Council, for overseeing the City's daily operations, maintain the city budget and represent the municipality in a variety of settings, and supervise City departments. Additionally, the City Manager's Office also researches issues important to the city and advises the mayor and council on the best course of action.

Department of Finance and Administrative Services

The Department of Finance and Administrative Services is responsible for various different areas, including managing and safeguarding financial resources in accordance with specific principles and practices, administering information technology and risk management functions, as well as the City's Human Resources function. In addition to receiving the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting again this year and over the last several decades, the department embarked on several initiatives this fiscal year.

The department is now in the third year of implementing the financial module of the new Enterprise Resource Planning (ERP) system. The department is planning to implement the payroll module next year.

During Fiscal Year 2021 through 2022, the City's operations were impacted by the pandemic. However, the City experienced little to no effect on revenue stream, and in fact, experienced greater than anticipated Sales Tax and Transaction Tax revenues.

**Long-Term
Financial Planning**

The City continued taking a number of steps to better position its long-term financial standing. City employees are paying their full share of City pension costs. This, coupled with "tiered" benefits providing future City employees with a reduced set of benefits and a greater share of the costs, will substantially help the City's future fiscal standing. In conjunction with subsequent pension reform earmarked changes adopted by the State, the effect should be the stabilization of employee costs.

**Debt
Administration**

The City continues to prefund Other Postemployment Benefits (OPEBs) through CalPERS' California Employers' Retiree Benefit Trust Fund (CERBT). It recognizes the benefit of "prefunding" through a trust rather than using the "pay as you go" method.

The City established California Employers Pension Prefunding Trust (CEPPT) on June 2021. This is a special trust fund for the purpose of allowing City to prefund the required pension contributions to a defined benefit pension plan by receiving and holding in the CEPPT amounts that are intended to be contributed to the Pension Plan at a later date.

Over the course of the next year, staff will be looking to further develop and formalize more long-term financial planning models. They should help provide a framework that helps identify future trends.

At June 30, 2022, the City of Santa Fe Springs oversaw six outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, two City water revenue bond issues, and one special assessment district bond.

The City works closely with public financial professionals to monitor opportunities to effectively administer the outstanding debt in a fluid public finance market. More detailed information about the debt is contained in the Management's Discussion and Analysis and in the Notes to Financial Statements.

Acknowledgements

We would like to extend our appreciation to the City Council, the City Council Audit Subcommittee, and City departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year. Specifically, we would like to thank the Department of Finance & Administrative Services for their consistent dedication and hard work.



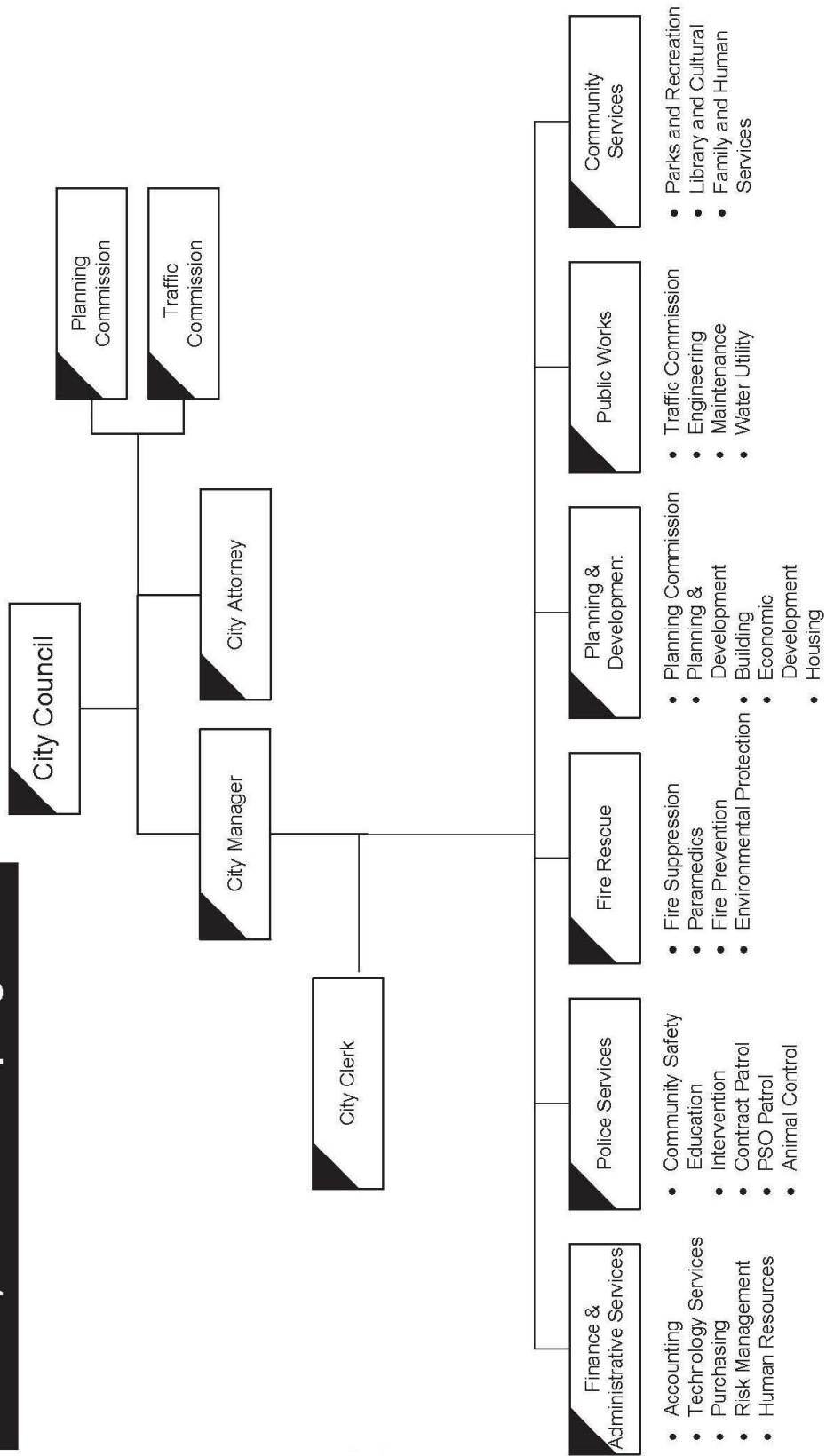
Thomas R. Hatch
Interim City Manager



Travis Hickey
Director of Finance and Administrative Services

Organizational Chart

City of Santa Fe Springs





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Santa Fe Springs
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Santa Fe Springs
Santa Fe Springs, California

Report on the Audit of the Financial Statements ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund and Low and Moderate Income Housing Assets Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Honorable Mayor and Members of the City Council
City of Santa Fe Springs

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
February 23, 2023

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

This is management's discussion and analysis (MD&A) of the financial performance of the City of Santa Fe Springs (City) for the fiscal year ended June 30, 2022. This should be read in conjunction with the transmittal letter that can be found in the introductory section of this report and with the City's financial statements, which follow this discussion.

Financial Highlights

- The City's total net position increased over the course of the fiscal year by \$21.6 million to \$176.3 million. The governmental net position increased by \$19.20 million or 14.2%, while the business-type net position increased by \$2.4 million or 13.0%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$8.0 million to \$68.3 million. Excluding transfers and other financing sources/uses, the general fund reported \$16.6 million excess of revenues over expenditures. Revenues increased by \$8.2 million or 10.6% and expenditures increased by \$3.6 million or 5.5% when compared to prior year. Increase in revenues was primarily due to increase in revenues provided by sales, use, and transaction taxes and charges for services, this was partially offset by the decrease in interest and rentals income. Increases in expenditures were mainly due to rising costs related to the City of Whittier's Police Services contract.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$28,046,008 or 35.4% of total general fund expenditures and transfers.

Overview of the Financial Statements

This annual report consists of several parts: an introductory section, management's discussion and analysis, the basic financial statements, required supplementary information, supplementary information and a statistical section. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both short and long-term information about the City's overall financial status in a manner similar to a private sector business.

- The statement of net position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. In time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.
- The statement of activities presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The governmental activities of the City include general government, public safety, community development, public works, culture and leisure, human services and Interest on Long-Term debt. The City's Water Utility operates as a proprietary fund and is reported as the City's only business-type activity in the government-wide statements.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- Governmental funds statements tell how general government services such as public works, community services, police and fire were financed in the short term, as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.
- Proprietary fund statements offer short and long-term financial information about the City's Water Utility Enterprise fund and internal service funds.
- Fiduciary funds statements provide information about the financial relationships in which the City acts solely in a trustee or custodial capacity for the benefit of others, to whom the resources belong. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by certain required supplementary information concerning the City's budgetary comparison schedules for its general fund and the City's pension and other post-employment benefits obligation to its employees. In addition to these required elements, we have included supplementary statements and schedules that provide details about the City's non-major governmental funds.

Financial Analysis of the Government-wide Statements

The government-wide financial statements provide short and long-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets and deferred outflows, and liabilities and deferred inflows. All current year revenues and expenses are reported in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the City's net position and how it has changed during the fiscal year. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

City of Santa Fe Springs
Summary of Net Position
June 30, 2021 and 2022
(in millions)

	Governmental Activities		Business- type Activities		Total		Total Percent Change
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	
Current and other assets	\$ 124.9	\$ 166.9	\$ 15.5	\$ 17.5	\$ 140.4	\$ 184.4	31.3%
Capital assets, net	<u>167.7</u>	<u>165.9</u>	<u>26.3</u>	<u>25.6</u>	<u>194.0</u>	<u>191.5</u>	-1.3%
Total assets	292.6	332.8	41.8	43.1	334.4	375.9	12.4%
Deferred outflows	22.8	24.1	1.5	1.5	24.3	25.6	5.3%
Long-term liabilities	165.2	125.0	20.8	17.9	186.0	142.9	-23.2%
Other liabilities	<u>7.7</u>	<u>12.1</u>	<u>2.7</u>	<u>2.6</u>	<u>10.4</u>	<u>14.7</u>	41.3%
Total liabilities	172.9	137.1	23.5	20.5	196.4	157.6	-19.8%
Deferred inflows	7.1	65.2	0.5	2.4	7.6	67.6	789.5%
Net position							
Net investment in							
capital assets	163.1	162.3	19.1	18.6	182.2	180.9	-0.7%
Restricted	30.9	32.3	-	-	30.9	32.3	4.5%
Unrestricted	<u>(58.6)</u>	<u>(40.0)</u>	<u>0.2</u>	<u>3.1</u>	<u>(58.4)</u>	<u>(36.9)</u>	-36.8%
	<u>\$ 135.4</u>	<u>\$ 154.6</u>	<u>\$ 19.3</u>	<u>\$ 21.7</u>	<u>\$ 154.7</u>	<u>\$ 176.3</u>	14.0%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Fe Springs, assets and deferred outflows exceed liabilities and deferred inflows by \$176.3 million at the close of the fiscal year. The largest portion of the City's net position 102.6%, is invested in capital assets, net of related debt. Approximately (20.9 %) of the City's net position is unrestricted. Unrestricted net position is at a deficit of \$36.9 million, a decrease of \$21.5 million from the prior year. An additional portion of the City's net position, \$32.3 million, represents resources that are subject to external restrictions on how they may be used.

During the fiscal year, the City's ending net position increased by \$21.6 million, when compared to the prior year, revenues increased by \$6.9 million to \$108.2 million. Expenses increased by \$2.9 million to \$86.6 million. Total revenues outpaced total expenses primarily due to increase in sales, use, and transaction taxes and charges for services program revenues.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2022
(in millions)

	Governmental <u>Activities</u>		Business-type <u>Activities</u>		Total Primary <u>Government</u>		Total Percentage <u>Change</u>
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	
Revenues							
Program revenues:							
Charges for services	\$ 9.5	\$ 11.6	\$ 14.4	\$ 15.6	\$ 23.9	\$ 27.2	13.8%
Operating grants and contributions	5.7	6.2	-	0.1	5.7	6.3	10.5%
Capital grants and contributions	3.3	0.6	-	-	3.3	0.6	-81.8%
General revenues:							
Sales and use taxes	32.3	39.5	-	-	32.3	39.5	22.3%
Transaction and use taxes	13.7	15.7	-	-	13.7	15.7	14.6%
Property taxes	6.0	5.7	-	-	6.0	5.7	-5.0%
Franchise taxes	3.5	3.8	-	-	3.5	3.8	8.6%
Motor vehicle in lieu	2.3	2.3	-	-	2.3	2.3	0.0%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.9	7.8	-	-	6.9	7.8	13.0%
Other taxes	0.2	0.2	-	-	0.2	0.2	0.0%
Investment income	1.3	(3.0)	0.2	0.1	1.5	(2.9)	-293.3%
Other	1.1	1.1	0.1	0.1	1.2	1.2	0.0%
Total revenues	<u>86.6</u>	<u>92.3</u>	<u>14.7</u>	<u>15.9</u>	<u>101.3</u>	<u>108.2</u>	6.8%
Expenses							
Governmental activities:							
General government	8.5	7.6	-	-	8.5	7.6	-10.6%
Public safety	35.2	40.5	-	-	35.2	40.5	15.1%
Community development	2.7	2.7	-	-	2.7	2.7	0.0%
Public works	16.8	16.3	-	-	16.8	16.3	-3.0%
Culture and leisure	5.5	5.5	-	-	5.5	5.5	0.0%
Human services	1.6	1.6	-	-	1.6	1.6	0.0%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	13.3	12.3	13.3	12.3	-7.5%
Total expenses	<u>70.4</u>	<u>74.3</u>	<u>13.3</u>	<u>12.3</u>	<u>83.7</u>	<u>86.6</u>	3.5%
Excess (deficiency) before transfers	16.2	18.0	1.4	3.6	17.6	21.6	22.7%
Transfers	<u>1.2</u>	<u>1.2</u>	<u>(1.2)</u>	<u>(1.2)</u>	<u>-</u>	<u>-</u>	
Increase (decrease) in net position	<u>17.4</u>	<u>19.2</u>	<u>0.2</u>	<u>2.4</u>	<u>17.6</u>	<u>21.6</u>	22.7%
Net position - beginning	118.0	135.4	19.1	19.3	137.1	154.7	12.8%
Net position - ending	<u>\$ 135.4</u>	<u>\$ 154.6</u>	<u>\$ 19.3</u>	<u>\$ 21.7</u>	<u>\$ 154.7</u>	<u>\$ 176.3</u>	14.0%

The City's total revenues were \$108.2 million for the fiscal year ended June 30, 2022. Revenues from governmental activity totaled \$92.3 million and revenues from business-type activities totaled \$15.9 million. Program revenues comprise 31.5% of total revenues with the largest portion of this, \$27.2 million, resulting from charges for services. Sales, use, and transaction taxes comprise 51.0% of total revenues and other general revenues comprise the remaining 17.5%. Total revenues increased by 6.8%, primarily due to increase in program charges for services, sales, use, and transaction taxes during the fiscal year.

- Charges for services includes culture and leisure programs, and facilities rentals. Increased in charges for services due to an increase in the demand to use city's programs and services.
- The Stay-at-home orders during fiscal year 2021-22 generated greater than anticipated online sales which resulted in the City's increased sales, use, and transaction taxes.

Some of the increases were partially offset by the decrease in investment incomes.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Expenses of the City for the year totaled \$86.6 million. Governmental activity expenses totaled \$74.3 million, or 85.8% of total expenses. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

Net Cost of Governmental Activities

(in millions)

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2021</u>	<u>2022</u>		<u>2021</u>	<u>2022</u>	
General government	\$ 8.5	\$ 7.6	-10.6%	\$ 3.1	\$ 1.8	-41.9%
Public safety	35.2	40.5	15.1%	31.4	35.8	14.0%
Community development	2.7	2.7	0.0%	0.9	0.4	-55.6%
Public works	16.8	16.3	-3.0%	9.8	11.8	20.4%
Culture and leisure	5.5	5.5	0.0%	5.0	4.4	-12.0%
Human services	1.6	1.6	0.0%	1.6	1.6	0.0%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	<u>\$ 70.4</u>	<u>\$ 74.3</u>	<u>5.5%</u>	<u>\$ 51.9</u>	<u>\$ 55.9</u>	<u>7.7%</u>

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$15.7 million, and investment and other income totaled an additional \$0.2 million. Expenses of the Water Utility were \$12.3 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$3.6 million. Transfers out totaled \$1.2 million. This amount was transferred to the City's general fund for use of the City's rights of way and maintenance of the City's extensive infrastructure. The cost of capital improvements is reported in the statement of net position, rather than as expenses in the statement of activities. Capital assets of \$25.6 million (net of accumulated depreciation) decreased by approximately \$0.7 million.

Financial Analysis of the Fund Statements

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

The City's governmental funds provide information on near-term inflows, outflows and the balance of available resources. The City's governmental funds reported combined fund balances at June 30, 2022, of \$134.6 million, an increase of approximately \$21.6 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from increase in sales, use, and transaction taxes and charges for services program incomes.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The General Fund is the chief operating fund of the City. At June 30, 2022, the General Fund's unassigned fund balance was \$28.0 million. Additional General Fund balances were: nonspendable \$2.8 million, restricted \$1.8 million, committed \$0.2 million, and assigned \$35.4 million. Revenues increased by approximately \$8.2 million and expenditures increased by \$3.5 million when compared to prior year. The revenue increase is a combination of increases in sales, use, and transaction taxes and utility uses. The expenditure increase is reflective of rising costs related to the City of Whittier's Police Services contract and pension costs, this was offset by decrease in pension obligation bonds payment. The pension obligation bonds were paid off during fiscal year June 30, 2020. During the fiscal year ended June 30, 2022, the overall fund balance in the General Fund increased by \$8.0 million.

Within the governmental funds designation, the City has four other major funds: the Low and Moderate Income Housing Assets Special Revenue Fund, the Capital Improvement Capital Projects Fund, the Prefunded Capital Projects Fund, and the Successor Agency Bond Funded Capital Projects Fund.

The Low and Moderate Income Housing Assets Special Revenue Fund was created during FY 2011-12 to account for the assets of the housing fund of the former redevelopment agency. Under the redevelopment dissolution bills, the City acts as housing successor to the former redevelopment agency and will retain the rights and obligations to administer the assets of the fund. The assets of the fund total \$12.1 million consisting primarily of cash and investments, notes and loans, advances receivable, and land and buildings held for resale. During fiscal year 2021-22 the fund expended \$0.2 million in housing administration costs.

The Capital Improvement Capital Projects Fund is used to account for expenditures on various capital improvement projects and the related revenues to finance the projects. The revenues and expenditures of the fund may vary significantly from year to year depending on the activity each year. The assets of the fund total \$4.4 million primarily consisting of receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2022, the overall fund balance increased by \$3.0 million to \$17 thousand. The increase was due to reimbursements from various government agencies for completed projects during prior year were collected this year. These receivables are outstanding beyond the available period and have not been recognized as revenues.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former redevelopment agency was a significant source of funding prior to dissolution. Without the redevelopment agency, the General Fund became the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures, the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally, one time revenues will be considered for allocation to the fund. For the fiscal year ended June 30, 2022 the General Fund transferred \$11.8 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has increased by \$7.2 million to \$35.8 million as of the fiscal year-end. The increase was primarily due to additional funding transferred from General Fund. City staff, in conjunction with the CIP Subcommittee of the City Council, work together throughout the year to plan and manage the projects financed through this fund.

The Successor Agency Bond Funded Capital Projects Fund was created in fiscal year 2014-15 to account for the unspent bond proceeds of the former redevelopment agency. With approval from the California Department of Finance, the Successor Agency transferred approximately \$19.6 million in unspent proceeds to the City as of July 1, 2014. Under a Bond Expenditure Agreement between the City and the Successor Agency, the City manages the projects for which the bond proceeds are to be used. During fiscal year 2021-22 the City expended approximately \$0.1 million on projects. As of fiscal

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

year-end the fund balance decreased by \$0.2 million to \$7.8 million. The decrease was due lower interest income on investments. The balance accumulated in the fund is to be used on future projects.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$2.7 million increase or 3.8%. The final amended budget exceeded actual expenditures by approximately 6.2% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by \$9.5 million, primarily due sales, use, and transaction taxes growth more than anticipated during the pandemic. Increases were seen in other revenue categories, including UUT, and franchise taxes. Increases were partially offset by the investment lost during the year. The Notes to the Required Supplementary Information provides more details regarding budgeting policies and practice.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$165.9 million (net of accumulated depreciation), a decrease of approximately \$1.8 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 7 –Capital Assets provides more detailed information on the capital assets.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2022, amounts to \$25.6 million (net of accumulated depreciation), a decrease of \$0.7 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2022, the City's governmental activities long-term liabilities decreased by \$40.2 million to \$126.1 million. The City's business-type activities long-term liabilities decreased by \$2.8 million to \$18.4 million. The long-term liabilities consisted of bonds, compensated absences, OPEB obligation, Pension obligation, and other loans/leases are summarized in the table below and more detailed information is included in Note 8 – Long-Term Liabilities, Note 9 - Compensated Absences, Note 11 – Pension Plan Obligations and Note 12 – Post-Employment Health Care Benefits.

During FY 2012-13 the City's business-type activity Water Utility Fund issued \$6.89 million in water revenue bonds to refund the existing 2003 water revenue bonds at lower interest rates and provide approximately \$2.1 million in additional proceeds to be used for water infrastructure projects. During FY 2017-18, Water Utility Authority issued \$1.8 million in water revenue bonds to refund the existing 2005 water revenue bonds at lower interest rates and provide a reduction of approximately \$0.4 million in total debt service payments.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**Outstanding Debt
(in millions)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total Percentage Change</u>
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	
Revenue bonds	\$ 0.0	\$ 0.0	\$ 8.0	\$ 7.7	\$ 8.0	\$ 7.7	-3.8%
Compensated absences	2.6	1.9	0.3	0.4	2.9	2.3	-20.7%
OPEB obligation	35.8	26.3	3.5	2.6	39.3	28.9	-26.5%
Pension obligation	124.1	94.4	9.4	7.7	133.5	102.1	-23.5%
Other loans/leases	3.8	3.5	0.0	0.0	3.8	3.5	-7.9%
Total	<u>\$ 166.3</u>	<u>\$ 126.1</u>	<u>\$ 21.2</u>	<u>\$ 18.4</u>	<u>\$ 187.5</u>	<u>\$ 144.5</u>	-22.9%

All water revenue and pension obligation bonds are insured issues.

Economic Factors and Next Year's Budgets

The City of Santa Fe Springs has dealt with many difficult decisions stemming from the downturn in the economy in the late 2000's, the dissolution of redevelopment agencies and tax increment financing and more recently the COVID-19 pandemic. The City's condition, despite the impacts of the pandemic, is improving due to revenue enhancements coupled with cost containment and reduction measures but still faces significant financial challenges in the years ahead. Major factors expected to affect the budget include:

- Slow recovery of state and local economies.
- Funding capital improvements without the Redevelopment Agency, which historically funded the majority of capital projects prior to the dissolution of redevelopment.
- Funding for significantly increasing retirement contributions rates caused by a number of factors including the reduced number of active employees, actuarial assumption changes related to mortality and expected investment returns, and poor investment performance of the pension plan during the economic downturn in 2008 and the recent COVID-19 downturn.
- Increasing demands for public services, including unfunded mandates by both federal and state governments.
- The inflation rates have led to sharp increases in the cost of living throughout our community and it has also increased the cost to deliver City's programs and services.

All of these factors were considered in adopting the Fiscal Year 2022-23 operational budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Santa Fe Springs finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Finance and Administrative Services, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California.

**CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activity	Total
CURRENT ASSETS			
Cash and Investments	\$ 112,647,590	\$ 14,961,308	\$ 127,608,898
Receivables:			
Accounts	2,629,476	1,711,494	4,340,970
Interest	248,447	2,662	251,109
Leases	436,464	-	436,464
Deposits and Other Assets	1,441,880	-	1,441,880
Due from Other Governments	13,609,195	-	13,609,195
Inventories	1,068,702	273,585	1,342,287
Restricted Assets:			
Cash with Fiscal Agent	13,837,743	556,299	14,394,042
Total Current Assets	145,919,497	17,505,348	163,424,845
NONCURRENT ASSETS			
Notes and Loans, Net of Allowances	1,867,432	-	1,867,432
Leases Receivable	18,519,199	-	18,519,199
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets not Being Depreciated/Amortized	61,026,149	8,380,566	69,406,715
Capital Assets, Net of Depreciation/Amortization	104,898,662	17,311,838	122,210,500
Total Noncurrent Assets	186,831,474	25,692,404	212,523,878
Total Assets	332,750,971	43,197,752	375,948,723
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Charge on Refunding	-	50,444	50,444
Deferred Pension-Related Items	19,875,238	1,029,496	20,904,734
Deferred OPEB-Related Items	4,221,333	417,495	4,638,828
Total Deferred Outflows of Resources	24,096,571	1,497,435	25,594,006
CURRENT LIABILITIES			
Accounts Payable	2,521,768	1,289,670	3,811,438
Accrued Liabilities	1,370,480	125,449	1,495,929
Accrued Interest	35,608	46,006	81,614
Unearned Revenue	3,370,292	-	3,370,292
Deposits Payable	1,848,507	918,293	2,766,800
Due to Other Governments	1,787,144	-	1,787,144
Contracts Payable	7,322	-	7,322
Compensated Absences	440,000	60,000	500,000
Bonds, Notes, and Lease Payable	734,005	213,700	947,705
Total Current Liabilities	12,115,126	2,653,118	14,768,244
NONCURRENT LIABILITIES			
Compensated Absences	1,459,853	199,003	1,658,856
Bonds, Notes, and Lease Payable	2,813,969	7,394,076	10,208,045
Net OPEB Liability	26,344,625	2,605,513	28,950,138
Net Pension Liability	94,355,756	7,659,770	102,015,526
Total Noncurrent Liabilities	124,974,203	17,858,362	142,832,565
Total Liabilities	137,089,329	20,511,480	157,600,809
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension-Related Items	36,692,861	1,460,285	38,153,146
Deferred OPEB-Related Items	9,542,870	943,800	10,486,670
Deferred Leases-Related Items	18,955,663	-	18,955,663
Total Deferred Inflows of Resources	65,191,394	2,404,085	67,595,479
NET POSITION			
Net Investment in Capital Assets	162,283,010	18,669,402	180,952,412
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	94,945	-	94,945
Public Safety	194,231	-	194,231
Public Works	8,346,735	-	8,346,735
Capital Projects	7,840,329	-	7,840,329
Low and Moderate Income Housing	12,108,006	-	12,108,006
Art in Public Places - Expendable	1,628,048	-	1,628,048
Waste Management	1,614,370	-	1,614,370
Environmental Programs	203,908	-	203,908
Unrestricted	(39,991,439)	3,110,220	(36,881,219)
Total Net Position	\$ 154,566,819	\$ 21,779,622	\$ 176,346,441

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,629,048	\$ 3,306,540	\$ 2,483,042	\$ -
Public Safety	40,445,624	4,298,393	300,534	-
Community Development	2,728,716	2,336,477	-	-
Public Works	16,318,672	1,317,122	2,585,370	622,474
Culture and Leisure	5,486,877	275,337	813,119	-
Human Services	1,637,533	40,073	28,278	-
Interest on Long-Term Debt	67,435	-	-	-
Total Governmental Activities	74,313,905	11,573,942	6,210,343	622,474
Business-Type Activity:				
Water Fund	12,347,405	15,627,075	72,774	5,287
Total	<u>\$ 86,661,310</u>	<u>\$ 27,201,017</u>	<u>\$ 6,283,117</u>	<u>\$ 627,761</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
Governmental Activities:			
General Government	\$ (1,839,466)	\$ -	\$ (1,839,466)
Public Safety	(35,846,697)	-	(35,846,697)
Community Development	(392,239)	-	(392,239)
Public Works	(11,793,706)	-	(11,793,706)
Culture and Leisure	(4,398,421)	-	(4,398,421)
Human Services	(1,569,182)	-	(1,569,182)
Interest on Long-Term Debt	(67,435)	-	(67,435)
Total Governmental Activities	(55,907,146)	-	(55,907,146)
Business-Type Activity:			
Water Fund	-	3,357,731	3,357,731
Total	(55,907,146)	3,357,731	(52,549,415)
GENERAL REVENUES			
Taxes			
Property Taxes,			
Levied for General Purpose	5,724,154	-	5,724,154
Transaction and Use Taxes	15,661,416	-	15,661,416
Sales and Use Taxes	39,572,185	-	39,572,185
Franchise Taxes	3,790,928	-	3,790,928
Business Operation Taxes	809,418	-	809,418
Utility Users Tax	7,824,051	-	7,824,051
Other Taxes	158,797	-	158,797
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,359,894	-	2,359,894
Interest and Rentals	(2,976,930)	118,355	(2,858,575)
Other	963,042	84,237	1,047,279
Sale of Capital Assets	55,786	-	55,786
Transfers	1,153,809	(1,153,809)	-
Total General Revenues and Transfers	75,096,550	(951,217)	74,145,333
CHANGE IN NET POSITION	19,189,404	2,406,514	21,595,918
Net Position - Beginning of Year	135,377,415	19,373,108	154,750,523
NET POSITION - END OF YEAR	<u>\$ 154,566,819</u>	<u>\$ 21,779,622</u>	<u>\$ 176,346,441</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2022

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
ASSETS				
Pooled Cash and Investments	\$ 45,636,148	\$ 8,692,383	\$ 2,342,604	\$ 35,896,566
Restricted Cash with Fiscal Agent	13,837,743	-	-	-
Receivables:				
Accounts	2,579,678	29,098	20,408	-
Notes and Loans, Net of Allowances	302,727	1,435,308	-	-
Leases	18,955,663	-	-	-
Accrued Interest	214,276	-	-	-
Deposits and Other Assets	1,441,880	-	-	-
Due from Other Governments	10,968,295	-	2,069,276	142,435
Due from Other Funds	1,804,647	-	-	-
Advances to Other Funds	-	1,437,861	-	-
Inventories	1,068,702	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	<u>\$ 96,809,759</u>	<u>\$ 12,114,682</u>	<u>\$ 4,432,288</u>	<u>\$ 36,039,001</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,418,756	\$ 3,598	\$ 50,643	\$ 48,739
Accrued Liabilities	1,358,310	3,078	2,610	6,095
Unearned Revenues	1,230,592	-	-	-
Deposits Payable	1,247,946	-	600,561	-
Due to Other Governments	1,721,550	-	65,594	-
Due to Other Funds	1,901	-	1,618,891	-
Advances from Other Funds	1,437,861	-	-	-
Contracts Payable	-	-	7,322	-
Total Liabilities	<u>9,416,916</u>	<u>6,676</u>	<u>2,345,621</u>	<u>54,834</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	109,710	-	2,069,276	142,435
Deferred Leases-Related Items	18,955,663	-	-	-
Total Deferred Inflows of Resources	<u>19,065,373</u>	<u>-</u>	<u>2,069,276</u>	<u>142,435</u>
FUND BALANCES				
Nonspendable:				
Inventory	1,068,702	-	-	-
Notes and Loans	302,727	-	-	-
Deposits and Other Assets	1,441,880	-	-	-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	12,108,006	-	-
Art in Public Places	-	-	-	-
Waste Management	1,614,370	-	-	-
Environmental Programs	203,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	-	-	-	35,841,732
Facility Improvement	25,193	-	-	-
Equipment Replacement	4,555,954	-	-	-
Economic Uncertainty	7,725,000	-	-	-
Employee Benefits	3,377,785	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	18,837,743	-	-	-
Unassigned	28,046,008	-	17,391	-
Total Fund Balances	<u>68,327,470</u>	<u>12,108,006</u>	<u>17,391</u>	<u>35,841,732</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 96,809,759</u>	<u>\$ 12,114,682</u>	<u>\$ 4,432,288</u>	<u>\$ 36,039,001</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 7,696,398	\$ 12,383,491	\$ 112,647,590
Restricted Cash with Fiscal Agent	-	-	13,837,743
Receivables:			
Accounts	-	292	2,629,476
Notes and Loans, Net of Allowances	110,147	19,250	1,867,432
Leases	-	-	18,955,663
Accrued Interest	34,171	-	248,447
Deposits and Other Assets	-	-	1,441,880
Due from Other Governments	-	429,189	13,609,195
Due from Other Funds	-	1,901	1,806,548
Advances to Other Funds	-	-	1,437,861
Inventories	-	-	1,068,702
Land and Buildings Held for Resale	-	-	520,032
Total Assets	<u>\$ 7,840,716</u>	<u>\$ 12,834,123</u>	<u>\$ 170,070,569</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 32	\$ 2,521,768
Accrued Liabilities	387	-	1,370,480
Unearned Revenues	-	2,139,700	3,370,292
Deposits Payable	-	-	1,848,507
Due to Other Governments	-	-	1,787,144
Due to Other Funds	-	185,756	1,806,548
Advances from Other Funds	-	-	1,437,861
Contracts Payable	-	-	7,322
Total Liabilities	<u>387</u>	<u>2,325,488</u>	<u>14,149,922</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	80,000	2,401,421
Deferred Leases-Related Items	-	-	18,955,663
Total Deferred Inflows of Resources	<u>-</u>	<u>80,000</u>	<u>21,357,084</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	-	1,068,702
Notes and Loans	-	-	302,727
Deposits and Other Assets	-	-	1,441,880
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	94,945	94,945
Public Safety	-	194,231	194,231
Public Works	-	8,346,735	8,346,735
Capital Projects	7,840,329	-	7,840,329
Low and Moderate Income Housing	-	-	12,108,006
Art in Public Places	-	1,628,048	1,628,048
Waste Management	-	-	1,614,370
Environmental Programs	-	-	203,908
Committed to:			
Capital Projects	-	-	225,000
Assigned to:			
Capital Projects	-	-	35,841,732
Facility Improvement	-	-	25,193
Equipment Replacement	-	-	4,555,954
Economic Uncertainty	-	-	7,725,000
Employee Benefits	-	-	3,377,785
Risk Management	-	-	903,200
Unfunded Liability	-	-	18,837,743
Unassigned	-	(80,000)	27,983,399
Total Fund Balances	<u>7,840,329</u>	<u>10,428,635</u>	<u>134,563,563</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,840,716</u>	<u>\$ 12,834,123</u>	<u>\$ 170,070,569</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances of Governmental Funds \$ 134,563,563

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore are not reported in the fund financial statements.

Capital Assets not Being Depreciated	\$ 61,026,149	
Capital Assets Being Depreciated	245,445,723	
Accumulated Depreciation	<u>(140,547,061)</u>	165,924,811

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2021 are:

Notes and Lease Payable	(3,547,974)	
Compensated Absences	<u>(1,899,853)</u>	(5,447,827)

Pension and OPEB related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	19,875,238	
Deferred Inflows of Resources - Pension Related	(36,692,861)	
Net Pension Liability	(94,355,756)	
Deferred Outflows of Resources - OPEB Related	4,221,333	
Deferred Inflows of Resources - OPEB Related	(9,542,870)	
Net OPEB Liability	<u>(26,344,625)</u>	(142,839,541)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (35,608)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

2,401,421

Net Position of Governmental Activities \$ 154,566,819

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CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
REVENUES				
Taxes	\$ 75,540,244	\$ -	\$ -	\$ -
Licenses and Permits	2,913,256	-	-	-
Intergovernmental	926,186	-	3,343,745	52,328
Charges for Services	7,539,315	-	19,057	-
Interest and Rentals	(2,617,216)	150,565	-	-
Fines and Forfeitures	446,114	-	-	-
Contributions	260,407	-	-	-
Miscellaneous	866,654	-	284,305	3,825
Total Revenues	85,874,960	150,565	3,647,107	56,153
EXPENDITURES				
Current				
General Government	8,984,761	-	-	-
Public Safety	36,135,015	-	-	-
Community Development	3,040,862	213,405	-	-
Public Works	11,997,660	-	-	441,716
Culture and Leisure	5,759,396	-	-	-
Human Services	1,757,065	-	-	-
Capital Outlay	854,658	-	782,046	4,111,707
Debt Service				
Principal Retirement	675,015	-	-	-
Interest and Fiscal Charges	76,193	-	-	-
Total Expenditures	69,280,625	213,405	782,046	4,553,423
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,594,335	(62,840)	2,865,061	(4,497,270)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,674,208	-	190,364	11,823,726
Transfers Out	(11,800,000)	-	-	(107,285)
Sale of Capital Assets	55,786	-	-	-
Lease Obligation	454,612	-	-	-
Total Other Financing Sources (Uses)	(8,615,394)	-	190,364	11,716,441
NET CHANGE IN FUND BALANCES	7,978,941	(62,840)	3,055,425	7,219,171
Fund Balances - Beginning of Year	60,348,529	12,170,846	(3,038,034)	28,622,561
FUND BALANCES - END OF YEAR	<u>\$ 68,327,470</u>	<u>\$ 12,108,006</u>	<u>\$ 17,391</u>	<u>\$ 35,841,732</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 250,889	\$ 75,791,133
Licenses and Permits	-	-	-	2,913,256
Intergovernmental	-	-	4,691,973	9,014,232
Charges for Services	-	-	-	7,558,372
Interest and Rentals	(149,653)	-	65,773	(2,550,531)
Fines and Forfeitures	-	-	-	446,114
Contributions	-	-	669,055	929,462
Miscellaneous	900	-	-	1,155,684
Total Revenues	(148,753)	-	5,677,690	95,257,722
EXPENDITURES				
Current				
General Government	-	-	725	8,985,486
Public Safety	-	-	360,203	36,495,218
Community Development	-	-	-	3,254,267
Public Works	-	-	-	12,439,376
Culture and Leisure	-	-	25,706	5,785,102
Human Services	-	-	-	1,757,065
Capital Outlay	61,144	-	-	5,809,555
Debt Service				
Principal Retirement	-	-	-	675,015
Interest and Fiscal Charges	-	-	-	76,193
Total Expenditures	61,144	-	386,634	75,277,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(209,897)	-	5,291,056	19,980,445
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	14,688,298
Transfers Out	-	-	(1,627,204)	(13,534,489)
Sale of Capital Assets	-	-	-	55,786
Lease Obligation	-	-	-	454,612
Total Other Financing Sources (Uses)	-	-	(1,627,204)	1,664,207
NET CHANGE IN FUND BALANCES	(209,897)	-	3,663,852	21,644,652
Fund Balances - Beginning of Year	8,050,226	-	6,764,783	112,918,911
FUND BALANCES - END OF YEAR	<u>\$ 7,840,329</u>	<u>\$ -</u>	<u>\$ 10,428,635</u>	<u>\$ 134,563,563</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 21,644,652**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 5,420,268	
Depreciation	<u>(7,213,503)</u>	(1,793,235)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment	675,015	
Lease Obligation Issuance	<u>(454,612)</u>	220,403

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		8,758
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Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		655,353
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Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.		(2,397,909)
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Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources.		3,815,390
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Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the revenues in the governmental fund activity.		<u>(2,964,008)</u>
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Change in Net Position of Governmental Activities		<u>\$ 19,189,404</u>
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CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION—PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
ASSETS	
Current Assets	
Pooled Cash and Investments	\$ 14,961,308
Receivables	
Accounts	1,711,494
Accrued interest	2,662
Inventories	273,585
Restricted:	
Cash with Fiscal Agent	556,299
Total Current Assets	<u>17,505,348</u>
NONCURRENT ASSETS	
Capital Assets not Being Depreciated/Amortized	8,380,566
Capital Assets, Net of Depreciation/Amortization	17,311,838
Total Noncurrent Assets	<u>25,692,404</u>
Total Assets	43,197,752
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	50,444
Deferred Pension-Related Items	1,029,496
Deferred OPEB-Related Items	417,495
Total Deferred Outflows of Resources	<u>1,497,435</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,289,670
Accrued Liabilities	125,449
Accrued Interest	46,006
Deposits Payable	918,293
Compensated Absences	60,000
Bonds, Notes and Lease Payable	213,700
Total Current Liabilities	<u>2,653,118</u>
NONCURRENT LIABILITIES	
Compensated Absences	199,003
Bonds, Notes and Lease Payable	7,394,076
Net OPEB Liability	2,605,513
Net Pension Liability	7,659,770
Total Noncurrent Liabilities	<u>17,858,362</u>
Total Liabilities	20,511,480
DEFERRED INFLOWS OF RESOURCES:	
Deferred Pension-Related Items	1,460,285
Deferred OPEB-Related Items	943,800
Total Deferred Inflows of Resources	<u>2,404,085</u>
NET POSITION	
Net Investment in Capital Assets	18,669,402
Unrestricted	3,110,220
Total Net Position	<u>\$ 21,779,622</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION—
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
OPERATING REVENUES	
Sales and Service Charges	\$ 15,627,075
Other Water Revenue	<u>84,237</u>
Total Operating Revenues	15,711,312
OPERATING EXPENSES	
Source of Supply	6,962,310
System Maintenance and Operation	2,260,946
Billing and Collection	1,037,713
Administration	1,129,346
Depreciation/Amortization Expense	<u>648,321</u>
Total Operating Expenses	12,038,636
OPERATING INCOME	3,672,676
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	118,355
Interest Expense	(308,769)
Intergovernmental Revenue	<u>72,774</u>
Total Nonoperating Revenues (Expenses)	(117,640)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	3,555,036
Contributions	5,287
Transfers Out	<u>(1,153,809)</u>
CHANGE IN NET POSITION	2,406,514
Net Position - Beginning of Year	<u>19,373,108</u>
NET POSITION - END OF YEAR	<u><u>\$ 21,779,622</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activity - Enterprise Fund Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 15,697,192
Cash Paid to Suppliers for Goods and Services	(10,349,299)
Cash Paid to Employees for Services	(1,930,866)
Cash Received from Others	84,237
Net Cash Provided by Operating Activities	3,501,264
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Transfers Out	(1,153,809)
Cash Received from Other Governments	72,774
Net Cash Used by Noncapital Financing Activities	(1,081,035)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Capital Debt	(206,829)
Interest Paid on Capital Debt	(280,936)
Net Cash Used by Capital and Related Financing Activities	(487,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	118,176
Net Cash Provided by Investing Activities	118,176
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,050,640
Cash and Cash Equivalents - Beginning of Year	13,466,967
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 15,517,607</u>
CASH AND CASH EQUIVALENTS:	
Pooled Cash and Investments	\$ 14,961,308
Cash with Fiscal Agent	556,299
Total Cash and Cash Equivalents	<u>\$ 15,517,607</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 3,672,676
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization Expense	648,321
(Increase) Decrease in Assets:	
Accounts Receivable	44,756
Inventory	3,631
Prepaid Expense	5,767
Deferred Outflows for Pension-Related Items	(111,512)
Deferred Outflows for OPEB-Related Items	69,738
Increase (Decrease) in Liabilities:	
Accounts Payable	(70,988)
Accrued Liabilities	20,510
Deposits Payable	25,361
Compensated Absences	(89,435)
Deferred Inflows for Pension-Related Items	1,460,285
Deferred Inflows for OPEB-Related Items	492,548
Net Pension Liability	(1,730,761)
Other Postemployments Benefits	(939,633)
Net Cash Provided by Operating Activities	<u>\$ 3,501,264</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributed Capital Assets Received	<u>\$ 5,287</u>
Amortization of Bond Discounts, and Deferred Charges	<u>\$ 28,650</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	\$ 686,238	\$ 199,804
Receivables:		
Accounts	8,858	18,773
Notes and Loans	-	61,438
Due from Other Governments	-	47,236
Land and Buildings Held for Resale	-	4,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	169,438	11,880,191
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
Total Assets	<u>864,534</u>	<u>16,874,823</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	194,956
Total Deferred Outflows of Resources	<u>-</u>	<u>194,956</u>
LIABILITIES		
Accounts Payable	-	4,956
Accrued Liabilities	-	7,055
Accrued Interest	-	1,528,660
Deposits Payable	-	48,300
Due to Other Governments	8,858	16,742
Long-Term Liabilities:		
Due in One Year	-	7,380,198
Due in More Than One Year	-	43,995,214
Total Liabilities	<u>8,858</u>	<u>52,981,125</u>
NET POSITION		
Held for Bondholders	855,676	-
Held in Trust for Other Purposes	<u>-</u>	<u>(35,911,346)</u>
Total Net Position	<u>\$ 855,676</u>	<u>\$ (35,911,346)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
ADDITIONS		
Taxes	\$ -	\$ 10,267,738
Special Assessments or Special Taxes Collected From Property Owners	216,588	-
Interest and Change in Fair Value of Investments	34	1,644
Total Additions	<u>216,622</u>	<u>10,269,382</u>
DEDUCTIONS		
Administrative Expenses	-	250,952
Program Expenses	-	41,966
Payment for Special Assessment or Special Tax Debt	164,986	-
Interest Expense	-	1,971,623
Total Deductions	<u>164,986</u>	<u>2,264,541</u>
CHANGE IN NET POSITION	51,636	8,004,841
Net Position - Beginning of Year, as Restated	<u>804,040</u>	<u>(43,916,187)</u>
NET POSITION - END OF YEAR	<u><u>\$ 855,676</u></u>	<u><u>\$ (35,911,346)</u></u>

See accompanying Notes to Basic Financial Statements.

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CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The City of Santa Fe Springs (City) was incorporated on May 15, 1957, under the general laws of the state of California and enjoys all the rights and privileges pertaining to such "General Law" cities and is governed by an elected five-member City Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City elected officials have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the city's and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit, or the component unit provides services almost entirely to the City.

In accordance with Assembly Bill 1X 26 (the Dissolution Act), the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) was created on February 1, 2012 to serve as a custodian for the assets and to wind down the affairs of the former Agency. The Successor Agency is a legally separate public entity from the City and as a private-purpose trust fund.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private-purpose trust fund). See Note 16 for further detail regarding the dissolution.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Blended Component Units

The City of Santa Fe Springs Public Financing Authority (PFA) was organized under a joint exercise of power agreement on August 24, 1989. The purpose of this authority is to provide, through the issuance of debt, financing for public capital improvements. The board of directors is appointed by the City Council. The PFA has no activity in the current year.

The Santa Fe Springs Water Utility Authority (WUA) was organized under a joint exercise of power agreement on July 1, 2009. The purpose of this authority is to provide an entity to assist in financing, leasing, owning, operating, and maintaining the water operation. The City Council members are designated as board of directors of the WUA. The WUA has debt outstanding reported in the Water Proprietary Fund and Water Proprietary Fund revenues are pledged to the payment of the debt.

Separate Successor Agency, PFA, and WUA financial statements are not available.

Joint Powers Agreements

Joint Fire Dispatching Center

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2022, were based on the following percentages:

Downey	34.62 %
Santa Fe Springs	16.17 %
Compton	39.28 %
Vernon	9.93 %

During the fiscal year ended June 30, 2022, the City contributed \$254,121 for the operation of the Center. Separate audited financial statements are not prepared for the Center. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Joint Powers Agreements (Continued)

Southeast Water Coalition

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Coalition is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended June 30, 2022 was \$5,000. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the primary government and component units as a whole, except for its fiduciary activities. These statements report separately for governmental and business-type activities of the primary government (including its blended component units). Governmental activities are normally financed primarily by taxes and intergovernmental revenues. Business-type activities are financed primarily by fees charged for goods or services.

Certain indirect costs have been allocated and are included as part of the program expenses reported for the various functional activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other service charges between the City's water utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Government-Wide Financial Statements (Continued)

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all of the City’s assets and liabilities, including capital assets and infrastructure as well as long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Using the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been satisfied. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

The accounting records of the City are organized on the basis of funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The governmental funds financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Governmental Funds Financial Statements (Continued)

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except sales tax revenues, which is 90 days. Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in lieu fees, highway user’s taxes, transient occupancy taxes, grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims payable are recorded only when payment is due.

The City reports the following major governmental funds:

The General Fund is the City’s primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Low and Moderate Income Housing Assets Special Revenue Fund is used to account for the receipts and expenditures relating to the Housing Successor in accordance with the California Health and Safety Code.

The Capital Improvement Capital Projects Fund is used to account for monies received from the General Fund, special revenue funds, private developers and from outside governmental entities. These funds are subsequently used for the construction or rehabilitation of streets, bridges, traffic signals, public facilities and a variety of other construction or improvement projects.

The Prefunded Capital Projects Fund was established in fiscal year 2013. It is used to account for the accumulation of resources used for various construction, rehabilitation, and improvement projects similar to the Capital Improvement Fund. This fund differs from the Capital Improvement Capital Projects Fund in that resources are typically accumulated in the fund prior to undertaking the projects.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Governmental Funds Financial Statements (Continued)

The Successor Agency Bond Funded Capital Projects Fund is used to account for the expenditure of unspent bond proceeds of the Successor Agency used for various construction, rehabilitation, and improvement projects within the Consolidated Project Area of the former Community Development Commission. All unspent bond proceeds were transferred to the City during fiscal year 2014-15 in accordance with a Bond Expenditure Agreement between the City and Successor Agency.

Additionally, the City reports the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.

Proprietary Funds Financial Statements

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

The Water Fund is used to account for the operations of the City owned water system.

Fiduciary Fund Financial Statements

Fiduciary funds are accounted for on the accrual basis of accounting as are the proprietary funds explained above. The City reports the following fiduciary funds, which are excluded from the government-wide financial statements:

The Private-Purpose Trust Fund accounts for the custodial responsibilities that are assigned to the Successor Agency pursuant to the Dissolution Act.

The City reports the following Custodial funds:

The Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

The Community Facilities Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Functional Classifications

General government - includes the legislative activities, which have a primary objective of providing legal and policy guidance for industrial and residential issues within the City. Also included in this classification are those activities, which provide management or support services across more than one functional area.

Public safety - includes those activities, which have a primary objective of protecting people and property other than health related perils.

Community development - includes those activities which have a primary objective of enhancing the general quality of life in the City. This encompasses aesthetic, as well as economical and structural activities.

Public works - includes all maintenance and engineering of streets, parks, and other public facilities.

Culture and leisure - includes those activities, which have a primary objective of providing recreational and educational endeavors.

Human services - includes those activities, which have a primary objective of maintaining or improving the physical and/or mental health of residents of the community, improving the employment status of unemployed or underemployed residents, and otherwise serving the needs of the less privileged.

Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning fund balance or net position as a result of the implementation of this standard. The City is reporting lease receivables and deferred inflows of resources related to leases disclosed in Note 3, right-to-use assets in Note 7, and lease liabilities in Note 8.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Inventory and Prepaid Items

Inventory (General Fund and Water Fund) is valued utilizing the average cost method. Inventory items are considered expenditures or expenses when used under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These prepaid items are reflected in the financial statements as deposits and other assets and are accounted for under the consumption method.

Property Taxes

Under California law, the assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue in the year for which they are levied, and in the governmental fund statements when received from the County within 60 days of year-end. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien	January 1
Levy period	July 1 - June 30
Due	November 1 - 1st installment February 1 - 2nd installment
Delinquent	December 11 - 1st installment April 11 - 2nd installment

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, funds invested in the City's cash and investment pool are considered cash equivalents.

Investments

All investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale), except for money market investments, which have a remaining maturity of less than one year when purchased, which are stated at amortized cost. Money market investments are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide and enterprise fund financial statements. These assets are stated at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed below). The City conducted an infrastructure valuation in conjunction with the implementation of GASB No. 34 during the fiscal year ended June 30, 2002. Current replacement costs were calculated for infrastructure assets and discounted back to the original construction dates and the corresponding accumulated depreciation was calculated. Donated capital assets are stated at their estimated acquisition value on the date received. The capitalization threshold is \$20,000, except for vehicles, equipment and streetlights which is \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide and enterprise fund financial statements on a straight-line basis over the useful life of the assets as follows:

	<u>Assets</u>	<u>Years</u>
Computer		3
Furniture		10
Machinery and equipment		3 to 20
Vehicles		8
Water service meters and hydrants		10 to 50
Water transmission and distribution mains		10 to 50
Infrastructure		20 to 75

Leases

Lessee

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and a right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the governmental activities of the statement of net position and in the governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Leases (Continued)

Lessor (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Land and Buildings Held for Resale

Land and related buildings acquired by the former Community Development Commission (former Commission) and held for resale are accounted for as an investment and are recorded at the lower of cost or estimated realizable value, as determined upon the execution of a disposition and development agreement. Upon the dissolution of the former Commission, land and buildings held for resale were transferred to respective Low and Moderate Income Housing Assets Fund and Successor Agency Private-Purpose Trust Fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 11 and 12.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 11 and 12. The statement of net position and the governmental funds balance sheet report a deferred inflow of resources related to leases.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

Compensated Absences

The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have become due and payable as a result of employee resignations or retirements. For sick leave, Fire Safety personnel will receive 25% of the employee's current hourly pay upon normal service retirement, if the member reaches 90% service credit with CalPERS.

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of City's OPEB Plan, the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted - This category represents restricted assets reduced by liabilities related to those assets. Restrictions can be imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This category represents net position of the City, not restricted for any project or other purpose.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for government funds are made up of the following:

- Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventory, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City adopting a resolution.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Fund Balances (Continued)

- Assigned Fund Balance - comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

In circumstances when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to first apply committed fund balance. It is at the discretion of the Council's designee to then apply the remaining expenditures to assigned or unassigned fund balance.

The City Council delegates to the City Manager and Director of Finance and Administrative Services the authority to assign unrestricted fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Endowments

The City has been the recipient of endowments that are recorded in Permanent Funds. The endowments are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs or specific restrictions that were placed on the endowment when the donation to the City was made.

Stewardship, Compliance and Accountability

Deficit Fund Balance

At June 30, 2022 the Capital Improvement fund had a deficit fund balance of \$89,894 and the Fire Grants fund had a deficit fund balance of \$79,999. These funds are on a cost reimbursement basis. The deficit resulted from timing differences between when expenditures are incurred and the recognition of grant revenue. These funds will be replenished with reimbursements from grantor.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Stewardship, Compliance and Accountability (Continued)

Expenditures in Excess of Appropriations

The following funds reported expenditures in excess of the adopted budget:

- Community Development Block Grant (\$9,206)

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, are classified in the accompanying financial follows:

Statement of Net Position:

Pooled Cash and Investments	\$ 127,608,898
Cash and Investments with Fiscal Agent	14,394,042
Fiduciary Funds:	
Pooled Cash and Investments	886,042
Cash and Investments with Fiscal Agent	12,049,629
Total	<u>\$ 154,938,611</u>

Cash and investments were comprised of the following as of June 30, 2022:

Cash on Hand	\$ 57,627
Deposits with Financial Institutions	3,858,686
California Employers' Pension Prefunding Trust*	13,837,744
Investments	137,184,554
Total	<u>\$ 154,938,611</u>

* Disclosures related to investments in CalPERS' California Employers' Pension Prefunding Trust related to interest rate risk and fair value are available online.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

The City's Statement of Investment Policy (investment policy), is adopted by the City Council. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. The City's investment policy does not allow investments in stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures. Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Municipal Obligations	5 years	30%	5%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Medium-Term Notes	5 years	30%	5%
Time Certificates of Deposit	3 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Supranationals	5 years	30%	None
Asset-Backed Securities	5 years	20%	5%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
Los Angeles County Pooled Fund	N/A	None	None
Local Government Investment Pools (LGIPs)	N/A	None	None

*Excluding amounts held by bond trustee that are subject to California Code restrictions

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers' Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>					<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 48 Months</u>	<u>48 to 60 Months</u>	
U.S. Treasury Obligations	\$ -	\$ 3,785,455	\$ 4,505,021	\$ 4,776,703	\$ 2,861,621	\$ 15,928,800
U.S. Agency Securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	883,207	-	634,711	-	1,517,918
Federal National Mortgage						
Association (FNMA)	-	-	270,618	730,693	-	1,001,311
Federal Home Loan Bank (FHLB)	-	306,517	-	-	-	306,517
Municipal Obligations	70,000	121,770	381,828	239,012	-	812,610
Medium-Term Notes	730,217	2,270,428	3,132,680	932,882	1,213,382	8,279,589
Negotiable Certificates of Deposit (CD)	250,035	-	-	-	-	250,035
Supranationals	-	192,593	311,975	-	-	504,568
Federal Agency Collateralized						
Mortgage Obligation	593,765	3,498	306,794	-	-	904,057
Asset-Backed Securities	-	421,912	278,371	845,447	1,274,875	2,820,605
Money Market Funds	323,941	-	-	-	-	323,941
Local Agency Investment Fund (LAIF)	91,928,674	-	-	-	-	91,928,674
Held by Bond Trustee:						
Money Market Funds	12,605,929	-	-	-	-	12,605,929
Total	\$ 106,502,561	\$ 7,985,380	\$ 9,187,287	\$ 8,159,448	\$ 5,349,878	\$ 137,184,554

Credit Risk

The City's investment policy limits investments to a rating of "A-1" or higher for California state and local agency obligations, banker acceptances, and commercial paper that is (i) organized within the United States as a special purpose corporation, trust, or limited liability company and (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit. The City's investment policy limits investments to a rating of "A-1" or higher for other state obligations, medium-term notes, asset backed securities and commercial paper that is (i) organized and operating in the United States as a general corporation and (ii) has total assets in excess of five hundred million dollars (\$500,000,000). The City's investment policy limits investments to a rating of "AA" or higher for supranational. As of June 30, 2022, the City's investments in external investment pools and money market mutual funds are unrated.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investments are rated by the following nationally recognized statistical rating organization as follows:

Investment Type	Total as of June 30, 2022	Minimum Legal Rating	AAA	AA	A	BBB	Not Rated
U.S. Treasury Obligations	\$ 15,928,800	N/A	\$ -	\$ 15,928,800	\$ -	\$ -	\$ -
U.S. Agency Securities:							
FHLMC	1,517,918	N/A	-	1,517,918	-	-	-
FNMA	1,001,311	N/A	-	1,001,311	-	-	-
FHLB	306,517	N/A	-	306,517	-	-	-
Municipal Obligations	812,610	A	-	620,840	-	-	191,770
Medium-Term Notes	8,279,589	A	-	1,578,183	5,834,032	867,374	-
Negotiable CD	250,035	A	-	-	250,035	-	-
Supranationals	504,568	AA	504,568	-	-	-	-
Federal Agency Collateralized							
Mortgage Obligation	904,057	AA	-	904,057	-	-	-
Asset-Backed Securities	2,820,605	AA	2,438,249	-	-	-	382,356
Money Market Funds	323,941	N/A	323,941	-	-	-	-
LAIF	91,928,674	N/A	-	-	-	-	91,928,674
Held by Bond Trustee:							
Money Market Funds	12,605,929	AAA	12,605,929	-	-	-	-
Total	\$ 137,184,554		\$ 15,872,687	\$ 21,857,626	\$ 6,084,067	\$ 867,374	\$ 92,502,800

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments held that represent 5% or more in any one issuer other than external investment pools and money market funds at June 30, 2022.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs); Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Totals</u>	<u>Level</u>	
		<u>1</u>	<u>2</u>
U.S. Treasury Obligations	\$ 15,928,800	\$ 15,928,800	\$ -
U.S. Agency Securities:			
FHLMC	1,517,918	-	1,517,918
FNMA	1,001,311	-	1,001,311
FHLB	306,517	-	306,517
Municipal Obligations	812,610	-	812,610
Medium-Term Notes	8,279,589	-	8,279,589
Negotiable Certificates of Deposit	250,035	-	250,035
Supranationals	504,568	-	504,568
Federal Agency Collateralized			
Mortgage Obligation	904,057	-	904,057
Asset-Backed Securities	2,820,605	-	2,820,605
Totals	32,326,010	<u>\$ 15,928,800</u>	<u>\$ 16,397,210</u>
Not Subject to Fair Value Measurement			
Hierarchy:			
Money Market Funds	323,941		
Local Agency Investment Fund (LAIF)	91,928,674		
Held by Bond Trustee:			
Money Market Funds	12,605,929		
Total Investments	<u>\$ 137,184,554</u>		

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 LEASES RECEIVABLE

On March 1, 2003, the City (Landlord) and SFSHP Investors I, LLC and SFSHP Investors II, LLC (collectively, Tenant) entered into an Amended, Restated and Consolidated Ground Lease for 23 buildings as described in the lease agreement. The ground lease has an amended term of 64 years expiring on December 31, 2067. The annual rent as of July 1, 2021, was \$824,000, and is paid in equal monthly installments. The annual rent increases based on defined increases in the Consumer Price Index every five years starting January 1, 2005, with a maximum increase of 35%.

In addition to the ground lease noted above, the City, acting as lessor, leases other land and buildings under long-term noncancelable lease agreements. The leases expire at various dates and provide for renewal options ranging up to 25 years. As of July 1, 2021, the City restated the financial statements to include \$19,393,469 in leases receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2022, the City recognized \$437,806 and \$736,400 in lease revenue and interest revenue, respectively, pursuant to all of its lease agreements.

Total Future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 436,464	\$ 738,961
2024	419,417	729,263
2025	231,708	720,259
2026	212,747	711,844
2027	220,052	703,301
2028-2032	1,137,036	3,379,924
2033-2037	1,276,293	3,142,224
2038-2042	1,608,982	2,857,081
2043-2047	1,898,239	2,499,716
2048-2052	2,007,814	2,112,185
2053-2057	2,451,534	1,668,465
2058-2062	2,993,314	1,126,685
2063-2067	3,654,827	465,172
2068-2072	407,236	4,764
Total	<u>\$ 18,955,663</u>	<u>\$ 20,859,844</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 LOANS AND NOTES RECEIVABLE

The loans and notes receivable balance consist of the following:

Fund	<u>Balance</u>
Governmental Funds	
General Fund	\$ 302,727
Low and Moderate Income Housing Assets	
Special Revenue Fund	1,435,308
Successor Agency Bond Funded Capital	
Projects Fund	110,147
Nonmajor Governmental Funds	<u>19,250</u>
Total Funds	<u>\$ 1,867,432</u>

The General Fund has loans and notes receivable in the amount of \$20,329 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within two years and bear no interest. Notes receivable in the amount of \$282,398 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. This loan bears an interest rate of 5.75% per annum.

The Low and Moderate Income Housing Assets Special Revenue Fund has 10 notes outstanding related to housing for qualified buyers. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home if such a transaction occurs within 45 years. A portion of the loan balance is forgiven each year beginning five years after issuance and is completely forgiven after 45 years. An allowance for the full amount of the loans has been recorded as the expectation is for the homeowners to keep the properties for the entire term of the agreement. The balance outstanding at June 30, 2022 is \$822,510 with a net carrying value of zero. The loans do not accrue interest. Lastly, the Low and Moderate Income Housing Assets Special Revenue Fund has notes outstanding to Santa Fe Springs Housing Partners in the amount of \$1,435,308 at June 30, 2022. The loan agreement calls for annual payments based on a calculation of residual receipts. The residual receipts are calculated based on the project revenues less approved expenses. The residual receipts payment is applied first to interest and then to principal. The outstanding principal accrues interest at a rate of 3%.

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of \$110,147 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 LOANS AND NOTES RECEIVABLE (CONTINUED)

The Nonmajor Governmental Funds have two notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2022, is \$19,250.

NOTE 5 DUE FROM OTHER GOVERNMENTS

Due from other governments primarily consists of grants due from the Federal government, the State of California and the County of Los Angeles.

NOTE 6 INTERFUND ACTIVITY

The following is a summary of interfund transfers for the fiscal year ended June 30, 2022:

	Transfers Out:				Total
	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
<u>Transfers In:</u>					
General Fund	\$ -	\$ -	\$ 1,520,399	\$ 1,153,809	\$ 2,674,208
Capital Improvement	-	107,285	83,079	-	190,364
Prefunded Capital Projects Fund	11,800,000	-	23,726	-	11,823,726
Total	<u>\$ 11,800,000</u>	<u>\$ 107,285</u>	<u>\$ 1,627,204</u>	<u>\$ 1,153,809</u>	<u>\$ 14,688,298</u>

The General Fund transferred \$11,800,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects.

The Water Fund transferred \$1,000,000 into the General Fund in connection with the lease agreement between the City and the City's Water Utility Authority and \$153,809 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$107,285 into Capital Improvement Fund for cost related to a capital project.

Nonmajor Governmental Funds transferred \$1,520,399 into the General Fund for various purposes including eligible expenditures incurred related to public safety, Gas Tax, Metro Grants, Art in Public Places activities, \$83,079 into Capital Improvement and \$23,726 into the Prefunded Capital Projects Fund for costs incurred related to capital projects.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 INTERFUND ACTIVITY (CONTINUED)

Due to/from other funds at June 30, 2022, were as follows:

Due from	Due to			Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ -	1,618,891	185,756	\$ 1,804,647
Nonmajor Governmental Funds	1,901	-	-	1,901
Total	<u>\$ 1,901</u>	<u>\$ 1,618,891</u>	<u>\$ 185,756</u>	<u>\$ 1,806,548</u>

The due to/from other funds balances resulted from reimbursable expenditures occurring while the revenues with which to reimburse those expenditures had not yet been received. All balances are expected to be reimbursed within the subsequent year.

Advances from other funds and advances to other funds at June 30, 2022, consist of loans as follows:

Advances to	Advances from
	Low and Moderate Income Housing Assets Fund
General Fund	<u>\$ 1,437,861</u>

An advance payable/receivable was set up between the General Fund and the Low and Moderate Income Housing Assets Fund (Housing Fund) to account for costs originally charged to the Housing Fund but later determined to belong to the General Fund. The advance does not bear interest. Currently, there is no date set for the repayment of the advance.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land	\$ 56,295,501	\$ -	\$ -	\$ 56,295,501
Construction in Process	5,231,072	4,730,649	5,231,073	4,730,648
Total Capital Assets not Being Depreciated/Amortized	61,526,573	4,730,649	5,231,073	61,026,149
Capital Assets, Being Depreciated/Amortized:				
Buildings	34,208,518	-	-	34,208,518
Improvements	26,622,980	4,890,978	-	31,513,958
Equipment	16,772,878	575,102	719,659	16,628,321
Infrastructure	162,640,314	-	-	162,640,314
Right-to-Use Leased Equipment	-	454,612	-	454,612
Total Capital Assets, Being Depreciated/Amortized	240,244,690	5,920,692	719,659	245,445,723
Less Accumulated Depreciation/Amortization:				
Buildings	15,007,492	649,758	-	15,657,250
Improvements	19,934,113	891,570	-	20,825,683
Equipment	11,896,244	1,065,744	719,659	12,242,329
Infrastructure	87,215,368	4,559,076	-	91,774,444
Right-to-Use Leased Equipment	-	47,355	-	47,355
Total Accumulated Depreciation/Amortization	134,053,217	7,213,503	719,659	140,547,061
Total Capital Assets, Being Depreciated/Amortized, Net	106,191,473	(1,292,811)	-	104,898,662
Government Activities Capital Assets, Net	<u>\$ 167,718,046</u>	<u>\$ 3,437,838</u>	<u>\$ 5,231,073</u>	<u>\$ 165,924,811</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-Type Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land and Water Rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in Process	4,990,305	5,287	-	4,995,592
Total Capital Assets not Being Depreciated/Amortized	8,375,279	5,287	-	8,380,566
Capital Assets, Being Depreciated/Amortized:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	37,585,159	-	-	37,585,159
Pumping and Treatment Plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	-	18,942	-	18,942
Total Capital Assets, Being Depreciated/Amortized	43,414,554	18,942	-	43,433,496
Less Accumulated Depreciation/Amortization:				
Source of Supply Plant	2,556,273	87,837	-	2,644,110
Transmission and Distribution Plant	21,715,288	556,098	-	22,271,386
Pumping and Treatment Plant	105,641	2,492	-	108,133
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	-	1,894	-	1,894
Total Accumulated Depreciation/Amortization	25,473,337	648,321	-	26,121,658
Total Capital Assets, Being Depreciated/Amortized, Net	17,941,217	(629,379)	-	17,311,838
Water Utility Capital Assets, Net	<u>\$ 26,316,496</u>	<u>\$ (624,092)</u>	<u>\$ -</u>	<u>\$ 25,692,404</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 384,655	\$ -
Public Safety	969,394	-
Community Development	67,671	-
Transportation	4,843,114	-
Culture and Leisure	700,772	-
Human Services	247,897	-
Water Utility		648,321
Total Governmental Activities	<u>\$ 7,213,503</u>	<u>\$ 648,321</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Direct Borrowing - Notes Payable:					
Fire Equipment	\$ 3,306,000	\$ -	\$ 448,199	\$ 2,857,801	\$ 455,998
Fire Air and Light Vehicle	263,491	-	85,430	178,061	87,808
Motorola Radios 2018	198,886	-	97,497	101,389	101,391
Lease Payable	-	454,612	43,889	410,723	88,808
Total	<u>\$ 3,768,377</u>	<u>\$ 454,612</u>	<u>\$ 675,015</u>	<u>\$ 3,547,974</u>	<u>\$ 734,005</u>
Business-Type Activities:					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	1,025,000	-	205,000	820,000	210,000
Issuance Discount/Premiums	(125,304)	-	5,967	(119,337)	-
Lease Payable	-	18,942	1,829	17,113	3,700
Total	<u>\$ 7,789,696</u>	<u>\$ 18,942</u>	<u>\$ 212,796</u>	<u>\$ 7,607,776</u>	<u>\$ 213,700</u>

The total annual debt service requirements to maturity on bonds and loans are as follows:

Governmental Activities		
	Notes Payable	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 645,197	\$ 58,732
2024	554,185	44,304
2025	472,005	33,719
2026	480,218	25,506
2027	488,573	17,150
2028	497,073	8,649
Total	<u>\$ 3,137,251</u>	<u>\$ 188,060</u>
Business-Type Activities		
	Revenue Bonds	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 210,000	\$ 276,036
2024	215,000	271,017
2025	220,000	265,878
2026	240,000	260,620
2026	300,000	254,488
2028-2032	1,655,000	1,118,688
2033-2037	1,970,000	801,563
2038-2042	2,370,000	396,300
2043-2045	530,000	21,200
Total	<u>\$ 7,710,000</u>	<u>\$ 3,665,790</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Fire Equipment Note Payable

In November 2020, the City entered into a financed purchase agreement for \$3,306,000 with Bank of America to purchase a fire engine and fire equipment. Payments are due annually in the amount of \$505,724 on November 17 each year at an annual interest rate of 1.74% with the lease expiring on November 17, 2027. The current balance outstanding for this note payable is \$2,857,801.

Fire Air & Light Vehicle Note Payable

In September 2017, the City entered into a financed purchase agreement for \$598,911 with Community First National Bank to purchase an Air & Light Vehicle for the Fire department. Payments are due annually in the amount of \$92,765 on September 1, each year at an annual interest rate of 2.73%; with the lease expiring on September 1, 2023. The current balance outstanding for this note payable is \$178,061.

Motorola Radios Note Payable

In November 2018, the City entered into a financed purchase agreement for \$488,231 with Community First National Bank to purchase Motorola radios for the Police department. Payments are due annually in the amount of \$105,440 on November 20, each year at an annual interest rate of 3.92%; with the lease expiring on November 20, 2022. The current balance outstanding for this note payable is \$101,389.

Lease Payable

The City leases equipment under a noncancelable lease agreement. A portion of this lease is allocated to the Water Fund. The lease expires in 2027 and does not have a renewal option. Total future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 88,808	\$ 5,752	\$ 3,700	\$ 240
2024	90,198	4,362	3,758	182
2025	91,609	2,950	3,817	123
2026	93,043	1,517	3,877	63
2027	47,065	213	1,961	9
Total	<u>\$ 410,723</u>	<u>\$ 14,794</u>	<u>\$ 17,113</u>	<u>\$ 617</u>

Business-Type Activities

Water Refunding Revenue Bonds, 2013

In May 2013, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded" the 2003 Water Revenue Bond Series A. The 2013 Revenue Bonds were issued to (1) provide funds for the refunding of the PFA's 2003 Water Revenue Bond Series A; (2) finance improvements to the water utility enterprise; (3) fund a deposit to a debt service reserve fund for the 2013 bonds; and (4) pay the costs of issuance associated with the issuance and sale of the 2013 Revenue Bonds.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Water Refunding Revenue Bonds, 2013 (Continued)

The 2013 Revenue Bonds are due from 2026 through 2043 in annual principal installments of \$65,000 to \$530,000. Interest rates range from 3% to 4% and interest is payable semiannually on November 1 and May 1. The total outstanding principal as of June 30, 2022, is \$6,890,000.

The 2013 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$4,320,997 against debt service payments of \$256,438.

If any event of default shall occur, then the Trustee may, and at the written direction of the owners of a majority in aggregate principal amount of the 2013 Revenue Bonds then outstanding, shall declare the principal of the 2013 Revenue Bonds, together with the accrued interest thereon, to be due and payable immediately.

Water Refunding Revenue Bonds, 2018

In January 2018, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded" the 2005 Water Revenue Bond Series A. The 2018 Revenue Bonds were issued to (1) provide funds for the refunding of the PFA's 2005 Water Revenue Bond Series A; (2) finance improvements to the water utility enterprise; and (3) pay the costs of issuance associated with the issuance and sale of the 2018 Revenue Bonds.

The 2018 Revenue Bonds are due from 2018 through 2026 in annual principal installments of \$175,000 to \$220,000. The interest rate is 2.39% and interest is payable semiannually on May 1 and November 1. The total outstanding principal as of June 30, 2022, is \$820,000.

The 2018 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities on a subordinate basis to the 2013 Revenue Bonds. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$4,320,997 against debt service payments of \$229,498.

If any event of default shall occur, then the Trustee may, and at the written direction of the owners of a majority in aggregate principal amount of the 2018 Revenue Bonds then outstanding, shall declare the principal of the 2018 Revenue Bonds, together with the accrued interest thereon, to be due and payable immediately.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 COMPENSATED ABSENCES

Compensated absences consist of amounts due to employees for earned but unused vacation and sick leave balances. Compensated absences are primarily liquidated from the General Fund.

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities	\$ 2,555,206	\$ 223,795	\$ 879,148	\$ 1,899,853	\$ 440,000
Business-Type Activities	348,438	30,449	119,884	259,003	60,000
Total Compensated Absences	<u>\$ 2,903,644</u>	<u>\$ 254,244</u>	<u>\$ 999,032</u>	<u>\$ 2,158,856</u>	<u>\$ 500,000</u>

NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Santa Fe Springs is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the board of directors. The board operates through a nine-member executive committee.

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-22 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Santa Fe Springs participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Santa Fe Springs. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Santa Fe Springs City of Santa Fe Springs participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Santa Fe Springs property is currently insured according to a schedule of covered property submitted by the City of Santa Fe Springs to the Authority. City of Santa Fe Springs property currently has all-risk property insurance protection in the amount of \$120,456,866. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Purchased Insurance (Continued)

Earthquake and Flood Insurance

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of \$55,644,900. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of Santa Fe Springs purchases crime insurance coverage in the amount of \$5,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-22.

NOTE 11 PENSION PLAN OBLIGATIONS

a. General Information About the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer defined benefit pension plan for the miscellaneous employees and a cost-sharing multiple-employer public employee defined benefit pension plan for the public safety employees that acts as a common investment and administrative agent for participating public entities within the state of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All full-time employees are eligible to participate in PERS. Part-time employees are not eligible to participate in PERS retirement system but participate in a defined contribution plan. Benefit provisions for the Plans are established by State Statute's and City resolution. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan provisions and benefits for the fiscal year ended June 30, 2022, are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	2.7%@55	2.0%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	52
Monthly Benefits, as a % of Eligible Compensation	2.000% - 2.700%, 50 yrs - 55+ yrs,	1.426% - 2.418%, 50 yrs - 63+ yrs,	1.000% - 2.500%, 52 yrs - 67+ yrs,
Required Employee Contribution Rates	8.00%	7.00%	6.50%
Required Employer Contribution Rates	11.350%	11.350%	6.450%

	Safety Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	3.0%@50	3.0%@55	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs,	2.000% - 2.700%, 50 yrs - 57+ yrs,
Required Employee Contribution Rates	9.000%	9.000%	13.750%
Required Employer Contribution Rates	25.590%	22.470%	13.980%

*Plan is closed to new entrants. The PEPRA plan was enacted for new members hired after January 1, 2013.

Employees Covered

For the measurement period ended June 30, 2021, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	116
Transferred Members	36
Terminated Members	29
Retired Members and Beneficiaries	222
Total	403

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The liability for governmental activities is primarily liquidated from the general fund and the liability for business-type activities is liquidated from the water enterprise fund.

Employer contributions for the miscellaneous and safety plans for fiscal year ended June 30, 2022, was \$7,068,663 and \$5,345,973, respectively.

b. Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

Varies by entry age and service.

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00 %	2.62 %
Inflation Assets	-	0.77 %	1.81 %
Private Equity	8.00	6.30 %	7.23 %
Real Assets	13.00	3.75 %	4.93 %
Liquidity	1.00	- %	(0.92)%
Total	100.00 %		

- (a) In the CalPERS Annual Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.00% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Plan.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 184,565,461	\$ 106,311,037	\$ 78,254,424
Changes in the Year:			
Service Cost	1,766,312	-	1,766,312
Interest on the Total Pension Liability	13,033,238	-	13,033,238
Differences Between Actual and Expected Experience	2,313,861	-	2,313,861
Contribution - Employer	-	6,557,278	(6,557,278)
Contribution - Employee	-	911,222	(911,222)
Net Investment Income	-	24,174,117	(24,174,117)
Administrative Expenses		(106,198)	106,198
Benefit Payments, Including Refunds of Employee Contributions	(10,958,843)	(10,958,843)	-
Net Changes	6,154,568	20,577,576	(14,423,008)
Balance at June 30, 2021 (Measurement Date)	\$ 190,720,029	\$ 126,888,613	\$ 63,831,416

As of June 30, 2022, the City Safety Plan reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Plan	\$ 38,184,110

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Safety Plan is measured as of June 30, 2021, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability (Continued)

The City's proportionate share of the net pension liability for the Safety Plan as of measurement period ended June 30, 2020 and 2021, was as follows:

<u>Safety Cost-Sharing Plan</u>	
Safety Cost-Sharing Plan	
Proportion - June 30, 2020	0.82961%
Proportion - June 30, 2021	<u>1.08803%</u>
Change - Increase (Decrease)	<u><u>0.25842%</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 86,377,418	\$ 63,831,416	\$ 44,959,620
Safety Plan	<u>62,191,332</u>	<u>38,184,110</u>	<u>18,465,142</u>
Total Net Pension Liability	<u><u>\$ 148,568,750</u></u>	<u><u>\$ 102,015,526</u></u>	<u><u>\$ 63,424,762</u></u>

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

d. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of \$3,885,421 and \$10,545,133 for the Miscellaneous and Safety Plan, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,068,663	\$ -
Differences Between Expected and Actual Experience	1,510,483	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(12,169,042)
Total	<u>\$ 8,579,146</u>	<u>\$ (12,169,042)</u>
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,345,973	\$ -
Difference Between Expected and Actual Experiences	6,523,722	-
Change in Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(22,726,886)
Change in Employer's Proportion	455,893	(125,642)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(3,131,576)
Total	<u>12,325,588</u>	<u>(25,984,104)</u>
Total All Plans	<u>\$ 20,904,734</u>	<u>\$ (38,153,146)</u>

\$7,068,663 and \$5,345,973 reported in the Miscellaneous and Safety Plans, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

d. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2023	\$ (2,205,609)	\$ (3,559,371)	\$ (5,764,980)
2024	(2,208,626)	(4,102,020)	(6,310,646)
2025	(2,903,885)	(5,088,976)	(7,992,861)
2026	(3,340,438)	(6,254,122)	(9,594,560)
2027	-	-	-
Thereafter	-	-	-
Total	<u>\$ (10,658,558)</u>	<u>\$ (19,004,489)</u>	<u>\$ (29,663,047)</u>

e. Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City provides an agent multiple-employer OPEB plan to retirees through the California Employers' Retiree Benefit Trust (CERBT). Information on the plan is available from CalPERS on their website www.calpers.ca.gov.

a. Plan Description

The City contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer public employee defined postemployment benefit plan. The City provides retiree medical benefits under the PERS health plan, which provides medical insurance benefits to eligible retirees and their beneficiaries in accordance with various labor agreements. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

b. Eligibility and Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with five years or service and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. At measurement date ended June 30, 2021, the benefit terms covered the following employees:

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving Benefits	50	103	85	238
Retirees and Beneficiaries Entitled to but not yet Receiving Benefits	-	9	2	11
Active Plan Members	34	79	51	164
Total	<u>84</u>	<u>191</u>	<u>138</u>	<u>413</u>

These amounts do not reflect current retirees not enrolled in the PERS health plan that are eligible to enroll in the plan at a later date.

c. Contributions

The City currently contributes the full Actuarially Determined Contribution (ADC) to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the fiscal year ended June 30, 2022, the City's contributed \$609,000 to the CERBT, paid \$2,849,828 for current premiums, paid \$7,261 of nontrust admin expenses, and the estimated implied subsidy was \$717,000, resulting in total contributions of \$4,183,089.

d. Investments

The CERBT was established for public agencies to pre-fund other postemployment benefit obligations. Employers may choose amount three different investment strategies. The City of Santa Fe Springs has selected Strategy 1. Compared with CERBT Strategy 2 and Strategy 3, this portfolio consists of a higher percentage of equities than bonds and other assets. The following was the investment committee approved asset allocation targets as of October 1, 2018:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	59.0 %	4.56 %
U.S. Fixed Income	25.0	0.78
TIPS	5.0	(0.08)
Commodities	3.0	1.22
REITs	8.0	4.06
Total	<u>100.0 %</u>	

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

e. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Contribution Policy	City contributes full ADC
Discount Rate	6.25%
Inflation	2.50%
Salary Increases	Aggregate - 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Healthcare Cost Trend Rates	For 2023, 6.50% for Non-Medicare, 5.65% for Medicare (Non-Kaiser), and 4.60% for Medicare (Kaiser); all decreasing to an ultimate rate of 3.75% in 2076
Mortality Rate	Mortality Rate projected fully generational with Scale MP-2021
Mortality, Retirement, Disability, Terminations	CalPERS 2000-2019 Experience Study

The actuarial assumptions used in the June 30, 2021, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

f. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

g. Changes in the Net OPEB

The changes in the Net OPEB Liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c)=(a)-(b)
Balance at June 30, 2020 (Measurement Date)	\$ 61,376,067	\$ 21,985,562	\$ 39,390,505
Changes Recognized for the Measurement Period:			
Service Cost	978,905	-	978,905
Interest on Total OPEB Liability	4,094,287	-	4,094,287
Changes of Assumptions	572,595	-	572,595
Difference Between Actual vs. Expected Experience	(4,911,693)	-	(4,911,693)
Contributions-Employer	-	5,011,731	(5,011,731)
Net Investment Income	-	6,178,247	(6,178,247)
Benefit Payments, Including Refunds of Employee Contributions	(3,397,735)	(3,397,735)	-
Administrative Expense	-	(15,517)	15,517
Net Changes	<u>(2,663,641)</u>	<u>7,776,726</u>	<u>(10,440,367)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 58,712,426</u>	<u>\$ 29,762,288</u>	<u>\$ 28,950,138</u>

(1) Contributions-employer amount includes implicit subsidy associated with benefits paid

h. Change in Assumptions

Change in assumptions included the following: discount rate was updated based on newer capital market assumptions; Medicare Advantage plan implied subsidy excluded; updated to CalPERS 2000-2019 Experience Study; decreased inflation, which reduced discount rate, medical trend, and salary increases; decreased medical trend frate for Kaiser Senior Advantage; and mortality improvement scale was updated to Scale MP-2021.

i. Subsequent Events

CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1. Effective January 1, 2022, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premiums, and the Fire cap is set equal to the PORACmul Family non-Medicare premium (CalPERS Region 3). The expected impact is an increase to the total OPEB liability of about \$4 million.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

j. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	Discount Rate -1% 5.25%	Current Discount 6.25%	Discount Rate + 1% 7.25%
Net OPEB Liability (Asset)	\$ 36,479,705	\$ 28,950,138	\$ 22,737,713

k. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rate -1% 5.50% / 4.65% / 3.60%	Trend Rate 6.50% / 5.65% / 4.60%	Trend Rate + 1% 7.50% / 6.65% / 5.60%
Net OPEB Liability (Asset)	\$ 22,373,059	\$ 28,950,138	\$ 36,952,308

l. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB income of \$72,648. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Contributions Made Subsequent to Measurement Date	\$ 4,183,089	\$ -
Differences Between Expected and Actual Experience	-	(6,345,832)
Changes of Assumptions	455,739	(749,754)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(3,391,084)
Total	<u>\$ 4,638,828</u>	<u>\$ (10,486,670)</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

- m. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$4,183,089 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of of Resources</u>
2023	\$ (3,548,570)
2024	(2,876,194)
2025	(1,878,097)
2026	(1,728,070)
2027	-
Thereafter	-
Total	<u>\$ (10,030,931)</u>

NOTE 13 DEFINED CONTRIBUTION PLAN

Employees hired by the City on a part-time, seasonal or temporary basis whose wages do not qualify for Social Security deductions or membership in a qualified pension plan are required to participate in the Part-Time, Seasonal and Temporary (PST) Employee Retirement Program. The City administers PST, an eligible 457 plan under the Internal Revenue Code. Employees' mandatory PST contributions amount to 7.5% of gross wages on a pretax basis. Employees are fully vested upon enrollment and are entitled to 100% of the account upon separation from the City. The City does not make any contributions to the PST. The PST assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Claims

Various claims for personal injury and for property damage are pending against the City. It is the opinion of the City Attorney that any liability arising out of such claims is adequately covered under insurance agreements.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 CONDUIT OBLIGATION DEBT

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The outstanding balance at June 30, 2022, is \$1,240,000.

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Santa Fe Springs (City) that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. As of February 1, 2012, the City Council, by operation of law, became the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Loans and Notes Receivable

The loans and notes receivable balance in the Successor Agency Fund consist of an installment note in the amount of \$61,438 relate to an advance of former Commission monies to property owners to clean up hazardous materials on private property. This note bears an interest rate of 9.0% per annum.

Capital Assets

Additions and deletions in the Successor Agency's capital assets were as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Capital Assets, not Being Depreciated:				
Land	\$ 415,530	\$ -	\$ -	\$ 415,530
Total Capital Assets, Not Being Depreciated	<u>\$ 415,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,530</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	\$ 20,626,370	\$ -	\$ 1,853,399	\$ 18,772,971	\$ 1,745,198
Accreted Interest on					
Capital Appreciation Bonds	18,843,111	-	37,122	18,805,989	-
2016 Refunding Issue	6,875,000	-	2,670,000	4,205,000	2,275,000
2017 Refunding Issue	6,645,000	-	3,285,000	3,360,000	3,360,000
Issuance Discounts/Premiums	(76,558)	-	15,312	(61,246)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,455,251	33,799	196,352	6,292,698	-
Total	<u>\$ 59,368,174</u>	<u>\$ 33,799</u>	<u>\$ 8,057,185</u>	<u>\$ 51,375,412</u>	<u>\$ 7,380,198</u>

<u>Year Ending June 30,</u>	<u>Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,830,198	\$ 96,927
2024	6,359,492	24,572
2025	4,998,770	8,381
2026	4,040,748	-
2027	2,069,997	-
2028-2030	1,038,766	-
Total	<u>26,337,971</u>	<u>\$ 129,880</u>

Cumulative Accretion Interest on Capital Appreciation Bonds	18,805,989
Total Principal, June 30, 2022	<u>\$ 45,143,960</u>

Consolidated Redevelopment Project 2006 Tax Allocation Bonds

In December 2006, the former Commission issued serial bonds (Series A) in the amount of \$27,658,493. Series A bonds are structured with a mix of current interest bonds and accreted interest on capital appreciation bonds. Serial bonds totaling \$4,710,000 are payable annually on each September 1 ranging from \$10,000 to \$2,195,000 through September 1, 2020. Interest is payable on September 1 and March 1 in each year at rates of 3.75% to 5.0% per annum. Capital appreciation bonds have serial maturities in 2020 through 2028 payable annually on September 1 each year with a value at maturity ranging from \$920,000 to \$11,805,000. The current interest bonds are optionally callable at par on September 1, 2016. The capital appreciation bonds are noncallable. The serial bonds were fully refunded in fiscal year 2016-17 with the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Consolidated Redevelopment Project 2006 Tax Allocation Bonds (Continued)

In December 2006, the former Commission issued serial bonds (Series B) in the amount of \$18,760,000. Series B bonds have current interest term bonds of \$5,230,000 and \$13,530,000 due September 1, 2011 and September 1, 2018, respectively. The interest rates range from 5.18% to 5.35%. The bonds are optionally callable at par on September 1, 2016. The serial bonds were fully refunded in fiscal year 2016-17 with the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2022, is \$37,578,960 including \$18,805,989 of accreted interest.

2016 Subordinate Tax Allocation Refunding Bonds

In July 2016, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the Successor Agency) issued \$25,270,000 in 2016 Subordinate Tax Allocation Refunding Bonds to redeem and defease all amounts outstanding under the following five series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs:

- \$28,845,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A.
- \$50,915,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2002 Series A.
- \$6,530,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues).
- \$4,710,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as current interest bonds.
- \$18,760,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Subordinate Tax Allocation Refunding Bonds (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$487,390, of which the outstanding amount at June 30, 2022 is \$194,956, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2025 and principal is payable on September 1 each year, commencing September 1, 2017. Total amount outstanding as of June 30, 2022, is \$4,205,000.

2017 Subordinate Tax Allocation Refunding Bonds

In December 2017, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the Successor Agency) issued \$16,215,000 in 2017 Subordinate Tax Allocation Refunding Bonds to redeem and defease all amounts outstanding under the following series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs:

- \$43,015,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$146,855, which is fully amortized as of June 30, 2022. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2018. The certificates mature in 2023 and principal is payable on September 1 each year, commencing September 1, 2018. Total amount outstanding as of June 30, 2022, is \$3,360,000.

Tax Increment Loan Payable

A loan of property tax increment was issued by the County of Los Angeles, California, to the former Washington Boulevard Redevelopment Project Debt Service Fund at a variable interest rate equivalent to the Los Angeles County Annual Treasury Pool rate as calculated annually by the County Auditor-Controller. Principal and interest payments on this loan were originally to be deferred until such time as the former Washington Boulevard Project has received a combined total of \$10,750,000 in monies from sales tax increment, and property tax increment. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. The repayment schedule is not fixed and will be dependent upon the availability of RPTTF to be used for that purpose, subject to the approval of the Oversight Board, Los Angeles County Auditor-Controller, and California Department of Finance. Total amount outstanding as of June 30, 2022, is \$6,292,698.

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REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 61,863,490	\$ 62,863,490	\$ 75,540,244	\$ 12,676,754
Licenses and Permits	1,890,200	2,290,200	2,913,256	623,056
Intergovernmental	809,300	809,300	926,186	116,886
Charges for Services	3,197,900	6,216,300	7,539,315	1,323,015
Interest and Rentals	2,380,580	2,250,580	(2,617,216)	(4,867,796)
Fines and Forfeitures	557,000	557,000	446,114	(110,886)
Contributions	113,900	113,900	260,407	146,507
Miscellaneous	748,200	1,303,200	866,654	(436,546)
Total Revenues	71,560,570	76,403,970	85,874,960	9,470,990
EXPENDITURES				
General Government	10,176,900	10,476,843	8,984,762	1,492,081
Public Safety	35,363,300	37,034,611	36,135,015	899,596
Community Development	2,905,900	2,905,900	3,040,862	(134,962)
Public Works	12,592,200	13,113,516	11,997,660	1,115,856
Culture and Leisure	6,266,300	6,327,800	5,759,396	568,404
Human Services	1,885,200	1,912,100	1,757,065	155,035
Capital Outlay	1,292,500	1,382,544	854,658	527,886
Debt Service:				
Principal Retirement	631,200	631,200	675,014	(43,814)
Interest and Fiscal Charges	73,000	73,000	76,193	(3,193)
Total Expenditures	71,186,500	73,857,515	69,280,625	4,576,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	374,070	2,546,455	16,594,335	14,047,880
OTHER FINANCING SOURCES (USES)				
Transfers In	3,478,800	2,549,300	2,674,208	124,908
Transfers Out	(2,816,000)	(2,816,000)	(11,800,000)	(8,984,000)
Capital Leases	-	-	454,612	454,612
Sale of Capital Asset	30,000	30,000	55,786	25,786
Total Other Financing Sources (Uses)	692,800	(236,700)	(8,615,394)	(8,378,694)
NET CHANGE IN FUND BALANCE	1,066,870	2,309,755	7,978,941	5,669,186
Fund Balance - Beginning of Year	60,348,529	60,348,529	60,348,529	-
FUND BALANCE - END OF YEAR	<u>\$ 61,415,399</u>	<u>\$ 62,658,284</u>	<u>\$ 68,327,470</u>	<u>\$ 5,669,186</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING ASSETS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest and Rentals	\$ 100,000	\$ 100,000	\$ 150,565	\$ 50,565
Total Revenues	100,000	100,000	150,565	50,565
EXPENDITURES				
Community Development	205,700	255,000	213,405	41,595
Total Expenditures	205,700	255,000	213,405	41,595
NET CHANGE IN FUND BALANCE	(105,700)	(155,000)	(62,840)	92,160
Fund Balance - Beginning of Year	12,170,846	12,170,846	12,170,846	-
FUND BALANCE - END OF YEAR	<u>\$ 12,065,146</u>	<u>\$ 12,015,846</u>	<u>\$ 12,108,006</u>	<u>\$ 92,160</u>

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:			
Service Cost	\$ 1,766,312	\$ 1,567,189	\$ 1,609,236
Interest on Total Pension Liability	13,033,238	12,629,742	12,378,733
Differences Between Expected and Actual Experience	2,313,861	268,043	2,131,720
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,958,843)	(10,975,249)	(10,473,500)
Net Change in Total Pension Liability	6,154,568	3,489,725	5,646,189
Total Pension Liability - Beginning of Year	184,565,461	181,075,736	175,429,547
Total Pension Liability - End of Year (a)	<u>\$ 190,720,029</u>	<u>\$ 184,565,461</u>	<u>\$ 181,075,736</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 6,557,278	\$ 5,957,285	\$ 5,182,712
Contributions - Employee	911,222	855,704	783,946
Net Investment Income	24,174,117	5,199,591	6,740,766
Benefit Payments	(10,958,843)	(10,975,249)	(10,473,500)
Net Plan to Plan Resource Movement	-	-	-
Other Miscellaneous Income (Expense)	-	-	242
Administrative Expense	(106,198)	(148,620)	(73,690)
Net Change in Plan Fiduciary Net Position	20,577,576	888,711	2,160,476
Plan Fiduciary Net Position - Beginning of Year	106,311,037	105,422,326	103,261,850
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 126,888,613</u>	<u>\$ 106,311,037</u>	<u>\$ 105,422,326</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 63,831,416</u>	<u>\$ 78,254,424</u>	<u>\$ 75,653,410</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.53%	57.60%	58.22%
Covered Payroll	\$ 9,998,155	\$ 9,185,973	\$ 8,249,634
Net Pension Liability as Percentage of Covered Payroll	638.43%	851.89%	917.05%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2019 to June 30, 2022:

There were no changes in assumptions.

Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 1,796,886	\$ 1,697,844	\$ 1,501,984	\$ 1,544,341	\$ 1,578,729
Interest on Total Pension Liability	11,973,513	11,756,269	11,766,386	11,550,084	11,142,267
Differences Between Expected and Actual Experience	(299,522)	(3,198,739)	(1,620,555)	714,618	-
Changes in Assumptions	(953,019)	9,199,362	-	(2,672,769)	-
Benefit Payments, Including Refunds of Employee Contributions	(9,808,276)	(8,617,142)	(8,887,931)	(8,362,515)	(8,292,893)
Net Change in Total Pension Liability	2,709,582	10,837,594	2,759,884	2,773,759	4,428,103
Total Pension Liability - Beginning of Year	172,719,965	161,882,371	159,122,487	156,348,728	151,920,625
Total Pension Liability - End of Year (a)	<u>\$ 175,429,547</u>	<u>\$ 172,719,965</u>	<u>\$ 161,882,371</u>	<u>\$ 159,122,487</u>	<u>\$ 156,348,728</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 4,673,836	\$ 4,174,840	\$ 3,728,926	\$ 3,368,960	\$ 2,513,465
Contributions - Employee	873,584	957,530	932,924	945,614	1,210,652
Net Investment Income	8,481,211	10,317,843	500,787	2,213,275	14,964,552
Benefit Payments	(9,808,276)	(8,617,142)	(8,887,931)	(8,362,515)	(8,292,893)
Net Plan to Plan Resource Movement	(242)	-	-	-	-
Other Miscellaneous Income (Expense)	(294,413)	-	-	-	-
Administrative Expense	(155,035)	(137,006)	(58,860)	(108,707)	-
Net Change in Plan Fiduciary Net Position	3,770,665	6,696,065	(3,784,154)	(1,943,373)	10,395,776
Plan Fiduciary Net Position - Beginning of Year	99,491,185	92,795,120	96,579,274	98,522,647	88,126,871
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 103,261,850</u>	<u>\$ 99,491,185</u>	<u>\$ 92,795,120</u>	<u>\$ 96,579,274</u>	<u>\$ 98,522,647</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 72,167,697</u>	<u>\$ 73,228,780</u>	<u>\$ 69,087,251</u>	<u>\$ 62,543,213</u>	<u>\$ 57,826,081</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.86%	57.60%	57.32%	60.69%	63.01%
Covered Payroll	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236	\$ 8,979,508
Net Pension Liability as Percentage of Covered Payroll	822.74%	755.18%	764.22%	688.33%	643.98%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 7,068,663	\$ 6,557,278	\$ 5,952,729
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,068,663)</u>	<u>(6,557,278)</u>	<u>(5,952,729)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973
Contributions as a Percentage of Covered Payroll	67.26%	65.58%	64.80%
Notes to Schedule:			
Valuation Date	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 2.7% at 55, 2% at 55 and 2% at 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 5,182,369	\$ 4,669,275	\$ 4,174,840	\$ 3,728,926	\$ 3,554,823
Contributions in Relation to the Actuarially Determined Contributions	(5,182,369)	(4,669,275)	(4,174,840)	(3,728,926)	(3,554,823)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 8,249,634	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236
Contributions as a Percentage of Covered Payroll	62.82%	53.23%	43.05%	41.25%	39.12%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 2.7% at 55, 2% at 55 and 2% at 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	1.08803%	0.82961%	0.81779%
Plan's Proportionate Share of the Net Pension Liability	\$ 38,184,110	\$ 55,271,784	\$ 51,050,543
Plan's Covered Payroll	\$ 6,644,007	\$ 6,934,844	\$ 6,607,330
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	574.72%	797.02%	772.63%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.59%	68.36%	75.26%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2019 to June 30, 2022:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.80993%	0.78353%	0.79447%	0.77891%	0.70334%
Plan's Proportionate Share of the Net Pension Liability	\$ 47,522,971	\$ 46,817,505	\$ 41,147,225	\$ 32,094,633	\$ 26,382,020
Plan's Covered Payroll	\$ 6,994,713	\$ 6,971,540	\$ 6,843,585	\$ 6,502,095	\$ 6,188,907
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	679.41%	671.55%	601.25%	493.60%	426.28%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 5,345,973	\$ 4,786,061	\$ 4,372,591
Contributions in Relation to the Actuarially Determined Contributions	(5,345,973)	(4,786,061)	(4,372,591)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,764,920	\$ 6,644,007	\$ 6,934,844
Contributions as a Percentage of Covered Payroll	79.02%	72.04%	63.05%
Notes to Schedule:			
Valuation Date	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 3% at 50, 3% at 55 and 2.7% at 57.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 3,701,766	\$ 3,247,068	\$ 2,887,172	\$ 1,166,499	\$ 1,892,765
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,701,766)</u>	<u>(3,247,068)</u>	<u>(2,887,172)</u>	<u>(1,166,499)</u>	<u>(1,892,765)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,607,330	\$ 6,994,713	\$ 6,971,540	\$ 6,843,585	\$ 6,502,095
Contributions as a Percentage of Covered Payroll	56.03%	46.42%	41.41%	17.05%	29.11%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 3% at 50, 3% at 55 and 2.7% at 57.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

CITY OF SANTA FE SPRINGS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:					
Service Cost	\$ 978,905	\$ 966,145	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on Total OPEB Liability	4,094,287	4,051,589	4,408,354	4,254,334	4,100,000
Changes of Benefit Terms	-	-	(24,586)	-	-
Differences Between					
Expected and Actual Experience	(4,911,693)	-	(7,005,009)	-	-
Changes of Assumptions	572,595	(1,048,245)	(397,546)	-	-
Benefit Payments	(3,397,735)	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	(2,663,641)	667,840	(5,077,280)	2,335,507	2,356,000
Total OPEB Liability - Beginning of Year	61,376,067	60,708,227	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	<u>\$ 58,712,426</u>	<u>\$ 61,376,067</u>	<u>\$ 60,708,227</u>	<u>\$ 65,785,507</u>	<u>\$ 63,450,000</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 5,011,731	\$ 5,033,207	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net Investment Income	6,178,247	793,628	1,101,136	1,119,324	1,216,000
Benefit Payments	(3,397,735)	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Administrative Expenses	(15,517)	(17,396)	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	7,776,726	2,507,790	2,922,460	2,717,312	3,647,000
Plan Fiduciary Net Position -					
Beginning of Year	21,985,562	19,477,772	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 29,762,288</u>	<u>\$ 21,985,562</u>	<u>\$ 19,477,772</u>	<u>\$ 16,555,312</u>	<u>\$ 13,838,000</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 28,950,138</u>	<u>\$ 39,390,505</u>	<u>\$ 41,230,455</u>	<u>\$ 49,230,195</u>	<u>\$ 49,612,000</u>
Plan Fiduciary Net Position as a Percentage					
of the Total OPEB Liability	50.69%	35.82%	32.08%	25.17%	21.81%
Covered - Employee Payroll	\$ 19,983,477	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB Liability as Percentage of					
Covered - Employee Payroll	144.87%	218.73%	240.72%	255.65%	266.36%

Notes to Schedule:

Benefit Changes:

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in benefits.

From fiscal year June 30, 2019 to June 30, 2020:

Life insurance benefit for grandfathered retirees was terminated.

From fiscal year June 30, 2020 to June 30, 2022:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

The mortality improvement scale was updated from Scale MP-2017 to MP-2019 and the healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.30% medicare.

From fiscal year June 30, 2020 to June 30, 2021:

Removal of ACA Excise Tax.

From fiscal year June 30, 2021 to June 30, 2022:

Decreased inflation reduced discount rate, medical trend, and salary increases, decreased medical trend rate for Kaiser Senior Advantage, Medicare Advantage plan implied subsidy excluded, mortality improvement scale updated to Scale MP-2021.

* Fiscal year 2018 was the first year of implementation and therefore only five years are shown.

**CITY OF SANTA FE SPRINGS
SCHEDULE OF CONTRIBUTIONS—OPEB
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 4,266,000	\$ 4,141,000	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	(4,183,089)	(5,074,731)	(5,033,207)	(4,995,349)	(4,616,000)
Contribution Deficiency (Excess)	<u>\$ 82,911</u>	<u>\$ (933,731)</u>	<u>\$ 13,793</u>	<u>\$ (95,349)</u>	<u>\$ 121,000</u>
Covered - Employee Payroll	\$ 21,555,073	\$ 19,983,477	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	19.41%	25.39%	27.95%	29.17%	23.97%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(4)	(4)	(3)
Mortality	(6)	(6)	(6)	(6)	(5)

(1) Level percentage of payroll.

(2) Investment gains/losses spread over 5-year rolling period.

(3) Non-Medicare 7.5%, decreasing to an ultimate rate of 4% in 2076.

Medicare - 6.5%, decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, decreasing to an ultimate rate of 4% in 2076.

Medicare - 6.3%, decreasing to an ultimate rate of 4% in 2076.

(5) CalPERS 1997-2011 experience study.

(6) CalPERS 1997-2015 experience study.

* Fiscal year 2018 was the first year of implementation and therefore only five years are shown.

CITY OF SANTA FE SPRINGS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Budgetary Comparison Information

Summary of Budgetary Policies

The budget is prepared by the City Manager in accordance with City Code Section 31.13 and is legally adopted by the City Council. The budget includes activities for the General Fund.

Budgets for capital projects funds are not presented because they are budgeted on a project life basis. Revisions to the originally adopted budget were made during the year and have been incorporated into the budgetary amounts presented within the financial statements.

The basis for budgeting in the General Fund and Special Revenue Funds is substantially consistent with accounting principles generally accepted in the United States of America, except that payments made on financing leases are recorded as functional expenditures. The lease agreements are not budgeted as a financing source and the acquisition price of the acquired asset is not budgeted as an expenditure.

The legal level of control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council.

The budget is formally integrated into the accounting system and employed as a management control tool during the year. At fiscal year-end, unexpended appropriations lapse, with the exception of capital improvements. All appropriations for capital improvements are carried forward until such time as the project is completed or terminated by action of the City Council.

The following funds do not have a legally adopted budget:

- Heritage Springs Street Maintenance District
- Business License Surcharge
- Fire Grants
- Community Development Block Grant Program Income Fund
- Narcotics Forfeitures/Seizures
- State Coronavirus Relief Fund
- Heritage Art Education Endowment Fund

**CITY OF SANTA FE SPRINGS
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor governmental funds reported in the governmental fund financial statements include the following:

SPECIAL REVENUE FUNDS

State Gas Tax

This fund is used to account for gasoline taxes received under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highways Code. These funds are utilized solely for street related purposes such as new construction, rehabilitation, or maintenance.

County Transit Tax

This fund is used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1980, restricted to financing transportation projects. This fund is also used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1990, restricted to financing transit projects within the City.

Street Lighting Maintenance District

This fund is used to account for revenues received and costs incurred for street lighting services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1972 Lighting and Maintenance District Art.

Heritage Springs Street Maintenance District

This fund is used to account for revenues received and costs incurred for street maintenance and repair services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1913 Municipal Improvement Act.

Art in Public Places

This fund is used to account for Heritage Artwork Program fees imposed upon new development at 1% of the building permit valuation for the purpose of increasing public art and providing art educational programs.

Business License Surcharge

This fund is used to account for state mandated \$1 surcharge applied to all business licenses issued in the City. Under SB 1186 the revenue is restricted for Certified Access Specialists (CAsp) programs, assisting businesses to become American with Disabilities Act (ADA) compliant and developing tools to help educate the businesses community on expanding ADA access.

Air Quality Improvement

This fund is used to account for additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

**CITY OF SANTA FE SPRINGS
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

Community Development Block Grant

This fund is used to account for expenditures funded by the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 for the purpose of developing viable urban communities, including decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Fire Grants

This fund is used to account for various federal and state grants administered by the Department of Fire-Rescue which provide funding for labor, operating, and capital expenditures.

Public Safety Augmentation

This fund is used to account for the City's share of the one-half percent sales tax, which was approved by the electorate in November of 1993. The proceeds are earmarked exclusively for public safety purposes.

Supplemental Law Enforcement Services

This fund is used to account for a State of California block grant providing for community oriented policing programs. The funds are to be spent on new programs supporting "front-line" law enforcement activities.

Community Development Block Grant Program Income

This fund is used to account for the receipt of repayments received by the City from loans funded by the Community Development Block Grant program. These funds may be retained by the City but must be expended under the Community Development Block Grant program.

Narcotics Forfeitures/Seizures

This fund is used to account for assets received for direct local law enforcement participation in investigations or prosecutions resulting in a forfeiture.

Transportation Center Expansion Parking Lot Fund

This fund is used to account for lease income from City of Norwalk for the vacant parcel at the Transportation Center that is being developed. The fund is being earmarked for transportation purposes.

State Coronavirus Relief Fund

This fund is used to account for expenditures funded by the State Coronavirus Relief Fund.

Measure W

This fund is used to account for stormwater activities.

PERMANENT FUND

Heritage Art Education Endowment Fund

This fund is used to account for an endowment held by the City to be used for the purpose of providing art education programs.

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**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
ASSETS					
Pooled Cash and Investments	\$ 654,299	\$ 4,008,327	\$ 184,892	\$ 183,007	\$ 1,409,503
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	144,909	13,475	13,815	-	-
Due from other Funds	-	-	1,901	-	-
Total Assets	<u>\$ 799,208</u>	<u>\$ 4,021,802</u>	<u>\$ 200,608</u>	<u>\$ 183,007</u>	<u>\$ 1,409,503</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	13,475	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	13,475	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	799,208	4,008,327	200,608	183,007	-
Art in Public Places	-	-	-	-	1,409,503
Unassigned	-	-	-	-	-
Total Fund Balances	<u>799,208</u>	<u>4,008,327</u>	<u>200,608</u>	<u>183,007</u>	<u>1,409,503</u>
Total Liabilities and Fund Balances	<u>\$ 799,208</u>	<u>\$ 4,021,802</u>	<u>\$ 200,608</u>	<u>\$ 183,007</u>	<u>\$ 1,409,503</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
ASSETS					
Pooled Cash and Investments	\$ 75,435	\$ 222,246	\$ -	\$ -	\$ -
Receivables:					
Accounts	292	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	5,963	2,126	140,388	43,242
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 75,727</u>	<u>\$ 228,209</u>	<u>\$ 2,126</u>	<u>\$ 140,388</u>	<u>\$ 43,242</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 32	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	2,126	140,388	43,242
Total Liabilities	32	-	2,126	140,388	43,242
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	80,000	-
Total Deferred Inflows of Resources	-	-	-	80,000	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	75,695	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	228,209	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(80,000)	-
Total Fund Balances	<u>75,695</u>	<u>228,209</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 75,727</u>	<u>\$ 228,209</u>	<u>\$ 2,126</u>	<u>\$ 140,388</u>	<u>\$ 43,242</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
ASSETS					
Pooled Cash and Investments	\$ 63,772	\$ -	\$ 65,188	\$ 41,002	\$ 2,126,225
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	65,271	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 129,043</u>	<u>\$ 19,250</u>	<u>\$ 65,188</u>	<u>\$ 41,002</u>	<u>\$ 2,126,225</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	2,126,225
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	2,126,225
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	19,250	-	-	-
Public Safety	129,043	-	65,188	-	-
Public Works	-	-	-	41,002	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>129,043</u>	<u>19,250</u>	<u>65,188</u>	<u>41,002</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 129,043</u>	<u>\$ 19,250</u>	<u>\$ 65,188</u>	<u>\$ 41,002</u>	<u>\$ 2,126,225</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
ASSETS			
Pooled Cash and Investments	\$ 2,886,374	\$ 463,221	\$ 12,383,491
Receivables:			
Accounts	-	-	292
Notes and Loans	-	-	19,250
Due from Other Governments	-	-	429,189
Due from other Funds	-	-	1,901
Total Assets	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 12,834,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 32
Unearned Revenues	-	-	2,139,700
Due to Other Funds	-	-	185,756
Total Liabilities	-	-	2,325,488
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	80,000
Total Deferred Inflows of Resources	-	-	80,000
FUND BALANCES			
Nonspendable:			
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	-	94,945
Public Safety	-	-	194,231
Public Works	2,886,374	-	8,346,735
Art in Public Places	-	218,545	1,628,048
Unassigned	-	-	(80,000)
Total Fund Balances	<u>2,886,374</u>	<u>463,221</u>	<u>10,428,635</u>
Total Liabilities and Fund Balances	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 12,834,123</u>

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	796,907	1,481,517	194,062	-	-
Interest and Rentals	4,308	28,601	2	-	10,994
Contributions	-	-	-	-	669,055
Miscellaneous	-	-	-	-	-
Total Revenues	801,215	1,510,118	194,064	-	680,049
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	801,215	1,510,118	194,064	-	680,049
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(283,079)	(357,098)	(183,000)	-	(440,779)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(283,079)	(357,098)	(183,000)	-	(440,779)
NET CHANGE IN FUND BALANCES	518,136	1,153,020	11,064	-	239,270
Fund Balances - Beginning of Year	281,072	2,855,307	189,544	183,007	1,170,233
FUND BALANCES - END OF YEAR	\$ 799,208	\$ 4,008,327	\$ 200,608	\$ 183,007	\$ 1,409,503

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
REVENUES					
Taxes	\$ 14,263	\$ -	\$ -	\$ -	\$ 236,626
Intergovernmental	-	23,129	25,706	548,502	-
Interest and Rentals	-	1,727	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	14,263	24,856	25,706	548,502	236,626
EXPENDITURES					
Current:					
General Government	725	-	-	-	-
Public Safety	-	-	-	360,203	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	25,706	-	-
Total Expenditures	725	-	25,706	360,203	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,538	24,856	-	188,299	236,626
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(26,622)	(236,626)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(26,622)	(236,626)
NET CHANGE IN FUND BALANCES	13,538	24,856	-	161,677	-
Fund Balances - Beginning of Year	62,157	203,353	-	(241,677)	-
FUND BALANCES - END OF YEAR	\$ 75,695	\$ 228,209	\$ -	\$ (80,000)	\$ -

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	165,271	-	16,244	-	-
Interest and Rentals	791	-	462	1	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	166,062	-	16,706	1	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	166,062	-	16,706	1	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(100,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(100,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	66,062	-	16,706	1	-
Fund Balances - Beginning of Year	62,981	19,250	48,482	41,001	-
FUND BALANCES - END OF YEAR	\$ 129,043	\$ 19,250	\$ 65,188	\$ 41,002	\$ -

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
REVENUES			
Taxes	\$ -	\$ -	\$ 250,889
Intergovernmental	1,440,635	-	4,691,973
Interest and Rentals	15,077	3,810	65,773
Contributions	-	-	669,055
Miscellaneous	-	-	-
Total Revenues	1,455,712	3,810	5,677,690
EXPENDITURES			
Current:			
General Government	-	-	725
Public Safety	-	-	360,203
Public Works	-	-	-
Culture and Leisure	-	-	25,706
Total Expenditures	-	-	386,634
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,455,712	3,810	5,291,056
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	(1,627,204)
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	-	(1,627,204)
NET CHANGE IN FUND BALANCES	1,455,712	3,810	3,663,852
Fund Balances - Beginning of Year	1,430,662	459,411	6,764,783
FUND BALANCES - END OF YEAR	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 10,428,635</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STATE GAS TAX
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 750,900	\$ 750,900	\$ 796,907	\$ 46,007
Interest and Rentals	-	-	4,308	4,308
Total Revenues	750,900	750,900	801,215	50,315
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(283,079)	(83,079)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(283,079)	(83,079)
NET CHANGE IN FUND BALANCE	550,900	550,900	518,136	(32,764)
Fund Balance - Beginning of Year	281,072	281,072	281,072	-
FUND BALANCE - END OF YEAR	<u>\$ 831,972</u>	<u>\$ 831,972</u>	<u>\$ 799,208</u>	<u>\$ (32,764)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,481,517	\$ 381,517
Interest and Rentals	-	-	28,601	28,601
Total Revenues	1,100,000	1,100,000	1,510,118	410,118
OTHER FINANCING SOURCES (USES)				
Transfers Out	(702,700)	(702,700)	(357,098)	345,602
Total Other Financing Sources (Uses)	(702,700)	(702,700)	(357,098)	345,602
NET CHANGE IN FUND BALANCE	397,300	397,300	1,153,020	755,720
Fund Balance - Beginning of Year	2,855,307	2,855,307	2,855,307	-
FUND BALANCE - END OF YEAR	<u>\$ 3,252,607</u>	<u>\$ 3,252,607</u>	<u>\$ 4,008,327</u>	<u>\$ 755,720</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STREET LIGHTING MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 194,062	\$ (938)
Interest and Rentals	-	-	2	2
Total Revenues	195,000	195,000	194,064	(936)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(183,000)	(183,000)	(183,000)	-
Total Other Financing Sources (Uses)	(183,000)	(183,000)	(183,000)	-
NET CHANGE IN FUND BALANCE	12,000	12,000	11,064	(936)
Fund Balance - Beginning of Year	189,544	189,544	189,544	-
FUND BALANCE - END OF YEAR	<u>\$ 201,544</u>	<u>\$ 201,544</u>	<u>\$ 200,608</u>	<u>\$ (936)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ -	\$ -	\$ 10,994	\$ 10,994
Contributions	300,000	300,000	669,055	369,055
Total Revenues	300,000	300,000	680,049	380,049
OTHER FINANCING SOURCES (USES)				
Transfers Out	(474,700)	(474,700)	(440,779)	33,921
Total Other Financing Sources (Uses)	(474,700)	(474,700)	(440,779)	33,921
NET CHANGE IN FUND BALANCE	(174,700)	(174,700)	239,270	413,970
Fund Balance - Beginning of Year	1,170,233	1,170,233	1,170,233	-
FUND BALANCE - END OF YEAR	<u>\$ 995,533</u>	<u>\$ 995,533</u>	<u>\$ 1,409,503</u>	<u>\$ 413,970</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 23,129	\$ 3,129
Interest and Rentals	-	-	1,727	1,727
Total Revenues	20,000	20,000	24,856	4,856
Fund Balance - Beginning of Year	203,353	203,353	203,353	-
FUND BALANCE - END OF YEAR	<u>\$ 223,353</u>	<u>\$ 223,353</u>	<u>\$ 228,209</u>	<u>\$ 4,856</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 25,706	\$ 9,206
Total Revenues	16,500	16,500	25,706	9,206
EXPENDITURES				
Culture and Leisure	16,500	16,500	25,706	(9,206)
Total Expenditures	16,500	16,500	25,706	(9,206)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 186,500	\$ 186,500	\$ 236,626	\$ 50,126
Total Revenues	186,500	186,500	236,626	50,126
OTHER FINANCING SOURCES (USES)				
Transfers Out	(186,500)	(186,500)	(236,626)	(50,126)
Total Other Financing Sources (Uses)	(186,500)	(186,500)	(236,626)	(50,126)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 165,271	\$ 15,271
Interest and Rentals	-	-	791	791
Total Revenues	150,000	150,000	166,062	16,062
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCE	50,000	50,000	66,062	16,062
Fund Balance - Beginning of Year	62,981	62,981	62,981	-
FUND BALANCE - END OF YEAR	<u>\$ 112,981</u>	<u>\$ 112,981</u>	<u>\$ 129,043</u>	<u>\$ 16,062</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
TRANSPORTATION CENTER EXPANSION PARKING LOT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ 12,000	\$ 12,000	\$ 1	\$ (11,999)
Total Revenues	12,000	12,000	1	(11,999)
Fund Balance - Beginning of Year	41,001	41,001	41,001	-
FUND BALANCE - END OF YEAR	<u>\$ 53,001</u>	<u>\$ 53,001</u>	<u>\$ 41,002</u>	<u>\$ (11,999)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
MEASURE W
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,440,635	\$ (159,365)
Interest and Rentals	-	-	15,077	15,077
Total Revenues	1,600,000	1,600,000	1,455,712	(144,288)
Fund Balance - Beginning of Year	1,430,662	1,430,662	1,430,662	-
FUND BALANCE - END OF YEAR	<u>\$ 3,030,662</u>	<u>\$ 3,030,662</u>	<u>\$ 2,886,374</u>	<u>\$ (144,288)</u>

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**CITY OF SANTA FE SPRINGS
DESCRIPTION OF FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. The resources of fiduciary funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CUSTODIAL FUNDS

Assessment District Funds

This fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

Community Facilities Assessment Districts Fund

This fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
JUNE 30, 2022**

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled Cash and Investments	\$ 618,586	\$ 67,652	\$ 686,238
Receivables:			
Accounts	-	8,858	8,858
Restricted Assets:			
Cash and Investment with Fiscal Agents	169,438	-	169,438
Total Assets	<u>788,024</u>	<u>76,510</u>	<u>864,534</u>
LIABILITIES			
Due to Other Governments	-	8,858	8,858
Total Liabilities	<u>-</u>	<u>8,858</u>	<u>8,858</u>
NET POSITION			
Held for Bondholders	788,024	67,652	855,676
Total Net Position	<u><u>\$ 788,024</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ 855,676</u></u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Assessment Districts	Community Facilities Assessment Districts	Total
ADDITIONS			
Special Assessments or Special Taxes Collected From Property Owners	\$ 216,588	\$ -	\$ 216,588
Interest and Change in Fair Value of Investments	<u>34</u>	<u>-</u>	<u>34</u>
Total Additions	<u>216,622</u>	<u>-</u>	<u>216,622</u>
DEDUCTIONS			
Payment for Special Assessment or Special Tax Debt	<u>164,986</u>	<u>-</u>	<u>164,986</u>
Total Deductions	<u>164,986</u>	<u>-</u>	<u>164,986</u>
CHANGE IN NET POSITION	51,636	-	51,636
Net Position - Beginning of Year	<u>736,388</u>	<u>67,652</u>	<u>804,040</u>
NET POSITION - END OF YEAR	<u><u>\$ 788,024</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ 855,676</u></u>

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**CITY OF SANTA FE SPRINGS
STATISTICAL SECTION**

This part of the City of Santa Fe Springs comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the government's overall financial health.

	Page
Financial Trends – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	120
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	130
Debt Capacity – These schedules present information to help the reader assess the Affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	134
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	142
Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the Services the City provides and the activities it performs.	145

**CITY OF SANTA FE SPRINGS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 159,461,487	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690
Restricted	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	27,007,854	37,672,916	(50,143,910)	(49,235,190)
Total governmental activities net position	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>
Business-type activities:				
Net investment in capital assets	\$ 15,742,624	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873
Restricted	-	-	-	-
Unrestricted	3,375,412	3,952,242	(2,072,299)	(728,889)
Total business type activities net position	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>
Primary government:				
Net investment in capital assets	\$ 175,204,111	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563
Restricted	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	30,383,266	41,625,158	(52,216,209)	(49,964,079)
Total primary government net position	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 158,121,201	\$ 156,001,364	\$ 154,315,020	\$ 162,029,958	\$ 163,949,669	162,283,010
33,145,221	32,820,873	34,775,125	30,978,812	30,905,794	32,275,248
(52,203,681)	(90,543,090)	(89,116,900)	(75,019,083)	(59,478,048)	(39,991,439)
<u>\$ 139,062,741</u>	<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>	<u>\$ 135,377,415</u>	<u>\$ 154,566,819</u>
\$ 17,533,898	\$ 18,890,862	\$ 18,754,383	\$ 18,028,340	\$ 19,156,150	18,669,402
817,087	536,194	558,184	559,019	-	-
331,570	(1,190,788)	(324,355)	526,956	218,253	3,110,220
<u>\$ 18,682,555</u>	<u>\$ 18,236,268</u>	<u>\$ 18,988,212</u>	<u>\$ 19,114,315</u>	<u>\$ 19,374,403</u>	<u>\$ 21,779,622</u>
\$ 175,655,099	\$ 174,892,226	\$ 173,069,403	\$ 180,058,298	\$ 183,105,819	\$ 180,952,412
33,962,308	33,357,067	35,333,309	31,537,831	30,905,794	32,275,248
(51,872,111)	(91,733,878)	(89,441,255)	(74,492,127)	(59,259,795)	(36,881,219)
<u>\$ 157,745,296</u>	<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>	<u>\$ 154,751,818</u>	<u>\$ 176,346,441</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
General government	\$ 5,773,716	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938
Public safety	28,371,664	25,903,765	28,215,907	31,438,552
Community development	3,420,343	4,050,792	3,794,506	4,020,001
Public works	22,545,319	16,997,746	14,269,841	9,510,398
Culture and leisure	7,916,483	7,690,481	7,681,363	8,103,268
Human services	2,664,800	2,881,556	3,133,900	3,326,615
Unallocated depreciation	64,246	-	-	-
Interest on long term liabilities	343,881	213,286	239,719	207,917
Total governmental activities expenses	<u>71,100,452</u>	<u>63,678,791</u>	<u>62,949,966</u>	<u>62,299,689</u>
Business type activities:				
Water utility	<u>9,738,082</u>	<u>10,781,780</u>	<u>10,911,725</u>	<u>10,056,785</u>
Total primary government expenses	<u>80,838,534</u>	<u>74,460,571</u>	<u>73,861,691</u>	<u>72,356,474</u>
Program revenues:				
Governmental activities:				
Charges for Services:				
General government	746,832	2,027,076	1,975,162	2,067,142
Public safety	2,792,442	2,937,252	2,985,378	3,485,203
Community development	4,018,338	2,460,571	1,953,691	2,558,688
Public works	260,835	756,730	753,510	824,258
Culture and leisure	636,462	556,566	533,242	516,907
Human services	579,073	522,881	520,428	450,564
Operating grants and contributions	4,714,266	3,405,177	2,090,135	2,414,716
Capital grants and contributions	<u>36,562,363</u>	<u>18,887,861</u>	<u>6,801,309</u>	<u>596,380</u>
Total governmental activities program revenues	<u>50,310,611</u>	<u>31,554,114</u>	<u>17,612,855</u>	<u>12,913,858</u>
Business type activities:				
Charges for services:				
Water utility	13,063,973	13,139,026	12,252,452	11,445,171
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>4,002,420</u>	<u>632,638</u>	<u>111,777</u>	<u>796,442</u>
Total business type activities program revenues	<u>17,066,393</u>	<u>13,771,664</u>	<u>12,364,229</u>	<u>12,241,613</u>
Total primary government program revenues	<u>67,377,004</u>	<u>45,325,778</u>	<u>29,977,084</u>	<u>25,155,471</u>
Net revenues (expenses):				
Governmental activities	(20,789,841)	(32,124,677)	(45,337,111)	(49,385,831)
Business type activities	<u>7,328,311</u>	<u>2,989,884</u>	<u>1,452,504</u>	<u>2,184,828</u>
Total net revenues (expenses)	<u>(13,461,530)</u>	<u>(29,134,793)</u>	<u>(43,884,607)</u>	<u>(47,201,003)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,910,410	\$ 4,251,432	\$ 6,896,856	\$ 8,544,252	\$ 8,482,800	\$ 7,629,048
31,961,957	34,034,478	33,932,658	34,743,488	35,296,588	40,445,624
4,347,313	4,116,962	2,955,522	2,795,648	2,674,722	2,728,716
9,160,460	17,219,492	15,558,408	17,572,927	16,766,663	16,318,672
9,185,643	6,982,622	6,689,566	6,539,103	5,501,644	5,486,877
3,190,530	2,790,840	2,000,692	1,777,281	1,612,973	1,637,533
-	-	-	-	-	-
160,610	121,322	112,477	56,935	51,054	67,435
64,916,923	69,517,148	68,146,179	72,029,634	70,386,444	74,313,905
10,437,631	11,192,617	11,124,404	11,310,735	13,282,916	12,347,405
75,354,554	80,709,765	79,270,583	83,340,369	83,669,360	86,661,310
2,474,664	2,038,573	2,131,444	2,246,355	3,121,333	3,306,540
3,191,717	3,561,042	3,433,078	3,222,786	3,580,227	4,298,393
2,577,415	1,723,739	1,818,544	2,005,242	1,760,519	2,336,477
791,941	1,046,597	757,476	1,478,915	995,335	1,317,122
609,553	453,369	624,126	256,996	34,487	275,337
409,783	311,394	39,913	12,063	1,149	40,073
2,313,540	5,261,361	4,215,071	4,378,318	5,694,683	6,210,343
708,569	3,883,123	161,836	2,116,919	3,351,016	622,474
13,077,182	18,279,198	13,181,488	15,717,594	18,538,749	18,406,759
12,760,330	13,491,332	12,611,914	12,406,103	14,430,951	15,627,075
-	-	-	-	-	72,774
762,739	-	-	63,014	22,074	5,287
13,523,069	13,491,332	12,611,914	12,469,117	14,453,025	15,705,136
26,600,251	31,770,530	25,793,402	28,186,711	32,991,774	34,111,895
(51,839,741)	(51,237,950)	(54,964,691)	(56,312,040)	(51,847,695)	(55,907,146)
3,085,438	2,298,715	1,487,510	1,158,382	1,170,109	3,357,731
(48,754,303)	(48,939,235)	(53,477,181)	(55,153,658)	(50,677,586)	(52,549,415)

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 23,655,903	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717
Transaction and use taxes	-	-	-	-
Property taxes	3,150,294	3,601,771	4,088,687	3,425,637
Franchise taxes	2,443,761	2,779,357	2,978,360	3,034,652
Motor vehicle in lieu tax - general purpose	1,542,531	1,595,953	1,686,499	1,716,181
Business operations taxes	778,483	768,575	780,747	801,658
Utility users taxes	6,095,190	6,634,353	6,836,360	6,669,155
Other taxes	890,344	416,269	567,503	531,045
Investment income	1,384,050	1,416,003	1,440,422	1,807,176
Other	1,413,449	2,216,285	2,692,622	2,988,717
Gain (Loss) on disposal of asset	-	42,312	-	-
Transfers to Successor Agency	(1,181,525)	-	-	-
Transfers	1,633,857	1,597,099	1,224,700	1,073,642
Extraordinary gain		(2,249,862)	19,954,190	-
Total governmental activities	<u>41,806,337</u>	<u>44,914,594</u>	<u>68,682,637</u>	<u>47,566,580</u>
Business type activities:				
Investment income	9,809	11,929	15,849	27,006
Other		107,631	240,554	156,955
Transfers	(1,633,857)	(1,597,099)	(1,224,700)	(1,073,642)
Total business type activities	<u>(1,624,048)</u>	<u>(1,477,539)</u>	<u>(968,297)</u>	<u>(889,681)</u>
Total primary government	<u>40,182,289</u>	<u>43,437,055</u>	<u>67,714,340</u>	<u>46,676,899</u>
Changes in Net Position:				
Governmental activities	21,016,496	12,789,917	23,345,526	(1,819,251)
Business type activities	<u>5,704,263</u>	<u>1,512,345</u>	<u>484,207</u>	<u>1,295,147</u>
Total primary government	<u>\$ 26,720,759</u>	<u>\$ 14,302,262</u>	<u>\$ 23,829,733</u>	<u>\$ (524,104)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 25,076,235	\$ 26,093,872	\$ 28,360,308	\$ 30,689,739	\$ 32,305,008	\$ 39,572,185
-	-	3,044,712	13,083,262	13,682,006	15,661,416
3,949,731	4,130,663	4,587,444	4,958,288	5,961,342	5,724,154
2,915,926	3,180,671	3,377,884	3,495,821	3,550,280	3,790,928
1,767,500	1,863,969	1,960,317	2,148,113	2,297,474	2,359,894
807,702	789,379	831,717	752,800	771,642	809,418
6,406,684	6,523,816	6,517,423	6,484,575	6,907,100	7,824,051
522,091	628,828	564,638	132,232	172,204	158,797
1,874,492	2,189,573	4,263,013	4,308,252	1,303,072	(2,976,930)
2,269,170	675,977	1,996,198	1,496,137	1,089,993	963,042
-	-	-	292,655	40,878	55,786
-	-	-	-	-	-
1,168,892	1,163,587	1,155,135	1,156,300	1,154,424	1,153,809
-	-	-	-	-	-
47,821,542	47,240,335	56,658,789	68,998,174	69,235,423	75,096,550
62,836	118,561	218,248	306,513	181,503	118,355
249,189	1,791,077	201,321	111,085	61,605	84,237
(1,168,892)	(1,163,587)	(1,155,135)	(1,156,300)	(1,154,424)	(1,153,809)
(856,867)	746,051	(735,566)	(738,702)	(911,316)	(951,217)
46,964,675	47,986,386	55,923,223	68,259,472	68,324,107	74,145,333
(4,018,199)	(3,997,615)	1,694,098	12,686,134	17,387,728	19,189,404
2,228,571	3,044,766	751,944	419,680	258,793	2,406,514
\$ (1,789,628)	\$ (952,849)	\$ 2,446,042	\$ 13,105,814	\$ 17,646,521	\$ 21,595,918

CITY OF SANTA FE SPRINGS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
General fund:				
Nonspendable	\$ 5,224,843	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050
Restricted		98,801	98,821	322,843
Committed	225,000	225,000	225,000	225,000
Assigned	9,337,498		2,399,700	630,000
Unassigned	15,744,237	18,583,574	20,027,817	21,301,702
Total general fund	\$ 30,531,578	\$ 24,492,869	\$ 27,504,402	\$ 35,200,595
All other governmental funds:				
Nonspendable	\$ 1,018,291	\$ 5,688,704	\$ 4,330,950	\$ -
Restricted	8,894,627	3,863,639	25,059,379	32,050,597
Assigned	4,579,545	7,794,387	9,480,556	15,036,492
Unassigned	-	(40,661)	(16,968)	(13,040)
Total all other governmental funds	\$ 14,492,463	\$ 17,306,069	\$ 38,853,917	\$ 47,074,049

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund. Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

CITY OF SANTA FE SPRINGS
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 11,441,321	\$ 7,809,238	\$ 1,828,548	\$ 2,224,444	\$ 2,340,616	\$ 2,813,309
869,331	1,070,451	1,194,990	1,344,838	1,612,762	1,818,278
225,000	225,000	225,000	225,000	225,000	225,000
3,629,664	6,585,155	10,997,012	22,126,736	31,285,627	35,424,875
21,868,047	21,730,547	22,675,644	24,121,539	24,884,524	28,046,008
<u>\$ 38,033,363</u>	<u>\$ 37,420,391</u>	<u>\$ 36,921,194</u>	<u>\$ 50,042,557</u>	<u>\$ 60,348,529</u>	<u>\$ 68,327,470</u>
\$ -	\$ 244,676	\$ 244,673	\$ 244,676	\$ 244,676	\$ 244,676
32,275,890	31,750,422	33,580,135	28,278,390	26,982,856	30,212,294
14,316,725	13,256,233	17,598,708	22,501,686	28,622,561	35,841,732
(13,413)	(3,913,948)	(3,222,614)	(1,679,312)	(3,279,711)	(62,609)
<u>\$ 46,579,202</u>	<u>\$ 41,337,383</u>	<u>\$ 48,200,905</u>	<u>\$ 49,345,440</u>	<u>\$ 52,570,382</u>	<u>\$ 66,236,093</u>

CITY OF SANTA FE SPRINGS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Taxes	\$ 36,999,332	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864
Licenses and permits	2,969,902	2,747,847	2,206,324	2,536,719
Fines, forfeitures and seizures	344,325	491,503	529,250	515,632
Interest and rentals	1,398,990	1,416,003	1,440,422	1,807,176
From other agencies	35,766,822	23,165,769	11,054,345	5,257,715
Charges for current services	4,965,080	5,147,329	5,250,369	6,078,535
Other	3,907,821	2,493,091	2,855,254	3,146,736
Total revenues	86,352,272	75,758,346	65,020,168	59,323,377
Expenditures:				
Current:				
General government	5,629,632	5,064,465	5,483,276	5,449,398
Public safety	25,846,858	25,203,933	26,968,072	28,407,173
Community development	3,346,701	3,991,264	3,755,596	3,876,256
Public works	4,240,659	4,456,233	4,591,234	4,553,769
Culture and leisure	7,130,910	6,974,428	6,995,907	7,337,952
Human services	2,481,419	2,579,037	2,798,407	3,022,969
Capital outlay	32,091,957	21,383,923	9,745,411	2,621,810
Loss on sale of property				
Debt service:				
Interest	310,664	278,854	240,815	209,663
Principal retirement	789,060	983,524	1,045,658	988,940
Total expenditures	81,867,860	70,915,661	61,624,376	56,467,930
Excess (deficiency) of revenues over (under) expenditures	4,484,412	4,842,685	3,395,792	2,855,447
Other financing sources (uses):				
Proceeds (loss) from sale of assets	50,662	42,312	25,000	34,954
Loan issuance	-	-	-	-
Bond issuance	-	-	-	-
Contributions from successor agency	(1,181,525)	-	100,238	48,465
Transfer to private purpose trust fund	-	-	(20,000)	-
Lease obligation	-	-	-	-
Transfers in	6,600,367	8,805,993	6,524,301	8,616,801
Transfers out	(5,642,617)	(10,517,883)	(4,749,901)	(8,753,473)
Total other financing sources (uses)	(173,113)	(1,669,578)	1,879,638	(53,253)
Extraordinary loss	-	(8,408,716)	19,954,190	-
Net change in fund balances	4,311,299	(5,235,609)	\$ 25,229,620	2,802,194
Debt service as a percentage of noncapital expenditures	2.2%	2.1%	2.2%	2.2%

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund.

Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

CITY OF SANTA FE SPRINGS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 39,678,369	\$ 43,211,198	\$ 49,244,443	\$ 62,150,070	\$ 65,647,056	\$ 75,791,133
2,750,708	2,363,791	2,145,963	2,485,395	2,228,200	2,913,256
492,313	487,549	738,807	788,382	380,754	446,114
1,874,492	2,189,573	4,263,013	4,667,628	1,514,370	(2,550,531)
5,357,852	4,640,275	4,551,765	6,210,417	5,495,267	9,014,232
5,798,869	5,899,159	5,524,875	5,346,393	6,463,339	7,558,372
2,464,110	1,671,228	2,698,764	2,467,770	2,274,675	2,085,146
58,416,713	60,462,773	69,167,630	84,116,055	84,003,661	95,257,722
6,282,824	3,795,998	6,876,387	7,902,106	8,521,649	8,985,486
29,775,257	31,403,449	30,466,404	30,472,065	33,162,493	36,495,218
4,214,838	3,935,033	2,777,781	2,649,405	2,758,116	3,254,267
4,687,638	10,447,798	10,651,342	11,375,367	11,324,465	12,439,376
8,356,661	5,932,050	5,698,374	5,554,076	5,029,572	5,785,102
2,885,022	2,303,821	1,532,644	1,414,482	1,418,131	1,757,065
4,208,654	5,960,909	5,459,285	10,174,605	12,561,418	5,809,555
					-
162,419	123,174	95,235	63,389	21,337	76,193
1,059,310	1,133,745	1,488,130	1,464,840	176,868	675,015
61,632,623	65,035,977	65,045,582	71,070,335	74,974,049	75,277,277
(3,215,910)	(4,573,204)	4,122,048	13,045,720	9,029,612	19,980,445
7,318	-	-	292,655	40,878	55,786
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,087,142	-	3,306,000	454,612
6,879,579	4,902,747	10,635,624	9,593,689	12,168,606	14,688,298
(2,388,867)	(3,739,160)	(9,480,489)	(8,437,389)	(11,014,182)	(13,534,489)
4,498,030	1,163,587	2,242,277	1,448,955	4,501,302	1,664,207
1,055,801	-	-	-	-	-
2,337,921	(3,409,617)	6,364,325	14,494,675	13,530,914	21,644,652
2.1%	2.1%	2.6%	2.5%	0.3%	1.1%

CITY OF SANTA FE SPRINGS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

<u>Fiscal Year</u>	<u>Secured Property</u>	<u>Unsecured Property</u>	<u>Less Property Exemptions</u>	<u>Grand Total</u>	<u>Homeowner's Exemption</u>	<u>Net Taxable Value (1)</u>	<u>Total Direct Tax Rate (2)</u>
2013	5,299,330	963,433	56,513	6,206,250	15,072	6,191,178	0.077%
2014	5,491,905	964,947	67,488	6,389,364	15,020	6,374,344	0.077%
2015	5,819,662	1,002,581	67,730	6,754,513	15,194	6,739,319	0.077%
2016	5,954,556	993,740	88,515	6,859,781	15,058	6,844,723	0.077%
2017	6,101,589	1,054,534	80,496	7,075,627	14,805	7,060,822	0.077%
2018	6,463,463	1,061,430	70,198	7,454,696	14,547	7,440,148	0.077%
2019	6,820,231	1,104,056	78,617	7,845,670	14,262	7,831,408	0.077%
2020	7,432,543	1,184,857	38,932	8,578,468	14,162	8,564,306	0.077%
2021	8,031,534	1,251,065	99,021	9,183,578	13,761	9,169,817	0.077%
2022	8,288,822	1,271,960	160,749	9,400,033	13,593	9,386,440	0.077%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(1) Net taxable value does not include state utility value

(2) Total direct tax rate is the City share of the 1% proposition 13 tax only for TRA 05-333

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

**CITY OF SANTA FE SPRINGS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(PER \$100 OF ASSESSED VALUE)**

Fiscal Year	Basic 1% Direct Tax Rate		Override Assessments					Total
	City of Santa Fe Springs	Los Angeles County	Elementary Schools	Los Angeles County	Rio Hondo Community College District	Whittier Union High School District	Metro. Water District	
2013	0.077	0.923	0.069	0.000	0.028	0.046	0.004	1.147
2014	0.077	0.923	0.085	0.000	0.029	0.045	0.004	1.163
2015	0.077	0.923	0.080	0.000	0.028	0.053	0.004	1.165
2016	0.077	0.923	0.065	0.000	0.027	0.051	0.004	1.147
2017	0.077	0.923	0.075	0.000	0.028	0.060	0.004	1.167
2018	0.077	0.923	0.079	0.000	0.027	0.058	0.004	1.168
2019	0.077	0.923	0.076	0.000	0.026	0.058	0.004	1.164
2020	0.077	0.923	0.065	0.000	0.026	0.055	0.004	1.150
2021	0.077	0.923	0.065	0.000	0.014	0.054	0.004	1.137
2022	0.077	0.923	0.062	0.000	0.015	0.054	0.004	1.135

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared among taxing agencies for which the subject property resides within. In addition to the 1.00% general levy, Los Angeles County, elementary school districts, Rio Hondo College District, Whittier Union High School District, and Metropolitan Water District all have levied direct assessments in addition to the 1.00% general levy.

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics

Rates are not adjusted for ERAF

**CITY OF SANTA FE SPRINGS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	FY 2021-22		FY 2012-13	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Golden Springs Dev	\$ 331,777,747	3.53%	\$ 284,342,734	4.60%
Goodman Santa Fe Springs Spe L	212,987,310	2.27%		
GLC SFS II LLC	161,393,633	1.72%		
PPF Industrial 12016 Telegraph	159,194,673	1.70%	33,034,448	0.53%
PSB Hathaway I li LLC	105,077,436	1.12%		
Breitburn Operating LP	92,521,701	0.99%	151,876,170	2.45%
McMaster Carr Supply Company	82,735,182	0.88%	74,470,549	1.20%
Teachers Insurance Annuity Assoc	81,772,823	0.87%	57,834,139	0.93%
TGA Greenstone Logistics Center	79,818,440	0.85%		
Rexford Industrial Realty LP	75,324,828	0.80%		
SDCO SFS Logistics Center Inc.	68,079,471	0.73%		
BSREP III California Infill	67,960,000	0.72%		
BRE Jupiter Western B West Az	65,673,400	0.70%		
AMB Us Logistics Fund LP	60,364,156	0.64%	108,660,190	1.76%
Breit MF Telegraph Rd LLC	58,492,910	0.62%		
Freeway Springs LLC	54,932,865	0.59%		
FDC Partners LP	53,606,877	0.57%		
Prologis Logistics Services	51,368,873	0.55%	26,257,367	0.42%
Turbine Engine Components	47,582,572	0.51%		
BPREP Colonnade LLC	46,890,803	0.50%		
Shaw Diversified Services Inc.	46,177,744	0.49%		
Catellus Dev Corp	46,160,798	0.49%		
Maruichi American Corp	45,696,380	0.49%	43,176,713	0.70%
Kelly Pipe Co LLC	44,314,389	0.47%		
Bloomfield Commerce Center	43,867,872	0.47%	37,720,568	0.61%
Legacy Partners II Santa Fe Sp			78,794,474	1.27%
Gateway Santa Fe Springs Indus			64,000,000	1.03%
Inland Paperboard			56,052,670	0.91%
Catellus			51,893,372	0.84%
Vons Companies Inc.			47,228,441	0.76%
PR Mid Counties LLC			44,000,000	0.71%
Heraeus Metal Processing Inc.			43,784,765	0.71%
Centro Watt Property Owner II			38,352,000	0.62%
Solaris Paper Inc.			35,578,729	0.57%
Mckesson Property Company Inc.			34,044,654	0.55%
RCS Villages Land LLC			32,693,000	0.53%
14141 Alondra LP			32,095,944	0.52%
CFH Envlp Ltd. Ptnshp			31,675,217	0.51%
Carmenita Plaza LLC			30,770,012	0.50%
Southwest Forest Industries			27,540,000	0.45%
Pactiv Corp			26,418,368	0.43%
	<u>\$ 2,183,772,883</u>	<u>23.27%</u>	<u>\$ 1,492,294,524</u>	<u>24.12%</u>

NOTE:

The amounts shown above include assessed value data for both the City and Redevelopment Agency

Source: Los Angeles County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

**CITY OF SANTA FE SPRINGS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	31,385,138	30,858,535	98.32%	-	30,858,535	98.32%
2014	33,546,785	33,210,254	99.00%	-	33,210,254	99.00%
2015	35,511,774	35,217,986	99.17%	-	35,217,986	99.17%
2016	34,092,546	33,826,245	99.22%	-	33,826,245	99.22%
2017	34,802,722	34,524,691	99.20%	-	34,524,691	99.20%
2018	37,721,588	36,571,390	96.95%	-	36,571,390	96.95%
2019	39,275,800	38,914,079	99.08%	-	38,914,079	99.08%
2020	45,613,414	45,027,883	98.72%	-	45,027,883	98.72%
2021	46,103,009	45,790,160	99.32%	-	45,790,160	99.32%
2022	48,011,117	47,585,974	99.11%	-	47,585,974	99.11%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies

The City receives limited information from Los Angeles County in relation to tax levies and collections. The City was unable to obtain further detail from Los Angeles County regarding the collections in excess of the levy amount after 2011.

Source: County Assessor Data, MuniServices, LLC / Avenu Insights & Analytics

CITY OF SANTA FE SPRINGS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		
	Tax Allocation		Pension Obligation		Capitalized Lease Obligations		Total Primary Government
	Loans	Bonds	Bonds	Bonds	Bonds	Revenue	
2013 ²	503,156	-	6,601,000	612,094	7,716,250	9,282,194	16,998,444
2014 ²	257,024	-	5,944,000	531,702	6,732,726	9,231,693	15,964,419
2015 ²	-	-	5,238,000	449,068	5,687,068	9,069,544	14,756,612
2016 ²	-	-	4,334,000	364,128	4,698,128	8,902,394	13,600,522
2017 ²	-	-	3,362,000	276,819	3,638,819	8,725,243	12,364,062
2018 ²	-	-	2,318,000	693,218	3,011,218	8,366,795	11,378,013
2019 ²	-	-	1,199,000	905,085	2,104,085	8,177,762	10,281,847
2020 ²	-	-	-	639,246	639,246	7,983,729	8,622,975
2021 ²	-	-	-	3,768,377	3,768,377	7,789,696	11,558,073
2022 ²	-	-	-	3,547,974	3,547,974	7,590,663	11,138,637

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ These ratios are calculated using personal income and population for the prior calendar year.

² Loans and Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund as of July 1, 2011.

Prior year data has been adjusted for updated personal income information obtained after the 2010 Census.

Source: City of Santa Fe Springs Department of Finance and Administrative Services

**CITY OF SANTA FE SPRINGS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value¹	Per Capita
	Tax Allocation Bonds	Pension Obligation Bonds	Total General Bonded Debt		
2013 ²	-	6,601,000	6,601,000	0.11%	393
2014 ²	-	5,944,000	5,944,000	0.09%	360
2015 ²	-	5,238,000	5,238,000	0.08%	297
2016 ²	-	4,334,000	4,334,000	0.06%	235
2017 ²	-	3,362,000	3,362,000	0.05%	184
2018 ²	-	2,318,000	2,318,000	0.03%	126
2019 ²	-	1,199,000	1,199,000	0.02%	66
2020 ²	-	-	-	0.00%	0
2021 ²	-	-	-	0.00%	0
2022 ²	-	-	-	0.00%	0

NOTE:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

² Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

CITY OF SANTA FE SPRINGS

2021-22 Assessed Valuation: \$9,410,599,702

	Total Debt 6/30/22	% Applicable (1)	City's Share of Debt 6/30/22
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 20,175,000	0.277%	\$ 55,885
Cerritos Community College District	454,876,885	4.698	21,370,116
Rio Hondo Community College District	113,112,824	14.996	16,962,399
Whittier Union High School District	142,799,361	23.399	33,413,622
ABC Unified School District	67,123,415	2.741	1,839,853
Norwalk-La Mirada Unified School District	278,136,105	13.771	38,302,123
Little Lake City School District	34,239,901	60.793	20,815,463
Los Nietos School District	41,977,715	64.507	27,078,565
South Whittier School District	35,895,000	45.087	16,183,979
Whittier City School District	69,530,000	0.573	398,407
City of Santa Fe Springs Heritage Springs Assessment District	1,240,000	100.	<u>1,240,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$177,660,412

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,698,357,105	0.531%	\$14,328,276
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.531	21,093
Little Lake City School District Certificates of Participation	11,035,000	60.793	6,708,508
Whittier City School District Certificates of Participation	8,970,000	0.573	51,398
City of Santa Fe Springs Capital Lease Obligations	3,137,251	100.	3,137,251
Los Angeles County Sanitation District No. 18 Authority	848,592	19.155	<u>162,548</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$24,409,074

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$26,337,971 100. % \$26,337,971

TOTAL DIRECT DEBT **\$3,137,251**
TOTAL OVERLAPPING DEBT **\$225,270,206**

COMBINED TOTAL DEBT **\$228,407,457 (2)**

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.89%
Total Direct Debt (\$3,137,251) 0.03%
 Combined Total Debt 2.43%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,181,154,552):

Total Overlapping Tax Increment Debt..... 0.51%

Source: Avenu Insights & Analytics
 California Municipal Statistics, Inc.

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30			
	2013	2014	2015	2016
Assessed valuation	\$ 6,206,250,000	\$ 6,389,364,000	\$ 6,754,513,000	6,874,971,507
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,551,562,500	\$ 1,597,341,000	\$ 1,688,628,250	1,718,742,877
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 232,734,375	\$ 239,601,150	\$ 253,294,238	257,811,432
Total net debt applicable to the limit: General obligation bonds ¹	6,601,000	5,944,000	5,238,000	4,334,000
Legal Debt Margin	\$ 226,133,375	\$ 233,657,150	\$ 248,056,238	253,477,432
Total debt applicable to the limit as a percentage of debt limit	0.0%	2.5%	2.1%	1.7%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% assessed valuation. However, this provision was enacted when assessed valuation upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now at 100% of market value (as of the most recent change in ownership for that parcel). Computations shown above reflect a conversion of assessed valuation data for each from the current full valuation perspective to the 25% level that was in effect at the the legal debt margin was enacted by the State of California for local governments the State.

¹The City issued pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30			
	2017	2018	2019	2020
Assessed valuation	\$ 7,078,133,887	\$ 7,446,116,929	\$ 7,831,408,399	\$ 8,570,322,631
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,769,533,472	\$ 1,861,529,232	\$ 1,957,852,100	\$ 2,142,580,658
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 265,430,021	\$ 279,229,385	\$ 293,677,815	\$ 321,387,099
Total net debt applicable to the limit:				
General obligation bonds ¹	<u>3,362,000</u>	<u>\$ 2,318,000</u>	<u>\$ 1,199,000</u>	<u>\$ -</u>
Legal Debt Margin	<u>\$ 262,068,021</u>	<u>\$ 276,911,385</u>	<u>\$ 292,478,815</u>	<u>\$ 321,387,099</u>
Total debt applicable to the limit				
as a percentage of debt limit	1.3%	0.8%	0.4%	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

¹The City issued pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30	
	2021	2022
Assessed valuation	\$ 9,175,834,549	9,393,925,905
Conversion percentage	25%	25%
Adjusted assessed valuation	\$ 2,293,958,637	2,348,481,476
Debt limit percentage	15%	15%
Debt limit	\$ 344,093,796	352,272,221
Total net debt applicable to the limit: gation bonds ¹	-	-
Legal Debt Margin	<u>\$ 344,093,796</u>	<u>352,272,221</u>
Total debt applicable to the limit as a percentage of debt limit	-	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

¹ pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2013	13,063,973	8,604,389	4,459,584	200,000	338,298	8.28
2014	13,879,295	9,453,643	4,425,652	155,000	319,342	9.33
2015	12,604,783	9,674,355	2,930,428	165,000	373,579	5.44
2016	12,398,568	9,210,440	3,188,128	170,000	365,329	5.96
2017	13,772,258	9,488,599	4,283,659	180,000	356,830	7.98
2018	15,282,409	10,181,577	5,100,832	180,000	347,800	9.66
2019	12,936,754	10,173,874	2,762,880	195,000	325,379	5.31
2020	12,823,701	10,649,931	2,173,770	200,000	318,349	4.19
2021	14,674,059	12,636,213	2,037,846	200,000	313,569	3.97
2022	15,902,441	11,699,084	4,203,357	200,000	285,714	8.65

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

¹The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
PLEDGED-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

¹The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	*Public School Enrollment	Unemployment Rate
2013	16,816	332,410	19,767	6,379	9.1%
2014	16,524	331,945	20,089	6,327	8.2%
2015	17,627	375,077	21,279	6,632	8.4%
2016	18,459	389,558	21,104	6,632	8.0%
2017	18,291	404,312	22,104	6,632	6.2%
2018	18,335	431,061	23,510	5,621	2.2%
2019	18,261	452,842	24,798	6,632	2.5%
2020	18,295	471,861	25,792	6,632	13.1%
2021	18,129	504,701	27,839	5,203	7.6%
2022	18,763	599,975	31,976	5,478	2.4%

NOTE:

The data for prior years has been adjusted based on currently available data.

Sources: Population Projections are provided by the California Department of Finance Projections.
Income Data is provided by the United States Census Bureau, 2010 American Community Survey.
Unemployment Rates are provided by the State of California, Employment Development Department Labor Market Information Division.

*Student Enrollment reflects the total number of students enrolled in Santa Fe Springs Schools, which occur in several different school districts.

**CITY OF SANTA FE SPRINGS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	FY 2021-22		FY 2012-13	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Fashtion Nova, Inc.	1,013	2.45%		
McMaster Carr Supply Company	702	1.70%	736	1.85%
FedeEx Ground Package System In	470	1.14%		
Vans	412	1.00%	284	0.72%
Trojan Battery Company LLC	396	0.96%	308	0.78%
Southern Wine and Spirits	385	0.93%	400	1.01%
Bumble Bee Seafoods, LLC	356	0.86%		
Harbor Distributions LLC	354	0.86%		
Wal-Mart	352	0.85%		
SE Pipe Line Construction	331	0.80%		
Performance Team			270	0.68%
Shaw Diversified Services, Inc.			336	0.85%
Rich Products			355	0.89%
Vance and Hines, Inc.			387	0.97%
L. A. Specialty Produce Company			474	1.19%
The Vons Companies, Inc.			762	1.92%
	<u>4,771</u>	<u>11.53%</u>	<u>4,312</u>	<u>10.86%</u>

NOTE:

"Total Employment" as used above represents the total employment of all employers located within City limits.

**CITY OF SANTA FE SPRINGS
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	36	37	39	38	38	37	39	39	38	37
Public Safety	68	79	83	83	76	73	70	72	70	74
Public Works	50	57	54	56	58	57	55	52	57	55
Planning and Community Development	4	4	6	7	7	6	7	9	9	9
Community Services - Administration	1	1	1	4	4	4	4	4	3	3
Community Services - Parks and Recreation	64	75	88	88	106	108	93	27	75	72
Community Services - Library Services	16	14	17	22	20	22	23	14	16	20
Community Services - Human Services	<u>41</u>	<u>48</u>	<u>48</u>	<u>54</u>	<u>50</u>	<u>39</u>	<u>32</u>	<u>11</u>	<u>27</u>	<u>31</u>
Total	<u>280</u>	<u>315</u>	<u>336</u>	<u>352</u>	<u>359</u>	<u>346</u>	<u>323</u>	<u>228</u>	<u>295</u>	<u>301</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire:										
Number of emergency calls	3,166	3,260	3,439	3,928	3,961	3,835	3,732	3,644	3,542	3,985
Inspections	3,793	2,864	3,325	2,428	1,702	1,598	1,798	2,209	1,916	2,707
Public works:										
Street resurfacing (miles)	3	5	3	1.5	1	2	1.5	3.0	5.21	2
Parks and recreation:										
Number of recreation classes	289	425	368	335	309	393	356	216	157	310
**Number of facility rentals	2,536	2,605	3,038	3,822	3,791	4,323	4,073	1,575	4	3,430
Human services:										
Children served in the City's										
***childcare centers	306	296	286	807	1,006	266	0	0	0	0
Number of facility rentals	*	51	528	305	536	878	983	671	2	111
Number of Older Adult Gym Usage					1,500	4,476	4,895	3,245	0	109
Number of Older Adult classes					40	40	42	28	4	19
Estimated Number of Congregate Meals					12,000	10,002	11,700	12,400	10,700	7,096
Water:										
Average daily consumption										
(thousands of gallons)	5,915	5,197	5,207	5,580	5,073	5,615	5,379	5,314	5,809	5,703

NOTES:

* Reflective of the limited availability of the Neighborhood Center due to construction.

**Numbers were modified from 2011 and on to include all facility rentals (i.e. parks, meeting rooms, fields, Clake Estate, Social Hall, Heritage Park, etc.)

*** 2019's number has reduced significantly due to no longer partnering with Child care for summer camp.

Source: City of Santa Fe Springs

**CITY OF SANTA FE SPRINGS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire:										
Fire stations *	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets (miles)	110	110	110	110	110	110	110	110	110	110
Traffic signals	75	75	75	81	81	81	81	81	81	81
Streetlights	2,960	2,960	2,960	3,174	3,140	3,140	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	11	11	11	11	11	11	9	9	9	9
**Community services facilities	6	4	4	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	3	3	0	0	0	0
Community services facilities	2	2	1	1	1	1	3	3	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	107	107	108	108	108	108	108	108	108
Number of service connections	6,156	6,150	6,330	6,335	6,402	6,509	6,731	6,722	6,232	6,247

NOTES:

* For a portion of FY 2012-13 (August 2012 - April 2013) there were three (3) operating fire stations.

**Numbers were modified to include all City fields and additional facilities not captured elsewhere on this report.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
City of Santa Fe Springs
Santa Fe Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Santa Fe Springs (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 23, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Honorable Mayor and Members of the City Council
City of Santa Fe Springs

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
February 23, 2023



Honorable Mayor and Members of the City Council
City of Santa Fe Springs
Santa Fe Springs, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Santa Fe Springs as of and for the year ended June 30, 2022, and have issued our report thereon dated February 23, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated July 5, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Santa Fe Springs are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No.87, *Leases*, effective July 1, 2021. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The annual required contributions, pension expense, net pension liability and corresponding deferred outflows of resources and deferred inflows of resources for the City's public defined benefit plans with CalPERS are based on actuarial valuations provided by CalPERS.
- The OPEB actuarially determined contribution, OPEB expense, total OPEB liability, and corresponding deferred outflows of resources and deferred inflows of resources for the City's OPEB plan are based on certain actuarial assumptions and methods prepared by an outside consultant.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 11 regarding the pension plan obligations and Note 12 regarding the City's post-employment health care benefits.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include a change of accounting principle related to the City's adoption of GASB 87, *Leases*.

Management representations

We have requested certain representations from management that are included in the management representation letter dated February 23, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Required Supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the combining and individual nonmajor fund financial statements, and budgetary comparison schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated February 23, 2023.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory and statistical sections. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

Honorable Mayor and Members of the City Council
City of Santa Fe Springs
Page 4

This communication is intended solely for the information and use of the City Council and management of City of Santa Fe Springs and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Irvine, California
February 23, 2023



City of Santa Fe Springs

City Council Meeting

ITEM NO. 14A

March 21, 2023

PRESENTATION

Recognition of the 2023 Santa Fe Springs Shamrock Fun Run/Walk Event Sponsors

RECOMMENDATION

- City Council to recognize the 2023 Santa Fe Springs Shamrock Fun Run/Walk event sponsors.

BACKGROUND

Through our Health & Wellness initiative, the Department of Community Services aims to educate and empower the community to improve and maintain overall health and well-being and to advocate for a healthy community culture. The Fun Run/Walk has become one of our more popular health & wellness-related events and encourages the community to kick off their weekend with a fitness activity. Our low fees allow families to participate and engage in an event that fosters an active lifestyle.

The event took place on Saturday, March 11, 2023 beginning at 7 a.m. at Town Center Plaza. A total of 689 people registered for the event and 533 participants completed the 3.1 mile route that took them along various City streets. Upon completion of the run/walk, all participants received a finisher's medal and top three winners in age categories received winner's medals. Participants and their families were also able to take advantage of the resources and information provided by vendors, as well as enjoy a cup of coffee provided by Starbucks. We were also able to provide water & fruit, thanks to generous contributions received from local businesses and organizations.

This event was made possible thanks to the generosity of local businesses and community participation. Our sponsors' monetary and in-kind donations made the 2023 SFS Fun Run/Walk a huge success.

The Mayor may wish to call on Ruby Picon, Management Analyst II, to assist with the presentation.

FISCAL IMPACT

The monetary event sponsorship totaling \$1,000 was budgeted in the Health & Wellness budget activity.

Monetary Sponsors

Serv-Wel Disposal	\$1,000.00
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City of Santa Fe Springs

City Council Meeting

March 21, 2023

In-kind Donations

Starbucks Coffee Company

Norwalk/La Mirada Plumbing

Santa Fe Springs Fire Department

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager



City of Santa Fe Springs

City Council Meeting

ITEM NO. 14B

March 21, 2023

PRESENTATION

Proclamation – Proclaiming March 29, 2023 as “National Vietnam War Veterans Day”

BACKGROUND

National Vietnam War Veterans Day is observed in the United States every year on March 29th to honor and recognize the service and sacrifice of Vietnam War veterans. The Vietnam War lasted from 1955 to 1975; the war claimed the lives of over 58,000 American soldiers and wounded more than 150,000 others. It also had significant impact on the soldiers who fought in the war, many of whom returned home with physical and mental scars that lasted for years. The 29th of March is a significant date to acknowledge this recognition because March 29, 1973 marks the day United States Military Assistance Command, Vietnam was disestablished, the day U.S. combat troops departed Vietnam, and when Hanoi released the last of its acknowledged prisoners of war.

In 2017, President Trump signed the Vietnam War Veterans Recognition Act, which officially designated March 29th as National Vietnam War Veterans Day. The day is now observed annually to recognize the service and sacrifice of Vietnam War veterans and thank them for their contribution to the country. National Vietnam War Veterans Day is a time to remember and honor the brave men and women who served in the Vietnam War, It is a day to reflect on the sacrifices they made and the challenges they faced, both on and off the battlefield. It is also a day to show appreciation for their service and thank them for their commitment to our country. The day serves as a reminder of the importance of supporting and recognizing our veterans and their contributions to our society.

Tom Hatch
Interim City Manager

Attachment(s):

1. Proclamation

WHEREAS, The Vietnam War Veterans Recognition Act of 2017 was signed into law designating every March 29 as National Vietnam War Veterans Day; and

WHEREAS, This national commemoration was authorized by Congress, established under the Secretary of Defense, and launched by the President to thank and honor our Nation's Vietnam veterans and their families for their service and sacrifice with distinct recognition of former prisoners of war and families of those still listed as missing in action; and

WHEREAS, The Vietnam War is a story of service members of different backgrounds, colors, and creeds who came together to complete a daunting mission to serve the country they loved, they placed themselves in harm's way to save a friend, fought hour after hour, and day after day to preserve the liberties we hold dear; and

WHEREAS, Eleven years of combat caused thousands to return home bearing shrapnel and scars and burdened with the invisible wounds of post-traumatic stress with memories that would never fade; and

WHEREAS, On March 29, 1973, was the day the United States Military Assistance Command was disestablished and the day the last U.S. combat troops departed Vietnam and Hanoi released the last acknowledged prisoners of war; and

WHEREAS, The Department of Veteran Affairs estimates that today there are more than 7 million U.S. Vietnam veterans living in America and abroad, along with 10 million families of those who served during this timeframe:

NOW, THEREFORE, I, Juanita Martin, Mayor of the City of Santa Fe Springs, do hereby proclaim March 29, 2023 as

"NATIONAL VIETNAM WAR VETERANS DAY"

In the City of Santa Fe Springs and encourage the community to pay tribute to the fallen, the missing, the wounded, those who served, and those who awaited to return. We honor their proud legacy with our deepest gratitude.

Dated this 21st day of March, 2023.

Juanita Martin, Mayor

ATTEST:

Janet Martinez, City Clerk



City of Santa Fe Springs

City Council Meeting

ITEM NO. 17

March 21, 2023

APPOINTMENTS TO COMMITTEES AND COMMISSIONS

Committee	Vacancies	Councilmember
Historical & Preservation	3	Rounds
Historical & Preservation	1	Zamora
Historical & Preservation	1	Sarno
Historical & Preservation	3	Martin
Family & Human Svcs	1	Rounds
Family & Human Svcs	1	Rodriguez
Parks & Recreation	3	Zamora
Parks & Recreation	1	Sarno
Parks & Recreation	2	Rodriguez
Senior	3	Rounds
Senior	3	Zamora
Senior	2	Sarno
Senior	4	Rodriguez
Senior	2	Martin
Youth Leadership Committee	2	Rounds
Youth Leadership Committee	2	Zamora
Youth Leadership Committee	2	Sarno
Youth Leadership Committee	2	Rodriguez
Youth Leadership Committee	4	Martin

Applications Received: Carlos Alvarez for Youth Leadership Advisory Committee.

Recent Actions: Kerry Ann Cobos was appointed to the Family & Human Services Advisory Committee. Elena Lopez resigned from the Senior Advisory Committee.

A handwritten signature in black ink that reads "Tom Hatch".

Tom Hatch
Interim City Manager

Attachment(s):

1. Prospective Members
2. Committee Lists

Prospective Members for Various Committees/Commissions

Historical & Community Preservation

Family & Human Services

Heritage Arts

Personnel Advisory Board

Parks & Recreation

Planning Commission

Senior

Traffic Commission

Youth Leadership

HISTORICAL & COMMUNITY PRESERVATION COMMITTEE

Meets the fourth Wednesday of each month

9:30 a.m., Library Community Room

Qualifications: 18 Years of age, reside or active in the City

Membership: 20 Residents appointed by City Council

Council Liaison: Vacant

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	Maria Salazar Vacant Vacant Vacant	
Zamora	Hilda Zamora* Marina Gurrola Mary Arias Vacant	
Sarno	Linda Vallejo* Sally Gaitan Jeannette Lizarraga Vacant	
Rodriguez	Elena Lopez* Mark Scoggins Gloria Maghame Blake Carter*	
Martin	Julie Garcia Vacant Vacant Vacant	

FAMILY & HUMAN SERVICES ADVISORY COMMITTEE

Meets the third Wednesday of the month, except Jun., Sept., and Dec., at 5:45 p.m.,
Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 15 Residents Appointed by City Council
5 Social Service Agency Representatives Appointed by the
Committee

Council Liaison: Sarno

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	Miriam Herrera Gilbert Aguirre Vacant	
Zamora	Francis Carbajal* Gabriela Garcia Christina Colón	
Sarno	Janie Aguirre Peggy Radoumis Dolores Duran	
Rodriguez	Adrianne Karnofel Elena Lopez* Vacant	
Martin	Bonnie Fox Laurie Rios* Kerry Ann Cobos	

**Indicates person currently serves on three committees*

HERITAGE ARTS ADVISORY COMMITTEE

Meets the Last Tuesday of the month, except Dec., at 9:00 a.m., at the Gus Velasco Neighborhood Center Room 1

Qualifications: 18 Years of age, reside or active in the City

Membership: 9 Voting Members
 6 Non-Voting Members

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	Maria Salazar	
Zamora	Hilda Zamora*	
Sarno	Peggy Radoumis	
Rodriguez	Francis Carbajal*	
Martin	Laurie Rios*	

Committee Representatives

Family and Human Services Committee	Elena Lopez*
Historical & Comm. Preservation Committee	Gloria Maghame
Planning Commission	Vacant
Chamber of Commerce	Vacant

Council/Staff Representatives

Council Liaison	Bill Rounds
Council Alternate	Vacant
City Manager	Vacant
Director of Community Services	Maricela Balderas
Director of Planning	Wayne Morrell

**Indicates person currently serves on three committees*

PARKS & RECREATION ADVISORY COMMITTEE

Meets the First Wednesday of the month, except Jul., Aug., and Dec., 6:30 p.m.,
Town Center Hall, Meeting Room #1

Subcommittee Meets at 5:30 p.m.

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

Council Liaison: Rounds

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	David (Kurt) Hamra Joe Avila Eddie Barrios Ralph Aranda William Logan	
Zamora	Blake Carter* John Mora Vacant Vacant Vacant	
Sarno	Dani Cook Kerry Ann Cobos Jeannette Lizarraga Mark Scoggins Vacant	
Rodriguez	Priscilla Rodriguez Lisa Garcia Johnny Hernandez Vacant Vacant	
Martin	Elizabeth Ford Andrea Lopez Nancy Krueger Dolores Romero Mary Anderson	

**Indicates person currently serves on three committees*

PLANNING COMMISSION

Meets the second Monday of every Month at 4:30 p.m.,
Council Chambers
Qualifications: 18 Years of age, reside or active in the City
Membership: 5

APPOINTED BY		NAME
Rounds		David Ayala
Sarno		Joseph Flores
Rodriguez		Francis Carbajal*
Martin		John Mora
Zamora		Gabriel Jimenez

SENIOR ADVISORY COMMITTEE

Meets the Second Tuesday of the month, except Jun., Sep., and Dec., at 9:30 a.m.,
Gus Velasco Neighborhood Center

Qualifications: 18 Years of age, reside or active in the City

Membership: 25

Council Liaison: Sarno

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	Astrid Shesterkin	
	Dolores Romero	
	Vacant	
	Vacant	
	Vacant	
Zamora	Hilda Zamora*	
	Josefina Lara	
	Vacant	
	Vacant	
	Vacant	
Sarno	Gilbert Aguirre	
	Janie Aguirre	
	Bonnie Fox	
	Vacant	
	Vacant	
Rodriguez	Johnny Hernandez	
	Vacant	
	Vacant	
	Vacant	
	Vacant	
Martin	Dolores Duran	
	Linda Vallejo*	
	Nancy Krueger	
	Vacant	
	Vacant	

**Indicates person currently serves on three committees*

TRAFFIC COMMISSION

Meets the Third Thursday of every month, at 6:00 p.m., Council Chambers

Membership: 5

Qualifications: 18 Years of age, reside or active in the City

APPOINTED BY

NAME

Rounds	Sally Gaitan
Sarno	Johana Coca
Rodriguez	Felix Miranda
Martin	Linda Vallejo*
Zamora	Blake Carter*

YOUTH LEADERSHIP COMMITTEE

Meets the First Monday of every month, at 6:30 p.m., Gus Velasco Neighborhood Center

Qualifications: Ages 13-18, reside in Santa Fe Springs

Membership: 20

Council Liaison: Martin

APPOINTED BY	NAME	TERM EXPIRES DEC 31, 2024
Rounds	Jilliana Casillas Jaeleen Casillas Vacant Vacant	
Zamora	Vanessa Doss Valerie Gamboa Vacant Vacant	
Sarno	Aaron Doss Valerie Bojorquez Vacant Vacant	
Rodriguez	Zulema Gamboa Jisel Morales Vacant Vacant	
Martin	Vacant Vacant Vacant Vacant	

Ineligible Members for Various Committees/Commissions

Historical & Community Preservation

Family & Human Services

Heritage Arts

Personnel Advisory Board

Parks & Recreation

Gina Hernandez *(until April 2023)*

David Diaz-Infante *(until May 2023)*

Planning Commission

Senior

Paul Nakamura *(until June 2023)*

Yoko Nakamura *(until June 2023)*

Sally Gaitan *(until April 2023)*

Traffic Commission

Youth Leadership