



CITY OF SANTA FE SPRINGS
MEETINGS OF THE HOUSING SUCCESSOR, SUCCESSOR
AGENCY, AND CITY COUNCIL
AGENDA

TUESDAY, FEBRUARY 6, 2024
AT 6:00 P.M.

CITY HALL COUNCIL CHAMBERS
11710 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670

CITY COUNCIL

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

CITY MANAGER

René Bobadilla, P.E.

CITY ATTORNEY

Ivy M. Tsai

CITY STAFF

Assistant City Manager
Fire Chief
Police Chief
Director of Community Services
Director of Finance
Director of Planning
Director of Police Services
Director of Public Works
City Clerk

Nicholas Razo
Chad Van Meeteren
Aviv Bar
Maricela Balderas
Lana Dich
Wayne Morrell
Dino Torres
James Enriquez
Janet Martinez

NOTICES

This City Council Meeting (“Council”) will be held in person and will meet at City Hall – City Council Chambers, 11710 E. Telegraph Road, Santa Fe Springs, California. The meeting will be live streamed on the City’s YouTube Channel and can be accessed on the City’s website via the following link:

https://santafesprings.org/city_council/city_council_meetings/index.php

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk’s Office. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

SB 1439: Effective January 1, 2023, City Council Members are subject to SB 1439 and cannot participate in certain decisions for a year after accepting campaign contributions of more than \$250 from an interested person. The Council Member would need to disclose the donation and abstain from voting.

Public Comments: 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 on the day of the meeting, please fill out a speaker card provided at the door and submit it to City Clerk staff. 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.

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

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

PRESENTATIONS

1. **2024 YOUTH LEADERSHIP COMMITTEE REPORT ON RETREAT TO GREEN VALLEY, CA & RECOGNITION OF RETREAT SPONSOR, SERV-WEL DISPOSAL & RECYCLING (COMMUNITY SERVICES)**
2. **PARAMEDIC INTRODUCTION (FIRE)**
3. **INTRODUCTION OF NEW EMPLOYEES**

CHANGES TO AGENDA

PUBLIC COMMENTS ON NON-AGENDA & NON-PUBLIC HEARING AGENDA ITEMS

At this time, the general public may address the City Council on both non-agenda *and* non-public hearing agenda items. Comments relating to public hearing items will be heard during the public hearing. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

HOUSING SUCCESSOR, SUCCESSOR AGENCY, AND CITY COUNCIL AGENDA

PUBLIC HEARING

4. **STATE OF CALIFORNIA CITIZENS' OPTION FOR PUBLIC SAFETY (COPS) GRANT PROGRAM (POLICE SERVICES)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing; and receive any comments from the public wishing to speak on this matter and therefore close the Public Hearing; and
- 2) Approve the expenditure of the State of California Citizens' Option for Public Safety (COPS) grant funds as outlined in the plan contained herein.

OLD BUSINESS – NONE

REGULAR BUSINESS

5. FISCAL YEAR (FY) 2022-23 YEAR-END REVIEW AND PRESENTATION OF THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Receive and file the City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) ending June 20, 2023, and related communications;
- 2) Authorize the transfer of \$25 million from the FY 2022-23 increase in available General Fund balance to the following reserves and/or funds:
 - a. \$7 million available balance to the Unfunded Liability Reserve for deposit into the California Employer's Pension Prefunding Trust (CEPPT)
 - b. \$6.75 million of available balance to the Capital Improvement Program (CIP) Fund
 - c. \$4 million of available balance to the Equipment Replacement Fund
 - d. \$4 million of available balance to the Economic Contingency Reserve
 - e. \$3 million of available balance to the Employee Liability Fund for Compensated Absences liability
 - f. \$250,000 of available balance to the Renovation and Replacement Reserve
- 3) Authorize the transfer of \$466,000 for the FY 2022-23 increase in available Water Fund balance to the Water CIP Reserve Fund.

6. BUILDING PLAN CHECK AND INSPECTION SERVICES – AWARD OF CONTRACT TO TRANSTECH ENGINEERING, INC. (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Accept the proposal from and award a contract to Transtech Engineering, Inc. (Transtech) for Building Plan Check and Inspection Services; and
- 2) Take such additional, related action that may be desirable.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

HOUSING SUCCESSOR

7. MINUTES OF THE JANUARY 11, 2024 HOUSING SUCCESSOR MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Housing Successor:

- 1) Approve the minutes as submitted.

SUCCESSOR AGENCY

8. MINUTES OF THE JANUARY 11, 2024 SUCCESSOR AGENCY MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Approve the minutes as submitted.

CITY COUNCIL

9. MINUTES OF THE JANUARY 11, 2024 SPECIAL CITY COUNCIL MEETINGS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the minutes as submitted.

10. RESOLUTION NO. 9896 – WEED ABATEMENT (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9896 declaring weeds a public nuisance, declaring its intention to remove them, and setting Tuesday, February 20, 2024 as the date for Public Hearing.

11. TREASURER’S REPORT OF INVESTMENTS FOR THE QUARTER ENDED DECEMBER 21, 2023 (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Receive and file the report.

12. AUTHORIZE BANKING SERVICES WITH FARMERS & MERCHANTS BANK (FINANCE)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the City Manager to execute Banking Services with Farmers & Merchants Bank.

13. AQUATIC CENTER IMPROVEMENTS PROJECT PHASE 1A – AWARD OF CONTRACT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Award a construction contract to California Commercial Pools, Inc. of Glendora, California in the amount of \$3,973,639.45 for the construction of the Aquatic Center Improvement Project Phase 1A; and
- 2) Take such additional, related action that may be desirable.

14. REGIONAL AQUATIC CENTER RENOVATION PROJECT – ADOPTION OF RESOLUTION NO. 9895 (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt Resolution No. 9895 approving an application for specified grant funds from the State of California Budget Act of 2023 [19.561(b)(46)] for the Regional Aquatic Center Renovation Project; and
- 2) Take such additional, related action that may be desirable.

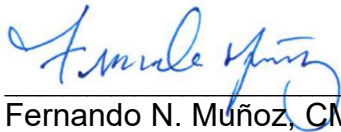
APPOINTMENTS TO BOARDS, COMMITTEES, AND COMMISSIONS

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Council member announcements; requests for future agenda items; conference/meetings reports. Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

ADJOURNMENT

I, Fernando N. Muñoz, Deputy City Clerk for the City of Santa Fe Springs hereby certify that a copy of this agenda has been posted no less than 72 hours 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.



Fernando N. Muñoz, CMC, Deputy City Clerk



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Dino Torres, Director of Police Services

SUBJECT: STATE OF CALIFORNIA CITIZENS' OPTION FOR PUBLIC SAFETY (COPS) GRANT PROGRAM

DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Open the Public Hearing; and receive any comments from the public wishing to speak on this matter and therefore close the Public Hearing; and
- 2) Approve the expenditure of the State of California Citizens' Option for Public Safety (COPS) grant funds as outlined in the plan contained herein.

FISCAL IMPACT

The State COPS program has remained a necessary supplemental funding source, which has provided the City with the means for additional public safety resources. The Department of Police Services currently has \$190,540 in COPS grant funds (2203) available to allocate to front line police services for the Fiscal Year 2023-2024.

BACKGROUND/DISCUSSION

The Citizens' Option for Public Safety (COPS) program provides grants to each city and county and five special districts that provide law enforcement within the State of California. COPS funds are allocated among cities and counties and special districts providing law enforcement services in proportion to population, except that: A). County populations are the populations in incorporated areas, and B). Each agency is to be allocated a minimum of \$100,000. As such, the City is entitled to a State of California Citizens' Option for Public (COPS) Grant of \$100,000. Additionally, we have \$90,540 of grant funds carried over from previous fiscal years.

Public Hearing: State of California Citizens’ Option for Public Safety (COPS) Grant Program

LEGAL NOTICE OF PUBLIC HEARING

Legal notice of the Public Hearing to consider the spending of the State of California Citizens’ Option for Public Safety (COPS) grant funds was posted at Santa Fe Springs City Hall, the City Library and Town Center Hall. A Notice was also published in the Whittier Daily Newspaper on January 24, 2024. Staff will report any inquiries received for this matter at the time of the Council’s meeting

ANALYSIS

Funds from the COPS program must be used exclusively to fund the frontline municipal police services. Based on a review of law enforcement priorities, staff is recommending that funds be expended on the payment of:

- The cost for a Traffic Officer for FY 2023/2024 assigned to the City, which is \$287,700. \$190,540 would be paid using COPS funds and the remaining balance covered by the City General Fund.

The expenditure of these funds requires that the City conduct a Public Hearing to gain input from citizens as to how these funds should be expended.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

Upon City Council approval, staff will expend COPS grant funds on the payment of a Traffic Officer assigned to Santa Fe Springs.

ATTACHMENT(S):

- A. Attachment A – Public Hearing Notice

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

Attachment - A

Whittier Daily News

Local. News. Matters.
whittierdailynews.com

Whittier Daily News
181 W. Huntington Drive Suite#209
Monrovia, California 91016
(626) 544-0885

**FILE NO. 0011643444
PROOF OF PUBLICATION
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA
County of Los Angeles County**

I am a citizen of the United States and a resident of the county aforesaid; I am over the age of eighteen years, and not party to or interested in the above-entitled matter. I am the principal clerk of the printer of WHITTIER DAILY NEWS, a newspaper of general circulation for the City of Whittier, by the Superior Court of the County of Los Angeles County, State of California, on the date of October 10, 1960, Case Number 369393. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

01/24/2024

I declare under the penalty of perjury that the foregoing is true and correct.

Executed at Monrovia, California
On this 24th day of January, 2024.



Signature

**CITY OF SANTA FE SPRINGS
NOTICE OF PUBLIC HEARING
State of California Citizens' Option for Public Safety
(COPS) Grant Funds**

NOTICE IS HEREBY GIVEN that the City Council of the City of Santa Fe Springs will hold a Public Hearing on **Tuesday, February 6, 2024 at 6:00 p.m.** to consider the spending of the State of California Citizens' Option for Public Safety (COPS) Grant funds. Inquiries concerning this public hearing may be directed to the Department of Police Services, (562) 409-1850.

ALL INTERESTED PERSONS are invited to attend the Public Hearing before the City Council and express their opinion on the subject item listed above. It should be noted that if you challenge the aforementioned item in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing, or in written correspondence received prior to the Public Hearing.

PUBLIC COMMENTS may be submitted in writing to the City Clerk at cityclerk@santafesprings.org. Please submit your written comments by 12:00 p.m. on the day of the City Council meeting. You may also contact the City Clerk's Office at (562) 868-0511 ext. 7314, if you have any questions regarding this matter.

**Whittier Daily News
Published: 1/24/24**



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance & Administrative Services

SUBJECT: **FISCAL YEAR (FY) 2022-23 YEAR-END REVIEW AND PRESENTATION OF THE CITY'S ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year (FY) ending June 20, 2023, and related communications;
- 2) Authorize the transfer of \$25 million from the FY 2022-23 increase in available General Fund balance to the following reserves and/or funds:
 - a. \$7 million available balance to the Unfunded Liability Reserve for deposit into the California Employer's Pension Prefunding Trust (CEPPT)
 - b. \$6.75 million of available balance to the Capital Improvement Program (CIP) Fund
 - c. \$4 million of available balance to the Equipment Replacement Fund
 - d. \$4 million of available balance to the Economic Contingency Reserve
 - e. \$3 million of available balance to the Employee Liability Fund for Compensated Absences liability
 - f. \$250,000 of available balance to the Renovation and Replacement Reserve
- 3) Authorize the transfer of \$466,000 for the FY 2022-23 increase in available Water Fund balance to the Water CIP Reserve Fund.

FISCAL IMPACT

None

BACKGROUND

Each year, the City engages an independent financial auditor to audit the City’s financial statements, known as the 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 A.

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 B and C, are used to communicate certain matters to the City Council. The audit did not identify any material weaknesses or significant deficiencies in internal controls.

As part of the City’s annual fiscal year-end procedures, staff compiles a summary of the City’s actual General Fund and Water Fund revenues and operating expenditures compared to the adjusted budget. The summary is instrumental in helping staff assess prior year expenditures and current financial trends to incorporate the information into future budget estimates and to assess the City’s current financial position.

ANALYSIS

Overall, the City’s General Fund Unassigned Reserve balance increased approximately \$3.7 million from \$28.0 million at June 30, 2022 to \$33.7 million at June 30, 2023. If the proposed allocation is approved, the City’s General Fund Economic Uncertainty Reserve balance will be \$11.7 million and Unfunded Liability Reserve will be \$25.8 million at June 30, 2023.

In the Water Fund, the Unrestricted Net Assets increased by approximately \$2.6 million from \$3.1 million at June 30, 2022 to \$5.7 million at June 30, 2023.

Actual vs. Budget Information

Attached are revenue and expenditure summaries illustrating comparisons between budgeted and actual figures. Although the City’s operations in FY 2022-23 were, in part, influenced by the pandemic and its effect on the national economy, the City was fortunate, from a financial perspective, given that the Sales Tax base was relatively unaffected.

CITY COUNCIL AGENDA REPORT – MEETING OF FEBRUARY 6, 2024
Fiscal Year (FY) 2022-23 Year-End Review and Presentation of the City's Annual Comprehensive Financial Report (ACFR)
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The Sales Tax generated in FY 2022-23 of \$39.9 million, the highest ever in the City's history, surpassed the prior year amount of \$39.3 million. The Sales Tax revenue/growth is critical to the City's finances as it represents over half of all General Fund revenues.

This is also the fourth full year of collecting the voter-approved Transactions & Use Tax (Measure Y) and its trend continues to be very favorable for the City. Measure Y has alleviated some of the financial burdens that have threatened our strong financial position. Even during the global pandemic, Measure Y was a consistent and reliable stream of revenue for the City. The Sales Tax and Measure Y combined represent approximately fifty-five (55%) of General Fund revenues.

Additionally, across the General Fund, the actual year-end financial information is favorable for both revenues and expenditures. Revenues, in general, are higher than anticipated by 20.7% and expenditures are less than budgeted amounts by 7.5%. The influx in additional revenue, coupled with significant savings from operating costs across departments has created an operating surplus of approximately \$25 million for FY 2022-23.

The revenues in the Water Fund were lower than anticipated by about 8.4% and expenditures were 11.5% under budget. The actual revenues were \$15.5 million and actual expenditures were \$14.6 million, which resulted in an increase in available fund balance of \$0.5 million.

GENERAL FUND

Overall, General Fund revenues were approximately \$17.7 million or 20.7% higher than anticipated at \$103 million. This high variance is primarily due to the Sales Tax, the Transactions and Use Tax (Measure Y), the Utility Users Tax (UUT) and the Property Tax, all of which exceeded budget estimates by 11% to 40%. Revenue estimates were initially somewhat conservative given the uncertainties surrounding the continuing effects of the pandemic; however, the midyear revenue budget reflected an increase of \$3.0 million or 4.3% to reflect better than expected results. Even with this adjustment, the final results came in 20.7% over budget and 17.6% greater than FY 2021-22. Additionally, the revenue of \$103 million reflects approximately \$3.4 million of investment earnings due to market recovery in the City's investment portfolio.

Sales Taxes reached an all-time high for FY 2022-23 coming in at \$39.9 million and 11.1% over budget. Part of the revenue growth is related to a sales tax sharing agreement entered into with the City of Vernon regarding tax generated by a business located in both cities. While the agreement provides a healthy boost to sales tax, the City still experienced significant growth within the existing sales tax base. Measure Y also finished the year 13.9% over budget at \$16.8 million, also a record level for the four-year old tax.

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Property Taxes generated during FY 2022-23 totaled \$5.6 million, which is \$1.4 million over the anticipated amount. Approximately \$2.8 million of the \$5.6 million received was from Property Tax allotments and \$2.8 million were from Residual Property Tax (former Redevelopment Agency). Increases to both sources was a direct result of higher assessed valuation throughout the City.

The UUT came in at 35.1% over budget expectations at \$8.5 million. The UUT was a revenue that staff was closely monitoring given that there was a downward trend observed for the UUT. However, on a year-over-year comparison, the UUT increased by approximately \$1.3 million over the previous year and \$2.2 million over the past two years. The two year’s positive performance does not necessarily indicate a new trend; however, it is an encouraging indication. Staff will continue to monitor and adjust figures as appropriate.

Franchise Tax and Motor Vehicle in Lieu Tax exceeded budget expectations by 40.2% and 10.6%, respectively. The Other Taxes category is the only tax revenue source that was under budget by \$44,848 or 2.7%. This is primarily due to changes in the ownership structure of the City’s largest oil producer which has caused the City’s Barrel Tax to fall into arrears. Staff is currently working with the new ownership structure to bring the producer current on past-due taxes.

In the Use of Money, Property, & Other Category, revenues of approximately \$8.1 million were received for items such as Interest, Development and Green Waste Host Fees, Ground Leases and other rental income, and the Water Utility lease payment. The Use of Money, Property, & Other Category revenues were approximately 93.3% higher than anticipated, mainly due to investment earnings in the City’s investment portfolio.

Operating Expenditures

Overall, in the General Fund, operating department expenditures totaled \$70.9 million, providing a savings of approximately \$5.7 million or 7.5% compared to the midyear budget figures. Although there were customary actual-to-budget departmental fluctuations, all departments realized savings primarily through labor and operational savings due to the pandemic’s impact on in-person activities.

The Fire-Rescue Department realized savings of approximately \$1.0 million through labor savings, increased applied revenues and other operational savings throughout their activities. The Community Services department generated approximately \$0.7 million in savings, while the Public Works and Police Departments generated \$1.2 million and \$1.2 million in savings when compared to the midyear budget, respectively. Planning & Building’s achieved \$237,000 in savings while the Finance and General Government Departments generated approximately \$0.9 million and 434,000 in savings, respectively.

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Summary

Below is a summary comparing the General Fund’s budgeted vs. actual year-end figures followed by a discussion of potential uses of the available balance.

	Adjusted Budget	Actual
Revenues	\$ 85,382,100	\$ 103,075,225
Expenditures		
Operating Expenditures	(76,673,167)	(70,942,880)
Vehicles/Transfers/Non-Recurring	(5,327,100)	(7,312,283)
Total Expenditures (Uses)	(82,000,267)	(78,255,163)
Net Increase in Available Fund Balance	\$ 3,381,833	\$ 24,820,062

Recommended FY 2022-23 General Fund Surplus Allocation Plan

Given the rising pension costs and organizational needs going forward, the following allocation plan is recommended for FY 2022-23:

- \$7.0 million or 28% of the available balance to the Unfunded Liability Reserve for deposit to the City’s account with the California Employer’s Pension Prefunding Trust (CEPPT). This will help to mitigate annual unfunded liability increases and/or increases to the Employer Contribution Rates; in 2023, CalPERS reported a 5.8% gain on investments. This is 1.0% lower than the 6.8% target, which will result in an increase in costs to the City. At June 30, 2022, the City pension plans are expected to be funded at approximately 56.0% which is substantially underfunded and lower than more than 90% of all CalPERS agencies.
- \$6.75 million or 27% of the available balance to the Capital Improvement Program (CIP) Fund to support critical deferred maintenance needs; this allocation is over and above the \$2.8 million in annual funding.
- \$4.0 million or 16% of the available balance to the Equipment Replacement Fund to support the replacement of critical City equipment, such as vehicles and other gasoline or diesel-powered equipment. This will bring the balance in the Fund to approximately \$8.3 million.
- \$4.0 million or 16% of the available balance to the Economic Contingency Reserve to offset any major variation in General Fund revenues and/or offset any other unforeseen cost increases. Currently, the reserve has a balance of \$7,725,000 and with the additional funding proposed, the new balance would be \$11,725,000.

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- \$3.0 million or 12% of the available balance to the Employee Liability Fund for Compensated Absences to provide funding for employee related liabilities.
- \$250,000 or 1% of the available balance to the Renovation and Replacement Reserve to provide funding for periodic replacement of facility components that wear out during the facility’s economic life.

WATER FUND

Revenues

In the Water Fund, revenues received were lower than the budget amount by approximately \$1.4 million or 8.4%. This was largely due to delinquent accounts carried over during the pandemic. Metered water sales were under budget by approximately \$1.6 million or 9.6%. Interest earnings came in \$145,000 greater than anticipated (264.5%). Other revenues were \$53,700 over budget primarily due to trunk line connections, and temporary meter fees.

Operating Expenditures

Similar to the General Fund, the Water Fund experienced overall expenditure savings of \$1.9 million or 11.5% in the operating activities. Labor and operational savings were realized in all of the budget activities. The greatest savings were in the Water Purchases activity came in below budget by approximately \$1.7 million or 20.4%. An additional \$655,000 in savings were realized within the Administration, Distribution System Maintenance, Billing and Collection, Backflow, and Production Facilities Maintenance activities.

Summary

The Water Fund’s budgeted vs. actual year-end figures are summarized in the table below:

	Adjusted Budget	Actual
Revenues	\$ 16,966,100	\$ 15,535,350
Expenditures		
Operating Expenditures	(16,527,600)	(14,630,781)
Transfer to Water CIP	(438,500)	(438,500)
Total Expenditures (Uses)	(16,966,100)	(15,069,281)
Net Increase in Available Fund Balance	\$ -	\$ 466,069

Potential Use for Water Fund Balance

Given the water infrastructure needs and available funding for necessary projects, the recommended use of the Water Fund Balance is to deposit \$466,000 into the Water CIP Reserve Fund. The additional funding will be critical to support the long-term improvement of the water system.

ENVIRONMENTAL

N/A

DISCUSSION

Both the City’s General Fund and Water Fund experienced positive results for FY 2022-23 despite the impacts from the pandemic. Both funds are reporting increases in available fund balances and the Sales Tax and Measure Y provided a significant increase to the City’s revenue base. However, there are a number of issues to call to the City Council’s attention as we look to the future:

- CalPERS Unfunded Liability and Normal Costs contributions are expected to continue to increase over the next ten years. These projections are based on actuarial reports from June 30, 2022 and as adjusted for the loss experienced by CalPERS as of June 30, 2023. In addition, and perhaps more significantly, if investment performance does not meet expectations in the long-term, the rates could escalate even higher, which can occur given the current economic environment. While the City will not receive an updated actuarial valuation until 2024, we know that the losses will add to the City’s unfunded liabilities and annual required payments. The CalPERS contributions affect both the General Fund and Water Fund.
- Infrastructure funding will be critical in the upcoming years. While there are funds and accounts that have been established by the City Council, the City will be challenged to continue to set adequate funding aside on an ongoing basis.
- The City is particularly sensitive to changes in the economy. The City’s reliance on sales tax makes the City susceptible to economic downturns faster than other agencies which rely on revenue sources such as property taxes. Additionally, the City’s industrial business-to-business sales tax base also causes the City’s sales tax to behave differently than regional and statewide trends, making predicting sales tax more challenging. Add to this, economic indicators such as inflation, interest rates, and GDP and we are left with significant unpredictability regarding future revenues. Consequently, the City continues to budget conservatively and put funding away to ease the burden when the inevitable downturns occur.

- Proposals also continue to be brought forward to modify the state’s allocation methodology for sales tax revenues, primarily concerning on-line sales transactions. Most proposals would result in a reduction of sales tax for Santa Fe Springs. The City continues to be actively involved in these discussions and argues against proposals that would negatively impact the City; however, it is a continuing threat which must be acknowledged.

Under the current fiscal environment, revenues are expected to exceed expenditures over the next couple of years, but this structural surplus is expected to decrease each year given the negotiated salary increases, new positions added to the organization and other increases in operating costs. As such, staff will continue to pursue internal operating efficiencies and strategies to minimize costs and impacts to City services while exploring new and innovative revenue ideas. Staff will continue to work with the City Council to explore not only new revenue options but cost containment strategies as well.

SUMMARY/NEXT STEPS

The recommended items have been incorporated in the assigned fund balance. Staff will incorporate any further direction and input provided by the City Council.

ATTACHMENT(S):

- A. Attachment A – Final audited FY 2022-23 Annual Comprehensive Financial Report
- B. Attachment B – Report of Internal Controls and Compliance
- C. Attachment C – Audit Communication Letter
- D. Attachment D – General Fund FY 2022-23 Budget to Actual Summary
- E. Attachment E – Water Fund FY 2022-23 Budget to Actual Summary

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



CITY OF SANTA FE SPRINGS ANNUAL COMPREHENSIVE FINANCIAL REPORT

JULY 1, 2022 TO JUNE 30, 2023



Annual Comprehensive Financial Report

City of Santa Fe Springs, CA
Year Ended June 30, 2023



City Council

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

Executive Management Team

René Bobadilla, City Manager
Ivy M. Tsai, City Attorney
Lana Dich, Dir. of Fin. and Admn. Svcs
Maricela Balderas, Dir. of Com. Services
Chad A. Van Meeteren, Fire Chief
Wayne Morrell, Director of Planning
James Enriquez, Director of Public Works
Dino Torres, Director of Police Services

Prepared by:

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Oscar Jimenez, Finance Analyst



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January 17, 2024

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. |

Jay Sarno, Mayor • William K. Rounds, Mayor Pro Tem
City Council

Juanita Martin • Annette Rodriguez • Joe Angel Zamora
City Manager

René Bobadilla, PE, 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:

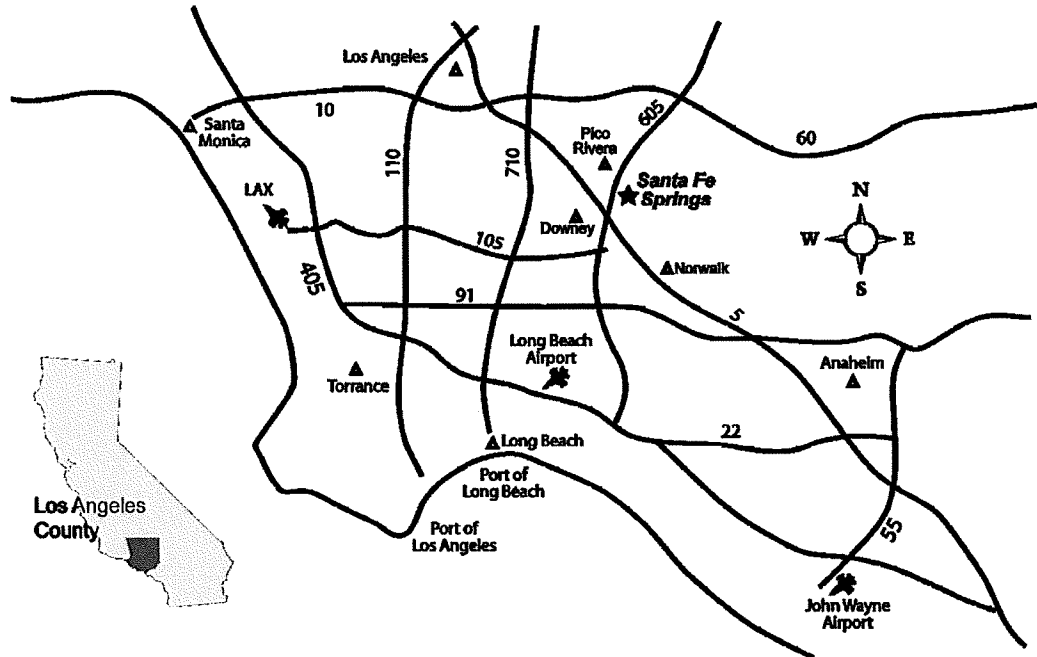
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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 9 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 sells), 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 2021-22 was the highest the City had ever generated, the sales tax generated in FY 2022-23 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 fourth 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 comprises 57 members working from four fire stations providing traditional fire suppression services, hazardous materials response, fire prevention, and emergency medical services, and 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” for administering all the City’s hazardous materials, hazardous waste, and tank programs. 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

**Accomplishments
& Outlook (cont.)**

education events. In FY 2022-2023, the Environmental and Prevention Divisions performed nearly 2500 permit inspections of new and existing facilities. Fire Suppression personnel have a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues and update emergency contact information in the department's database. The Department of Fire Rescue conducted over 2050 business and residential inspections and responded to over 3,800 emergency calls in FY 2022-23.

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 2022-2023, the Department of Fire-Rescue assisted outside their jurisdiction nine times to significant fire incidents. The City was reimbursed over \$332,000 in backfill expenses for labor and equipment to respond to these incidents.

In partnership with Rio Hondo College, the department 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 to assist 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 2022-2023, the Fire-Rescue Department secured \$798,000 through the 2020 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.

Department of Police Services

Accomplishments & Outlook (cont.)

For nearly twenty-eight years, the Department of Police Services has partnered with the Whittier Police Department to deliver law enforcement services by combining Whittier Police Department's contract services with City personnel and management resources. The Santa Fe Springs Policing Team is comprised 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 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.

Additionally, Police Services is also responsible for animal licensing services, processing regulatory permits such as catering food truck, soliciting, sidewalk vending, alcohol sales conditional use, entertainment conditional use and special events permits.

During FY 2022-2023, the department 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 15,098 calls for service throughout the City and provided 1,007 pro-active patrols. Additionally, field patrol officers responded to 1,007 traffic related incidents. Police officers also responded to several incidents involving Driving Under the Influence (DUI) offenses resulting in arrests and 36 citations were processed for cost recovery.
- Police response times to priority calls decreased by 4%.
- The Investigative Bureau made arrests in two homicide investigations. While one investigation remains active, the second investigation was closed with an arrest made and the case was submitted to District Attorney's office for filing.
- WPD continued to partner with LA County District Attorney Investigators Community Violence Reduction Team (CVRT) to conduct sweeps, targeting violent suspects, and conduct gang enforcement operations to address violators who jeopardize the safety of the community.
- Officers conducted seven large homeless encampment cleanups at various locations throughout the City including Coyote Creek, Santa Fe Springs Road as well as various rail lines that run through the City of Santa Fe Springs. Cleanups required partnering with the Los Angeles County

**Accomplishments
& Outlook (cont.)**

Department's HOST Team, LA County Department of Public Works, Union Pacific Railroad and Burlington Northern Santa Fe Railroad.

- Officers conducted 24 parole/probation compliance searches in the City to address issues affecting public safety and quality of life issues. The team also conducted compliance checks on sex registrants.
- The Special Enforcement Team (SET) made 26 arrests for violations including weapons, narcotics and outstanding warrants.
- WPD SET partnered with the Drug Enforcement Administration (DEA) to conduct several operations involving major drug trafficking organizations. These efforts have resulted in the seizure of over 85 pounds of methamphetamine and 30,000 fentanyl pills from Santa Fe Springs based investigations.
- In an effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic overtime enforcement. Approximately, 797 citations were issued for hazardous violations such as distracted driving, unsafe speed, disobeying signage, red light violations and unsafe movements.
- WPD Traffic Bureau teamed up with Santa Fe Springs California Highway Patrol to target hazardous moving violations in the City of Santa Fe Springs. The joint operation resulted in over 135 enforcement stops and 135 citations issued. The area of concentration occurred along Florence and Telegraph Road.
- Ten additional Flock Automatic License Plate Reader (ALPR) Cameras were installed throughout the City bringing the total number to 30 ALPR cameras. 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.
- Additional solar-powered surveillance cameras were installed in select residential locations to help deter criminal activity and enhance neighborhood safety and security. Staff also worked to upgrade the security camera system in the interior and exterior of City Hall.
- In an effort to increase community safety, the department implemented a Home Security Camera Rebate Program which offers residents a rebate for the purchase and installation of a security camera device at their residence. Approximately, 40 homeowners have taken advantage of this opportunity to enhance security at their homes.
- 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.

Accomplishments & Outlook (cont.)

- The department purchased two Stalker Radar Trailers. Speed radar trailers are a reliable traffic calming tool that provides valuable data to help the department identify problematic areas time frames when speeding is occurring. This technology and data allows us to deploy traffic enforcement resources accordingly.

Public Safety Program:

Public Safety Officers (PSO's) provide citywide support and perform a variety of public safety and law enforcement functions and serve as a liaison between law enforcement and the community. PSO's work seven days a week to enhance the quality of life and increase the safety and well-being of citizens who live, work and visit Santa Fe Springs. Their duties include but are not limited to responding to non-emergent/non-hazardous calls for service, preparing criminal/non-criminal police reports, documenting traffic collisions, and enforcing parking violations. PSO's provide vital support to police officers by responding to non-emergent calls for services and addressing quality of life concerns, which allow sworn police officers to remain free to respond to emergent/priority calls for service.

- Public Safety Officers (PSO's) played a critical role in the department's field operations. PSO's responded to approximately 4,580 calls for service and provided 4,856 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.
- PSO's responded to 564 traffic collision related incidents; leaving sworn personnel available to respond to emergent calls for service and reducing overall response times for priority calls.
- PSO's prepared 1,285 criminal/non-criminal and traffic collision reports.
- PSO's issued 418 parking warnings to vehicles in violation of 72-hour parking.
- PSO's issued 290 Notice of Violations for illegal street vending activity.
- PSO's completed over 288 hours of officer safety training which included PC 832 Laws of Arrest and Pepper Spray Defense.
- Enhancing community-partnerships by improving community relations was also a key area of focus. The department held events such as Coffee with a Cop, Sweets & treats with Santa, Trick-or-Treat at the Police Services Center, and hosted information booths at community and City special events. Additionally, PSO's and WPD personnel visited elementary school and participated in Read Across America which aims to celebrate reading across the county.
- The department partnered with numerous law enforcement agencies, non-profit organizations and City Departments to host National Night Out (NNO). The event aims to strengthen community-police partnerships and

**Accomplishments
& Outlook (cont.)**

build neighborhood camaraderie, essential in keeping our community safe. NNO included police and fire vehicle displays and community information booths.

- The Bike Patrol Program continued throughout the City. 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.
- A Catalytic Converter Etching Event was held to promote crime prevention and help protect vehicles against theft and aid in the recovery of stolen catalytic converters.
- Three Community Block Parties were also held to bring community members together to get to know their neighbors and policing team in a relaxed environment.
- The department emphasized crime prevention through the Safe Neighborhood Team Program (SNT). Meetings were held bi-monthly throughout the year at Town Center Hall. 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 crime prevention meetings at Senior Living Communities.
- 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 the "Great Shake Out" earthquake drill.
- The department partnered with the Whittier Police Department to host Situational Awareness Active Shooter Training for all City employees. The training focused on best practices to help prepare and train employees on how to respond to an active shooter incident in the workplace.

Animal Licensing Program & Regulatory Permits:

- During FY 2022-2023, 1,067 dog licenses were processed.
- The Department partnered with the Southeast Area Animal Control Authority (SEAACA) to host the annual Low-Cost Pet Vaccination. 127 animals were licensed, 258 received vaccinations and 19 pets were microchipped.
- Administrative staff issued 19 regulatory permits for catering food truck operations, three special events permits and one sidewalk vending permit.
- A total of 144 yard sale permits were issued during FY 2022-2023.

Family and Youth Intervention Program:

**Accomplishments
& Outlook (cont.)**

The Family and Youth Intervention Program's (FYIP) mission is to positively engage families and their children who are experiencing relationship and/or developmental challenges with an array of multidisciplinary intervention strategies that promote competent assets needed to thrive as successful families and young adults. The team also works to promote diversity, and create awareness about the consequences of drug and alcohol use.

- The 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, 45 local families completed the Parent Project and 17 families completed the Loving Solutions Program.
- The department and FYIP team remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the National Red Ribbon Campaign. The annual Red Ribbon Community Parade and Art Contest was held in October and staff received hundreds of art entries from local students in grades pre-Kindergarten to High School.
- In partnership with St Paul High School, the California Highway Patrol and numerous departments and community partners, a powerful message reminded students about the life changing consequences of drinking and driving and the impact of poor decision making. Partial funding for the program was provided by a \$9,999 grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- FYIP staff visited schools and continued to offer after school computer use and homework help to students daily. In addition, staff conducted a behavior modification class at Lake Center Middle School to promote respect and good behavior.
- The School Attendance Review Team (SART) held regular meetings to address truancy concerns and improve attendance. Approximately, 42 cases were examined which resulted in individualized plans to put students and families on a path to success.
- The FYIP Team diversity component partnered with schools throughout the City to host Student Diversity Assemblies. The goal of these presentations is to help motivate and equip all to show compassion, promote diversity and teach students that they can be part of positive changes in themselves, their schools and community.
- 270 10th grade students from Santa Fe High School participated Museum of Tolerance educational field trips. The museum trips play a powerful role in helping students the history of the Holocaust and prejudice around the world.
- The FYIP remained dedicated to keeping youth engaged through its Summer Group programming. By educating youth about making thoughtful

**Accomplishments
& Outlook (cont.)**

and positive choices, they can be better prepared for situations in life they encounter that challenge their inner strength and confidence.

Code Enforcement Program:

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, illegal business operations, land use and unpermitted construction. 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 2022-2023, included, but was not limited to:

- 79 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.
- 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, some of 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 147 contacts were made with individuals experiencing homelessness.
- Partnered with the WPD SET Team to assist with three marijuana grow investigations. These investigations resulted in one search warrant where 4,600 pounds of marijuana was seized. The other two locations cooperated with Police and Code Enforcement and vacated the properties without incident.
- Code Enforcement Inspectors conducted 489 residential and commercial inspections and 617 follow-ups in an effort to get properties into compliance.
- Inspectors also issued 125 Notice of Violations and 250 Administrative Citations were issued by Code Enforcement and Public Safety Officers for various code violations.
- Code Enforcement staff also remained dedicated to participating in ongoing training. Inspectors participated in over 75 hours of code enforcement continued education and officer safety trainings.

Accomplishments & Outlook (cont.)

- Code Enforcement Staff processed five Alcohol Sales Conditional Use Permits (ASCUP). In addition, staff processed 12 ASCUP 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 to the community.

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, 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 2022-2023, the Engineering Division issued approximately 300 total excavation and construction permits.

During FY 2022-2023, the Department of Public Works coordinated a multitude of capital improvement projects including:

Facility Improvements

- Roof Replacement at Municipal Services Yard Warehouse and Administration office
- Roof Replacement at Betty Wilson Center
- Carpet Improvements at Police Service Center

Park Improvements

- Parking Lot Expansion at Los Nietos Park
- Playground improvements at Lakeview Park
- Playground Improvements at Los Nietos Park
- Heritage Park Train Exhibit Improvements (Box Car Rehabilitation)
- Parking Lot Expansion at Santa Fe Springs Park

Street Improvements

- Pioneer Blvd (Charlesworth Road to Los Nietos Road)
- Valley View Avenue at Rosecrans Avenue Intersection Improvements
- Residential Concrete Improvements including walkways at Lake Center/Los Nietos/Lakeview Parks

Accomplishments & Outlook (cont.)

- Residential Street Improvements – Slurry Seal 2022
- Stop Sign Installations at Orr and Day Road at Whiteland Street
- Street Rehabilitation on Residential Streets South of Florence Ave
- Street Rehabilitation on Longworth Avenue (Orr & Day Road to Harvest Avenue)
- Street Rehabilitation on Pioneer Frontage Road (Clarkman Street to south end)

Regional Improvement

- I-5 Freeway Valley View Avenue Segment

Street Light Improvements

- LED Residential Street Light Conversion (SCE Owned Street Lights HPSV to LED)
- LED Residential Street Light Conversion (City Owned Street Lights HPSV to LED)

Water Improvements

- Florence Avenue Underpass Storm Pump Replacement

Department of Planning and Development

The Planning and Development Department provides staff support to the City Council, Planning Commission, Housing Successor, Successor Agency, , and other development-related activities. The Planning and Development Department is responsible for the following divisions:

- Planning
 - 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, providing affordable housing options, and 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

**Accomplishments
& Outlook (cont.)**

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 2022-2023

- 1) Total number of entitlements processed:
 - Discretionary entitlements: 42 total.
 - Administrative entitlements: 20 total (*wireless projects*)
 - Ministerial entitlements: 1 total (*SB 35*).
- 2) Advance Planning projects completed:
 - Adopted new Transportation Study Guidelines
 - Objective Design Standards Toolkit for four multi-unit/mixed use zones.
- 3) Total number of plan checks completed:
 - 500 total.
- 4) Total number of Zone Certification Letters prepared:
 - 21 total.
- 5) Various miscellaneous permits processed:
 - 3 Office Trailer Permits.
 - 2 Home Occupation Permits.
 - 8 Preliminary Application Reviews.
 - 1 Banner Permit.
- 6) Total number of individuals assisted at the counter:
 - 737 total.

Building Activities during FY 2022-2023

- 1) Total permits issued:
 - 1,549 total
 - 684 Building Permits
 - 422 Electrical Permits
 - 172 Mechanical Permits
 - 172 Plumbing Permits
 - 85 Sewer Permits
 - 14 Grading Permits
- 2) Overall project valuation of permits issued:
 - \$291,563,336 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:
 - 622 total.

**Accomplishments
& Outlook (cont.)**

Economic Development Activities during FY 2022-2023

- 1) Approved the City's first Mixed-Use project, involving both a residential and commercial component at 11350 Washington Boulevard (Applicant: Primestor).
- 2) Construction began for a new Chick-Fil-A drive-through restaurant at 13225 Telegraph Road.
- 3) The General Plan now includes an Economic Development Element (EDE) and an Economic Development Strategic Plan (EDSP). The Economic Development Element provides the overall framework for decision making that affects economic development in the City. The purpose of the Economic Development Element is to maintain and improve the economic sustainability of Santa Fe Springs by addressing: 1) Economic growth and development; 2) Business attraction, retention and expansion; and 3) Fiscal strength and stability. Whereas the EDE provides longer-term policy guidance, the EDSP is intended to provide a more detailed implementation strategy or action plan for the next 5 years.
- 4) Escrow closed on the former 1.68-acre Community Development property at 10712 Laurel Avenue. The developer intends to construct a standalone building for a Sonic Drive-In and a multi-tenant building with the main tenant being Dave's Hot Chicken.

Housing Activities during FY 2022-2023

- 1) Submitted the third draft of the 2021-2029 Housing Element to the California Department of Housing and Community Development (HCD).
- 2) Approved entitlements for a new 88-unit Mixed-Use affordable housing project at 11350 Washington Boulevard.
- 3) Approved entitlements for a new 18-unit affordable housing project at northeast corner of Lakeland Road and Laurel Avenue (Applicant: Habitat for Humanity).
- 4) Accessory Dwelling Units (ADUs) reviewed and approved: 9 total.

Upcoming Activities

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

- 1) Adopting Targeted Zoning Ordinance Update to ensure the City's Zoning Ordinance and Zoning Map are internally consistent with the City's 2040 General Plan; and
- 2) Creating ADU Guidelines and updating our ADU Ordinance; and
- 3) Adopting a Senate Bill (SB) 9 Ordinance; and
- 4) Adopting a new Nonconforming Situations Ordinance that will entirely replace our existing nonconforming provisions.
- 5) Initiating process to declare surplus land and issue a Notice of Availability (NOA).

Department of Community Services

Accomplishments & Outlook (cont.)

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 2022-2023, the Department of Community Services achieved several significant accomplishments.

The following includes a variety of program, event and department accomplishments:

- A wide variety of contract classes ranging from special interest, fitness, sports, and enrichment classes were offered for a various age groups. In total, 493 participants joined Parks & Recreation classes.
- Youth Sports leagues and clinics were offered in basketball, soccer, flag football, boxing and pee wee sports with a total of 945 participants (an increase of 12% compared to FY 2021-2022).
- The Adult Sports Program offered year-round basketball, volleyball and softball leagues. A total of 115 teams, which included an estimated 1,160 participants, registered for these programs.
- The Day Camp program included Spring Camp, Summer Camp, Fall Camp, and a special 1-day Grinchmas themed camp. There were a total of 480 participants in the Day Camp Program, an increase of 13% compared to FY 21-22.
- The Excursions Program continues to be a strong community program. Highlights of excursions included trips to the Los Angeles Dodgers game, the Mission Inn Festival of Lights Tour in Riverside, the Ronald Reagan Presidential Library in Yorba Linda, and the Aquarium of the Pacific in Long Beach and trips to local water parks and beaches. A total of 609 participants attended these trips.
- On Sunday, July 3, 2022, Community Services hosted its annual Independence Day Festival at Los Nietos Park. Attendees enjoyed several food vendors, a horseshoe tournament, a kid's zone, arts and crafts, a tee shirt giveaway, a hoola hoop contest, live entertainment from Soto and Flashpants, and a wonderful firework show. An estimated crowd of 2,800 people at the park on Sunday.
- The Fiestas Patrias event was held on Friday, September 9, 2022 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 1,500 people attended.
- The Community Services Department hosted the annual Walk to School Day event on Wednesday, October 5, 2022. Five elementary schools from Little Lake City School District and Los Nietos School District participated.

**Accomplishments
& Outlook (cont.)**

Walk to School Day is a global event participated in by over 40 countries around the world. It is estimated that 420 students participated in this program.

- The annual Halloween Carnival was held at Los Nietos Park on Saturday, October 29, 2022 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 3, 2022 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.
- In its 42nd year, the Santa Float Program made its return to traditional form. During the two week period, the Float made 25 stops throughout Santa Fe Springs and 16 Home Visits. It is estimated over 5,000 people visited Santa, and staff printed 2,200 pictures. Additionally, 1,100 pictures were downloaded through Shutterfly. 76 volunteers helped ensure the success of the program, and to acknowledge their support, a special volunteer recognition dinner was held on February 8, 2023.
- In celebration of Presidents' Day, the City hosted the Presidents' Day Penny Carnival at the Activity Center. The carnival was attended by hundreds of kids and families who enjoyed 14 carnival style game, hot dogs, and an afternoon of fun.
- On Saturday, February 22, 2023, the City hosted a Hiring Expo for the position of Program Leader I at Town Center Plaza. Despite a rainy day, there were 58 applications that were received, including 29 walk-in individuals. Of the 58 applicants, 43 were offered employment.
- The annual 5K Fun Run/Walk & Toddler ¼ Dash was held on Saturday, March 11, 2023. 705 runners registered for this program.
- Approximately 510 middle school and high school students participated in the Teens Empowered and Engaged in Neighborhood Service (T.E.E.N.S.) Program, which offered bi-weekly meetings that included holiday-themed games & crafts, presentations, and educational workshops
- Approximately 58 T.E.E.N.S. members came out and assisted with Community Services special events such as Independence Day Celebration, Tree Lighting, Presidents' Day Penny Carnival, Shamrock Community 5K Fun Run/Walk, and Easter Egg-stravaganza.
- In partnership with non-profit meal provider Empowered 4 Life, 3,914 meals were served to middle school and high school-age participants in The Club.
- To expose and encourage curiosity in various aspects of technology, The Club hosted "Tech Tuesdays" which informed youth as to the various types of emerging technology such as 3D printers, virtual reality headsets/gaming, and computer animation. Approximately 92 middle school and high school-age youth participated during the school year.

Accomplishments & Outlook (cont.)

- In the ongoing effort to keep up with the popular gaming console systems that youth are utilizing, two new PlayStation units (PS5) were purchased along with new, age-appropriate games in FY 2022-23. These new consoles replaced the PS4 units. Additionally, a new 86" ultra-high definition television set was purchased and installed in The Club to provide a more exciting and enhanced viewing experience for participants.
- The City's Youth Leadership Committee hosted a Movie Night in May that was attended by 42 community teens. The movie The Sandlot was shown with snacks & beverages provided.
- On Saturday, March 25, 2023, over 80 children and families came out on and had a chalktastic time at Chalk It Out! In addition to chalk art, participants enjoyed free books provided by our awesome Library staff, arts and crafts, face painting, and corn dogs provided by Hot Dog On A Stick.
- On Saturday, April 11, 2023, Community Services hosted its annual Easter Eggstravaganza event at Heritage Park. 625 children participated in the egg hunt and collected over 10,000 Easter eggs. Staff also printed 525 pictures with the bunny for all the families in attendance.
- On Friday, June 16, 2023, the City celebrated the newest gem, a new playground at Lakeview Park, the second playground renovated during the fiscal year. The playground was a collaborative effort between the City and Little Lake City School District.
- The Community Services Department implemented several internal operational changes, including:
 - A new automated workflow to expedite refund requests and facility fee waivers
 - An integration between Team Sideline and Active Network to streamline the creation of youth sports rosters
 - The implementation of Canva to collaborate on modernized marketing materials and systematize approvals
 - Implemented JotForm Enterprise as a tool to collect digital applications from staff and members of the public
- The Library resumed in-person programming. In addition to Preschool and bilingual Storytimes, we offered the following special programs:
 - First Friday – Our award-winning First Friday program resumed on April,, 2023 with the Korean Classical Music and Dance Company. In June, we presented the Sakai Flamenco dancers.
 - Afternoon Tea – The event was hosted in April 2023 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.

Accomplishments & Outlook (cont.)

- 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.
-
- In Fiscal Year 2022-2023, 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 a \$2,000 grant in July 2022 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 in February 2022 to transform the William C. Gordon Learning Center located 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 July 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 was been pre-approved by the U.S. State Department to offer Passport Acceptance service in June 2023. 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 2023.
 - 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

**Accomplishments
& Outlook (cont.)**

- 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 2022-2023 Summer Concert and Movie Series consisted of 7 concerts and 3 movie nights held at three different park locations. It included the participation of the Abigail Barraza Foundation as well as the Police Services Department that hosted National Night Out with a concert featuring Mariachi Linda Mexicanas. The final concert was a Country band in total, the series had approximately 4,000-4,500 attendees across all 10 event dates with movies averaging 100 guests per showing.
 - The 2022 Día De Los Muertos event on Saturday, October 15, 2022 at Heritage Park. Approximately 1,000 guests visited the event, which offered food vendors, sugar skull crafts for kids, artisan items for sale, and a community ofrenda showcase. The event featured three Dance Performances by Ballet Folklorico Mi Herencia, Mila Soria and Friends, Paso de Oro, as well as a Mariachi performance by Mariachi Las Catrinas. A total 69 sugar skulls were sold to community members.
 - The annual Las Posadas was held Friday, December 9, 2022. 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 500 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.
 - The Department of Community Services hosted its annual SFS Art Fest on April 27 & 28, 2023. The event began with the Preview and Showcase night on Thursday evening with the SFS Art Fest on Friday. An estimated 3,000 participants enjoyed a full schedule of activities. The event consisted of just over 200 novice, professional and student artist exhibiting over 500 pieces of art. New this year, were the exhibits of Nuestra Vida Culture which included three lowriders on display and representation of the lowrider lifestyle; There was a tattoo and piercing artist providing live demonstrations of body artwork; and representation of our Chalk it out winners were able to chalk more and be highlighted in front of our community. Many food trucks were available and all three stages were crowded with participants enjoying the various entertainment.
 - A total 61 Santa Fe Springs Older Adult residents hold their gym membership at the Gus Velasco Neighborhood Center.
 - Older Adult Services continues to offer new programming of various arts and crafts. Additionally, health and wellness educational classes were implemented.
 - Community Services Department, in partnership with the Rotary Club, provided a back to school backpack program offering backpacks filled with

**Accomplishments
& Outlook (cont.)**

school supplies. 157 Santa Fe Springs children were provided backpacks. Over \$7,090 in monetary donations was received from City businesses and school supplies from individuals and companies.

- The annual Volunteer Income Tax Assistance Program began in February 2023. 175 tax returns were completed. A total of \$195,319 was refunded for 2022 tax season.
- Community Services Department partners with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors at the Gus Velasco Neighborhood Center. SASSFA served a total of 12,750 hot meals (a daily average of 49 participants).
- The Department of Community Services provided food baskets and gifts to 323 families through the Thankful Neighbor and Neighborly Elf Basket Programs. A total of \$24,415.00 in monetary donations was received by 37 businesses/individuals.
- In 2022-2023 Human Services Case Workers responded to 4460 inquiries for various services such as housing issues, financial assistance, form assistance and homeless support. 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 continues to host “Healthy Children, Healthy Families” workshops which provide families strategies to prevent child abuse & neglect and strengthen their family’s protective factors.
- Community Services Department 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 Department processed 382 applications, totaling \$67,830.77 in utility assistance grants during FY 2022-2023.
- Through the Family and Human Services Funds (FHS), the City provided \$1,184.59 in sports sponsorships to residents experiencing financial hardship.
- As Certified Application Counselors under Covered California, Case Workers provided enrollment in affordable health care to 43 uninsured families and individuals.

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

**Accomplishments
& Outlook (cont.)**

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 implementing the Human Resources and Payroll software next year.

During Fiscal Year 2022 through 2023, the City's operations were in part 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, 2023, the City of Santa Fe Springs oversaw five outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, and two City water revenue bond issues.

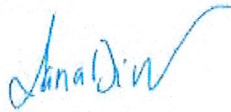
The City works closely with public financial professionals to monitor opportunities to effectively administer the outstanding debt in a fluid public finance market. More detailed information about the debt is contained in the Management's Discussion and Analysis and in the Notes to Financial Statements.

Acknowledgements

We would like to extend our appreciation to the City Council, the City Council Audit/Finance 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.



René Bobadilla
City Manager

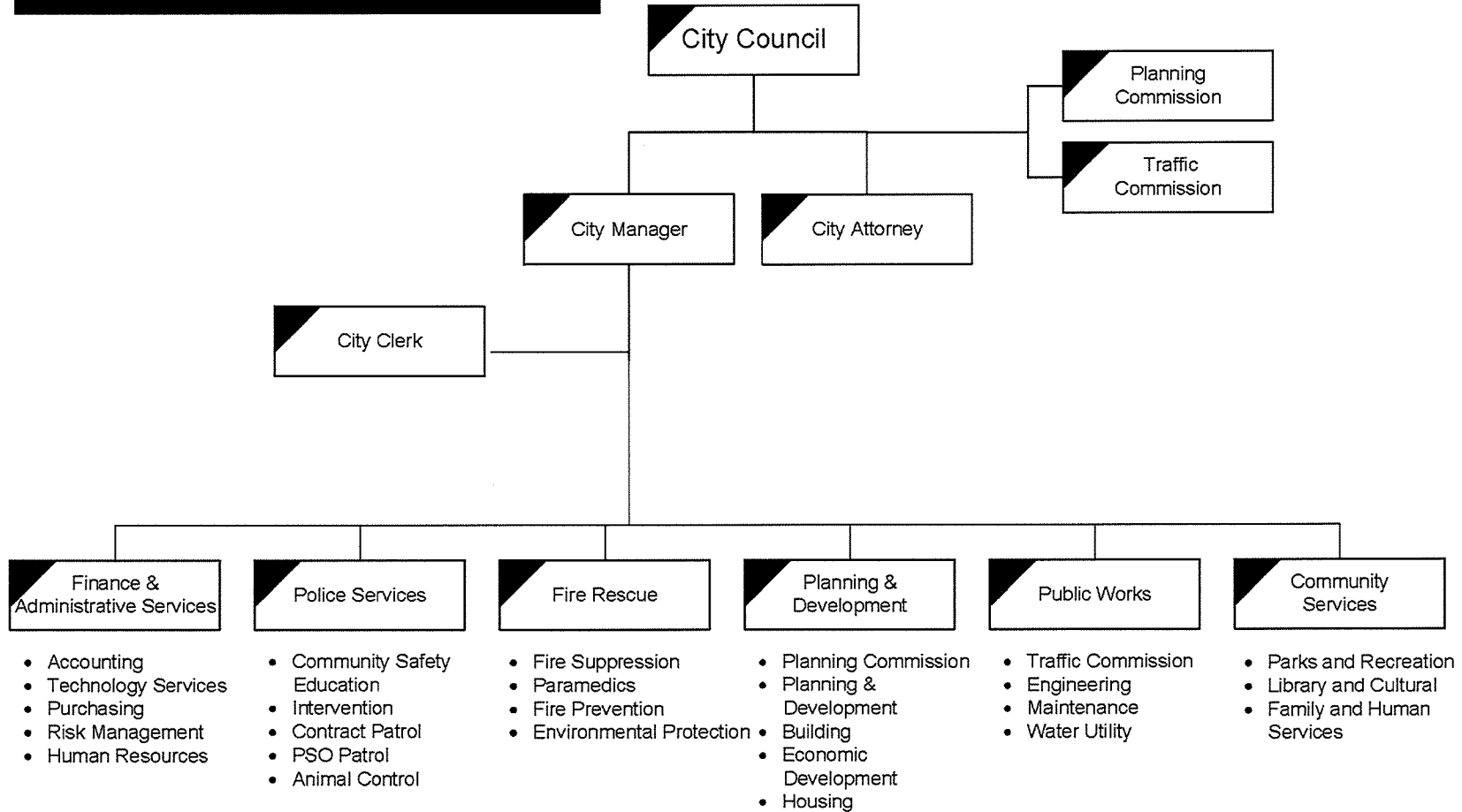


Lana Dich
Director of Finance and Administrative Services

Organizational Chart

City of Santa Fe Springs

(xxx)





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, 2022

Christopher P. Morill

Executive Director/CEO



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, 2023, 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, 2023, 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 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.

Emphasis-of-Matter - Restatement

As described Note 17 to the financial statements, the net position as of July 1, 2022, was restated to correct a misstatement.

Emphasis-of-Matter – Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, GASB No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

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

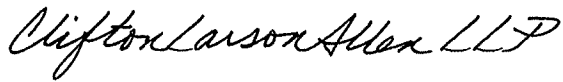
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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 January 17, 2024, 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.



CliftonLarsonAllen LLP

Irvine, California
January 17, 2024

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$39.3 million to \$216.9 million. The governmental net position increased by \$38.4 million or 24.8%, while the business-type net position increased by \$0.9 million or 3.9%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$32.1 million to \$100.4 million. Excluding transfers and other financing sources/uses, the general fund reported \$24.8 million excess of revenues over expenditures. Revenues increased by \$14.6 million or 16.9% and expenditures increased by \$6.3 million or 9.1% 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. Increases in expenditures were mainly due to supply chain pressure, causing inflation to rise sharply.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$33.6 million or approximately 40.0% 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.

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.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

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.
- 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, 2023**

City of Santa Fe Springs
Summary of Net Position
June 30, 2022 and 2023
(in millions)

	Governmental		Business-		Total		Total Percent Change
	<u>Activities</u>		<u>type</u> <u>Activities</u>				
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	
Current and other assets	\$ 166.9	\$ 200.7	\$ 18.8	\$ 20.4	\$ 185.7	\$ 221.1	19.1%
Capital assets, net	<u>165.9</u>	<u>163.1</u>	<u>25.6</u>	<u>25.0</u>	<u>191.5</u>	<u>188.1</u>	-1.8%
Total assets	332.8	363.8	44.4	45.4	377.2	409.2	8.5%
Deferred outflows	24.1	47.2	1.5	2.7	25.6	49.9	94.9%
Long-term liabilities	125.0	176.0	17.9	20.7	142.9	196.7	37.6%
Other liabilities	<u>12.1</u>	<u>13.1</u>	<u>2.6</u>	<u>2.9</u>	<u>14.7</u>	<u>16.0</u>	8.8%
Total liabilities	137.1	189.1	20.5	23.6	157.6	212.7	35.0%
Deferred inflows	65.2	28.9	2.4	0.6	67.6	29.5	-56.4%
Net position							
Net investment in capital assets	162.3	155.9	18.6	17.6	180.9	173.5	-4.1%
Restricted	32.3	34.5	-	0.6	32.3	35.1	8.7%
Unrestricted	<u>(40.0)</u>	<u>2.6</u>	<u>4.4</u>	<u>5.7</u>	<u>(35.6)</u>	<u>8.3</u>	-123.3%
	<u>\$ 154.6</u>	<u>\$ 193.0</u>	<u>\$ 23.0</u>	<u>\$ 23.9</u>	<u>\$ 177.6</u>	<u>\$ 216.9</u>	22.1%

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 exceeded liabilities and deferred inflows by \$216.9 million at the close of the fiscal year. The largest portion of the City's net position 82.6%, is invested in capital assets, net of related debt. Approximately 1.6 % of the City's net position is unrestricted. Unrestricted net position is at a surplus of \$3.5 million, an increase of \$39.1 million from the prior year. An additional portion of the City's net position, \$35.1 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 \$39.3 million, when compared to the prior year, revenues increased by \$23.1 million to \$131.3 million. Expenses increased by \$5.4 million to \$92.0 million. Total revenues outpaced total expenses primarily due to increases in sales, use, and transaction taxes, utility users taxes, charges for services program revenues, and operating grants and contributions.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2023
(in millions)

	Governmental		Business-type		Total		Total Percentage Change
	Activities		Activities		Primary Government		
	2022	2023	2022	2023	2022	2023	
Revenues							
Program revenues:							
Charges for services	\$ 11.6	\$ 14.7	\$ 15.6	\$ 15.3	\$ 27.2	\$ 30.0	10.3%
Operating grants and contributions	6.2	11.4	0.1	0.1	6.3	11.5	82.5%
Capital grants and contributions	0.6	3.4	-	-	0.6	3.4	466.7%
General revenues:							
Sales and use taxes	39.5	40.2	-	-	39.5	40.2	1.8%
Transaction and use taxes	15.7	16.8	-	-	15.7	16.8	7.0%
Property taxes	5.7	5.9	-	-	5.7	5.9	3.5%
Franchise taxes	3.8	4.7	-	-	3.8	4.7	23.7%
Motor vehicle in lieu	2.3	2.5	-	-	2.3	2.5	8.7%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	7.8	8.8	-	-	7.8	8.8	12.8%
Other taxes	0.2	0.2	-	-	0.2	0.2	0.0%
Use of money and property	(3.0)	4.0	0.1	0.4	(2.9)	4.4	-251.7%
Other	1.1	2.3	0.1	0.1	1.2	2.4	100.0%
Total revenues	<u>92.3</u>	<u>115.7</u>	<u>15.9</u>	<u>15.9</u>	<u>108.2</u>	<u>131.6</u>	21.6%
Expenses							
Governmental activities:							
General government	7.6	10.3	-	-	7.6	10.3	35.5%
Public safety	40.5	28.3	-	-	40.5	28.3	-30.1%
Community development	2.7	11.7	-	-	2.7	11.7	333.3%
Public works	16.3	18.8	-	-	16.3	18.8	15.3%
Culture and leisure	5.5	7.3	-	-	5.5	7.3	32.7%
Human services	1.6	2.2	-	-	1.6	2.2	37.5%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	12.3	13.6	12.3	13.6	10.6%
Total expenses	<u>74.3</u>	<u>78.7</u>	<u>12.3</u>	<u>13.6</u>	<u>86.6</u>	<u>92.3</u>	6.6%
Excess (deficiency) before transfers	18.0	37.0	3.6	2.3	21.6	39.3	81.9%
Transfers	1.2	1.4	(1.2)	(1.4)	-	-	
Increase (decrease) in net position	<u>19.2</u>	<u>38.4</u>	<u>2.4</u>	<u>0.9</u>	<u>21.6</u>	<u>39.3</u>	81.9%
Net position - beginning	135.4	154.6	20.6	23.0	156.0	177.6	13.8%
Net position - ending	<u>\$ 154.6</u>	<u>\$ 193.0</u>	<u>\$ 23.0</u>	<u>\$ 23.9</u>	<u>\$ 177.6</u>	<u>\$ 216.9</u>	22.1%

The City's total revenues were \$131.3 million for the fiscal year ended June 30, 2023. Revenues from governmental activity totaled \$115.7 million and revenues from business-type activities totaled \$15.6 million. Program revenues comprise 34.2% of total revenues with the largest portion of this, \$30.0 million, resulting from charges for services. Sales, use, and transaction taxes comprise 43.4% of total revenues and other general revenues comprise the remaining 22.4%. Total revenues increased by 21.3%, 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 the pandemic generated greater than anticipated online sales which resulted in the City's increased sales, use, and transaction taxes.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

Expenses of the City for the year totaled \$92.3 million. Governmental activity expenses totaled \$78.7 million, or 85.5% 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</u> <u>of Services</u>		<u>Percentage</u> <u>Change</u>	<u>Net Cost</u> <u>of Services</u>		<u>Percentage</u> <u>Change</u>
	<u>2022</u>	<u>2023</u>		<u>2022</u>	<u>2023</u>	
General government	\$ 7.6	\$ 10.3	35.5%	\$ 1.8	\$ 2.5	38.9%
Public safety	40.5	28.3	-30.1%	35.8	20.2	-43.6%
Community development	2.7	11.7	333.3%	0.4	8.1	1925.0%
Public works	16.3	18.8	15.3%	11.8	10.6	-10.2%
Culture and leisure	5.5	7.3	32.7%	4.4	5.8	31.8%
Human services	1.6	2.2	37.5%	1.6	1.8	12.5%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	\$ 74.3	\$ 78.7	5.9%	\$ 55.9	\$ 49.1	-12.2%

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$15.4 million, and investment and other income totaled an additional \$0.5 million. Expenses of the Water Utility were \$13.6 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$2.3 million. Transfers out totaled \$1.4 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 \$25.0 million (net of accumulated depreciation) decreased by approximately \$0.6 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, 2023, of \$164.9 million, an increase of approximately \$30.3 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. In addition, the increase in the use of money and property was due to interest earnings in the City's accounts.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

The General Fund is the chief operating fund of the City. At June 30, 2023, the General Fund's unassigned fund balance was \$33.7 million. Additional General Fund balances were: nonspendable \$2.8 million, restricted \$2.5 million, committed \$0.2 million, and assigned \$61.2 million. Revenues increased by approximately \$14.6 million and expenditures increased by \$6.3 million when compared to prior year. The revenue increase is a combination of increases in sales, use, transaction taxes and utility uses, and charges for services program incomes. The expenditure increase is reflective of rising costs across the nation, pension costs, and additional projects. During the fiscal year ended June 30, 2023, the overall fund balance in the General Fund increased by \$32.1 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 \$11.1 million consisting primarily of cash and investments, notes and loans, leases, advances receivable, and land and buildings held for resale. During fiscal year 2022-23 the fund expended \$1.3 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 \$7.7 million primarily consisting of cash and investments, receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2023, the overall fund balance decreased by \$2.6 million to (\$2.6) million. The decrease was due to an increase in Due to other Funds and offset by 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, 2023, the General Fund transferred \$2.8 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has decreased by \$.4 million to \$35.5 million as of the fiscal year-end. The decrease was primarily due to a decrease of 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 2022-23 the City expended approximately \$0.2 million on projects. As of fiscal

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023**

year-end the fund balance increased by \$0.2 million to \$8.1 million. The increase was due to higher 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 \$2.1 million increase or 2.7%. The final amended budget exceeded actual expenditures by approximately 7.4% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by \$18.3 million, primarily due sales, use, and transaction taxes growth more than anticipated after the pandemic. Increases were seen in other revenue categories, including UUT, charges for services, licenses and permits, and interest incomes. The Notes to the Required Supplementary Information provides more details regarding budgeting policies and practices.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$163.1 million (net of accumulated depreciation), a decrease of approximately \$2.8 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, 2023, amounts to \$25.0 million (net of accumulated depreciation), a decrease of \$0.6 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2023, the City's governmental activities long-term liabilities increased by \$51.3 million to \$177.4 million. The City's business-type activities long-term liabilities increased by \$2.6 million to \$21.0 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, 2023**

	Outstanding Debt (in millions)						Total Percentage Change
	Governmental Activities		Business-type Activities		Total		
	2022	2023	2022	2023	2022	2023	
Revenue bonds	\$ 0.0	\$ 0.0	\$ 7.7	\$ 7.4	\$ 7.7	\$ 7.4	-3.9%
Compensated absences	1.9	1.9	0.4	0.3	2.3	2.2	-4.3%
OPEB obligation	26.3	34.8	2.6	3.4	28.9	38.2	32.2%
Pension obligation	94.4	135.6	7.7	9.9	102.1	145.5	42.5%
Other loans/leases	3.5	5.1	0.0	0.0	3.5	5.1	45.7%
Total	\$ 126.1	\$ 177.4	\$ 18.4	\$ 21.0	\$ 144.5	\$ 198.4	37.3%

All water revenue 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 has 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 high 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 2023-24 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, 2023**

	Governmental Activities	Business-Type Activity	Total
CURRENT ASSETS			
Cash and Investments	\$ 142,930,137	\$ 16,624,607	\$ 159,554,744
Receivables:			
Accounts	3,420,741	2,900,235	6,320,976
Interest	579,836	2,662	582,498
Leases	446,217	-	446,217
Deposits and Other Assets	1,480,144	-	1,480,144
Due from Other Governments	17,070,777	-	17,070,777
Inventories	1,086,759	286,524	1,373,283
Restricted Assets:			
Cash with Fiscal Agent	14,278,076	570,673	14,848,749
Total Current Assets	<u>181,292,687</u>	<u>20,384,701</u>	<u>201,677,388</u>
NONCURRENT ASSETS			
Notes and Loans, Net of Allowances	545,278	-	545,278
Leases Receivable	18,340,853	-	18,340,853
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets Not Being Depreciated/Amortized	55,881,001	8,359,462	64,240,463
Capital Assets, Net of Depreciation/Amortization	<u>107,184,603</u>	<u>16,682,605</u>	<u>123,867,208</u>
Total Noncurrent Assets	<u>182,471,767</u>	<u>25,042,067</u>	<u>207,513,834</u>
Total Assets	<u>363,764,454</u>	<u>45,426,768</u>	<u>409,191,222</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Charge on Refunding	-	27,761	27,761
Deferred Pension-Related Items	41,062,604	2,077,625	43,140,229
Deferred OPEB-Related Items	<u>6,137,649</u>	<u>607,020</u>	<u>6,744,669</u>
Total Deferred Outflows of Resources	<u>47,200,253</u>	<u>2,712,406</u>	<u>49,912,659</u>
CURRENT LIABILITIES			
Accounts Payable	4,108,513	1,413,530	5,522,043
Accrued Liabilities	1,721,899	167,456	1,889,355
Accrued Interest	51,064	45,169	96,233
Unearned Revenue	1,463,150	59,124	1,522,274
Deposits Payable	2,148,994	936,076	3,085,070
Due to Other Governments	2,165,085	-	2,165,085
Contracts Payable	27,984	-	27,984
Compensated Absences	440,000	60,000	500,000
Bonds, Notes, and Lease Payable	<u>939,676</u>	<u>218,758</u>	<u>1,158,434</u>
Total Current Liabilities	<u>13,066,365</u>	<u>2,900,113</u>	<u>15,966,478</u>
NONCURRENT LIABILITIES			
Compensated Absences	1,427,524	194,663	1,622,187
Bonds, Notes, and Lease Payable	4,169,409	7,181,285	11,350,694
Net OPEB Liability	34,798,134	3,441,574	38,239,708
Net Pension Liability	<u>135,625,181</u>	<u>9,898,527</u>	<u>145,523,708</u>
Total Noncurrent Liabilities	<u>176,020,248</u>	<u>20,716,049</u>	<u>196,736,297</u>
Total Liabilities	<u>189,086,613</u>	<u>23,616,162</u>	<u>212,702,775</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension-Related Items	6,232,950	236,571	6,469,521
Deferred OPEB-Related Items	3,881,664	383,901	4,265,565
Deferred Leases-Related Items	<u>18,787,070</u>	<u>-</u>	<u>18,787,070</u>
Total Deferred Inflows of Resources	<u>28,901,684</u>	<u>620,472</u>	<u>29,522,156</u>
NET POSITION			
Net Investment in Capital Assets	155,913,818	17,669,785	173,583,603
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	108,386	-	108,386
Public Safety	123,857	-	123,857
Public Works	10,316,634	-	10,316,634
Capital Projects	8,066,038	-	8,066,038
Low and Moderate Income Housing	11,053,683	-	11,053,683
Art in Public Places - Expendable	2,122,282	-	2,122,282
Waste Management	2,309,399	-	2,309,399
Environmental Programs	203,908	-	203,908
Debt Service	-	570,673	570,673
Unrestricted	<u>2,513,729</u>	<u>5,662,082</u>	<u>8,175,811</u>
Total Net Position	<u>\$ 192,976,410</u>	<u>\$ 23,902,540</u>	<u>\$ 216,878,950</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 10,309,257	\$ 5,172,985	\$ 2,687,722	\$ -
Public Safety	28,262,932	3,109,883	4,957,523	-
Community Development	11,654,888	3,509,086	-	-
Public Works	18,788,759	2,047,599	2,690,721	3,409,443
Culture and Leisure	7,320,797	510,546	1,057,394	-
Human Services	2,233,457	356,524	36,505	-
Interest on Long-Term Debt	79,938	-	-	-
Total Governmental Activities	<u>78,650,028</u>	<u>14,706,623</u>	<u>11,429,865</u>	<u>3,409,443</u>
Business-Type Activity:				
Water Fund	13,624,222	15,279,357	8,727	17,285
Total	<u>\$ 92,274,250</u>	<u>\$ 29,985,980</u>	<u>\$ 11,438,592</u>	<u>\$ 3,426,728</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
Governmental Activities:			
General Government	\$ (2,448,550)	\$ -	\$ (2,448,550)
Public Safety	(20,195,526)	-	(20,195,526)
Community Development	(8,145,802)	-	(8,145,802)
Public Works	(10,640,996)	-	(10,640,996)
Culture and Leisure	(5,752,857)	-	(5,752,857)
Human Services	(1,840,428)	-	(1,840,428)
Interest on Long-Term Debt	(79,938)	-	(79,938)
Total Governmental Activities	<u>(49,104,097)</u>	-	<u>(49,104,097)</u>
Business-Type Activity:			
Water Fund	-	1,681,147	1,681,147
Total	<u>(49,104,097)</u>	<u>1,681,147</u>	<u>(47,422,950)</u>
GENERAL REVENUES			
Taxes:			
Property Taxes,			
Levied for General Purpose	5,898,604	-	5,898,604
Transaction and Use Taxes	16,807,006	-	16,807,006
Sales and Use Taxes	40,224,112	-	40,224,112
Franchise Taxes	4,704,512	-	4,704,512
Business Operation Taxes	764,330	-	764,330
Utility Users Tax	8,758,357	-	8,758,357
Other Taxes	165,381	-	165,381
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,507,001	-	2,507,001
Use of Money and Property	4,027,079	439,703	4,466,782
Other	2,091,536	92,807	2,184,343
Gain on Sale of Capital Assets	209,605	-	209,605
Transfers	1,356,165	(1,356,165)	-
Total General Revenues	<u>87,513,688</u>	<u>(823,655)</u>	<u>86,690,033</u>
CHANGE IN NET POSITION	38,409,591	857,492	39,267,083
Net Position - Beginning of Year	<u>154,566,819</u>	<u>23,045,048</u>	<u>177,611,867</u>
NET POSITION - END OF YEAR	<u>\$ 192,976,410</u>	<u>\$ 23,902,540</u>	<u>\$ 216,878,950</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Special Revenue	Capital Projects Funds	
		Fund	Low and Moderate Income Housing Assets Fund	Prefunded Capital Projects
ASSETS				
Pooled Cash and Investments	\$ 73,343,239	\$ 8,875,021	\$ 2,749,976	\$ 37,145,587
Restricted Cash with Fiscal Agent	14,278,076	-	-	-
Receivables:				
Accounts	3,363,036	29,098	20,408	-
Notes and Loans, Net of Allowances	241,153	200,000	-	-
Leases	18,787,070	-	-	-
Accrued Interest	434,049	-	-	-
Deposits and Other Assets	1,480,144	-	-	-
Due from Other Governments	11,302,464	-	4,911,862	10,088
Due from Other Funds	5,128,807	-	-	325,169
Advances to Other Funds	-	1,437,861	-	-
Inventories	1,086,759	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	\$ 129,444,797	\$ 11,062,012	\$ 7,682,246	\$ 37,480,844
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,069,798	\$ 4,811	\$ 37,797	\$ 1,976,920
Accrued Liabilities	1,707,486	3,518	4,174	6,721
Unearned Revenues	1,449,050	-	-	-
Deposits Payable	1,454,407	-	694,587	-
Due to Other Governments	2,099,491	-	65,594	-
Due to Other Funds	-	-	4,548,349	-
Advances from Other Funds	1,437,861	-	-	-
Contracts Payable	-	-	27,984	-
Total Liabilities	10,218,093	8,329	5,378,485	1,983,641
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	4,911,862	10,088
Deferred Leases-Related Items	18,787,070	-	-	-
Total Deferred Inflows of Resources	18,787,070	-	4,911,862	10,088
FUND BALANCES				
Nonspendable:				
Inventory	1,086,759	-	-	-
Notes and Loans	241,153	-	-	-
Deposits and Other Assets	1,480,144	-	-	-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	11,053,683	-	-
Art in Public Places	-	-	-	-
Waste Management	2,309,399	-	-	-
Environmental Programs	203,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	6,750,000	-	-	35,487,115
Renovation & Replacement	250,000	-	-	-
Facility Improvement	25,193	-	-	-
Equipment Replacement	8,339,105	-	-	-
Economic Uncertainty	11,725,000	-	-	-
Employee Liability	7,377,785	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	25,837,743	-	-	-
Unassigned	33,685,245	-	(2,608,101)	-
Total Fund Balances	100,439,634	11,053,683	(2,608,101)	35,487,115
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 129,444,797	\$ 11,062,012	\$ 7,682,246	\$ 37,480,844

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Capital Projects Funds		Nonmajor Governmental Funds		Total Governmental Funds	
ASSETS	Successor Agency Bond Funded Capital Projects	\$	\$	\$	\$	
Pooled Cash and Investments	7,835,376		12,980,938		142,930,137	
Restricted Cash with Fiscal Agent	-		-		14,278,076	
Receivables:						
Accounts	-		8,199		3,420,741	
Notes and Loans, Net of Allowances	84,875		19,250		545,278	
Leases	-		-		18,787,070	
Accrued Interest	145,787		-		579,836	
Deposits and Other Assets	-		-		1,480,144	
Due from Other Governments	-		846,363		17,070,777	
Due from Other Funds	-		-		5,453,976	
Advances to Other Funds	-		-		1,437,861	
Inventories	-		-		1,086,759	
Land and Buildings Held for Resale	-		-		520,032	
Total Assets	8,066,038	\$	13,854,750	\$	207,590,687	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	-	\$	19,187	\$	4,108,513	
Accrued Liabilities	-		-		1,721,899	
Unearned Revenues	-		14,100		1,463,150	
Deposits Payable	-		-		2,148,994	
Due to Other Governments	-		-		2,165,085	
Due to Other Funds	-		905,627		5,453,976	
Advances from Other Funds	-		-		1,437,861	
Contracts Payable	-		-		27,984	
Total Liabilities	-	\$	938,914	\$	18,527,462	
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues	-		496,907		5,418,857	
Deferred Leases-Related Items	-		-		18,787,070	
Total Deferred Inflows of Resources	-	\$	496,907	\$	24,205,927	
FUND BALANCES						
Nonspendable:						
Inventory	-		-		1,086,759	
Notes and Loans	-		-		241,153	
Deposits and Other Assets	-		-		1,480,144	
Permanent Fund Principal	-		244,676		244,676	
Restricted for:						
Community Development Projects	-		108,386		108,386	
Public Safety	-		123,857		123,857	
Public Works	-		10,316,634		10,316,634	
Capital Projects	8,066,038		-		8,066,038	
Low and Moderate Income Housing	-		-		11,053,683	
Art in Public Places	-		2,122,282		2,122,282	
Waste Management	-		-		2,309,399	
Environmental Programs	-		-		203,908	
Committed to:						
Capital Projects	-		-		225,000	
Assigned to:						
Capital Projects	-		-		42,237,115	
Renovation & Replacement	-		-		250,000	
Facility Improvement	-		-		25,193	
Equipment Replacement	-		-		8,339,105	
Economic Uncertainty	-		-		11,725,000	
Employee Benefits	-		-		7,377,785	
Risk Management	-		-		903,200	
Unfunded Liability	-		-		25,837,743	
Unassigned	-		(496,906)		30,580,238	
Total Fund Balances	8,066,038	\$	12,418,929	\$	164,857,298	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	8,066,038	\$	13,854,750	\$	207,590,687

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, 2023**

Fund Balances of Governmental Funds \$ 164,857,298

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/Amortized	\$ 55,881,001	
Capital Assets Being Depreciated/Amortized	254,042,454	
Accumulated Depreciation/Amortization	<u>(146,857,851)</u>	163,065,604

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.

Notes and Lease Payable	(5,109,085)	
Compensated Absences	<u>(1,867,524)</u>	(6,976,609)

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	41,062,604	
Deferred Inflows of Resources - Pension Related	(6,232,950)	
Net Pension Liability	(135,625,181)	
Deferred Outflows of Resources - OPEB Related	6,137,649	
Deferred Inflows of Resources - OPEB Related	(3,881,664)	
Net OPEB Liability	<u>(34,798,134)</u>	(133,337,676)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(51,064)
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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 intergovernmental revenues in the governmental fund activity.		<u>5,418,857</u>
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Net Position of Governmental Activities \$ 192,976,410

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**CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General	Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
REVENUES				
Taxes	\$ 79,681,575	\$ -	\$ -	\$ -
Licenses and Permits	4,254,978	-	-	-
Intergovernmental	1,075,002	-	366,661	332,543
Charges for Services	7,530,438	-	30,975	-
Use of Money and Property	3,039,207	256,925	-	-
Rentals	2,148,548	-	-	-
Fines and Forfeitures	452,766	-	-	-
Contributions	258,498	-	-	-
Miscellaneous	1,986,599	-	310,442	5,286
Total Revenues	100,427,611	256,925	708,078	337,829
EXPENDITURES				
Current:				
General Government	9,252,632	-	-	-
Public Safety	36,813,612	-	-	-
Community Development	3,144,745	1,311,248	-	-
Public Works	13,560,001	-	-	272,235
Culture and Leisure	6,594,926	-	-	-
Human Services	1,953,202	-	-	-
Capital Outlay	3,413,195	-	4,057,324	3,960,541
Debt Service:				
Principal Retirement	793,905	-	-	-
Interest and Fiscal Charges	64,482	-	-	-
Total Expenditures	75,590,700	1,311,248	4,057,324	4,232,776
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,836,911	(1,054,323)	(3,349,246)	(3,894,947)
OTHER FINANCING SOURCES (USES)				
Transfers In	7,510,634	-	723,754	3,564,154
Transfers Out	(2,800,003)	-	-	(23,824)
Sale of Capital Assets	209,605	-	-	-
Financed Purchase Note Payable and SBITA	2,355,017	-	-	-
Total Other Financing Sources (Uses)	7,275,253	-	723,754	3,540,330
NET CHANGE IN FUND BALANCES	32,112,164	(1,054,323)	(2,625,492)	(354,617)
Fund Balances - Beginning of Year	68,327,470	12,108,006	17,391	35,841,732
FUND BALANCES - END OF YEAR	\$ 100,439,634	\$ 11,053,683	\$ (2,608,101)	\$ 35,487,115

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, 2023

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 257,438	\$ 79,939,013
Licenses and Permits	-	-	4,254,978
Intergovernmental	-	8,822,678	10,596,884
Charges for Services	-	-	7,561,413
Use of Money and Property	416,249	309,599	4,021,980
Rentals	-	1	2,148,549
Fines and Forfeitures	-	-	452,766
Contributions	-	926,531	1,185,029
Miscellaneous	-	13,474	2,315,801
Total Revenues	<u>416,249</u>	<u>10,329,721</u>	<u>112,476,413</u>
EXPENDITURES			
Current:			
General Government	-	251	9,252,883
Public Safety	-	151,153	36,964,765
Community Development	-	-	4,455,993
Public Works	-	6,262	13,838,498
Culture and Leisure	-	26,000	6,620,926
Human Services	-	-	1,953,202
Capital Outlay	190,540	537,211	12,158,811
Debt Service:			
Principal Retirement	-	-	793,905
Interest and Fiscal Charges	-	-	64,482
Total Expenditures	<u>190,540</u>	<u>720,877</u>	<u>86,103,465</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	225,709	9,608,844	26,372,948
OTHER FINANCING SOURCES (USES)			
Transfers In	-	3	11,798,545
Transfers Out	-	(7,618,553)	(10,442,380)
Sale of Capital Assets	-	-	209,605
Financed Purchase Note Payable and SBITA	-	-	2,355,017
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,618,550)</u>	<u>3,920,787</u>
NET CHANGE IN FUND BALANCES	225,709	1,990,294	30,293,735
Fund Balances - Beginning of Year	<u>7,840,329</u>	<u>10,428,635</u>	<u>134,563,563</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,066,038</u>	<u>\$ 12,418,929</u>	<u>\$ 164,857,298</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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 30,293,735

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	\$ 12,246,863	
Loss on Disposals	(7,220,170)	
Depreciation	<u>(7,885,900)</u>	(2,859,207)

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	793,905	
Lease Obligation Issuance	<u>(2,355,017)</u>	(1,561,112)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (15,456)

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. 32,330

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. 10,377,852

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. (875,987)

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. 3,017,436

Change in Net Position of Governmental Activities \$ 38,409,591

**CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION—PROPRIETARY FUNDS
JUNE 30, 2023**

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
ASSETS	
Current Assets:	
Pooled Cash and Investments	\$ 16,624,607
Receivables:	
Accounts	2,900,235
Accrued interest	2,662
Inventories	286,524
Restricted:	
Cash with Fiscal Agent	570,673
Total Current Assets	<u>20,384,701</u>
NONCURRENT ASSETS	
Capital Assets not Being Depreciated/Amortized	8,359,462
Capital Assets, Net of Depreciation/Amortization	16,682,605
Total Noncurrent Assets	<u>25,042,067</u>
Total Assets	45,426,768
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	27,761
Deferred Pension-Related Items	2,077,625
Deferred OPEB-Related Items	607,020
Total Deferred Outflows of Resources	<u>2,712,406</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,413,530
Accrued Liabilities	167,456
Accrued Interest	45,169
Unearned Revenues	59,124
Deposits Payable	936,076
Compensated Absences	60,000
Bonds, Notes and Lease Payable	218,758
Total Current Liabilities	<u>2,900,113</u>
NONCURRENT LIABILITIES	
Compensated Absences	194,663
Bonds, Notes and Lease Payable	7,181,285
Net OPEB Liability	3,441,574
Net Pension Liability	9,898,527
Total Noncurrent Liabilities	<u>20,716,049</u>
Total Liabilities	23,616,162
DEFERRED INFLOWS OF RESOURCES:	
Deferred Pension-Related Items	236,571
Deferred OPEB-Related Items	383,901
Total Deferred Inflows of Resources	<u>620,472</u>
NET POSITION	
Net Investment in Capital Assets	17,669,785
Restricted for Debt Service	570,673
Unrestricted	5,662,082
Total Net Position	<u>\$ 23,902,540</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, 2023**

	<u>Business-Type Activity - Enterprise Fund Water Fund</u>
OPERATING REVENUES	
Sales and Service Charges	\$ 15,279,357
Other Water Revenue	92,807
Total Operating Revenues	<u>15,372,164</u>
OPERATING EXPENSES	
Source of Supply	6,472,442
System Maintenance and Operation	3,245,292
Billing and Collection	1,422,364
Administration	1,529,186
Depreciation/Amortization Expense	651,089
Total Operating Expenses	<u>13,320,373</u>
OPERATING INCOME	2,051,791
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	439,703
Interest Expense	(303,849)
Intergovernmental Revenue	8,727
Total Nonoperating Revenues (Expenses)	<u>144,581</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	2,196,372
Contributions	17,285
Transfers Out	<u>(1,356,165)</u>
CHANGE IN NET POSITION	857,492
Net Position - Beginning of Year, as Restated	<u>23,045,048</u>
NET POSITION - END OF YEAR	<u><u>\$ 23,902,540</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 15,432,949
Cash Paid to Suppliers for Goods and Services	(11,187,625)
Cash Paid to Employees for Services	(1,279,520)
Cash Received from Others	92,807
Net Cash Provided by Operating Activities	<u>3,058,611</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Transfers Out	(1,356,164)
Cash Received from Other Governments	8,727
Net Cash Used by Noncapital Financing Activities	<u>(1,347,437)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Received for Capital Contributions	16,531
Principal Paid on Capital Debt	(213,700)
Interest Paid on Capital Debt	(276,036)
Net Cash Used by Capital and Related Financing Activities	<u>(473,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	439,704
Net Cash Provided by Investing Activities	<u>439,704</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,677,673
Cash and Cash Equivalents - Beginning of Year	<u>15,517,607</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 17,195,280</u>
CASH AND CASH EQUIVALENTS:	
Pooled Cash and Investments	\$ 16,624,607
Cash with Fiscal Agent	570,673
Total Cash and Cash Equivalents	<u>\$ 17,195,280</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 2,051,791
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization Expense	651,089
(Increase) Decrease in Assets:	
Accounts Receivable	76,685
Inventory	(12,939)
Deferred Outflows for Pension-Related Items	(1,048,129)
Deferred Outflows for OPEB-Related Items	(189,525)
Increase (Decrease) in Liabilities:	
Accounts Payable	123,860
Accrued Liabilities	42,007
Unearned Revenues	59,124
Deposits Payable	17,783
Compensated Absences	(4,340)
Deferred Inflows for Pension-Related Items	(1,223,714)
Deferred Inflows for OPEB-Related Items	(559,899)
Net Pension Liability	2,238,757
Other Postemployments Benefits	836,061
Net Cash Provided by Operating Activities	<u>\$ 3,058,611</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Contributed Capital Assets Received	\$ 753
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, 2023**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	\$ 736,459	\$ 265,763
Receivables:		
Accounts	897	19,726
Notes and Loans	-	61,438
Due from Other Governments	-	1,723,696
Land and Buildings Held for Resale	-	3,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	173,971	14,988,661
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
Total Assets	911,327	20,726,665
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	146,217
Total Deferred Outflows of Resources	-	146,217
LIABILITIES		
Accounts Payable	-	525
Accrued Liabilities	-	8,424
Accrued Interest	-	5,161,217
Deposits Payable	-	48,300
Due to Other Governments	897	57,933
Long-Term Liabilities:		
Due in One Year	-	6,359,492
Due in More Than One Year	-	36,863,105
Total Liabilities	897	48,498,996
NET POSITION		
Net Investment in Capital Assets	-	415,530
Held for Bondholders	910,430	-
Held in Trust for Other Purposes	-	(28,041,644)
Total Net Position	\$ 910,430	\$ (27,626,114)

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2023**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS		
Taxes	\$ -	\$ 13,072,535
Special Assessments or Special Taxes Collected From Property Owners	219,059	-
Interest and Change in Fair Value of Investments	5,099	271,024
Gain on Sale of Land and Buildings Held for Resale	-	659,110
Total Additions	224,158	14,002,669
DEDUCTIONS		
Administrative Expenses	-	259,589
Program Expenses	-	46,901
Payment for Special Assessment or Special Tax Debt	169,404	-
Interest Expense	-	5,410,947
Total Deductions	169,404	5,717,437
CHANGE IN NET POSITION	54,754	8,285,232
Net Position - Beginning of Year	855,676	(35,911,346)
NET POSITION - END OF YEAR	\$ 910,430	\$ (27,626,114)

See accompanying Notes to Basic Financial Statements.

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**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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 is reported as a fiduciary component unit under private-purpose trust fund in the fiduciary fund statements.

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. See Note 16 for further detail regarding the dissolution.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

**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, 2023, 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, 2023, the City contributed \$264,703 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, 2023**

**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, 2023 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, 2023**

**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, 2023**

**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, 2023**

**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, 2023**

**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 Standard

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning net position as a result of the implementation of this standard. The City is reporting SBITA asset in Note 7, and SBITA payable in Note 8.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

**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, 2023**

**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 and SBITA 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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

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 Notes 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 Notes 11 and 12. The statement of net position and the governmental funds balance sheet report a deferred inflow of resources related to leases, which is amortized over the life of the lease.

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, 2023**

**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, 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

The government-wide, proprietary fund, and fiduciary 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 liabilities 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, 2023, 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, 2023**

**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, 2023 the Capital Improvement fund had a deficit fund balance of \$2,608,101 and the Fire Grants fund had a deficit fund balance of \$496,906. 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, 2023**

**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:

- Low and Moderate Income Housing Assets (\$1,068,248)
- Air Quality Improvement (\$6,262)
- Community Development Block Grant (\$9,500)

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Pooled Cash and Investments	\$ 159,554,744
Cash and Investments with Fiscal Agent	14,848,749
Fiduciary Funds:	
Pooled Cash and Investments	1,002,222
Cash and Investments with Fiscal Agent	<u>15,162,632</u>
Total	<u><u>\$ 190,568,347</u></u>

Cash and investments were comprised of the following as of June 30, 2023:

Cash on Hand	\$ 54,857
Deposits with Financial Institutions	2,497,406
California Employers' Pension Prefunding Trust*	14,278,076
Investments	<u>173,738,008</u>
Total	<u><u>\$ 190,568,347</u></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, 2023**

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%	5%
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, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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:

Investment Type	Remaining Maturity (in Months)					Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	
U.S. Treasury Obligations	\$ -	\$ 14,725,142	\$ 7,002,317	\$ 12,022,548	\$ 6,984,883	\$ 40,734,890
U.S. Agency Securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	-	627,945	-	-	627,945
Federal National Mortgage						
Association (FNMA)	-	268,212	722,813	-	-	991,025
Federal Agency Collateralized						
Mortgage Obligation	-	600,961	1,571,952	1,888,463	-	4,061,376
Municipal Obligations	124,669	616,259	-	266,039	-	1,006,967
Medium-Term Notes	1,338,291	3,386,537	3,458,682	2,557,946	2,008,357	12,749,813
Negotiable Certificates of Deposit (CD)	-	249,951	646,950	-	-	896,901
Supranationals	-	310,994	-	262,020	-	573,014
Asset-Backed Securities	26,237	42,192	692,039	1,901,938	3,201,257	5,863,663
Local Agency Investment Fund (LAIF)	23,210,802	-	-	-	-	23,210,802
CAMP Pool	67,288,307	-	-	-	-	67,288,307
Held by Bond Trustee:						
Money Market Funds	15,733,305	-	-	-	-	15,733,305
Total	<u>\$ 107,721,611</u>	<u>\$ 20,200,248</u>	<u>\$ 14,722,698</u>	<u>\$ 18,898,954</u>	<u>\$ 12,194,497</u>	<u>\$ 173,738,008</u>

Credit Risk

The City's investment policy limits investments to a rating of "A" 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" 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, 2023, 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, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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 as rated by Standard & Poor's, a nationally recognized statistical rating organization, are as follows:

<u>Investment Type</u>	Total as of June 30, 2023	Minimum Legal Rating	Minimum				Not Rated
			AAA	AA	A	BBB*	
U.S. Treasury Obligations	\$ 40,734,890	N/A	\$ -	\$ 40,734,890	\$ -	\$ -	\$ -
U.S. Agency Securities:							
FHLMC	627,945	N/A	-	627,945	-	-	-
FNMA	991,025	N/A	-	991,025	-	-	-
Municipal Obligations	1,006,967	A	-	567,944	-	-	439,023
Medium-Term Notes	12,749,813	A	-	2,581,565	9,321,477	846,771	-
Negotiable CD	896,901	A	-	322,170	574,731	-	-
Supranationals	573,014	AA	573,014	-	-	-	-
Federal Agency Collateralized							
Mortgage Obligation	4,061,376	AA	-	4,061,376	-	-	-
Asset-Backed Securities	5,863,663	AA	4,606,729	-	-	-	1,256,934
LAIF	23,210,802	N/A	-	-	-	-	23,210,802
CAMP Pool	67,288,307	N/A	-	-	-	-	67,288,307
Held by Bond Trustee:							
Money Market Funds	15,733,305	AAA	15,733,305	-	-	-	-
Total	<u>\$ 173,738,008</u>		<u>\$ 20,913,048</u>	<u>\$ 49,886,915</u>	<u>\$ 9,896,208</u>	<u>\$ 846,771</u>	<u>\$ 92,195,066</u>

* These investments were rated A by Moody's, which meets the minimum rating requirement.

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, 2023.

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, 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool and CAMP 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 and California Asset Management Program (CAMP) that is regulated by California Government Code. The fair value of the City's investment in these pools is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF and CAMP for the entire LAIF and CAMP portfolio (in relation to the amortized cost of that portfolio, respectively.) The balance available for withdrawal is based on the accounting records maintained by LAIF and CAMP, 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, 2023:

<u>Investment Type</u>	<u>Totals</u>	<u>Level</u>	
		<u>1</u>	<u>2</u>
U.S. Treasury Obligations	\$ 40,734,890	\$ 40,734,890	\$ -
U.S. Agency Securities:			
FHLMC	627,945	-	627,945
FNMA	991,025	-	991,025
Municipal Obligations	1,006,967	-	1,006,967
Medium-Term Notes	12,749,813	-	12,749,813
Negotiable Certificates of Deposit	896,901	-	896,901
Supranationals	573,014	-	573,014
Federal Agency Collateralized			
Mortgage Obligation	4,061,376	-	4,061,376
Asset-Backed Securities	5,863,663	-	5,863,663
Totals	<u>67,505,594</u>	<u>\$ 40,734,890</u>	<u>\$ 26,770,704</u>
Not Subject to Fair Value Measurement Hierarchy:			
Local Agency Investment Fund (LAIF)	23,210,802		
CAMP Pool	67,288,307		
Held by Bond Trustee:			
Money Market Funds	15,733,305		
Total Investments	<u>\$ 173,738,008</u>		

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.00

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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. At June 30, 2023, the City has \$18,787,070 in both lease receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2023, the City recognized \$436,464 and \$738,961 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>
2024	\$ 446,217	\$ 730,463
2025	257,548	722,419
2026	238,818	713,773
2027	246,357	704,995
2028	252,055	695,839
2029-2033	1,279,834	3,337,459
2034-2038	1,337,118	3,090,354
2039-2043	1,684,722	2,791,723
2044-2048	1,899,823	2,422,567
2049-2053	2,089,615	2,030,384
2054-2058	2,551,413	1,568,586
2059-2063	3,115,267	1,004,732
2064-2068	3,388,283	319,718
Total	<u>\$ 18,787,070</u>	<u>\$ 20,133,012</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 4 LOANS AND NOTES RECEIVABLE

The loans and notes receivable balance consist of the following:

Fund	<u>Balance</u>
Governmental Funds:	
General Fund	\$ 241,153
Low and Moderate Income Housing Assets Special Revenue Fund	200,000
Successor Agency Bond Funded Capital Projects Fund	84,875
Nonmajor Governmental Funds	<u>19,250</u>
Total Funds	<u>\$ 545,278</u>

The General Fund has loans and notes receivable in the amount of \$23,546 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 \$217,607 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, 2023 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 a note outstanding to The Richman Group in the amount of \$200,000 at June 30, 2023, for the development of affordable housing. The note was repaid in July 2023.

In June 2023, the City signed a promissory note to lend Richman Santa Fe Springs Apartments \$6,000,000 for the development of affordable housing. The note is secured by certain Deed of Trust with Assignment of Rents with a maturity date of 55 years from the date Conversion occurs, as defined in the agreement. The 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 outstanding principal accrues simple interest at 3%. As of June 30, 2023, the loan has not been funded by the Low and Moderate Income Housing Assets Special Revenue Fund.

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of \$84,875 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, 2023**

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, 2023, 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, 2023:

	Transfers Out:				Total
	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
<u>Transfers In:</u>					
General Fund	\$ -	\$ -	\$ 6,154,469	\$ 1,356,165	\$ 7,510,634
Capital Improvement	-	23,824	699,930	-	723,754
Prefunded Capital Projects Fund	2,800,000	-	764,154	-	3,564,154
Nonmajor Governmental Funds	3	-	-	-	3
Total	<u>\$ 2,800,003</u>	<u>\$ 23,824</u>	<u>\$ 7,618,553</u>	<u>\$ 1,356,165</u>	<u>\$ 11,798,545</u>

The General Fund transferred \$2,800,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects.

The Water Fund transferred \$1,200,000 into the General Fund in connection with the lease agreement between the City and the City's Water Utility Authority and \$156,165 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$23,824 into Capital Improvement Fund for cost related to a capital project.

\$4,234,960 of Coronavirus State and Local Fiscal Recovery funds were transferred from State Coronavirus Relief nonmajor governmental fund to the General Fund to cover eligible grant expenditures reported in the General Fund.

Other nonmajor Governmental Funds transferred \$1,919,509 into the General Fund for various purposes including eligible expenditures incurred related to public safety, gas tax, metro grants, art in public places activities, \$699,930 into Capital Improvement and \$764,154 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, 2023**

NOTE 6 INTERFUND ACTIVITY (CONTINUED)

Due to/from other funds at June 30, 2023, were as follows:

<u>Due from</u>	<u>Due to</u>		<u>Total</u>
	<u>Capital Improvement Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ 4,548,349	\$ 580,458	\$ 5,128,807
Prefunded Capital Projects	-	325,169	325,169
Total	<u>\$ 4,548,349</u>	<u>\$ 905,627</u>	<u>\$ 5,453,976</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, 2023, consist of loans as follows:

<u>Advances to</u>	<u>Advances from</u>
	<u>Low and Moderate Income Housing Assets Fund</u>
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, 2023**

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land	\$ 56,295,501	\$ -	\$ 7,113,649	\$ 49,181,852
Construction in Process	4,730,649	10,835,190	8,866,690	6,699,149
Total Capital Assets not Being Depreciated/Amortized	61,026,150	10,835,190	15,980,339	55,881,001
Capital Assets, Being Depreciated/Amortized:				
Buildings	34,208,518	798,909	-	35,007,427
Improvements	31,513,957	692,678	-	32,206,635
Equipment	16,628,322	3,807,143	1,681,631	18,753,834
Intangible Assets	-	1,313,015	-	1,313,015
Infrastructure	162,640,314	3,606,715	-	166,247,029
Right-to-Use Lease Equipment	454,612	-	-	454,612
SBITA	-	59,902	-	59,902
Total Capital Assets, Being Depreciated/Amortized	245,445,723	10,278,362	1,681,631	254,042,454
Less Accumulated Depreciation/Amortization:				
Buildings	15,657,250	674,476	-	16,331,726
Improvements	20,825,683	946,202	-	21,771,885
Equipment	12,242,329	1,212,180	1,575,110	11,879,399
Intangible Assets	-	393,905	-	393,905
Infrastructure	91,774,444	4,564,887	-	96,339,331
Right-to-Use Lease Equipment	47,355	90,922	-	138,277
SBITA	-	3,328	-	3,328
Total Accumulated Depreciation/ Amortization	140,547,061	7,885,900	1,575,110	146,857,851
Total Capital Assets, Being Depreciated/Amortized, Net	104,898,662	2,392,462	106,521	107,184,603
Government Activities Capital Assets, Net	<u>\$ 165,924,812</u>	<u>\$ 13,227,652</u>	<u>\$ 16,086,860</u>	<u>\$ 163,065,604</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Business-Type Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land and Water Rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in Process	4,995,592	753	21,857	4,974,488
Total Capital Assets not Being Depreciated/Amortized	8,380,566	753	21,857	8,359,462
Capital Assets, Being Depreciated/Amortized:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	37,585,159	21,856	-	37,607,015
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	43,433,496	21,856	-	43,455,352
Less Accumulated Depreciation/Amortization:				
Source of Supply Plant	2,644,110	87,837	-	2,731,947
Transmission and Distribution Plant	22,271,386	556,972	-	22,828,358
Pumping and Treatment Plant	108,133	2,492	-	110,625
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	1,894	3,788	-	5,682
Total Accumulated Depreciation/Amortization	26,121,658	651,089	-	26,772,747
Total Capital Assets, Being Depreciated/Amortized, Net	17,311,838	(629,233)	-	16,682,605
Water Utility Capital Assets, Net	<u>\$ 25,692,404</u>	<u>\$ (628,480)</u>	<u>\$ 21,857</u>	<u>\$ 25,042,067</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 977,359	\$ -
Public Safety	1,067,867	-
Community Development	67,948	-
Transportation	4,889,135	-
Culture and Leisure	626,345	-
Human Services	257,246	-
Water Utility	-	651,089
Total Governmental Activities	<u>\$ 7,885,900</u>	<u>\$ 651,089</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Direct Borrowing - Notes Payable:					
Fire Equipment	\$ 2,857,801	\$ -	\$ 455,998	\$ 2,401,803	\$ 463,932
Fire Air and Light Vehicle	178,061	-	87,808	90,253	90,253
Motorola Radios 2018	101,389	-	101,389	-	-
Fire Engines	-	2,295,114	-	2,295,114	295,293
Lease Payable	410,723	-	88,808	321,915	90,198
SBITA Payable	-	59,902	59,902	-	-
Total	<u>\$ 3,547,974</u>	<u>\$ 2,355,016</u>	<u>\$ 793,905</u>	<u>\$ 5,109,085</u>	<u>\$ 939,676</u>
Business-Type Activities:					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	820,000	-	210,000	610,000	215,000
Issuance Discount/Premiums	(119,337)	-	5,967	(113,370)	-
Lease Payable	17,113	-	3,700	13,413	3,758
Total	<u>\$ 7,607,776</u>	<u>\$ -</u>	<u>\$ 219,667</u>	<u>\$ 7,400,043</u>	<u>\$ 218,758</u>

The total annual debt service requirements to maturity on bonds and loans are as follows:

Governmental Activities		
Year Ending June 30,	Notes Payable	
	Principal	Interest
2024	\$ 849,478	\$ 123,944
2025	777,544	103,113
2026	796,359	84,298
2027	815,685	64,972
2028	835,537	45,120
2029-2030	712,567	37,300
Total	<u>\$ 4,787,170</u>	<u>\$ 458,747</u>
Business-Type Activities		
Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2024	\$ 215,000	\$ 271,017
2025	220,000	265,878
2026	240,000	260,620
2027	300,000	254,488
2028	310,000	245,113
2029-2033	1,710,000	1,062,350
2034-2038	2,045,000	727,688
2039-2043	2,460,000	302,600
Total	<u>\$ 7,500,000</u>	<u>\$ 3,389,754</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Fire Engines Note Payable

In February 2023, the City entered into a financed purchase agreement for \$2,295,114 with Bank of America to purchase two fire engines. Payments are due annually in the amount of \$374,933 on February 28 each year at an annual interest rate of 3.47% with the note payable maturing on February 28, 2030. The current balance outstanding for this note payable is \$2,295,114.

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 note payable maturing on November 17, 2027. The current balance outstanding for this note payable is \$2,401,803.

Fire Air and 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 note payable maturing on September 1, 2023. The current balance outstanding for this note payable is \$90,253.

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 note payable maturing on November 20, 2022. This note was paid off as of June 30, 2023.

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>
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>\$ 321,915</u>	<u>\$ 9,042</u>	<u>\$ 13,413</u>	<u>\$ 377</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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.

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, 2023, 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 \$2,702,880 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, 2023, is \$610,000. 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 \$2,702,880 against debt service payments of \$229,598.

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, 2023**

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			Balance June 30, 2023	Due Within One Year
	June 30, 2022	Additions	Reductions		
Governmental Activities	\$ 1,899,853	\$ 258,762	\$ 291,091	\$ 1,867,524	\$ 440,000
Business-Type Activities	259,003	35,354	39,694	254,663	60,000
Total Compensated Absences	<u>\$ 2,158,856</u>	<u>\$ 294,116</u>	<u>\$ 330,785</u>	<u>\$ 2,122,187</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, 2023**

**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 2022-23 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 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 \$126,058,364. 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, 2023**

**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 \$58,320,180. 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 2022-2023.

NOTE 11 PENSION PLAN OBLIGATIONS

a. General Information About the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (CalPERS), 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, 2023**

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, 2023, 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	11.310%	11.310%	6.740%

	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	25.640%	22.480%	13.660%

*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, 2022, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	127
Transferred Members	40
Terminated Members	29
Retired Members and Beneficiaries	223
Total	<u>419</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, was \$7,870,770 and \$5,870,803, 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, 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, 2023**

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:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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, 2023**

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. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84 %
Private Equity	13.00	7.28 %
Treasury	5.00	0.27 %
Mortgage-backed Securities	5.00	0.50 %
Investment Grade Corporates	10.00	1.56 %
High Yield	5.00	2.27 %
Emerging Market Debt	5.00	2.48 %
Private Debt	5.00	3.57 %
Real Assets	15.00	3.21 %
Leverage	(5.00)	(0.59)%
Total	100.00 %	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

Change in Assumptions

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2021 (Measurement Date)	\$ 190,720,029	\$ 126,888,613	\$ 63,831,416
Changes in the Year:			
Service Cost	1,970,794	-	1,970,794
Interest on the Total Pension Liability	12,966,728	-	12,966,728
Changes of Assumptions	5,010,900	-	5,010,900
Differences Between Actual and Expected Experience	(3,009,015)	-	(3,009,015)
Contribution - Employer	-	7,068,656	(7,068,656)
Contribution - Employee	-	930,374	(930,374)
Net Investment Income	-	(9,636,898)	9,636,898
Administrative Expenses	-	(79,044)	79,044
Benefit Payments, Including Refunds of Employee Contributions	(11,567,406)	(11,567,406)	-
Net Changes	5,372,001	(13,284,318)	18,656,319
Balance at June 30, 2022 (Measurement Date)	\$ 196,092,030	\$ 113,604,295	\$ 82,487,735

As of June 30, 2023, 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	\$ 63,038,973

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2023**

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, 2021 and 2022, was as follows:

Safety Cost-Sharing Plan	
Safety Cost-Sharing Plan	
Proportion - June 30, 2021	1.08803%
Proportion - June 30, 2022	0.91734%
Change - Increase (Decrease)	-0.17069%

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 6.90%, 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% 5.90%	Current Discount 6.90%	Discount Rate + 1% 7.90%
Miscellaneous Plan	\$ 106,017,835	\$ 82,487,735	\$ 62,835,428
Safety Plan	88,798,830	63,035,973	41,980,658
Total Net Pension Liability	\$ 194,816,665	\$ 145,523,708	\$ 104,816,086

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, 2023**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

d. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense of \$7,595,054 and \$4,264,423 for the Miscellaneous and Safety Plan, respectively, which totals \$11,859,477. At June 30, 2023, 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	\$ 7,870,770	\$ -
Changes of Assumptions	3,283,003	-
Differences Between Expected and Actual Experience	599,889	(1,971,424)
Net Differences Between Projected and Actual Earnings on Plan Investments	5,559,896	-
Total	\$ 17,313,558	\$ (1,971,424)
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,870,803	\$ -
Difference Between Expected and Actual Experiences	2,608,830	(684,521)
Change in Assumptions	6,355,934	-
Net Differences Between Projected and Actual Earnings on Plan Investments	9,954,261	-
Change in Employer's Proportion	1,036,843	(79,108)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(3,734,468)
Total	25,826,671	(4,498,097)
Total All Plans	\$ 43,140,229	\$ (6,469,521)

\$7,870,770 and \$5,870,803 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, 2024. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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:

Measurement Period Ending June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2024	\$ 2,134,863	\$ 4,099,387	\$ 6,234,250
2025	1,370,571	3,337,843	4,708,414
2026	312,745	1,948,314	2,261,059
2027	3,653,184	6,072,226	9,725,410
Total	<u>\$ 7,471,363</u>	<u>\$ 15,457,770</u>	<u>\$ 22,929,133</u>

e. Payable to the Pension Plans

At June 30, 2023, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2023.

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, 2023**

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, 2022, the benefit terms covered the following employees:

	<u>Management</u>	<u>Miscellaneous</u>	<u>Fire</u>	<u>Total</u>
Retirees and Beneficiaries				
Receiving Benefits	50	95	97	242
Retirees and Beneficiaries Entitled to but not yet Receiving Benefits	-	13	-	13
Active Plan Members	<u>35</u>	<u>93</u>	<u>55</u>	<u>183</u>
Total	<u><u>85</u></u>	<u><u>201</u></u>	<u><u>152</u></u>	<u><u>438</u></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, 2023, the City contributed \$631,000 to the CERBT, paid \$2,903,515 for current premiums, paid \$9,470 of nontrust admin expenses, and the estimated implied subsidy was \$677,000, resulting in total contributions of \$4,220,985. 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.

d. Investments

The CERBT was established for public agencies to pre-fund other postemployment benefit obligations. Employers may choose among 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	49.0 %	4.56 %
U.S. Fixed Income	23.0	1.56
TIPS	5.0	(0.08)
Commodities	3.0	1.22
REITs	<u>20.0</u>	4.06
Total	<u><u>100.0 %</u></u>	

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

e. Net OPEB Liability

The City's net OPEB liability is the total OPEB liability, less the plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2022 using an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. 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	Non-Medicare 6.50%, Medicare (Non-Kaiser) 5.65%, Medicare (Kaiser) 4.6%. Decreasing to 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, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

g. Changes in the Net OPEB Liability

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, 2021 (Measurement Date)	\$ 58,712,426	\$ 29,762,288	\$ 28,950,138
Changes Recognized for the Measurement Period:			
Service Cost	984,226	-	984,226
Interest on Total OPEB Liability	3,619,578	-	3,619,578
Changes of Assumptions	4,802,768	-	4,802,768
Difference Between Actual vs. Expected Experience	-	-	-
Contributions-Employer	-	4,183,089	(4,183,089)
Net Investment Income	-	(4,051,230)	4,051,230
Benefit Payments, Including Refunds of Employee Contributions	(3,566,828)	(3,566,828)	-
Administrative Expense	-	(14,857)	14,857
Net Changes	<u>5,839,744</u>	<u>(3,449,826)</u>	<u>9,289,570</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 64,552,170</u>	<u>\$ 26,312,462</u>	<u>\$ 38,239,708</u>

(1) Contributions-employer amount includes implicit subsidy associated with benefits paid

h. Change in Benefit Terms

Effective January 1, 2022, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premium, and the Fire cap is set equal to the PORAC Family non-Medicare premium (CalPERS Region 3). The cap increase assumption was updated in conjunction with this change and the liability impact is included with the benefit change. This is only effective during the current 3-year labor agreements. The valuation assumes it will continue in the future but the City has no obligation to do so.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

i. 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	\$ 46,308,548	\$ 38,239,708	\$ 31,550,128

j. 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	\$ 30,559,417	\$ 38,239,708	\$ 47,589,996

k. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$5,183,609. At June 30, 2023, 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	\$ 4,220,985	\$ -
Differences Between Expected and Actual Experience	-	(3,820,618)
Changes of Assumptions	338,883	(444,947)
Net Difference Between Projected and Actual Earnings on Plan Investments	2,184,801	-
Total	\$ 6,744,669	\$ (4,265,565)

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

- k. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$4,220,985 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, 2024. 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>
2024	\$ (1,691,074)
2025	(692,977)
2026	(542,950)
2027	1,185,120
Total	<u>\$ (1,741,881)</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, 2023**

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, 2023, is \$1,145,000.

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, 2022	Additions	Reductions	Balance June 30, 2023
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, 2023**

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, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	\$ 18,772,971	\$ -	\$ 1,745,198	\$ 17,027,773	\$ 5,624,492
Accreted Interest on					
Capital Appreciation Bonds	18,805,989	-	189,645	18,616,344	-
2016 Refunding Issue	4,205,000	-	2,725,000	1,480,000	735,000
2017 Refunding Issue	3,360,000	-	3,360,000	-	-
Issuance Discounts/Premiums	(61,246)	-	15,312	(45,934)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,292,698	37,254	185,538	6,144,414	-
Total	<u>\$ 51,375,412</u>	<u>\$ 37,254</u>	<u>\$ 8,220,693</u>	<u>\$ 43,222,597</u>	<u>\$ 6,359,492</u>

<u>Year Ending June 30,</u>	<u>Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,359,492	\$ 24,572
2025	4,998,770	8,381
2026	4,040,748	-
2027	2,069,997	-
2028-2029	1,038,766	-
Total	<u>18,507,773</u>	<u>\$ 32,953</u>
Cumulative Accretion Interest on Capital Appreciation Bonds	<u>18,616,344</u>	
Total Principal, June 30, 2023	<u>\$ 37,124,117</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, 2023**

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, 2023, is \$35,644,117 including \$18,616,344 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, 2023**

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, 2023 is \$146,217, 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, 2023, is \$1,480,000.

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, 2023. 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. The bonds were paid off as of June 30, 2023.

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, 2023, is \$6,144,414.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 17 RESTATEMENT OF NET POSITION

The City did not record certain water revenues that were earned in prior fiscal years.

	<u>Water Fund</u>
Net position at July 1, 2022, as previously reported	\$ 21,779,622
Water revenues in prior years that was not recorded	<u>1,265,426</u>
Net position at July 1, 2022, as restated	<u><u>\$ 23,045,048</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 65,571,000	\$ 68,570,400	\$ 79,681,575	\$ 11,111,175
Licenses and Permits	2,197,400	2,887,400	4,254,978	1,367,578
Intergovernmental	859,800	859,800	1,075,002	215,202
Charges for Services	5,118,100	6,142,100	7,530,438	1,388,338
Use of Money and Property	500,000	500,000	3,039,207	2,539,207
Rentals	1,841,300	1,852,800	2,148,548	295,748
Fines and Forfeitures	432,000	432,000	452,766	20,766
Contributions	94,200	94,200	258,498	164,298
Miscellaneous	1,546,800	746,800	1,986,599	1,239,799
Total Revenues	<u>78,160,600</u>	<u>82,085,500</u>	<u>100,427,611</u>	<u>18,342,111</u>
EXPENDITURES				
General Government	10,489,400	11,118,700	9,252,632	1,866,068
Public Safety	37,682,100	38,522,300	36,813,612	1,708,688
Community Development	3,124,300	3,424,300	3,144,745	279,555
Public Works	14,349,600	14,664,600	13,560,001	1,104,599
Culture and Leisure	6,912,300	6,937,300	6,594,926	342,374
Human Services	2,122,000	2,122,000	1,953,202	168,798
Capital Outlay	3,732,400	3,752,800	3,413,195	339,605
Debt Service:				
Principal Retirement	903,500	903,500	793,905	109,595
Interest and Fiscal Charges	194,800	194,800	64,482	130,318
Total Expenditures	<u>79,510,400</u>	<u>81,640,300</u>	<u>75,590,700</u>	<u>6,049,600</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,349,800)	445,200	24,836,911	24,391,711
OTHER FINANCING SOURCES (USES)				
Transfers In	3,081,400	7,316,360	7,510,634	194,274
Transfers Out	(2,800,000)	(2,800,000)	(2,800,003)	(3)
Financed Purchase Note Payable and SBITA	2,220,000	2,220,000	2,355,017	135,017
Sale of Capital Asset	30,000	30,000	209,605	179,605
Total Other Financing Sources (Uses)	<u>2,531,400</u>	<u>6,766,360</u>	<u>7,275,253</u>	<u>508,893</u>
NET CHANGE IN FUND BALANCE	1,181,600	7,211,560	32,112,164	24,900,604
Fund Balance - Beginning of Year	<u>68,327,470</u>	<u>68,327,470</u>	<u>68,327,470</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 69,509,070</u></u>	<u><u>\$ 75,539,030</u></u>	<u><u>\$ 100,439,634</u></u>	<u><u>\$ 24,900,604</u></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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 256,925	\$ 256,925
Total Revenues	-	-	256,925	256,925
EXPENDITURES				
Community Development	243,000	243,000	1,311,248	(1,068,248)
Total Expenditures	243,000	243,000	1,311,248	(1,068,248)
NET CHANGE IN FUND BALANCE	(243,000)	(243,000)	(1,054,323)	(811,323)
Fund Balance - Beginning of Year	12,108,006	12,108,006	12,108,006	-
FUND BALANCE - END OF YEAR	<u>\$ 11,865,006</u>	<u>\$ 11,865,006</u>	<u>\$ 11,053,683</u>	<u>\$ (811,323)</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

Fiscal Year Ended Measurement Period	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019
Total Pension Liability:				
Service Cost	\$ 1,970,794	\$ 1,766,312	\$ 1,567,189	\$ 1,609,236
Interest on Total Pension Liability	12,966,728	13,033,238	12,629,742	12,378,733
Differences Between Expected and Actual Experience	(3,009,015)	2,313,861	268,043	2,131,720
Changes in Assumptions	5,010,900	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Change in Total Pension Liability	5,372,001	6,154,568	3,489,725	5,646,189
Total Pension Liability - Beginning of Year	190,720,029	184,565,461	181,075,736	175,429,547
Total Pension Liability - End of Year (a)	\$ 196,092,030	\$ 190,720,029	\$ 184,565,461	\$ 181,075,736
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 7,068,656	\$ 6,557,278	\$ 5,957,285	\$ 5,182,712
Contributions - Employee	930,374	911,222	855,704	783,946
Net Investment Income	(9,636,898)	24,174,117	5,199,591	6,740,766
Benefit Payments	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income (Expense)	-	-	-	242
Administrative Expense	(79,044)	(106,198)	(148,620)	(73,690)
Net Change in Plan Fiduciary Net Position	(13,284,318)	20,577,576	888,711	2,160,476
Plan Fiduciary Net Position - Beginning of Year	126,888,613	106,311,037	105,422,326	103,261,850
Plan Fiduciary Net Position - End of Year (b)	\$ 113,604,295	\$ 126,888,613	\$ 106,311,037	\$ 105,422,326
Net Pension Liability - Ending (a)-(b)	\$ 82,487,735	\$ 63,831,416	\$ 78,254,424	\$ 75,653,410
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.93%	66.53%	57.60%	58.22%
Covered Payroll	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973	\$ 8,249,634
Net Pension Liability as Percentage of Covered Payroll	784.84%	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.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

* Fiscal year 2015 was the first year of implementation and therefore only nine 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)	\$ 175,429,547	\$ 172,719,965	\$ 161,882,371	\$ 159,122,487	\$ 156,348,728
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)	\$ 103,261,850	\$ 99,491,185	\$ 92,795,120	\$ 96,579,274	\$ 98,522,647
Net Pension Liability - Ending (a)-(b)	\$ 72,167,697	\$ 73,228,780	\$ 69,087,251	\$ 62,543,213	\$ 57,826,081
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 nine years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 7,870,770	\$ 7,068,663	\$ 6,557,278	\$ 5,952,729
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,870,770)</u>	<u>(7,068,663)</u>	<u>(6,557,278)</u>	<u>(5,952,729)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,185,973	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973
Contributions as a Percentage of Covered Payroll	85.68%	67.26%	65.58%	64.80%
Notes to Schedule:				
Valuation Date	6/30/2020	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	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(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
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	<u>(5,182,369)</u>	<u>(4,669,275)</u>	<u>(4,174,840)</u>	<u>(3,728,926)</u>	<u>(3,554,823)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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
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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)
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	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	0.91734%	1.08803%	0.82961%	0.81779%
Plan's Proportionate Share of the Net Pension Liability	\$ 63,035,973	\$ 38,184,110	\$ 55,271,784	\$ 51,050,543
Plan's Covered Payroll	\$ 6,934,844	\$ 6,644,007	\$ 6,934,844	\$ 6,607,330
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	908.97%	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	66.21%	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.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

* Fiscal year 2015 was the first year of implementation and therefore only nine 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 nine years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 5,870,803	\$ 5,345,973	\$ 4,786,061	\$ 4,372,591
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,870,803)</u>	<u>(5,345,973)</u>	<u>(4,786,061)</u>	<u>(4,372,591)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 6,764,920	\$ 6,764,920	\$ 6,644,007	\$ 6,934,844
Contributions as a Percentage of Covered Payroll	86.78%	79.02%	72.04%	63.05%
Notes to Schedule:				
Valuation Date	6/30/2020	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	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(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
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	(3,701,766)	(3,247,068)	(2,887,172)	(1,166,499)	(1,892,765)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
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
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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)
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 Measurement Date	June 30, 2023 June 30, 2022	June 30, 2022 June 30, 2021	June 30, 2021 June 30, 2020
Total OPEB Liability:			
Service Cost	\$ 984,226	\$ 978,905	\$ 966,145
Interest on Total OPEB Liability	3,619,578	4,094,287	4,051,589
Changes of Benefit Terms	4,802,768	-	-
Differences Between			
Expected and Actual Experience	-	(4,911,693)	-
Changes of Assumptions	-	572,595	(1,048,245)
Benefit Payments	(3,566,828)	(3,397,735)	(3,301,649)
Net Change in Total OPEB Liability	5,839,744	(2,663,641)	667,840
Total OPEB Liability - Beginning of Year	58,712,426	61,376,067	60,708,227
Total OPEB Liability - End of Year (a)	\$ 64,552,170	\$ 58,712,426	\$ 61,376,067
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 4,183,089	\$ 5,011,731	\$ 5,033,207
Net Investment Income	(4,051,230)	6,178,247	793,628
Benefit Payments	(3,566,828)	(3,397,735)	(3,301,649)
Administrative Expenses	(14,857)	(15,517)	(17,396)
Net Change in Plan Fiduciary Net Position	(3,449,826)	7,776,726	2,507,790
Plan Fiduciary Net Position - Beginning of Year	29,762,288	21,985,562	19,477,772
Plan Fiduciary Net Position - End of Year (b)	\$ 26,312,462	\$ 29,762,288	\$ 21,985,562
Net OPEB Liability - Ending (a)-(b)	\$ 38,239,708	\$ 28,950,138	\$ 39,390,505
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	40.76%	50.69%	35.82%
Covered - Employee Payroll	\$ 21,555,073	\$ 19,983,477	\$ 18,008,437
Net OPEB Liability as Percentage of Covered - Employee Payroll	177.40%	144.87%	218.73%

Notes to Schedule:

Benefit Changes:

From fiscal year June 30, 2022 to June 30, 2023:

Effective 1/1/22, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premium, and the Fire cap is set equal to the PORAC Family non-Medicare premium (CalPERS Region 3).

Changes in Assumptions:

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 six years are shown.

CITY OF SANTA FE SPRINGS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS*

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:			
Service Cost	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on Total OPEB Liability	4,408,354	4,254,334	4,100,000
Changes of Benefit Terms	(24,586)	-	-
Differences Between			
Expected and Actual Experience	(7,005,009)	-	-
Changes of Assumptions	(397,546)	-	-
Benefit Payments	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	<u>(5,077,280)</u>	<u>2,335,507</u>	<u>2,356,000</u>
Total OPEB Liability - Beginning of Year	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	<u>\$ 60,708,227</u>	<u>\$ 65,785,507</u>	<u>\$ 63,450,000</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net Investment Income	1,101,136	1,119,324	1,216,000
Benefit Payments	(3,163,861)	(2,992,000)	(2,786,000)
Administrative Expenses	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	<u>2,922,460</u>	<u>2,717,312</u>	<u>3,647,000</u>
Plan Fiduciary Net Position -			
Beginning of Year	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 19,477,772</u>	<u>\$ 16,555,312</u>	<u>\$ 13,838,000</u>
Net OPEB Liability - Ending (a)-(b)	<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	32.08%	25.17%	21.81%
Covered - Employee Payroll	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB Liability as Percentage of			
Covered - Employee Payroll	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.

* Fiscal year 2018 was the first year of implementation and therefore only six years are shown.

**CITY OF SANTA FE SPRINGS
SCHEDULE OF CONTRIBUTIONS—OPEB
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contribution	\$ 4,229,000	\$ 4,266,000	\$ 4,141,000
Contributions in Relation to the Actuarially Determined Contributions	(4,220,985)	(4,183,089)	(5,074,731)
Contribution Deficiency (Excess)	\$ 8,015	\$ 82,911	\$ (933,731)
Covered - Employee Payroll	\$ 22,159,644	\$ 21,555,073	\$ 19,983,477
Contributions as a Percentage of Covered - Employee Payroll	19.05%	19.41%	25.39%
Notes to Schedule:			
Valuation Date	6/30/2021	6/30/2019	6/30/2019
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Amortization Period	16.1 year fixed	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)
Discount Rate	6.25%	6.75%	6.75%
Inflation	2.50%	2.75%	2.75%
Healthcare Trend Rates	(7)	(4)	(4)
Mortality	(8)	(6)	(6)

(1) Level percentage of payroll.

(2) Investment gains/losses spread over 5-year rolling period.

(3) Non-Medicare 7.5%, Medicare 6.5%. Decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, Medicare 6.3%. Decreasing to an ultimate rate of 4% in 2076.

(5) CalPERS 1997-2011 experience study.

(6) CalPERS 1997-2015 experience study.

(7) Non-Medicare 6.5%, Medicare (Non-Kaiser) 5.65%, Medicare (Kaiser) 4.6%. Decreasing to an ultimate rate of 3.75% in 2076.

(8) CalPERS 2000-2019 experience study.

* Fiscal year 2018 was the first year of implementation and therefore only six years are shown.

**CITY OF SANTA FE SPRINGS
SCHEDULE OF CONTRIBUTIONS—OPEB (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	(5,033,207)	(4,995,349)	(4,616,000)
Contribution Deficiency (Excess)	\$ 13,793	\$ (95,349)	\$ 121,000
Covered - Employee Payroll	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	27.95%	29.17%	23.97%
Notes to Schedule:			
Valuation Date	6/30/2017	6/30/2017	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)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(3)
Mortality	(6)	(6)	(5)

(1) Level percentage of payroll.

(2) Investment gains/losses spread over 5-year rolling period.

(3) Non-Medicare 7.5%, Medicare 6.5%. Decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, 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 six years are shown.

**CITY OF SANTA FE SPRINGS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023**

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
- Transportation Center Expansion Parking Lot Fund
- 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, 2023**

	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	\$ 814,148	\$ 4,474,524	\$ 206,465	\$ 183,007	\$ 1,891,689
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	160,961	80,369	4,450	-	-
Due from other Funds	-	-	-	-	-
Total Assets	\$ 975,109	\$ 4,554,893	\$ 210,915	\$ 183,007	\$ 1,891,689
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	14,100	-	-	-
Due to Other Funds	-	329,335	-	-	-
Total Liabilities	-	343,435	-	-	-
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	975,109	4,211,458	210,915	183,007	-
Art in Public Places	-	-	-	-	1,891,689
Unassigned	-	-	-	-	-
Total Fund Balances	975,109	4,211,458	210,915	183,007	1,891,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 975,109	\$ 4,554,893	\$ 210,915	\$ 183,007	\$ 1,891,689

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
ASSETS					
Pooled Cash and Investments	\$ 80,937	\$ 246,501	\$ 1,155	\$ -	\$ -
Receivables:					
Accounts	8,199	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	6,258	-	551,371	42,954
Due from other Funds	-	-	-	-	-
Total Assets	\$ 89,136	\$ 252,759	\$ 1,155	\$ 551,371	\$ 42,954
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 1,155	\$ 18,032	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	533,338	42,954
Total Liabilities	-	-	1,155	551,370	42,954
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	496,907	-
Total Deferred Inflows of Resources	-	-	-	496,907	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	89,136	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	252,759	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(496,906)	-
Total Fund Balances	89,136	252,759	-	(496,906)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 89,136	\$ 252,759	\$ 1,155	\$ 551,371	\$ 42,954

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	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	\$ 4,382	\$ -	\$ 119,475	\$ 41,003	\$ -
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	-	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	\$ 4,382	\$ 19,250	\$ 119,475	\$ 41,003	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
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	4,382	-	119,475	-	-
Public Works	-	-	-	41,003	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	4,382	19,250	119,475	41,003	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,382	\$ 19,250	\$ 119,475	\$ 41,003	\$ -

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
ASSETS			
Pooled Cash and Investments	\$ 4,442,383	\$ 475,269	\$ 12,980,938
Receivables:			
Accounts	-	-	8,199
Notes and Loans	-	-	19,250
Due from Other Governments	-	-	846,363
Due from other Funds	-	-	-
	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 13,854,750</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 19,187
Unearned Revenues	-	-	14,100
Due to Other Funds	-	-	905,627
	<u>-</u>	<u>-</u>	<u>938,914</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	496,907
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>496,907</u>
FUND BALANCES			
Nonspendable:			
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	-	108,386
Public Safety	-	-	123,857
Public Works	4,442,383	-	10,316,634
Art in Public Places	-	230,593	2,122,282
Unassigned	-	-	(496,906)
Total Fund Balances	<u>4,442,383</u>	<u>475,269</u>	<u>12,418,929</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 13,854,750</u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	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	895,331	1,569,639	193,301	-	-
Use of Money and Property	24,700	118,099	6	-	41,248
Rentals	-	-	-	-	-
Contributions	-	-	-	-	926,531
Miscellaneous	-	13,474	-	-	-
Total Revenues	<u>920,031</u>	<u>1,701,212</u>	<u>193,307</u>	<u>-</u>	<u>967,779</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	920,031	1,701,212	193,307	-	967,779
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(744,130)	(1,498,081)	(183,000)	-	(485,593)
Total Other Financing Sources (Uses)	<u>(744,130)</u>	<u>(1,498,081)</u>	<u>(183,000)</u>	<u>-</u>	<u>(485,593)</u>
NET CHANGE IN FUND BALANCES	175,901	203,131	10,307	-	482,186
Fund Balances - Beginning of Year	<u>799,208</u>	<u>4,008,327</u>	<u>200,608</u>	<u>183,007</u>	<u>1,409,503</u>
FUND BALANCES - END OF YEAR	<u>\$ 975,109</u>	<u>\$ 4,211,458</u>	<u>\$ 210,915</u>	<u>\$ 183,007</u>	<u>\$ 1,891,689</u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
REVENUES					
Taxes	\$ 13,692	\$ -	\$ -	\$ -	\$ 243,746
Intergovernmental	-	24,768	26,000	271,455	-
Use of Money and Property	-	6,044	-	-	-
Rentals	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>13,692</u>	<u>30,812</u>	<u>26,000</u>	<u>271,455</u>	<u>243,746</u>
EXPENDITURES					
Current:					
General Government	251	-	-	-	-
Public Safety	-	-	-	151,153	-
Public Works	-	6,262	-	-	-
Culture and Leisure	-	-	26,000	-	-
Capital Outlay	-	-	-	537,211	-
Total Expenditures	<u>251</u>	<u>6,262</u>	<u>26,000</u>	<u>688,364</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,441	24,550	-	(416,909)	243,746
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	3	-
Transfers Out	-	-	-	-	(243,746)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>(243,746)</u>
NET CHANGE IN FUND BALANCES	13,441	24,550	-	(416,906)	-
Fund Balances - Beginning of Year	<u>75,695</u>	<u>228,209</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 89,136</u>	<u>\$ 252,759</u>	<u>\$ -</u>	<u>\$ (496,906)</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	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	100,000	-	52,051	-	4,234,960
Use of Money and Property	4,382	-	2,236	-	-
Rentals	-	-	-	1	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>104,382</u>	<u>-</u>	<u>54,287</u>	<u>1</u>	<u>4,234,960</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	104,382	-	54,287	1	4,234,960
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(229,043)	-	-	-	(4,234,960)
Total Other Financing Sources (Uses)	<u>(229,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,234,960)</u>
NET CHANGE IN FUND BALANCES	(124,661)	-	54,287	1	-
Fund Balances - Beginning of Year	129,043	19,250	65,188	41,002	-
FUND BALANCES - END OF YEAR	<u>\$ 4,382</u>	<u>\$ 19,250</u>	<u>\$ 119,475</u>	<u>\$ 41,003</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

	Special Revenue Fund	Permanent Fund Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
	Measure W		
REVENUES			
Taxes	\$ -	\$ -	\$ 257,438
Intergovernmental	1,455,173	-	8,822,678
Use of Money and Property	100,836	12,048	309,599
Rentals	-	-	1
Contributions	-	-	926,531
Miscellaneous	-	-	13,474
Total Revenues	<u>1,556,009</u>	<u>12,048</u>	<u>10,329,721</u>
EXPENDITURES			
Current:			
General Government	-	-	251
Public Safety	-	-	151,153
Public Works	-	-	6,262
Culture and Leisure	-	-	26,000
Capital Outlay	-	-	537,211
Total Expenditures	<u>-</u>	<u>-</u>	<u>720,877</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,556,009	12,048	9,608,844
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	3
Transfers Out	-	-	(7,618,553)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,618,550)</u>
NET CHANGE IN FUND BALANCES	1,556,009	12,048	1,990,294
Fund Balances - Beginning of Year	<u>2,886,374</u>	<u>463,221</u>	<u>10,428,635</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 12,418,929</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STATE GAS TAX
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 942,400	\$ 942,400	\$ 895,331	\$ (47,069)
Use of Money and Property	-	-	24,700	24,700
Total Revenues	942,400	942,400	920,031	(22,369)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(744,130)	(544,130)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(744,130)	(544,130)
NET CHANGE IN FUND BALANCE	742,400	742,400	175,901	(566,499)
Fund Balance - Beginning of Year	799,208	799,208	799,208	-
FUND BALANCE - END OF YEAR	<u>\$ 1,541,608</u>	<u>\$ 1,541,608</u>	<u>\$ 975,109</u>	<u>\$ (566,499)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,569,638	\$ 369,638
Use of Money and Property	-	-	118,099	118,099
Miscellaneous	-	-	13,475	13,475
Total Revenues	1,200,000	1,200,000	1,701,212	501,212
OTHER FINANCING SOURCES (USES)				
Transfers Out	(534,400)	(534,400)	(1,498,081)	(963,681)
Total Other Financing Sources (Uses)	(534,400)	(534,400)	(1,498,081)	(963,681)
NET CHANGE IN FUND BALANCE	665,600	665,600	203,131	(462,469)
Fund Balance - Beginning of Year	4,008,327	4,008,327	4,008,327	-
FUND BALANCE - END OF YEAR	\$ 4,673,927	\$ 4,673,927	\$ 4,211,458	\$ (462,469)

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STREET LIGHTING MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 193,301	\$ (1,699)
Use of Money and Property	-	-	6	6
Total Revenues	195,000	195,000	193,307	(1,693)
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	10,307	(1,693)
Fund Balance - Beginning of Year	200,608	200,608	200,608	-
FUND BALANCE - END OF YEAR	<u>\$ 212,608</u>	<u>\$ 212,608</u>	<u>\$ 210,915</u>	<u>\$ (1,693)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 41,248	\$ 41,248
Contributions	300,000	300,000	926,531	626,531
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>967,779</u>	<u>667,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(485,500)	(485,500)	(485,593)	(93)
Total Other Financing Sources (Uses)	<u>(485,500)</u>	<u>(485,500)</u>	<u>(485,593)</u>	<u>(93)</u>
NET CHANGE IN FUND BALANCE	(185,500)	(185,500)	482,186	667,686
Fund Balance - Beginning of Year	1,409,503	1,409,503	1,409,503	-
FUND BALANCE - END OF YEAR	<u>\$ 1,224,003</u>	<u>\$ 1,224,003</u>	<u>\$ 1,891,689</u>	<u>\$ 667,686</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 24,768	\$ 4,768
Use of Money and Property	-	-	6,044	6,044
Total Revenues	20,000	20,000	30,812	10,812
EXPENDITURES				
Public Works	-	-	6,262	(6,262)
Total Expenditures	-	-	6,262	(6,262)
NET CHANGE IN FUND BALANCE	20,000	20,000	24,550	17,074
Fund Balance - Beginning of Year	228,209	228,209	228,209	-
FUND BALANCE - END OF YEAR	\$ 248,209	\$ 248,209	\$ 252,759	\$ 17,074

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 26,000	\$ 9,500
Total Revenues	16,500	16,500	26,000	9,500
EXPENDITURES				
Culture and Leisure	16,500	16,500	26,000	(9,500)
Total Expenditures	16,500	16,500	26,000	(9,500)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

**CITY OF SANTA FE SPRINGS
 BUDGETARY COMPARISON SCHEDULE—
 PUBLIC SAFETY AUGMENTATION
 YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 186,500	\$ 186,500	\$ 243,746	\$ 57,246
Total Revenues	186,500	186,500	243,746	57,246
OTHER FINANCING SOURCES (USES)				
Transfers Out	(186,500)	(186,500)	(243,746)	(57,246)
Total Other Financing Sources (Uses)	(186,500)	(186,500)	(243,746)	(57,246)
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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 100,000	\$ (50,000)
Use of Money and Property	-	-	4,382	4,382
Total Revenues	150,000	150,000	104,382	(45,618)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(229,043)	(129,043)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(229,043)	(129,043)
NET CHANGE IN FUND BALANCE	50,000	50,000	(124,661)	(174,661)
Fund Balance - Beginning of Year	129,043	129,043	129,043	-
FUND BALANCE - END OF YEAR	<u>\$ 179,043</u>	<u>\$ 179,043</u>	<u>\$ 4,382</u>	<u>\$ (174,661)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
MEASURE W
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 1,455,173	\$ 55,173
Use of Money and Property	-	-	100,836	100,836
Total Revenues	1,400,000	1,400,000	1,556,009	156,009
 Fund Balance - Beginning of Year	 2,886,374	 2,886,374	 2,886,374	 -
 FUND BALANCE - END OF YEAR	 \$ 4,286,374	 \$ 4,286,374	 \$ 4,442,383	 \$ 156,009

**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, 2023**

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled Cash and Investments	\$ 668,807	\$ 67,652	\$ 736,459
Receivables:			
Accounts	-	897	897
Restricted Assets:			
Cash and Investment with Fiscal Agents	173,971	-	173,971
Total Assets	842,778	68,549	911,327
LIABILITIES			
Due to Other Governments	-	897	897
Total Liabilities	-	897	897
NET POSITION			
Held for Bondholders	842,778	67,652	910,430
Total Net Position	\$ 842,778	\$ 67,652	\$ 910,430

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2023**

	Assessment Districts	Community Facilities Assessment Districts	Total
ADDITIONS			
Special Assessments or Special Taxes Collected From Property Owners	\$ 219,059	\$ -	\$ 219,059
Interest and Change in Fair Value of Investments	5,099	-	5,099
Total Additions	224,158	-	224,158
DEDUCTIONS			
Payment for Special Assessment or Special Tax Debt	169,404	-	169,404
Total Deductions	169,404	-	169,404
CHANGE IN NET POSITION	54,754	-	54,754
Net Position - Beginning of Year	788,024	67,652	855,676
NET POSITION - END OF YEAR	<u>\$ 842,778</u>	<u>\$ 67,652</u>	<u>\$ 910,430</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.	118
Revenue Capacity – These schedules contain information to help the reader asses the City's most significant local revenue source, the property tax.	128
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	132
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.	140
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.	143

**CITY OF SANTA FE SPRINGS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690	\$ 158,121,201
Restricted	9,651,144	29,208,112	32,373,440	33,145,221
Unrestricted	37,672,916	(50,143,910)	(49,235,190)	(52,203,681)
Total governmental activities net position	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>	<u>\$ 139,062,741</u>
Business-type activities:				
Net investment in capital assets	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873	\$ 17,533,898
Restricted	-	-	-	817,087
Unrestricted	3,952,242	(2,072,299)	(728,889)	331,570
Total business type activities net position	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>	<u>\$ 18,682,555</u>
Primary government:				
Net investment in capital assets	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563	\$ 175,655,099
Restricted	9,651,144	29,208,112	32,373,440	33,962,308
Unrestricted	41,625,158	(52,216,209)	(49,964,079)	(51,872,111)
Total primary government net position	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>	<u>\$ 157,745,296</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				
2018	2019	2020	2021	2022	2023	
\$ 156,001,364	\$ 154,315,020	\$ 162,029,958	\$ 163,949,669	162,283,010	155,913,818	
32,820,873	34,775,125	30,978,812	30,905,794	32,275,248	34,548,863	
(90,543,090)	(89,116,900)	(75,019,083)	(59,478,048)	(39,991,438)	2,513,729	
<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>	<u>\$ 135,377,415</u>	<u>\$ 154,566,820</u>	<u>\$ 192,976,410</u>	
\$ 18,890,862	\$ 18,754,383	\$ 18,028,340	\$ 19,156,150	18,669,402	17,669,785	
536,194	558,184	559,019	-	-	570,673	
(1,190,788)	(324,355)	526,956	218,253	3,110,220	5,662,082	
<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>	<u>\$ 23,902,540</u>	
\$ 174,892,226	\$ 173,069,403	\$ 180,058,298	\$ 183,105,819	\$ 180,952,412	173,583,603	
33,357,067	35,333,309	31,537,831	30,905,794	32,275,248	35,119,536	
(91,733,878)	(89,441,255)	(74,492,127)	(59,259,795)	(36,881,218)	8,175,811	
<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>	<u>\$ 154,751,818</u>	<u>\$ 176,346,442</u>	<u>\$ 216,878,950</u>	

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938	\$ 6,910,410
Public safety	25,903,765	28,215,907	31,438,552	31,961,957
Community development	4,050,792	3,794,506	4,020,001	4,347,313
Public works	16,997,746	14,269,841	9,510,398	9,160,460
Culture and leisure	7,690,481	7,681,363	8,103,268	9,185,643
Human services	2,881,556	3,133,900	3,326,615	3,190,530
Unallocated depreciation	-	-	-	-
Interest on long term liabilities	213,286	239,719	207,917	160,610
Total governmental activities expenses	<u>63,678,791</u>	<u>62,949,966</u>	<u>62,299,689</u>	<u>64,916,923</u>
Business type activities:				
Water utility	<u>10,781,780</u>	<u>10,911,725</u>	<u>10,056,785</u>	<u>10,437,631</u>
Total primary government expenses	<u>74,460,571</u>	<u>73,861,691</u>	<u>72,356,474</u>	<u>75,354,554</u>
Program revenues:				
Governmental activities:				
Charges for Services:				
General government	2,027,076	1,975,162	2,067,142	2,474,664
Public safety	2,937,252	2,985,378	3,485,203	3,191,717
Community development	2,460,571	1,953,691	2,558,688	2,577,415
Public works	756,730	753,510	824,258	791,941
Culture and leisure	556,566	533,242	516,907	609,553
Human services	522,881	520,428	450,564	409,783
Operating grants and contributions	3,405,177	2,090,135	2,414,716	2,313,540
Capital grants and contributions	<u>18,887,861</u>	<u>6,801,309</u>	<u>596,380</u>	<u>708,569</u>
Total governmental activities program revenues	<u>31,554,114</u>	<u>17,612,855</u>	<u>12,913,858</u>	<u>13,077,182</u>
Business type activities:				
Charges for services:				
Water utility	13,139,026	12,252,452	11,445,171	12,760,330
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>632,638</u>	<u>111,777</u>	<u>796,442</u>	<u>762,739</u>
Total business type activities program revenues	<u>13,771,664</u>	<u>12,364,229</u>	<u>12,241,613</u>	<u>13,523,069</u>
Total primary government program revenues	45,325,778	29,977,084	25,155,471	26,600,251
Net revenues (expenses):				
Governmental activities	(32,124,677)	(45,337,111)	(49,385,831)	(51,839,741)
Business type activities	<u>2,989,884</u>	<u>1,452,504</u>	<u>2,184,828</u>	<u>3,085,438</u>
Total net revenues (expenses)	<u>(29,134,793)</u>	<u>(43,884,607)</u>	<u>(47,201,003)</u>	<u>(48,754,303)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,251,432	\$ 6,896,856	\$ 8,544,252	\$ 8,482,800	\$ 7,629,048	\$ 10,309,257
34,034,478	33,932,658	34,743,488	35,296,588	40,445,623	28,262,932
4,116,962	2,955,522	2,795,648	2,674,722	2,728,716	11,654,888
17,219,492	15,558,408	17,572,927	16,766,663	16,318,672	18,788,759
6,982,622	6,689,566	6,539,103	5,501,644	5,486,877	7,320,797
2,790,840	2,000,692	1,777,281	1,612,973	1,637,533	2,233,457
-	-	-	-	-	-
121,322	112,477	56,935	51,054	67,435	79,938
69,517,148	68,146,179	72,029,634	70,386,444	74,313,904	78,650,028
11,192,617	11,124,404	11,310,735	13,282,916	12,347,405	13,624,222
80,709,765	79,270,583	83,340,369	83,669,360	86,661,309	92,274,250
2,038,573	2,131,444	2,246,355	3,121,333	3,306,540	5,172,985
3,561,042	3,433,078	3,222,786	3,580,227	4,298,393	3,109,883
1,723,739	1,818,544	2,005,242	1,760,519	2,336,477	3,509,086
1,046,597	757,476	1,478,915	995,335	1,317,122	2,047,599
453,369	624,126	256,996	34,487	275,337	510,546
311,394	39,913	12,063	1,149	40,073	356,524
5,261,361	4,215,071	4,378,318	5,694,683	6,210,343	11,429,865
3,883,123	161,836	2,116,919	3,351,016	622,474	3,409,443
18,279,198	13,181,488	15,717,594	18,538,749	18,406,759	29,545,931
13,491,332	12,611,914	12,406,103	14,430,951	15,627,075	15,279,357
-	-	-	-	72,774	8,727
-	-	63,014	22,074	5,287	17,285
13,491,332	12,611,914	12,469,117	14,453,025	15,705,136	15,305,369
31,770,530	25,793,402	28,186,711	32,991,774	34,111,895	44,851,300
(51,237,950)	(54,964,691)	(56,312,040)	(51,847,695)	(55,907,145)	(49,104,097)
2,298,715	1,487,510	1,158,382	1,170,109	3,357,731	1,681,147
(48,939,235)	(53,477,181)	(55,153,658)	(50,677,586)	(52,549,414)	(47,422,950)

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2015	2016	2017
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717	\$ 25,076,235
Transaction and use taxes	-	-	-	-
Property taxes	3,601,771	4,088,687	3,425,637	3,949,731
Franchise taxes	2,779,357	2,978,360	3,034,652	2,915,926
Motor vehicle in lieu tax - general purpose	1,595,953	1,686,499	1,716,181	1,767,500
Business operations taxes	768,575	780,747	801,658	807,702
Utility users taxes	6,634,353	6,836,360	6,669,155	6,406,684
Other taxes	416,269	567,503	531,045	522,091
Investment income	1,416,003	1,440,422	1,807,176	1,874,492
Other	2,216,285	2,692,622	2,988,717	2,269,170
Gain (Loss) on disposal of asset	42,312	-	-	-
Transfers to Successor Agency	-	-	-	-
Transfers	1,597,099	1,224,700	1,073,642	1,168,892
Extraordinary gain	(2,249,862)	19,954,190	-	-
Total governmental activities	<u>44,914,594</u>	<u>68,682,637</u>	<u>47,566,580</u>	<u>47,821,542</u>
Business type activities:				
Investment income	11,929	15,849	27,006	62,836
Other	107,631	240,554	156,955	249,189
Transfers	(1,597,099)	(1,224,700)	(1,073,642)	(1,168,892)
Total business type activities	<u>(1,477,539)</u>	<u>(968,297)</u>	<u>(889,681)</u>	<u>(856,867)</u>
Total primary government	<u>43,437,055</u>	<u>67,714,340</u>	<u>46,676,899</u>	<u>46,964,675</u>
Changes in Net Position:				
Governmental activities	12,789,917	23,345,526	(1,819,251)	(4,018,199)
Business type activities	1,512,345	484,207	1,295,147	2,228,571
Total primary government	<u>\$ 14,302,262</u>	<u>\$ 23,829,733</u>	<u>\$ (524,104)</u>	<u>\$ (1,789,628)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 26,093,872	\$ 28,360,308	\$ 30,689,739	\$ 32,305,008	\$ 39,572,185	40,224,112
-	3,044,712	13,083,262	13,682,006	15,661,416	16,807,006
4,130,663	4,587,444	4,958,288	5,961,342	5,724,154	5,898,604
3,180,671	3,377,884	3,495,821	3,550,280	3,790,928	4,704,512
1,863,969	1,960,317	2,148,113	2,297,474	2,359,894	2,507,001
789,379	831,717	752,800	771,642	809,418	764,330
6,523,816	6,517,423	6,484,575	6,907,100	7,824,051	8,758,357
628,828	564,638	132,232	172,204	158,797	165,381
2,189,573	4,263,013	4,308,252	1,303,072	(2,976,930)	4,027,079
675,977	1,996,198	1,496,137	1,089,993	963,042	2,091,536
-	-	292,655	40,878	55,786	209,605
-	-	-	-	-	-
1,163,587	1,155,135	1,156,300	1,154,424	1,153,809	1,356,165
-	-	-	-	-	-
<u>47,240,335</u>	<u>56,658,789</u>	<u>68,998,174</u>	<u>69,235,423</u>	<u>75,096,550</u>	<u>87,513,688</u>
118,561	218,248	306,513	181,503	118,355	439,703
1,791,077	201,321	111,085	61,605	84,237	92,807
<u>(1,163,587)</u>	<u>(1,155,135)</u>	<u>(1,156,300)</u>	<u>(1,154,424)</u>	<u>(1,153,809)</u>	<u>(1,356,165)</u>
<u>746,051</u>	<u>(735,566)</u>	<u>(738,702)</u>	<u>(911,316)</u>	<u>(951,217)</u>	<u>(823,655)</u>
<u>47,986,386</u>	<u>55,923,223</u>	<u>68,259,472</u>	<u>68,324,107</u>	<u>74,145,333</u>	<u>86,690,033</u>
(3,997,615)	1,694,098	12,686,134	17,387,728	19,189,405	38,409,591
3,044,766	751,944	419,680	258,793	2,406,514	857,492
<u>\$ (952,849)</u>	<u>\$ 2,446,042</u>	<u>\$ 13,105,814</u>	<u>\$ 17,646,521</u>	<u>\$ 21,595,919</u>	<u>\$ 39,267,083</u>

**CITY OF SANTA FE SPRINGS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2015	2016	2017
General fund:				
Nonspendable	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050	\$ 11,441,321
Restricted	98,801	98,821	322,843	869,331
Committed	225,000	225,000	225,000	225,000
Assigned		2,399,700	630,000	3,629,664
Unassigned	18,583,574	20,027,817	21,301,702	21,868,047
 Total general fund	<u>\$ 24,492,869</u>	<u>\$ 27,504,402</u>	<u>\$ 35,200,595</u>	<u>\$ 38,033,363</u>
 All other governmental funds:				
Nonspendable	\$ 5,688,704	\$ 4,330,950	\$ -	\$ -
Restricted	3,863,639	25,059,379	32,050,597	32,275,890
Assigned	7,794,387	9,480,556	15,036,492	14,316,725
Unassigned	(40,661)	(16,968)	(13,040)	(13,413)
 Total all other governmental funds	<u>\$ 17,306,069</u>	<u>\$ 38,853,917</u>	<u>\$ 47,074,049</u>	<u>\$ 46,579,202</u>

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					
2018	2019	2020	2021	2022	2023
\$ 7,809,238	\$ 1,828,548	\$ 2,224,444	\$ 2,340,616	\$ 2,813,309	\$ 2,808,056
1,070,451	1,194,990	1,344,838	1,612,762	1,818,278	2,513,307
225,000	225,000	225,000	225,000	225,000	225,000
6,585,155	10,997,012	22,126,736	31,285,627	35,424,875	61,208,026
21,730,547	22,675,644	24,121,539	24,884,524	28,046,008	33,685,245
<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>	<u>\$ 100,439,634</u>
\$ 244,676	\$ 244,673	\$ 244,676	\$ 244,676	\$ 244,676	\$ 244,676
31,750,422	33,580,135	28,278,390	26,982,856	30,212,294	31,790,880
13,256,233	17,598,708	22,501,686	28,622,561	35,841,732	35,487,115
(3,913,948)	(3,222,614)	(1,679,312)	(3,279,711)	(62,608)	(3,105,007)
<u>\$ 41,337,383</u>	<u>\$ 48,200,905</u>	<u>\$ 49,345,440</u>	<u>\$ 52,570,382</u>	<u>\$ 66,236,094</u>	<u>\$ 64,417,664</u>

CITY OF SANTA FE SPRINGS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864	\$ 39,678,369
Licenses and permits	2,747,847	2,206,324	2,536,719	2,750,708
Fines, forfeitures and seizures	491,503	529,250	515,632	492,313
Interest and rentals	1,416,003	1,440,422	1,807,176	1,874,492
From other agencies	23,165,769	11,054,345	5,257,715	5,357,852
Charges for current services	5,147,329	5,250,369	6,078,535	5,798,869
Other	2,493,091	2,855,254	3,146,736	2,464,110
Total revenues	<u>75,758,346</u>	<u>65,020,168</u>	<u>59,323,377</u>	<u>58,416,713</u>
Expenditures:				
Current:				
General government	5,064,465	5,483,276	5,449,398	6,282,824
Public safety	25,203,933	26,968,072	28,407,173	29,775,257
Community development	3,991,264	3,755,596	3,876,256	4,214,838
Public works	4,456,233	4,591,234	4,553,769	4,687,638
Culture and leisure	6,974,428	6,995,907	7,337,952	8,356,661
Human services	2,579,037	2,798,407	3,022,969	2,885,022
Capital outlay	21,383,923	9,745,411	2,621,810	4,208,654
Loss on sale of property				
Debt service:				
Interest	278,854	240,815	209,663	162,419
Principal retirement	983,524	1,045,658	988,940	1,059,310
Bond issuance costs	-	-	-	-
Total expenditures	<u>70,915,661</u>	<u>61,624,376</u>	<u>56,467,930</u>	<u>61,632,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,842,685</u>	<u>3,395,792</u>	<u>2,855,447</u>	<u>(3,215,910)</u>
Other financing sources (uses):				
Proceeds (loss) from sale of assets	42,312	25,000	34,954	7,318
Contributions from successor agency	-	100,238	48,465	-
Transfer to private purpose trust fund	-	(20,000)	-	-
Capital leases obligation	-	-	-	-
Transfers in	8,805,993	6,524,301	8,616,801	6,879,579
Transfers out	(10,517,883)	(4,749,901)	(8,753,473)	(2,388,867)
Total other financing sources (uses)	<u>(1,669,578)</u>	<u>1,879,638</u>	<u>(53,253)</u>	<u>4,498,030</u>
Special item	-	-	-	-
Extraordinary loss	(8,408,716)	19,954,190	-	1,055,801
Net change in fund balances	<u>(5,235,609)</u>	<u>\$ 25,229,620</u>	<u>2,802,194</u>	<u>2,337,921</u>
Debt service as a percentage of noncapital expenditures	2.1%	2.2%	2.2%	2.1%

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								
		2018	2019	2020	2021	2022	2023			
\$	43,211,198	\$	49,244,443	\$	62,150,070	\$	65,647,056	\$	75,791,133	79,939,013
	2,363,791		2,145,963		2,485,395		2,228,200		2,913,256	4,254,978
	487,549		738,807		788,382		380,754		446,114	452,766
	2,189,573		4,263,013		4,667,628		1,514,370		(2,550,531)	6,170,529
	4,640,275		4,551,765		6,210,417		5,495,267		9,014,232	10,596,884
	5,899,159		5,524,875		5,346,393		6,463,339		7,558,372	7,561,413
	1,671,228		2,698,764		2,467,770		2,274,675		2,085,146	3,500,830
	<u>60,462,773</u>		<u>69,167,630</u>		<u>84,116,055</u>		<u>84,003,661</u>		<u>95,257,722</u>	<u>112,476,413</u>
	3,795,998		6,876,387		7,902,106		8,521,649		8,985,486	9,252,883
	31,403,449		30,466,404		30,472,065		33,162,493		36,495,217	36,964,765
	3,935,033		2,777,781		2,649,405		2,758,116		3,254,267	4,455,993
	10,447,798		10,651,342		11,375,367		11,324,465		12,439,376	13,838,498
	5,932,050		5,698,374		5,554,076		5,029,572		5,785,102	6,620,926
	2,303,821		1,532,644		1,414,482		1,418,131		1,757,065	1,953,202
	5,960,909		5,459,285		10,174,605		12,561,418		5,809,555	12,158,811
									-	-
	123,174		95,235		63,389		21,337		76,193	64,482
	1,133,745		1,488,130		1,464,840		176,868		675,015	793,905
	-		-		-		-		-	-
	<u>65,035,977</u>		<u>65,045,582</u>		<u>71,070,335</u>		<u>74,974,049</u>		<u>75,277,276</u>	<u>86,103,465</u>
	(4,573,204)		4,122,048		13,045,720		9,029,612		19,980,446	26,372,948
	-		-		292,655		40,878		55,786	209,605
	-		-		-		-		-	-
	-		-		-		-		-	-
	-		1,087,142		-		3,306,000		454,612	2,355,017
	4,902,747		10,635,624		9,593,689		12,168,606		14,688,298	11,798,545
	<u>(3,739,160)</u>		<u>(9,480,489)</u>		<u>(8,437,389)</u>		<u>(11,014,182)</u>		<u>(13,534,489)</u>	<u>(10,442,380)</u>
	1,163,587		2,242,277		1,448,955		4,501,302		1,664,207	3,920,787
	-		-		-		-		-	-
	-		-		-		-		-	-
	<u>(3,409,617)</u>		<u>6,364,325</u>		<u>14,494,675</u>		<u>13,530,914</u>		<u>21,644,653</u>	<u>30,293,735</u>
	2.1%		2.6%		2.5%		0.3%		1.1%	1.2%

**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>
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%
2023	8,865,124	1,275,308	167,026	9,973,406	13,360	9,960,046	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	
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
2023	0.077	0.923	0.068	0.000	0.015	0.053	0.004	1.140

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 by all 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 2022-23		FY 2013-14	
	Taxable	Percent of Total	Taxable	Percent of Total
	Assessed Value	City Taxable Assessed Value	Assessed Value	City Taxable Assessed Value
Golden Springs Dev	\$ 338,413,276	3.40%	\$ 290,852,977	4.56%
Goodman Santa Fe Springs Spe L	236,537,230	2.37%		
GLC SFS II LLC	164,621,504	1.65%		
PPF Industrial 12016 Telegraph	162,378,530	1.63%	33,695,133	0.53%
AMB Us Logistics Fund LP	137,633,575	1.38%	110,477,649	1.73%
Rexford Industrial Realty LP	129,280,095	1.30%		
PSB Hathaway I Ii LLC	107,178,978	1.08%		
Breitbart Operating LP	85,127,000	0.85%	191,275,178	3.00%
McMaster Carr Supply Company	83,955,000	0.84%	74,036,429	1.16%
Teachers Insurance Annuity Assoc	83,408,258	0.84%	57,588,965	0.90%
TGA Greenstone Logistics Center	81,414,808	0.82%		
Lba Or Core Company V Llc	78,733,382	0.79%		
Duke Realty Lakeland Rd Lp	70,915,756	0.71%		
SDCO SFS Logistics Center Inc.	69,441,059	0.70%		
BSREP III California Infill	69,319,200	0.70%		
Sorensen Xc Ii Llc	68,836,780	0.69%	28,671,240	0.45%
BRE Jupiter Western B West Az	66,986,867	0.67%		
Breit MF Telegraph Rd LLC	59,646,674	0.60%		
Freeway Springs LLC	56,031,522	0.56%		
FDC Partners LP	54,679,012	0.55%		
Gpt Santa Fe Springs Owner Lp	53,263,208	0.53%		
Prologis Logistics Services	52,396,245	0.53%	35,663,400	0.56%
Shaw Diversified Services Inc.	48,250,653	0.48%		
BPREP Colonnade LLC	47,828,615	0.48%		
Kelly Pipe Co LLC	47,478,347	0.48%		
Legacy Partners II Santa Fe Sp			78,888,565	1.24%
Gateway Santa Fe Springs Indus			60,000,000	0.94%
Inland Paperboard			51,680,284	0.81%
Vons Companies Inc.			46,852,679	0.74%
Mckesson Corp			44,943,482	0.71%
Catellus			41,615,999	0.65%
Heraeus Metal Processing Inc.			41,129,709	0.65%
Maruichi American Corp			40,959,837	0.64%
Centro Watt Property Owner II			39,119,038	0.61%
Bloomfield Commerce Center			38,474,972	0.60%
RCS Villages Land LLC			37,285,552	0.59%
14141 Alondra LP			32,737,862	0.51%
Solaris Paper Inc.			32,563,589	0.51%
CFH Envlp Ltd. Ptnshp			32,308,717	0.51%
Carmenita Plaza LLC			31,385,408	0.49%
Pactiv Corp			30,066,614	0.47%
Gabriel Container Company			28,623,703	0.45%
	<u>\$ 2,453,755,574</u>	<u>24.64%</u>	<u>\$ 1,530,896,981</u>	<u>24.03%</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
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%
2023	50,915,906	50,660,885	99.50%	-	50,660,885	99.50%

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	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
	Loans	Tax Allocation Bonds	Pension Obligation Bonds	Capitalized Lease Obligations	Total Governmental Activities	Revenue Bonds			
2013 ²	503,156	-	6,601,000	612,094	7,716,250	9,282,194	16,998,444	5.11%	1,011
2014 ²	257,024	-	5,944,000	531,702	6,732,726	9,231,693	15,964,419	4.81%	966
2015 ²	-	-	5,238,000	449,068	5,687,068	9,069,544	14,756,612	3.93%	837
2016 ²	-	-	4,334,000	364,128	4,698,128	8,902,394	13,600,522	3.49%	737
2017 ²	-	-	3,362,000	276,819	3,638,819	8,725,243	12,364,062	3.06%	676
2018 ²	-	-	2,318,000	693,218	3,011,218	8,366,795	11,378,013	2.64%	621
2019 ²	-	-	1,199,000	905,085	2,104,085	8,177,762	10,281,847	2.27%	563
2020 ²	-	-	-	639,246	639,246	7,983,729	8,622,975	1.83%	471
2021 ²	-	-	-	3,768,377	3,768,377	7,789,696	11,558,073	2.29%	638
2022 ²	-	-	-	3,547,974	3,547,974	7,590,663	11,138,637	1.86%	594
2023 ²	-	-	-	5,109,085	5,109,085	7,386,630	12,495,715	1.80%	673

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		
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
2023 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, 2023**

2022-23 Assessed Valuation: \$10,009,358,851

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
Metropolitan Water District	\$ 19,215,000	0.275%	\$ 52,841
Cerritos Community College District	445,232,887	4.689	20,876,970
Rio Hondo Community College District	170,234,080	14.892	25,351,259
Whittier Union High School District	127,929,361	23.164	29,633,557
ABC Unified School District	124,137,739	2.790	3,463,443
Norwalk-La Mirada Unified School District	308,329,272	13.551	41,781,700
Little Lake City School District	57,449,901	61.131	35,119,699
Los Nietos School District	40,882,715	56.471	23,086,878
South Whittier School District	33,800,000	45.138	15,256,644
Whittier City School District	68,080,000	0.570	388,056
City of Santa Fe Springs Heritage Springs Assessment District	1,145,000	100.	1,145,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$196,156,047

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,601,551,282	0.528%	\$13,736,191
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.528	17,970
Whittier City School District Certificates of Participation	8,680,000	0.570	49,476
City of Santa Fe Springs Capital Lease Obligations	2,492,054	100.	2,492,054
Los Angeles County Sanitation District No. 18 Authority	434,236	18.961	82,335
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$16,378,026

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$18,507,773 100. % \$18,507,773

TOTAL DIRECT DEBT **\$2,492,054**
TOTAL OVERLAPPING DEBT **\$228,549,792**

COMBINED TOTAL DEBT **\$231,041,846** (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 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.96%
Total Direct Debt (\$2,492,054) 0.02%
 Combined Total Debt 2.31%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,561,828,022):

Total Overlapping Tax Increment Debt 0.33%

Source: Avenu Insights & Analytics
 California Municipal Statistics, Inc.
 California Municipal Statistics, Inc.

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30		
	2014	2015	2016
Assessed valuation	\$ 6,389,364,000	\$ 6,754,513,000	6,874,971,507
Conversion percentage	25%	25%	25%
Adjusted assessed valuation	\$ 1,597,341,000	\$ 1,688,628,250	1,718,742,877
Debt limit percentage	15%	15%	15%
Debt limit	\$ 239,601,150	\$ 253,294,238	257,811,432
Total net debt applicable to the limit:			
General obligation bonds ¹	<u>5,944,000</u>	<u>5,238,000</u>	<u>4,334,000</u>
Legal Debt Margin	<u>\$ 233,657,150</u>	<u>\$ 248,056,238</u>	<u>253,477,432</u>
Total debt applicable to the limit as a percentage of debt limit	2.5%	2.1%	1.7%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 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**

	<u>Fiscal Year Ended June 30</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed valuation	\$ 9,175,834,549	9,393,925,905	9,967,531,845
Conversion percentage	25%	25%	25%
Adjusted assessed valuation	\$ 2,293,958,637	2,348,481,476	2,491,882,961
Debt limit percentage	15%	15%	15%
Debt limit	\$ 344,093,796	352,272,221	373,782,444
Total net debt applicable to the limit:			
General obligation bonds ¹	-	-	-
Legal Debt Margin	<u>\$ 344,093,796</u>	<u>352,272,221</u>	<u>373,782,444</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.

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
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Water Revenue Bonds						
Fiscal Year	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				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
2023	17,086,718	12,889,897	4,196,821	210,000	276,040	8.63

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	-	-	-	-
2023	-	-	-	-

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
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%
2023	18,570	692,611	37,297	4,959	3.2%

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**

<u>Employer</u>	<u>FY 2022-23</u>		<u>FY 2013-14</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
FN Logistics, LLC	1,100	2.66%		
McMaster Carr Supply Company	788	1.91%	769	1.90%
Vans	510	1.24%		
L. A. Specialty Produce Company	474	1.15%	483	1.19%
FedeEx Ground Package System In	450	1.09%		
SE Pipe Line Construction	440	1.07%		
Southern Glazer's Wine and Spirits	417	1.01%	396	0.98%
Bumble Bee Seafoods, LLC	355	0.86%		
Harbor Distributions LLC	350	0.85%		
Pactiv LLC	315	0.76%		
Trojan Battery Company LLC			372	0.92%
Shaw Diversified Services, Inc.			341	0.84%
Vance and Hines, Inc.			430	1.06%
The Vons Companies, Inc.			769	1.90%
Tharco Container, Inc.			469	1.16%
Swift & Company			399	0.98%
Fuji Food Products, Inc.			342	0.84%
	<u>5,199</u>	<u>12.59%</u>	<u>4,770</u>	<u>11.77%</u>

NOTE:

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	37	39	38	38	37	39	39	38	37	38
Public Safety	79	83	83	76	73	70	72	70	74	76
Public Works	57	54	56	58	57	55	52	57	55	60
Planning and Community Development	4	6	7	7	6	7	9	9	9	10
Community Services - Administration	1	1	4	4	4	4	4	3	3	3
Community Services - Parks and Recreation	75	88	88	106	108	93	27	75	72	98
Community Services - Library Services	14	17	22	20	22	23	14	16	20	22
Community Services - Human Services	48	48	54	50	39	32	11	27	31	34
Total	<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>	<u>341</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	81	81	81	81	81	81	81	81
Streetlights	2,960	2,960	3,174	3,140	3,140	3,140	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	11	11	11	11	11	9	9	9	9	9
**Community services facilities	4	4	4	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	3	0	0	0	0	0
Community services facilities	2	1	1	1	1	3	3	3	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	107	108	108	108	108	108	108	108	108
Number of service connections	6,150	6,330	6,335	6,402	6,509	6,731	6,722	6,232	6,247	6,237

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.

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 17, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001, that we consider to be a significant deficiency.

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

Report on Compliance and Other Matters

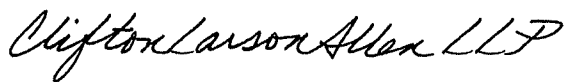
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

City of Santa Fe Springs's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Irvine, California
January 17, 2024

**CITY OF SANTA FE SPRINGS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2023**

2023-001 – Water Revenue

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Condition: The City prepares the water bill for one specific customer in the accounting system instead of the utility billing system. When the City changed accounting systems in 2018, the charge code used to prepare this customer's water bill was incorrect and revenue related to this customer's water bills have not been recorded since April 2018 (the first bill prepared in the new accounting system.)

Criteria or specific requirement: The Water Fund is accounted for under full accrual basis of accounting and should recognize revenue when it is earned.

Effect: The Water Fund's receivables and revenues were understated as a result of how the billing and cash receipt transactions were posted based on the charge code that was utilized. The City recorded a restatement of beginning net position to correct the receivable balance and record the revenues that should have been recognized in prior years.

Cause: The City was unaware that the water revenue for this one customer was not being recorded correctly as the City was still learning how to use the new accounting system when the charge code was set up for this customer's water bills.

Recommendation: We recommend the City implement procedures to review water revenues from year to year to ensure completeness and accuracy of revenues recorded.

Views of responsible officials and planned corrective actions: The City concurs with the finding and has implemented procedures to ensure staff review the water revenues annually to ensure accuracy of revenues recorded.



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 (the City) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 17, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated June 27, 2023. 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 the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to subscription-based information technology arrangements by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Accordingly, the accounting change has been applied to the beginning of the period of adoption.

We noted no transactions entered into by the City 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 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

The following material misstatements detected by management as a result of audit procedures were corrected by management:

- Restatement of beginning net position in the water fund for revenues that should have been recorded in prior years.

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 an emphasis-of-matter to direct readers to note 17 to the financial statements regarding the restatement of net position to correct a misstatement and to Note 1 regarding the City's adoption of GASB 96, *Subscription-Based Information Technology Arrangements*.

Management representations

We have requested certain representations from management that are included in the management representation letter dated January 17, 2024.

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.

Other audit findings or issues

The following describes findings or issues arising during the audit that are, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

- During the audit we identified the following significant risk of material misstatement that has not previously been communicated to you:
 - Revenue recognition for the Water Fund.

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 schedule of expenditures of federal awards (SEFA), 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 SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated January 17, 2024.

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 January 17, 2024.

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 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.

* * *

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.



CliftonLarsonAllen LLP

Irvine, California
January 17, 2024

Revenues

Type	Original Budget FY 2022-23	Adjusted Adjusted Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
				\$	%
Sales Tax	\$ 33,600,000	\$ 36,000,000	\$ 39,980,366	\$ 3,980,366	11.1%
Transactions & Use Tax	14,200,000	14,760,000	16,807,006	2,047,006	13.9%
Utility Users Tax	6,300,000	6,300,000	8,513,512	2,213,512	35.1%
Franchise Tax	3,265,000	3,265,000	4,575,994	1,310,994	40.2%
Property Tax	4,200,000	4,200,000	5,576,625	1,376,625	32.8%
Motor Vehicle In Lieu Tax	2,266,000	2,266,000	2,507,001	241,001	10.6%
Other Taxes	1,598,000	1,637,400	1,592,552	(44,848)	-2.7%
Use of Money, Property, & Other	4,189,300	4,189,300	8,097,963	3,908,663	93.3%
Department Revenue	12,764,400	12,764,400	15,424,206	2,659,806	20.8%
Total Revenues	82,382,700	85,382,100	103,075,225	17,693,125	20.7%

Expenditures (Operating Departments)

Department/Activity	Original Budget FY 2022-23	Adjusted Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
				\$	%
General Government	\$ 4,680,800	\$ 4,680,800	\$ 4,246,571	\$ 434,229	9.3%
Finance and Admin Svcs.	7,527,600	7,586,100	6,660,626	925,474	12.2%
Police	16,305,000	16,563,500	15,406,474	1,157,026	7.0%
Fire-Rescue	22,442,400	23,019,067	21,959,703	1,059,364	4.6%
Planning and Development	3,084,300	3,384,300	3,146,527	237,773	7.0%
Public Works					
Engineering	1,753,200	1,753,200	1,705,486	47,714	2.7%
Maintenance	12,557,900	12,812,900	11,686,742	1,126,158	8.8%
Subtotal	14,311,100	14,566,100	13,392,228	1,173,872	8.1%
Community Services					
Administration	1,039,900	1,039,900	966,770	73,130	7.0%
Parks and Recreation	3,509,400	3,534,400	3,497,059	37,341	1.1%
Library & Cultural Services	2,210,800	2,210,800	1,801,563	409,237	18.5%
Family & Human Services	2,236,200	2,236,200	2,072,150	164,050	7.3%
Subtotal	8,996,300	9,021,300	8,337,542	683,758	7.6%
Overhead Recovery *	(2,148,000)	(2,148,000)	(2,206,791)	58,791	2.7%
Total Operating Expenditures	\$ 75,199,500	\$ 76,673,167	\$ 70,942,880	\$ 5,730,287	7.5%

* In the budget document, overhead recovery is included within the Finance & Admin. Services Dept.

Other Sources and Uses

Type	Original Budget FY 2022-23	Adjusted Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
				\$	%
Vehicle Acquisitions/Replacements	-	-	3,145,272	(3,145,272)	0.0%
Interfund Transfers	2,800,000	2,800,000	2,800,000	-	0.0%
Non-Recurring	1,875,900	2,527,100	1,367,011	1,160,089	45.9%
Total Vehicles/Transfers/Non-Recurring	\$ 4,675,900	\$ 5,327,100	\$ 7,312,283	\$ (1,985,183)	-37.3%
Total Before One-Time Sources/Other	\$ 2,507,300	\$ 3,381,833	\$ 24,820,062	\$ 21,438,229	-633.9%
Available Balance After One-Time Sources	\$ 2,507,300	\$ 3,381,833	\$ 24,820,062	\$ 21,438,229	633.9%
Net Increase in Available Fund Balance	\$ 2,507,300	\$ 3,381,833	\$ 24,820,062	\$ 21,438,229	633.9%

Water Fund - FY 2022-23 Budget to Actual Summary

ATTACHMENT E

Revenues						
Type	Original Budget FY 2022-23	Adjusted Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)		
				\$	%	
Metered Water Sales	\$ 16,900,000	\$ 16,900,000	\$ 15,270,066	\$ (1,629,934)	-9.6%	
Interest	55,000	55,000	200,481	145,481	264.5%	
Other	11,100	11,100	64,803	53,703	483.8%	
Total Revenues	16,966,100	16,966,100	15,535,350	(1,430,750)	-8.4%	

Department/Activity	Original Budget FY 2022-23	Adjusted Budget	Actual	Variance: Actual vs. Final Favorable / (Unfavorable)	
				\$	%
Administration	\$ 1,577,900	\$ 1,577,900	\$ 1,510,002	\$ 67,898	4.3%
Purchases	8,131,500	8,131,500	6,471,303	1,660,197	20.4%
Billing and Collection	1,525,200	1,525,200	1,381,275	143,925	9.4%
Backflow	393,600	393,600	380,847	12,753	3.2%
Distribution System Maintenance	1,795,300	1,795,300	1,723,716	71,584	4.0%
Production Facilities Maintenance	1,234,200	1,234,200	1,055,406	178,794	14.5%
Debt Service	493,600	493,600	313,568	180,032	36.5%
Interfund Transfers	1,376,300	1,376,300	1,794,664	(418,364)	-30.4%
Total Operating Expenditures	\$ 16,527,600	\$ 16,527,600	\$ 14,630,781	\$ 1,896,819	11.5%
Available Before One-Time Transfer	\$ 438,500	\$ 438,500	\$ 904,569	\$ 466,069	106.3%
Transfer to Water CIP	438,500	438,500	438,500	\$ 2,387,687	544.5%
Net Increase in Available Fund Balance	\$ -	\$ -	\$ 466,069	\$ 466,069	NA



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Wayne M. Morrell, Director of Planning
James Enriquez, Director of Public Works

SUBJECT: BUILDING PLAN CHECK AND INSPECTION SERVICES – AWARD OF CONTRACT TO TRANSTECH ENGINEERING, INC.

DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Accept the proposal from and award a contract to Transtech Engineering, Inc. (Transtech) for Building Plan Check and Inspection Services; and
- 2) Take such additional, related action that may be desirable.

FISCAL IMPACT

The annual cost of the contract with Transtech Engineering, Inc. will be recovered from a portion of the fees charged for plan check and building permit issuance. The remainder of the fees will be used to pay for the City's staffing and administrative costs to manage the Building & Safety Department and program.

The negotiated fee to be paid for the services to Transtech is structured as follows:

- Plan Check Services: 60% of fees collected (\$0 to \$250,000 monthly fees collected); 57% (\$250,001 to \$350,000); and 52% (\$350,001 and above)
- Staff Augmentation: Billed at the hourly rates listed in the Schedule of Hourly Rates (Exhibit B of the Agreement). The level of staffing can be adjusted to meet trends in workload and will be monitored at a minimum quarterly to ensure the fees collected is covering consultant costs and City costs combined. Staff augmentation

includes office staffing, inspections and other special assignments related to the Building and Safety Department.

BACKGROUND

The City Council, at their meeting of November 7, 2023, authorized the Director of Planning to advertise a Request for Proposals (RFP) for Building Plan Check and Inspection Services. On November 8, 2023, the RFP was posted on the City's website and sent electronically to qualified firms that provide building plan check and inspection services. The original deadline for submitting proposals was December 8, 2023. The deadline for submitting proposals was subsequently extended to December 12, 2024.

The City received proposals from the following eight firms:

Company	City Location
1. 4Leaf, Inc.	5140 Birch Street, 2 nd Floor, Newport Beach, CA 92660
2. Bureau Veritas	600 North Rosemead Blvd., Suite 233, Pasadena, CA 91107
3. CSG Consultants, Inc.	3707 West Garden Grove Blvd., Suite 100, Orange CA 92868
4. VCA Code	1845 West Orangewood Ave., Suite 210 Orange CA 92868
5. WC3	2124 South El Camino Real, Suite 201, Oceanside, CA 92054
6. TRB+Associates	4182 North Viking Way, Suite 204, Long Beach, CA 90808
7. JLee Associates	430 South Ave., Suite 301, Alhambra, CA 91801
8. Transtech Engineering, Inc.	13367 Benson Ave., Chino, CA 91710

The eight proposals were evaluated based on several criteria, including understanding of the scope of work to be performed, consultant's methods and procedures to be used, management, personnel and experiences, consultant's consultation and coordination with City and cost estimates. Four of the eight firms (4Leaf, Inc., Bureau Veritas, CSG Consultants, Inc., and Transtech Engineering, Inc.) were selected to participate in the interview process. The initial evaluation team consisted of four staff members from the City of Santa Fe Springs' Planning and Public Works Departments.

The interview process with the four selected firms was in person and held on January 11, 2024 at the City Town Center Hall. The interview panel consisted of five staff members from the City Manager's Office and the Planning and Public Works Departments as well as one guest from the Santa Fe Springs business community. The firms were evaluated based on their responses to the following questions/topics:

1. Their approach for a plan to transition from Los Angeles County services.
2. Staffing plan (on site and/or remote) based on available information regarding the City's Building & Safety workload and current staffing levels.
3. Resources available to handle expedited plan reviews, extraordinary peaks in workload, and the review of large or complex projects.
4. Experience with plan review, permitting and inspection for projects involving active and abandoned oil wells (with the associated contamination potential) and within methane hazard zones.

5. The firm's experience and resources available for plan review, permitting and inspection of all aspects of private construction projects including, but not limited to: 1) Building plan check; 2) Grading and drainage; 3) Low Impact Development/BMPs; 4) Utility improvements; 5) Off-site roadway right-of-way improvements; and 6) Subdivision/parcel maps and related documents.
6. The firm's experience with building code updates and interpretations.
7. The firm's experience with implementing paperless plan checking.

Interview Scores

	Name of Firm			
	Bureau Veritas	CSG Consultants	4Leaf	Transtech Eng.
Total Score:	453	353	521	563

LEGAL REVIEW

The City Attorney’s office has reviewed the Professional Services Agreement.

ANALYSIS

After almost seven decades of the City exclusively contracting with the County for plan check and inspection services, the City, through an RFP process is replacing the County with a private firm. The transition to a contracted service is recommended to increase local control of these services in order to ensure excellent customer service and flexibility in processing applications for residential and commercial building permits and ensuring the efficiency of the process. Contracted services also provide flexibility to adjust resources to meet the ebb and flow of the unpredictable volume of permit applications.

Through this RFP process, the City has selected Transtech Engineering, Inc., a firm that the City believes has a proven track record in providing plan check and inspection services that are customer-service focused, modern, flexible and efficient. The recommended Agreement is for an initial term of three years with two one-year renewal options.

ENVIRONMENTAL

N/A

DISCUSSION:

N/A

SUMMARY/NEXT STEPS

Upon approval of the City Council of the recommended actions, it is anticipated that the transition from the County to Transtech will take approximately thirty days. This is mainly due to Transtech having facilitated several transactions for local agencies of their building and safety operations from other service providers, including the County. Notwithstanding, it is anticipated that there will be some overlap, because the City's contract with the County ends June 30, 2024.

ATTACHMENT(S)

1. Attachment A – Professional Services Agreement

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

**CITY OF SANTA FE SPRINGS
PROFESSIONAL SERVICES AGREEMENT
WITH
TRANSTECH ENGINEERS, INC.**

This Professional Services Agreement (“Agreement”) is made and effective as of February 7, 2024 (“Effective Date”), by and between the City of Santa Fe Springs, a California municipal corporation, (“City”) and Transtech Engineers, Inc., a California corporation (“Consultant”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on the Effective Date and shall remain and continue in effect for a term of three years, unless sooner terminated pursuant to the provisions of this Agreement. The term may be extended for up to two additional one-year periods by an amendment to this Agreement signed by both parties.

2. SERVICES

Consultant shall perform the services described and set forth in the Consultant’s Proposal, attached hereto as Exhibit A incorporated herein as though set forth in full (“Services”). To the extent that Exhibit A contains provisions inconsistent with this Agreement, the provisions of this Agreement shall govern. The amount of Services shall be as set forth in writing to the Consultant by the Director of Public Works or designee, and acknowledged in writing by the Consultant, and may be amended from time to time without amendment to this Agreement.

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of Consultant’s ability, experience, and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant under this Agreement.

4. CITY MANAGEMENT

The City Manager or designee shall represent the City in all matters pertaining to the administration of this Agreement, including review and approval of all products submitted by Consultant.

5. PAYMENT

- A. City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, attached hereto and

incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks.

- B. Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager or designee. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to in writing by the City and Consultant at the time the City's written authorization is given to Consultant for the performance of said services.
- C. Consultant will submit invoices monthly for actual Services performed. Consultant agrees to participate in the City's Electronic Funds Transfer program and to receive electronic payments for the Services. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's Services or fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within forty-five (45) days of receipt of an invoice therefor.

6. TERMINATION OF AGREEMENT WITHOUT CAUSE

- A. The City may at any time, for any reason, without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon Consultant at least ten (10) days' prior written notice. Upon receipt of said notice, Consultant shall immediately cease all Services under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement.
- B. In the event this Agreement is terminated pursuant to this section, the City shall pay to Consultant the actual value of the Services performed up to the time of termination, unless the City disputes any of the Services performed or fees. Upon termination of the Agreement pursuant to this section, Consultant will submit an invoice to the City pursuant to Section 5.

7. DEFAULT OF CONSULTANT

If the City determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, the City shall serve Consultant a written notice of the default. Consultant shall have seven (7) days after service of said notice to cure the default. In the event that Consultant fails to cure the default within such period of time or fails to present the City with a written plan for the diligent cure of default if such default cannot be cured within seven days, the City 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. Consultant shall be responsible for costs incurred by the City

due to Consultant's failure to comply with this section. The City shall have the right to offset against the amount of any fees due to Consultant any costs incurred by the City as a result of Consultant's default.

8. OWNERSHIP OF DOCUMENTS

- A. Consultant shall maintain complete and accurate records with respect to tasks, costs, expenses, receipts, and other such information required by the City that relate to the performance of Services under this Agreement. Consultant shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of the City or its designees at reasonable times to such books and records; shall give the City the right to examine and audit said books and records; shall permit the City to make transcripts or copies therefrom as necessary; and shall allow inspection of all Services, 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 or suspension 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 shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to the City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the Services under this Agreement.

9. INDEMNIFICATION AND DEFENSE

To the fullest extent permitted by law, Consultant shall indemnify, defend, and hold harmless the City and any and all of its officials, employees, agents, and volunteers ("Indemnified Parties"), at Consultant's sole expense, from and against any and all claims, losses, liabilities, damages, costs, and expenses, including attorney's fees and costs, to the extent they arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant. Consultant's duty to defend shall consist of reimbursement of defense costs incurred by the City in direct proportion to the Consultant's proportionate percentage of fault. Consultant's percentage of fault, for both indemnity and defense, shall be determined, as applicable, by a court of law, jury, or arbitrator. In the event any loss, liability, or damage is incurred by way of settlement or resolution without a

court, jury or arbitrator having made a determination of the Consultant's percentage of fault, and the parties cannot mutually agree on Consultant's percentage of fault, the parties agree to mediation with a neutral third-party to determine the Consultant's proportionate percentage of fault for purposes of determining the amount of indemnity and defense cost reimbursement owed to City.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and made a part of this Agreement.

11. INDEPENDENT CONTRACTOR

- A. Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither the City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.
- B. No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, the City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for the City. The City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder. 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 the City harmless from any and all taxes, assessments, penalties, and interest asserted against the City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold the City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. The City shall have the right to offset against the amount of any fees due to Consultant under this Agreement as a result of Consultant's failure to promptly pay to the City any reimbursement or indemnification arising under this paragraph.

- C. In the event that Consultant or any employee, agent, or subconsultant of Consultant providing Services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (CalPERS) to be eligible for enrollment in CalPERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless the City for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Consultant or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the City.
- D. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants 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 the City, including but not limited to eligibility to enroll in CalPERS as an employee of the City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for CalPERS benefits.

12. LEGAL RESPONSIBILITIES

Consultant 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 Services pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws and regulations. The City and its officials, officers, employees, and agents, shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with this Agreement or any Services to be conducted as a result of this Agreement. Violation of this section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO CITY EMPLOYEES

No member, officer, or employee of the City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services 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 Services to be performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- A. All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without the City's prior written authorization, unless the information is clearly public. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or designee, or unless requested by the City's attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the Services performed under this Agreement or relating to the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives the City notice of such court order or subpoena.

- B. Consultant shall promptly notify the City should Consultant, its officers, employees, agents, and/or subconsultants be served with any summons, complaint, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the Services performed hereunder or with respect to any project or property located within the City, unless the City is a party to any lawsuit, arbitration, or administrative proceeding connected to such Discovery, or unless Consultant is prohibited by law from informing the City of such Discovery. The City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless the City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, the City's right to review any such response does not imply or mean the right by the City to control, direct, or rewrite said response, or that the City has an obligation to review any such response or verifies any response it has reviewed.

16. 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 (i) personal service, (ii) 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 (iii) mail by the United States Postal Service, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To the City:

City of Santa Fe Springs
11710 E. Telegraph Road
Santa Fe Springs, CA 90670
Attention: Public Works Director

To Consultant: Transtech Engineers, Inc.
13637 Benson Avenue
Chino, CA 91710
Attention: Ayla Jefferson, CBO

17. ASSIGNMENT

Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide the City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying the City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect all licenses required of it by law for the performance of the Services described in this Agreement.

19. GOVERNING LAW

The City and Consultant 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 municipal, superior, or federal district court with jurisdiction over the City.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement shall be of no further force or effect. Each party is 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.

21. AMENDMENTS

Any amendments to this Agreement must be in writing and executed by the parties hereto, or their respective successors and assigns, in order to be valid.

22. NON-EXCLUSIVE AGREEMENT

Consultant acknowledges that the 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.

23. 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.

24. CONSTRUCTION

The parties hereto 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.

25. WAIVER

The delay or failure of any 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.

26. 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.

27. 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.

28. AUTHORITY TO EXECUTE THIS AGREEMENT

The persons executing this Agreement on behalf of the parties warrants and represents that they have the authority to execute this Agreement on behalf of said parties and has the authority to bind the parties to the provisions of this Agreement.

29. ELECTRONIC SIGNATURES

The parties acknowledge and agree that execution of this Agreement by electronic signatures or electronic transmittal of signatures are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

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

[If Consultant is a corporation, two signatures are required: Signature 1 – the Chairperson of the Board, the President, or any Vice President; Signature 2 – the Secretary, any Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer (Corp. Code § 313).]

CITY OF SANTA FE SPRINGS

CONSULTANT

Jay Sarno, Mayor

Date: _____

Name: _____

Title: _____

Date: _____

ATTEST:

CONSULTANT

Fernando Muñoz, Deputy City Clerk

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

Ivy M. Tsai, City Attorney

Attachments: Exhibit A Consultant's Proposal
 Exhibit B Fee Schedule
 Exhibit C Insurance Requirements

EXHIBIT A
CONSULTANT'S PROPOSAL

Submitted To
City of SANTA FE SPRINGS

Planning Department

11710 Telegraph Road
Santa Fe Springs, CA 90670

Attn: Wayne M. Morrell
Director of Planning

Submittal requirements:

- Due Date: 5:00 p.m. December 12, 2023
(per 12-5-23 Email from City, submittal date extended
from 12-8-23 to 12-12-23)
- 1 Original, 3 Copies, 1 pdf electronic on thumb drive



Technical Proposal
BUILDING
PLAN CHECK &
INSPECTION
SERVICES



TRANSTECH

www.transtech.org
855.595.2495 (toll-free)

Submitted By
TRANSTECH Engineers, Inc.

Contact Person for this Proposal:

Ayla Jefferson, CBO
Principal Building Official
E: ayla.jefferson@transtech.org; C: 909-851-5765



December 12, 2023

(per 12-5-23 Email from City, submittal date extended from 12-8-23 to 12-12-23)

City of SANTA FE SPRINGS
Planning Department
11710 Telegraph Road
Santa Fe Springs, CA 90670

Attn: Wayne M. Morrell, Director of Planning

Proposal, BUILDING PLAN CHECK & INSPECTION SERVICES

Dear Mr. Morrell:

Transtech is pleased to submit this Proposal for the subject services. This Cover Letter provides an executive summary of our proposal and qualifications. As required, we limited the Cover Letter / Executive Summary to 5 pages.

Company Profile:

Established in 1989, Transtech (a California Corporation) is a **multi-disciplinary engineering consulting** firm. Transtech has been **in business for over 34 years** and provides **municipal services to approximately 75 public agencies**.

Our **multi-disciplinary** service capabilities include:

- Building & Safety Services, Building Official, Building Inspection, Plan Check, Building Code Enforcement
- Civil Engineering
- Staff Augmentation
- CIP Program Management
- Construction Management and Inspection
- Federally Funded Project Management
- Grant Writing
- CDBG Project Management
- City Engineer, City Traffic Engineer, Development Review, Public Works Engineering, Plan Check, Inspection
- Labor Compliance
- Planning Support
- Traffic and Transportation Planning and Eng
- Water Resources Engineering
- Surveying, Mapping, ALTA, Right-of-way Eng
- Emergency, Support Services

One of the unique qualifications of Transtech is that we serve public agencies as municipal contract service providers. We serve as **Building Official, Building Plans Examiner, Building Inspector, Permit Technician, Building Code Enforcement**, City Engineer, City Traffic Engineer, Map/Plan Checker, Public Works/Permit Inspector, CIP Manager, Construction Manager, Construction Inspector, Designer, Federally Funded Project Manager and in other capacities for a number of public agencies.

Building and Safety Services:

- ✓ Transtech is currently **providing municipal services to over 75 public agencies**, including **Building and Safety Services to several agencies**.

Transtech's Plan Check and Inspection Capacity in numbers:

- We maintain and manage **electronic plan submittal portals for over 25 cities**.
- In 2023, we **processed and reviewed approximately 11,000 projects with 76,000 documents** and **performed approximately 52,000 inspections**.

December 8, 2023

City of SANTA FE SPRINGS
Planning Department
ATTN: Wayne M. Morrell, Director of Planning

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Innovative and Advanced Technology:

Transtech has integrated many technological assets into its services to provide the most efficient and cost-effective service possible. We provide fully automated electronic plan submittal, plan checking, and tracking. We provide this on our company portal, as well as offer same portal access to our client cities on their web sites.

Electronic Plan Check:

Transtech provides all Electronic Plan Check. Please [click here](#) for a sample of our electronic plan check portal at one of our contract Cities. We offer electronic plan check submittal portal to our client cities at no additional cost.

Virtual Counter:

We offer virtual meetings with plan checkers. Please [click here](#) to explore the virtual plan check counter appointment calendar for one of the Cities,

Transtech's unique "Customer Care" approach in delivering Building and Safety Services in an efficient, cost-effective, and timely manner:

- Transtech is well known in providing **Cost Effective Services on time** with a **customer friendly and responsive** approach. Our services are founded on the principles of **Total Quality Management** for **Total Customer Care**.
- **We start** by working with the applicant **early on and during plan review** to help them prepare a set of plans which have all of the required information clearly and logically presented.
- Additionally, we never hesitate to make suggestions which help eliminate complicated details, reduce **construction costs, and/or provide details which are easy to verify in the field**. Experience has taught us well that inspection time and applicant frustration can both be substantially reduced, while increasing overall compliance, by producing a better set of plans during the plan review process. And in the case of homeowners, **this policy often demonstrates early on that the City really is truly a partner in a process that can often be a source of stress and tension for many applicants, and we fully understand that**.
- This policy reduces the number of plan review rechecks required, **allows the applicant to obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan.
- Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps **eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field**.
- All telephone calls or e-mails received are returned within the same working day, or the following day. We take pride in our **"Same Day Response"** motto.
- **Responsiveness is an integral part** of Transtech's "customer friendly" service approach.
- We will strive to **enhance the City's image by public trust** to be the most desirable community to live, invest and conduct business.

Quick Turn Around Time and Expedited Services / Expedited/Off-Business Hours/Weekend Services:

Transtech will provide plan checks on a quick turn-around schedule. Transtech also provides expedited service when requested. If the City receives a request from applicants for expedited plan check services, Transtech staff will provide additional resources to accommodate such a request. If the City requests inspection services, Transtech staff will provide additional resources to accommodate inspection requests during off business hours and weekends.

December 8, 2023

City of SANTA FE SPRINGS
Planning Department
ATTN: Wayne M. Morrell, Director of Planning

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Our staff members are involved in many local and national International Code Council (ICC) and California Building Officials (CALBO) committees, and are involved in the development of local and national guidelines and codes for Building and Safety:

- Chair; ICC Sustainability Membership Council
- Chair; ICC LA Basin Chapter Inspection Committee
- Commissioner; ICC Codes & Standards Council
- Commissioner; CALBO Green Committee
- Commissioner; ICC/CALBO CA Exam Committee
- Commissioner; CALBO Outreach/Communications Committee
- ICC Los Angeles Basin Chapter Board of Directors
- ICC Building Officials Membership Governing Council
- ICC Code Development Committee Vice Chair
- ICC Technology/Web Advisory Group
- IAS Accreditation Committee
- ICC LA Chapter Accessibility Committee
- Commissioner; CALBO State Licensing Boards Committee

Service Transition:

Transtech has facilitated several transitions for local agencies of their building and safety operations from other services providers. We do not see a need for an extensive overlapping work period with the current service provider. Our staff has done similar transitions before and can handle any open issues remaining from the current service provider. The “overlapping work period” would only increase the City’s cost on staff time. Our expectation is to review the project files and address status of current/open plan checks, projects, and priority issues for transition.

Initial Service Analysis:

If selected by the City, within approximately 30 days of contract approval, Transtech will complete a thorough review of existing City policies, ordinances, and conditions pertaining to relevant services, and perform an operational, service and quality assessment, and efficiency review. Based on this review, we will provide recommendations for improvements in service quality, efficiency, and effectiveness. We will develop an implementation process and timetable and present a report to the City for review and consideration.

Performance Standards and Monitoring:

Transtech will also develop and provide to the City monitoring information that shows achievement of the performance standards, and that personnel are providing helpful and courteous service to customers. The monitoring may include, but is not limited to, customer feedback through written questionnaires, interviews, and observations at the building counter and during building permit inspections and statistical reports.

Readily Available Staff:

Transtech has a **large pool of well experienced staff and resources readily available** to provide requested services, and **respond to requests in a timely, efficient, and cost-effective manner**. Our staff and resources include **approximately 200**, including **building officials, plan checkers, inspectors, permit technicians**, engineers, project managers, designers, plan checkers, inspectors, construction managers, traffic and transportation analysts, technicians, support personnel.

Training Program:

We offer any City staff, who are involved in inspection, plan check and permit issuance, an option to participate in our training program for code updates and process, as well as ICC certification training.

December 8, 2023

City of SANTA FE SPRINGS
Planning Department
ATTN: Wayne M. Morrell, Director of Planning

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Employment Opportunities for Local Residents:

If the City selects Transtech, we will seek applicants from local residents for employment possibilities at our firm and offer training for various administrative and technical support positions.

Community Involvement:

We are proud to support civic and community activities, which demonstrates our commitment to the progress, health, and well-being of the communities we serve. In services and partnership with our client cities, we have a proven record of active engagement in City and Community events, programs, causes, and initiatives. Our goal is not just to serve as an engineering consultant which is what we are best at, but activity partnering with our clients, to further enhance the City's reputation as an ideal community to live, invest, work, and play in. The Transtech Team is very passionate about giving back, especially through youth empowerment and workshops to encourage middle school and high school students to pursue higher education and to get involved in STEM related fields, like engineering. Several of our team members have been involved in various organizations and spoke at countless events to encourage the youth and young women in particular to pursue Engineering in both their academic and career paths. We are proud to have founded an annual Transtech Engineers Scholarship Program awarded during the fall semester to Cal Poly Pomona students. The scholarship awards five students each based on their GPA and grade level. We partnered with Cal Poly Pomona to start this annual scholarship with the Civil Engineering Program at the university. Following are some of the CBE programs we have been proud to be part of:

- ✓ Embracing Latina Leadership Alliances (ELLAS)
- ✓ STEM Workshop at The Annual Geranium Festival & Artwork
- ✓ Cal Poly Pomona's Transtech Engineers Scholarship Program
- ✓ High School Enlistee Recognition Ceremony Through "Our Community Salutes"
- ✓ Girls Leadership & Mentoring (GLAM) Workshop at Magnolia Science Academy
- ✓ STEM Workshop at The Annual Geranium Festival & Artwork

Experience in working in Communities with Spanish speaking residents:

Transtech provides services to various communities with Spanish speaking residents. We have several staff members who speak Spanish.

We believe our team is well qualified to perform the services requested:

We have extensive experience working with Public Agencies in similar assignments. We are accustomed to working with governmental agencies, and have a good understanding of public agency issues, procedures, and policies.

- ✓ Successfully providing **similar services to many agencies** for over 33 years.
- ✓ Proven track record in **on time** and **within budget** project delivery.
- ✓ **Multi-disciplinary** engineering consulting service capabilities to provide an array of municipal services.
- ✓ Ability to **work collaboratively** with agencies, project applicants, and other stake holders, and **communicate effectively** with diverse audiences and stakeholders at public forums.
- ✓ Committed to producing a **high-quality work product and deliver a high level of customer care.**
- ✓ Commitment of **principal level management** and involvement throughout the contract duration.
- ✓ Well experienced **in-house staff readily available** to commence with the services upon City's authorization.

December 8, 2023

City of SANTA FE SPRINGS
Planning Department
ATTN: Wayne M. Morrell, Director of Planning

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Transtech shares the City's commitment and strive on delivering a top-quality customer experience to the communities we serve through innovation and responsiveness, with integrity, flexibility, and professionalism. **We strive to push the envelope beyond bureaucracy who think outside the box and who provide excellent customer service.**

Thank you for the opportunity to submit this proposal.

Should you have any questions, or require additional information, please contact us.

Sincerely



Ayla Jefferson, CBO, CSP, Principal Building Official
E: ayla.jefferson@transtech.org
C: 909-851-5765, O: 909-595-8599



Dennis Tarango, CBO, CSP, Principal Building Official
E: dennis.tarango@transtech.org
C: 909-821-7117, O: 909-595-8599

Transtech reviewed City's responses to questions issued on 11/15/23 and 11/27/23.

Request for Proposal-Questions and Answers
Updated 11/15/2023
Updated 11/27/2023

Transtech also received 12-5-23 Email from City extending the proposal submittal date extending from 12-8-23 to 12-12-23

Our proposal is submitted in the format specified in RFP Section titled “VII. REQUIRED FORMAT FOR RFP SUBMITTAL”

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Section 1: Approach and Scope of Work

1.1 Project Understanding

The City of Santa Fe Springs ("City") is soliciting proposals from qualified firms to provide building plan check and inspection services.

The City is committed to providing the most efficient and timely customer service possible to meet the needs of the community. The selected firm(s) will be expected to provide excellent front-line customer service to the City's residents, businesses, and visitors by responding quickly and effectively to walk-ins and telephone and electronic inquiries of the public related to services. The selected firm(s) may also be required to develop, establish or recommend City policies and procedures to maintain or improve City's Building and Safety operations. The selected firm(s) will be expected to work closely with all City departments and ensure that appropriate requirements of those departments are incorporated in the standards and processes.

Transtech Comment:

- *Transtech is well known in providing **Cost Effective Services on time** with a **customer friendly and responsive approach**. Our services are founded on the principles of **Total Quality Management for Total Customer Care**.*
- *All telephone calls or e-mails received are returned within the same working day, or the following day. We take pride in our **"Same Day Response"** motto.*
- ***Responsiveness is an integral part** of Transtech's "customer friendly" service approach.*
- *We will strive to **enhance the City's image by public trust** to be the most desirable community to live, invest and conduct business.*

Historically, the City has contracted with Los Angeles County for comprehensive building plan check and inspection services. Pursuant to the terms of the agreement, the City provides an office area, within the Planning Department at City Hall to the County for its administration of the functions of the Building and Safety Division.

The computers used for plan checks are County issued and there is no connectivity between the County's computers and the City's computers. Mechanical, Electrical, Plumbing (MEP), and Grading plan checks are done at the County's main office in the City of Alhambra. For

The Building and Safety Division has two part-time plan check engineers and a full-time building inspector. The engineers use Bluebeam for plan checks. On Wednesdays, a building inspector assists with inspections. City staff, consisting of a Building Permit Technician I I, and a Planning Program Assistant, supplemented by an Administrative Assistant, is responsible for the issuance of permits and the processing and collecting of all plan check and inspection fees. The City is in the process of hiring a Building Permit Technician I and a Building Permit Technician II.

Permit Viewer:

Applicants can view open permits or research permits that have been issued commencing from September 2009 to present, for properties located within the City, by visiting: <http://dpw.lacounty.gov/bsd/bpv/>. For permits issued prior to September 2009 a visit to the Building Department, during public counter hours, is necessary.

Counter Hours:

The Building Department public counter is open between 7:30 a.m. to 11:30 a.m. and 2:00 p.m. to 4:30 p.m. Mondays through Thursdays. City Hall is closed every Friday. The Plan Check Engineers are available during the counter hours of 8:30 a.m. - 11:30 a.m. The building inspector is available from 7:30 - 8:30 a.m. to answer questions; thereafter, he is out in the field conducting inspections. After his inspections, he returns to the office to do paperwork in preparation for the next day. The building inspector conducts inspections on Fridays, although City Hall is closed. Plan checks also occurs remotely, on Fridays.

Building Plan Check Submittal Process:

Similar to other cities, COVID-19 dramatically impacted the City's plan check submittal process. Prior to COVID-19, the majority of plan checks were in person and paper plans were the norm. Since COVID-19, the City has migrated to a digital plan check submittal process, though there is the occasional paper submittal. It is important to note that other City departments, including the Fire Department, has not yet instituted an electronic plan check process.

The following explains the City's plan check process:

- **Digital plan check submittal packages format:** Applicant submits a **building permit application**, both sides completed, with full description of scope of work and valuation specified, in a single PDF file.
- **The single pdf file** shall include both architectural and structural sheets. The sheets shall be in order, in a horizontal direction, right side up, and the file "**unlocked and unsecured**".
- If deemed necessary by the Project Planner or the Plan Check Engineer, a **separate single pdf file** of the Electrical, Mechanical, and Plumbing plans, may be required.
- If deemed necessary by the Plan Check Engineer, an unlocked single pdf copy of the **structural calculations, energy calculations, and soils reports, cutsheets, ICC or City of LA research reports, product information sheet etc.**, maybe required.
- PDF files shall be clearly named (labeled) (i.e., 11710 Telegraph Road-rack calculations). Any incomplete submittal packages not following directions shall not be accepted for screening and may cause further delays. All submittal packages may be sent via "Dropbox", "WeTransfer", or by emailing attachments that contain all the requested material or any other approved similar means. Multiple emails, I-clouds, or Google drive are not acceptable means.

Transtech Comment:

- *Transtech has integrated many technological assets into its services to provide the most efficient and cost-effective service possible. We provide fully automated electronic plan submittal, plan checking, and tracking. We provide this on our company portal, as well as offer same portal access to our client cities on their web sites.*
- *Please [click here](#) for a sample of our electronic plan check portal at one of our contract Cities. We offer electronic plan check submittal portal to our client cities at no additional cost.*
- *Please [click here](#) to explore the virtual plan check counter appointment calendar for one of the Cities,*

PLAN REVIEW-PLANNING DEPARTMENT REVIEW

1. A digital copy of the proposed plans (plan may also be submitted via Box.com) is submitted, via e-mail to: teresacavallo@santafesprings.org.
2. Within 2-3 business days, a project planner from the Planning Department will be assigned to review the architectural plans for compliance with the City's Zoning Ordinance.
3. The project planner will either provide the applicant with corrections or authorize the plans for submittal to the Building Department for plan check. If corrections are required, the applicant will need to revise the plans prior to submittal for Building Plan check. The typical turnaround for Planning review is 1-2 weeks.
4. Revisions must be resubmitted by e-mail. For rechecks, the revised plan check package, the original marked plan check package, and all corrections list must be resubmitted digitally.
5. Before the plans are approved or otherwise authorized for plan check submittal by Planning, the applicant will need to provide the project planner with a completed building permit application.
6. Once the project planner has confirmed that the architectural plans comply with all applicable Zoning Ordinance requirements, the project planner will then forward the proposed plans and completed building permit application to the Building Department for their review.

PLAN REVIEW-BUILDING DEPARTMENT REVIEW

1. The Building Plan Check Engineer reviews the plan check package for completeness.
2. Once the plan check package is deemed complete, building staff will process the application(s) and contact the applicant to obtain payment. Once payment is received, the applicant will be provided with

an agency referral sheet, which advises the applicant on what other agency clearances are required prior to the issuance of any permits. If corrections are required, the Plan Check Engineer will contact the applicant via e-mail.

3. If deemed necessary by the Building Department, additional plans must be submitted to various agencies, including the Department of Fire-Rescue at 11300 Greenstone Avenue, for Fire Plan check.
4. Revisions must be resubmitted by e-mail. For rechecks, the revised plan check package, the original marked plan check package, and all correction lists must be resubmitted digitally.
5. Once all comments and corrections issued by the Building Department have been satisfied, the Building Department will provide their respective approval. If Planning has not already provided their approval on the plans, the project planner will provide an approval stamp following Building Department approval.
6. Once all required approvals have been obtained from the various departments and agencies, Building Department staff will contact the applicant to make arrangements for pulling permits. Once permits are issued, construction may begin.
7. The Building Inspector inspects the construction progress until project completion.

Transtech Comment:

- We start by **working with the applicant early on** and during plan review to help them prepare a set of plans which have all of the required information clearly and logically presented.
- Additionally, we never hesitate to make suggestions which help eliminate complicated details, **reduce construction costs, and/or provide details which are easy to verify in the field**. Experience has taught us well that inspection time and applicant frustration can both be substantially reduced, while increasing overall compliance, by producing a better set of plans during the plan review process. And in the case of homeowners, **this policy often demonstrates early on that the City really is truly a partner in a process that can often be a source of stress and tension for many applicants, and we fully understand that.**
- This policy reduces the number of plan review rechecks required, **allows the applicant to obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan.
- Transtech provides all plan check **comments on electronic files**. All plan check comments are provided on pdf format electronically, **as well as hard copies**. Plan review corrections are written clearly and are **fully detailed to explain the Code deficiency**.
- To help the applicant better understand the problem, Transtech provides as much information during plan review as possible. We believe that if the applicant has a **clear understanding of the problem**, he or she can take the necessary steps to correct the condition. This policy reduces the number of plan review rechecks required, allows the applicant to **obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan. Unclear and/or cryptic corrections are never written, and all correction lists, except those written over the counter, are typed and printed on a laser printer.
- Our plan checkers **confer early on and respond to questions** from the architect, engineer, designer, applicant, etc. When requested, our plan checkers also meet with the architect, engineer, designer, applicant, etc. at our offices to answer questions or for rechecks where the plan corrections.
- Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps **eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field**.

1.2 Scope of Work

The following is an outline of the anticipated scope of services to be provided:

- a. Serve as City's Contract Building Official, and provide necessary staffing for Plan Check, Inspection, and Building/Code Enforcement.
- b. Review plans and specifications relating to grading, drainage, electrical, * plumbing, mechanical, energy conservation**, access compliance, green building standards, and BMPs*** to confirm compliance with applicable Codes and amendments adopted by the City.

* NOTE: Because most of the City is within a Methane Zone, familiarity with Chapter 5 of the LA County Electrical Code, Class I, Division 1 and 2; Class 11, Divisions 1 and 2; and Class II, Divisions 1 and 2, is imperative.

Transtech Comment:

- *Transtech is familiar with the subject codes. Several Cities where Transtech serves as Building Department*

have similar conditions (to name a few: Commerce, Carson, Monterey Park, Montebello)

** NOTE: Familiarity with the Home Energy Rating System (HERS) process is imperative.

Transtech Comment:

- *Transtech is familiar with the subject rating system. All Cities where Transtech serves as Building Department have similar HERS process.*

*** NOTE: Familiarity with Best Management Practices (BMPs) is imperative, including inspections of grading sites before and after a rain event to ensure erosion plans are in place and working.

Transtech Comment:

- *Transtech is familiar with BMPs and provide site erosion control inspections, and provides these services to several agencies as part of its Building and Safety Contracts.*

- c. Manage the building inspection function related to grading*, structural, plumbing, electrical and mechanical standards, and other building site issues, ensuring compliance with all applicable codes and regulations.
 - * NOTE: Pre-grading meetings are required.
- d. Review submitted plans for planning or zoning review prior to the plan check process. This may include conceptual or preliminary plans, architectural plans, site plans, and preliminary grading plans.
- e. Respond to and resolve inquiries from the public and contractors regarding complaints, codes and other issues with projects, virtually, over the phone, at the counter and via emails.
- f. Monitor trends, legislation, and standard practices and advise the City on appropriate codes, policies, procedures, and practices to adopt.
- g. Prepare and process updates to the building code and related codes every three years or as otherwise required. Prepare ordinances, staff reports, and related supporting documents and attend public meetings.
- h. Assist City staff with data gathering and preparation of reports as required by State law, including, but not limited to reports for the Los Angeles County Congestion Management Program, Low Impact Development, AB 1881, and the state Department of Housing and Community Development.
- i. Implement and maintain awareness of other City codes that overlap with building and safety, including but not limited to property maintenance and zoning codes.
- j. Prepare, implement, and enforce policies and procedures. Provide recommendations and assist with implementation of new procedures as required in response to new legislation (e.g., accessory dwelling units, online solar system and electric vehicle charger permits).
- k. Review proposed grading, drainage, and improvement plans for private development.
- l. Inspect onsite sewer mains, storm drains, driveways, and other facilities under construction.
- m. Recommend conditions of approval for proposed development projects.
- n. Enforce compliance with building and safety codes, including housing codes and ordinances in existing buildings, and arrange reviews and coordinate enforcement by other agencies or City staff as necessary.
- o. Oversee final inspection for construction projects at completion for issuance of certificate of occupancy.
- p. Implement and administer permit-tracking system, building inspection records maintenance, and plans status. Prepare monthly and annually reports on service activities.
- q. Make presentations to the City Council, commissions and other groups; explain division policies to the public, developers and builders.
- r. Advise the City Manager and Director of Planning, and other division heads on building services activities.
- s. Prepare building and safety code violations cases for submittal to the City Attorney's office and testify as an expert witness in court cases involving property maintenance issues and code violation issues.
- t. Investigate residential, commercial, and industrial Code violations, by inspecting sites, meeting with owners/tenants to verify accuracy of complaints, and determining corrective actions to be taken.

- u. In the event of a local, regional or national emergency of disaster, personnel shall be accessible, available and prepared to provide Building and Safety services as directed by the City, including reporting to the City's Emergency Operations Center.
- v. Personnel shall also be available for inspections during after-hours emergency situations.
- w. Make determination on the approval and use of alternative materials and methods of construction.
- x. Issue Certificates of Occupancy for building and structures.
- y. During inspections or when requested by the City, issue stop/correct work notices, or notices of violation when violations of the Codes occur.
- z. Input daily inspection information into a permit tracking system that is accessible to City staff.
- aa. Enforce conditions of approval associated with discretionary permits regarding building and safety regulations, as adopted by the City.
- bb. Coordinate building permit requirements and interface with other agencies and City Departments, including but not limited to Public Works, Planning, and Fire. This also includes Building Division review, comments and provision of "conditions of approval" for site plans and building plans as part of discretionary planning applications.
- cc. Monitor and track the status of building permit applications and plan checks for expiration and develop a process to notify applicants prior to the expiration of their building permits.
- dd. Keep daily logs of building permit and inspection activities. Submit monthly, quarterly and annual reports of Consultant's activities to the city. The reports shall include, but not be limited to, the fees collected, the staffing levels provided, the staff hours expended, the number of permits issued, the number of inspections (by type) made, and other financial, operational, and statistical information pertinent to the Building Plan Check and Inspection services process.
- ee. Establish, maintain and update all forms in compliance with City requirements, regulations, adopted standards, State or other laws and ordinances necessary for the operation of the Building Division, including "hand-out" sheets which explain building permit application processing procedures identified as being provided by the City.
- ff. Provide a chart/matrix, showing *standard turn-around times* for various plan checks (residential, commercial, industrial, rechecks), *expedited/Fast track turn-around times*, and *building inspections*.
- gg. Provide the latest Building Valuation Data from the International Code Council or other similar agency to be used to determine permit fees. If a Permit Fee Multiplier is used, indicate the amount or percentage. A Valuation table is required.
- hh. Provide a system to assign addresses to new buildings and a method to notify the postal service or other agencies of the new addresses.
- ii. Institute a process to notify utility companies to release meters.

Once a consultant(s) is selected, the City and the selected consultant(s) will jointly review the most efficient and effective service approach and establish staffing level and needs, and number of days and hours for the Building Official Staff to be at City for over the counter plan check and public service, and meetings and interaction with City staff and departments. The number of hours for Building Official Staff presence at the City Hall may fluctuate based upon work load and number of development applications submitted to the City. Also, the Building Official Staff shall be available at other times for scheduled meetings at City offices and for telephone or written (generally by e-mail) responses to questions from City staff or from the public upon referral from City staff.

Transtech Comment:

- **Initial Service Analysis:** *If selected by the City, within approximately 30 days of contract approval, Transtech will complete a thorough review of existing City policies, ordinances, and conditions pertaining to relevant services, and perform an operational, service and quality assessment, and efficiency review. Based on this review, we will provide recommendations for improvements in service quality, efficiency, and effectiveness. We will develop an implementation process and timetable and present a report to the City for review and consideration.*
- **Performance Standards and Monitoring:** *Transtech will also develop and provide to the City monitoring information that shows achievement of the performance standards, and that personnel are providing helpful and courteous service to customers. The monitoring may include, but is not limited to, customer feedback through written*

questionnaires, interviews, and observations at the building counter and during building permit inspections and statistical reports.

1.3 Service Approach

Transtech's unique "Customer Care" approach in delivering Building and Safety Services in an efficient, cost-effective, and timely manner:

- ✓ Transtech is well known in providing **Cost Effective Services** on time with a **customer friendly and responsive** approach.
- ✓ Our services are founded on the principles of **Total Quality Management** for **Total Customer Care**.
- ✓ We have a **structured approach** to execute projects in an efficient manner that makes Transtech capable of providing the City with the highest quality product. Transtech has established guidelines and policies, including written manuals on quality control, project management, and design procedures for its staff and for its contract cities. These guidelines ensure a consistent approach to the execution of assignments undertaken by our organization in compliance with City's specific procedures, standards, and requirements.
- ✓ We start by **working with the applicant early on** and during plan review to help them prepare a set of plans which have all of the required information clearly and logically presented.
- ✓ Additionally, we never hesitate to make suggestions which help eliminate complicated details, **reduce construction costs, and/or provide details which are easy to verify in the field**. Experience has taught us well that inspection time and applicant frustration can both be substantially reduced, while increasing overall compliance, by producing a better set of plans during the plan review process. And in the case of homeowners, **this policy often demonstrates early on that the City really is truly a partner in a process that can often be a source of stress and tension for many applicants, and we fully understand that**.
- ✓ This policy reduces the number of plan review rechecks required, **allows the applicant to obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan.
- ✓ Transtech provides all plan check **comments on electronic files**. All plan check comments are provided on pdf format electronically, **as well as hard copies**. Plan review corrections are written clearly and are **fully detailed to explain the Code deficiency**.
- ✓ To help the applicant better understand the problem, Transtech provides as much information during plan review as possible. We believe that if the applicant has a **clear understanding of the problem**, he or she can take the necessary steps to correct the condition. This policy reduces the number of plan review rechecks required, allows the applicant to **obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan. Unclear and/or cryptic corrections are never written, and all correction lists, except those written over the counter, are typed and printed on a laser printer.
- ✓ Our plan checkers **confer early on and respond to questions** from the architect, engineer, designer, applicant, etc. When requested, our plan checkers also meet with the architect, engineer, designer, applicant, etc. at our offices to answer questions or for rechecks where the plan corrections.
- ✓ Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps **eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field**.
- ✓ All telephone calls or e-mails received are returned within the same working day, or the following day. We take pride in our "**Same Day Response**" motto.
- ✓ **Responsiveness is an integral part** of Transtech's "customer friendly" service approach.
- ✓ We will strive to **enhance the City's image by public trust** to be the most desirable community to live, invest and conduct business.
- ✓ Customer Care means highest quality customer service. Transtech is committed to providing "**Customer**

Care” to the City, City's patrons, responding quickly and effectively to the walk-in, telephone, and electronic inquiries of the public related to our services.

Transtech has completed several similar service transitions:

- ✓ Transtech will assume immediately the plan review services. Transtech has transitioned building and safety/plan review services from multiple constants and from Los Angeles County.
- ✓ Transtech will review the city webpage, handouts and update all appropriate materials.

Electronic Plan Check and Virtual Meeting Calendar set-up:

Transtech has integrated many technological assets into its services to provide most efficient and cost-effective service. We provide fully automated electronic plan submittal, checking and tracking. We provide this on our company portal, as well as offer same portal to our client cities on their web sites.

Virtual Counter:

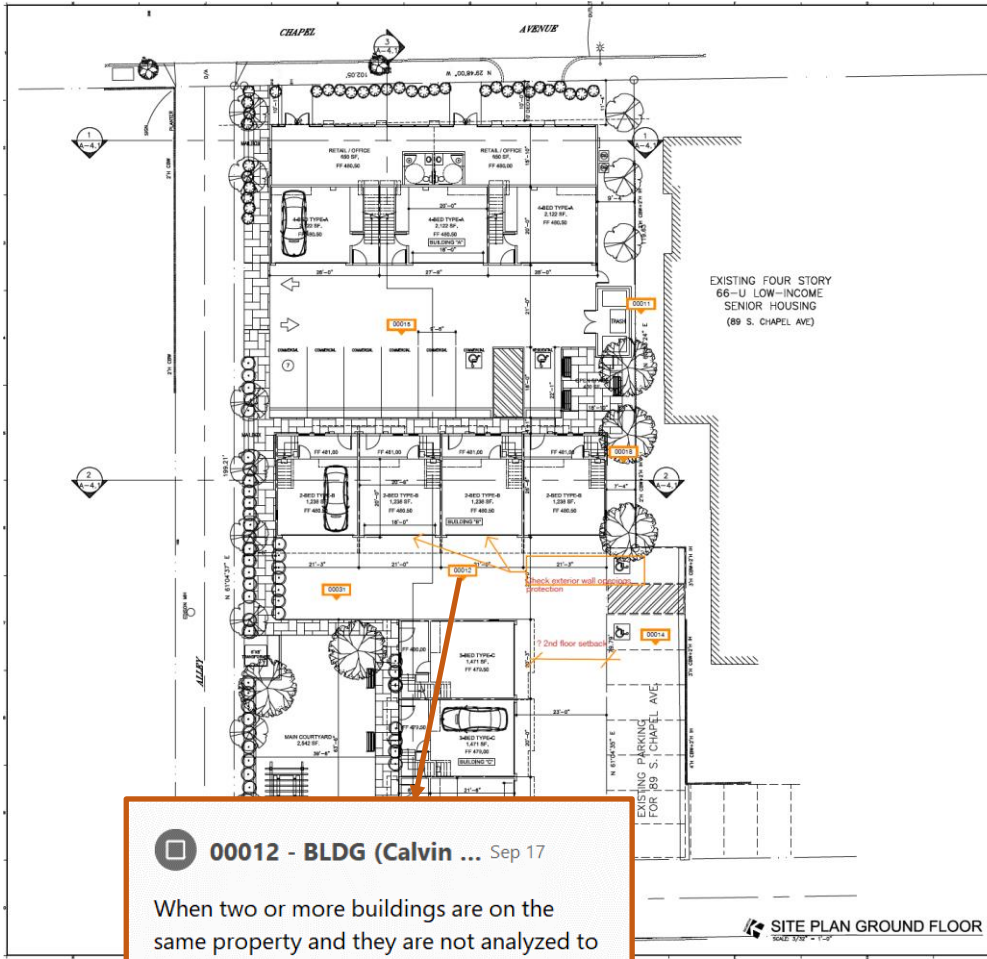
We offer virtual meetings with plan checkers. Please [click here](#) to explore the virtual plan check counter appointment calendar for one of the Cities,

Below is a mock sample of how Electronic Plan Check and Virtual Counter Portals may look like:

Electronic Plan Check:

Transtech provides all Electronic Plan Check. Please [click here](#) for a sample of our electronic plan check portal at one of our contract Cities. We offer electronic plan check submittal portal to our client cities at no additional cost.

Following are sample snap shots of various types of electronic plan checks.



00012 - BLDG (Calvin ... Sep 17

When two or more buildings are on the same property and they are not analyzed to comply as one building, the building shall have an assumed property line between them for determining exterior walls and openings protection. Place an imaginary line between building A and building B, and between building B and building C to determine the fire separation distance. (CBC 705.3)

2 PROJECT SUMMARY

1 VICINITY MAP

1. PROJECT: ORCHARD COURT MIXED-USE DEVELOPMENT
NEW 3-STORY, WOOD-FRAME OF COMMERCIAL AND RESIDENTIAL APARTMENTS
15 S. CHAPEL AVE, ALHAMBRA, CA 91801

2. OWNER: PREMIER PLAZA ESTATE GROUP LLC
2701 AVILA DRIVE, SUITE 200, ALHAMBRA, CA 91801
621 S. GARFIELD AVE., SUITE 300, ALHAMBRA, CA 91801

3. LEGAL DESCRIPTION: APN: 6345-004-041, 044, 053, 054

4. LOT SIZE: 19,286 SF (0.44 ACRES) AFTER NORTH ALLEY DESIGNATION

5. ZONING: OMO (CENTRAL BUSINESS DISTRICT)

6. BUILDING HEIGHT: 3 STORIES / 36'-0"

7. BUILDING CODE: 2016 CBC
1 FIRE PREVENTION
N/A FOR COMMERCIAL RETAIL/OFFICE

8. TYPE OF CONSTRUCTION: 3-STORY TYPE III FULLY FIRE SPRINKLERED SYSTEM

9. RECREATIONAL OPEN SPACE:
REQUIRED: 19,286 SF / 1,815 (S/F PER SF) = 10.63-U
PROPOSED: 1,300 SF RETAIL/OFFICE AND 10 CONDOMINIUMS

10. FLOOR AREA, RETAIL/OFFICE SUMMARY:
GROUND FLOOR RETAIL/OFFICE = 1,300 SF
CONDOMINIUM UNIT SUMMARY:
TYPE-A 4-BEDROOM = 1,881 SF, X 2U = 3,762 SF
TYPE-B 3-BEDROOM = 1,224 SF, X 4U = 4,896 SF
TYPE-C 2-BEDROOM = 1,383 SF, X 3U = 4,149 SF
GARAGE = 400 SF, X 3U = 1,200 SF
TOTAL: 14,807 SF
GARAGE: 4,000 SF
TOTAL: 18,807 SF

11. FAR: 16.319 SF / 19,286 SF = 0.85 FAR, < 1.0 ALLOWED

12. PARKING:
REQUIRED: COMMERCIAL, RETAIL / OFFICE 1,300 SF / 250 = 8 SPACES
RESIDENTIAL CONDOS: 4-BED (2U X 2 = 8 SPACES)
3-BED (2U X 3 = 6 SPACES)
2-BED (4U X 2 = 8 SPACES)
ADDITIONAL PARKING (CALIF. = 10% OF GROSS) = 11 SPACES
SUB-TOTAL REQUIRED: 36 SPACES
TOTAL REQUIRED: 36 SPACES
PROPOSED: PRIVATE GARAGE PARKING 10U X 2 = 20 SPACES
PROPOSED PARKING STRUCTURE = 12 SPACES
TOTAL = 32 SPACES

13. OPEN SPACE:
REQUIRED: 400 SF, X 10U = 4,000 SF
MINI COURTYARD = 4,000 SF, X 600 = 2,400 SF
PROPOSED: PRIVATE BALCONY/PORCH/ROOF DECK:
4-BED A = 900 SF = 200 SF X 2U = 400 SF
3-BED B = 72 SF X 3U = 216 SF
2-BED C = 75 SF X 4U = 300 SF
TOTAL = 1,116 SF
ON-SITE COMMON OPEN SPACE: COMMON SPACE = 2,542 SF
TOTAL OPEN SPACE = 1,116 + 2,542 + 400 = 4,058 SF > 4,000 SF
MINI COURTYARD = 2,542 SF > 2,400 SF

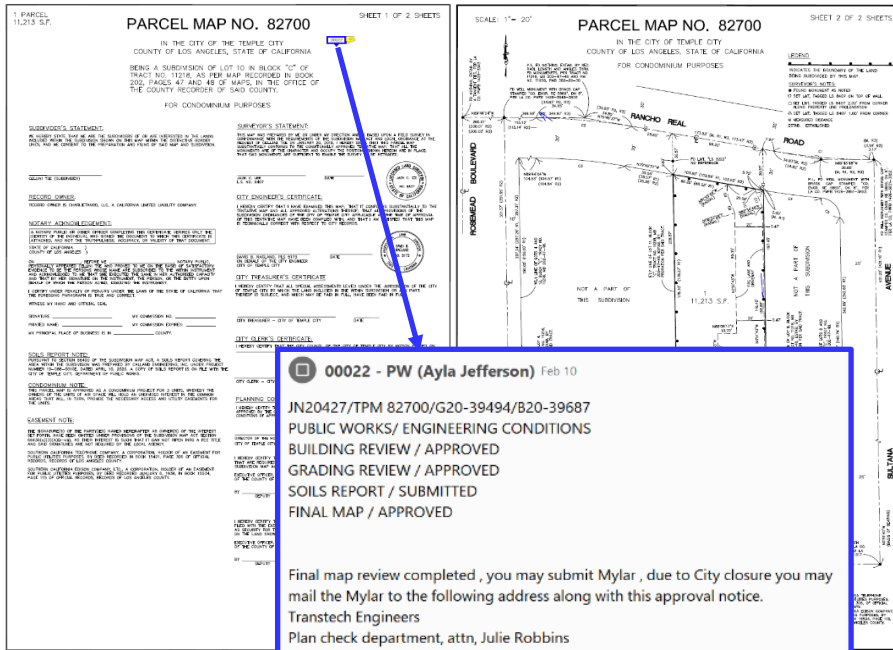
FILE: 181119M0101E11
DRAWN: TF

ARCHITECT: **SARL ARCHITECTS**
140 W. WALTON AVENUE, STE. 215, SAN GABRIEL, CA 91776
PH: 626-257-1400, E: sarl@sarlarchitects.com

PROJECT: **ORCHARD COURT MIXED-USE DEVELOPMENT**
15 S. CHAPEL AVE, ALHAMBRA, CA 91801

JOB NO: 181119

A-1.1



Scope of Work

FINAL MAP FOR 9040 RANCHO REAL ROAD 82700

Instructions

IMPORTANT – PLEASE READ THE FOLLOWING:

1. This list of plan approval requirements is from the City Public Works only. All of the requirements on this list must be satisfied in order to obtain plan approval from the Public Works Department. Approval of these plans does not grant approval to violate any Code or any State or Federal Law. This list of approval requirements is not to be construed as a guarantee that all code violations have been identified and corrected.
2. The City is committed to assisting you obtain plan approval in the shortest time possible. Every effort was made by the reviewer to verify that these plans comply with current Code requirements. Some of the requirements identified in this list may already appear on your plans. As a means of expediting the review of your plans, the reviewer may have listed required items with the intention that you, as the person most familiar with your plans, will be able to identify where the required information can be found. You can also help reduce plan review turn-around time by providing all requested information along with your first plan resubmittal.
3. Indicate in the clear space provided to the left of each plan

10 February 2021
**CITY OF TEMPLE CITY
PUBLIC WORKS DIVISION**

TC-FM82700
9040 Rancho Real Rd
Temple City, CA
United States

Project Information

FM 9040 Rancho Real
+ Submittal: 3rd Submittal + Reference Number: JN 20427/PM 82700

Files and Attachments

+ PM82700-1-8-2020.pdf

Contacts

Xiping Yang
714-671-1050 ext. 119
ping@callandeng.com

approval requirement where, on your plans, compliance is specified. Please indicate a specific note number, detail number and/or location within a sheet. To reduce plan approval turn-around time, please do not simply respond with a sheet number.

4. An encroachment permit shall be obtained, and fees paid for construction inspection prior to starting work. For questions contact the Public Works Department permit counter.

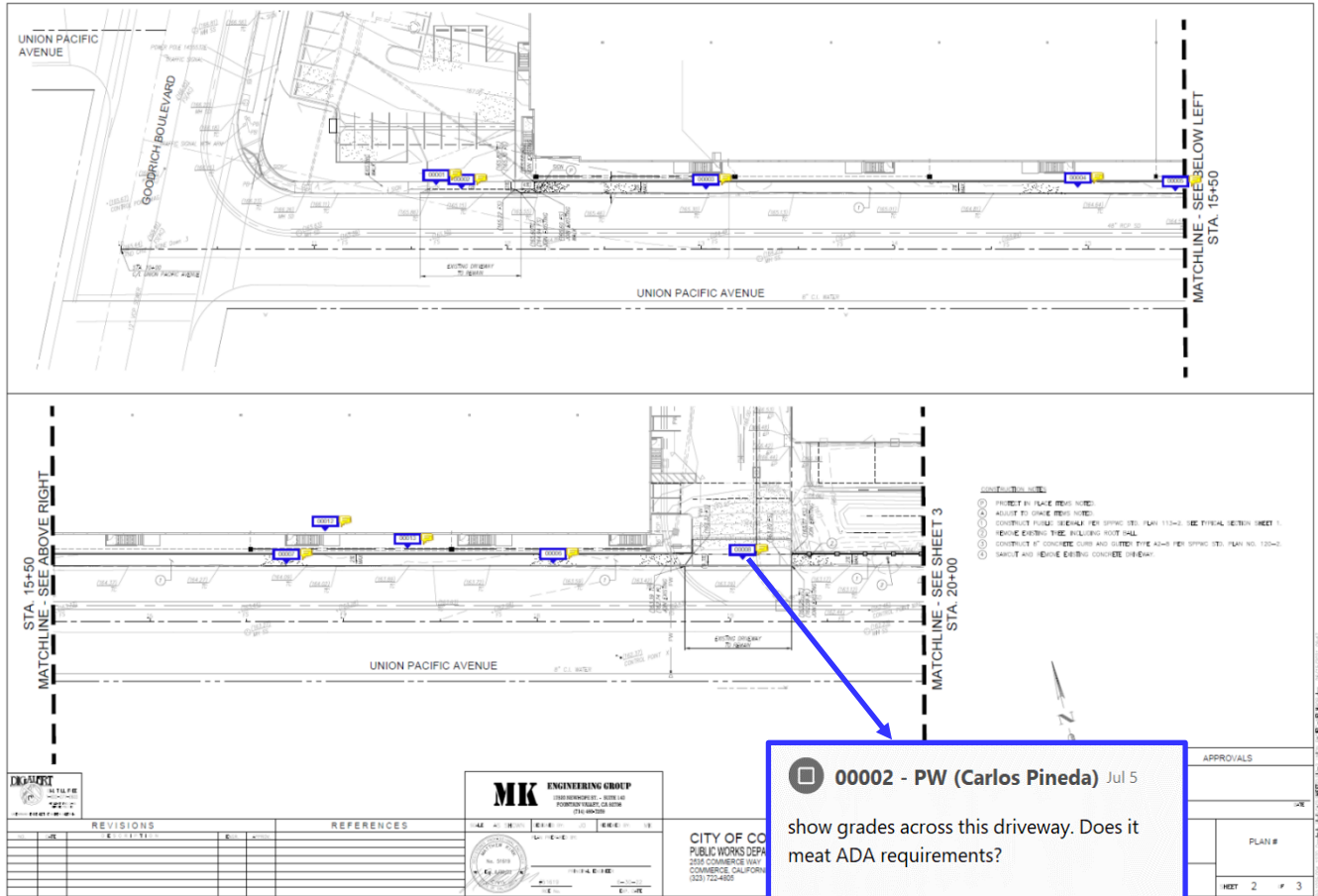
Administration

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PM82700-1-8-2020.pdf
00022
+ Ayla Jefferson
+ ayla.jefferson@transtech.org

JN20427/TPM 82700/G20-39494/B20-39687
PUBLIC WORKS/ ENGINEERING CONDITIONS
BUILDING REVIEW / APPROVED
GRADING REVIEW / APPROVED
SOILS REPORT / SUBMITTED
FINAL MAP / APPROVED

Final map review completed , you may submit Mylar , due to City closure you may mail the Mylar to the following address along with this approval notice.

Transtech Engineers
Plan check department, attn, Julie Robbins
13367 Benson Ave



Plan Check Processing:

When a plan check order is received, it is logged and reviewed by Building Staff and then assigned to applicable plan checkers. The plan check duration is monitored thru the plan check log data base, which generates messages at identified intervals to inform plan checker and supervising Sr. Staff so that they are aware of how the progress and status continuously. If any potential delay is monitored, necessary steps are taken, such as meeting with plan checker to review the schedule, workload, performance, and identify actions, including assigning additional staff, if necessary, to ensure timely completion of assignment.

Plan Check Coordination:

- Our plan checkers respond to questions from the architect, engineer, designer, applicant, etc. When requested, our plan checkers also meet with the architect, engineer, designer, applicant, etc. at our offices to answer questions or for rechecks.
- Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field. This pro-active approach reduces inspection time and questions, and applicant frustration, while increasing overall compliance, by producing a better set of plans during plan review process. Especially, when the applicant is a homeowner trying to improve his/her property, this policy often demonstrates early on that the City really is here to help.

Approach to Meeting with Applicants:

Our staff is available to applicants by phone and through email or through virtual meeting for questions or available to meet for rechecks if necessary. Our policy is to meet with applicants virtually via TEAMS or ZOOM but we also have an available facility at our office meetings with applicants.

Expedited/Off-Business Hours/Weekend Services:

If the City receives a request from applicants for expedited plan check services, Transtech staff is able to provide additional resources to accommodate such a request. If the City requests inspection services, Transtech staff will provide additional resources to accommodate inspection requests during off business hours and weekends.

Emergency Response:

In the event of a local or regional emergency or disaster, our staff will be accessible to the extent feasible based on the conditions and circumstances. All of our building officials and inspectors have gone through extensive training to be **SAP Evaluator and registered with the State of California Safety Assessment Program.**

Plan Check Turnaround

Transtech will provide plan checks on a **quick turn-around schedule. Applicant will be able to see online on real time the progress of plan check submittals.**


Service –Plan Check	Average Timeframe for Delivery
Residential additions, minor plan checks, Tenant Improvements	5 to 10 business days
Subsequent & resubmitted plan checks; new single-family house; and, simple tenant improvements for non-residential buildings	5 to 10 business days
Major plan checks such as multi-family residential, commercial and other non-residential projects	10 to 15 business days
Special Projects such as mixed uses and complex projects typically with valuation over \$3,000,000	15 business days to 25 business days depending on size and complexity of the project

Section 2: Project Team, Key Personnel and Resumes

2.1 Project Organization Chart




DENNIS TARANGO, CBO, CSP
Principal Building Official
Director of Building & Safety Services
and Engineering Plan Review Services
ICC Certified Building Official,
Plans Examiner and Inspector



AYLA JEFFERSON, CBO, CSP
Principal Building Official
Director of Building & Safety Services
and Engineering Plan Review Services
ICC Certified Building Official,
Plans Examiner and Inspector

BILL DORMAN, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector
MICHAEL ROBERTS, CBO, MCP, ICC Certified Building Official, Plans Examiner, Inspector
ROBERT HERNANDEZ, ICC Certified Plans Examiner, Inspector
JASON ROBBINS, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector
CEM AYAN, PE, ICC Certified Plans Examiner, Inspector
JEFFREY KAO, PE, CBO, CASp, ICC Certified Building Official, Plans Examiner, Inspector
CALVIN CHANG, PE, ICC Certified Plans Examiner
JONATHAN TARANGO, ICC Certified Building Inspector, CALGreen Inspector/Plans Examiner, Permit Technician
JOHN TUFAN, ICC Certified Permit Technician, CalGreen Inspector/Plans Examiner
GREGORY AHERN, ICC Certified Inspector, ICC Certified Fire Inspector
FRANKIE LOPEZ, ICC Certified Building Inspector
JEREMY REED, ICC Certified Building Inspector, Permit Technician
NICHOLAS TARANGO, ICC Certified Building Inspector, Permit Technician
CAN GOZUBUYUK, ICC Certified Inspector
STEVE RIVAS, ICC Certified Building Inspector, Permit Technician
JULIE ROBBINS, ICC Certified Permit Technician
AMY CHAN, ICC Certified Permit Technician
NATHAN ESTABROOK, ICC Certified Building Inspector, Permit Technician
DAVID RAGLAND, PE, PLS, QSD, QSP, Sr. Engineer, Map and Engineering Plan Check
MICHAEL ACKERMAN, PE, QSD, QSP, QISP, Sr. Engineer, Map and Engineering Plan Check

Subconsultants:
SOILS REPORT REVIEW SUPPORT: GEO-ADVANTEC, INC. (www.geoadvantec.com)
LANDSCAPE PLAN REVIEW SUPPORT: WITHERS & SANDGREN, LTD. (www.withersandsandgren.com)

Readily available large of pool of staff:
 Our staff and resources include **approximately 200 staff**, we have a **readily available large of pool of staff** with diversified and extensive expertise in requested services and will be able to respond to service requests and mobilize our resources quickly.

2.2 Building and Safety Staff Qualifications

2.2.a LICENSES

Our staff members are certified by the International Code Council (ICC). We have staff who have reached the highest possible level of code administration with the **Master Code Professional designation certification from the ICC**. In addition, some of our staff members are certified as Fire Plan Checkers and Inspectors, as we provide these services to some agencies.

Following are various ICC certifications held by various staff members:

Building Official Certifications:

- ✓ Certified Master Code Professional
- ✓ Building Code Official
- ✓ Building Official

Plan Check Certifications:

- ✓ Residential Building Plans Examiner
- ✓ Commercial Building Plans Examiner
- ✓ California Building Plans Examiner
- ✓ Certified Sustainability Professional
- ✓ CalGreen Plans Examiner
- ✓ Accessibility Plans Examiner
- ✓ Commercial Energy Conservation Plans Examiner
- ✓ Residential Plans Examiner
- ✓ Mechanical Plans Examiner
- ✓ Plumbing Plans Examiner
- ✓ Electrical Plans Examiner

State of California Safety Assessment Program:

- ✓ CalOES SAP Evaluator

✓ In addition, some of our staff members are certified as **Fire Plan Checkers and Inspectors**, as we provide these services to some agencies.

Inspection Certifications:

- ✓ Combination Inspector
- ✓ Commercial Building Inspector
- ✓ Residential Building Inspector
- ✓ Accessibility Inspector
- ✓ Commercial Energy Conservation Inspector
- ✓ Electrical Inspector
- ✓ Commercial Electrical Inspector
- ✓ Residential Electrical Inspector
- ✓ Residential Energy Conservation Inspector
- ✓ Residential Building Inspector
- ✓ Residential Mechanical Inspector
- ✓ Mechanical Inspector
- ✓ Commercial Mechanical Inspector
- ✓ Plumbing Inspector
- ✓ CalGreen Inspector
- ✓ Building Inspector CBC
- ✓ Building Inspector UBC
- ✓ Plumbing Inspector UPC
- ✓ California Building Inspector
- ✓ California Commercial Plumbing Inspector
- ✓ California Residential Mechanical Inspector
- ✓ California Residential Mechanical Inspector

Additional Inspection Certifications:

- ✓ IAPMO Plumbing, Mechanical Inspector
- ✓ Fire Code Inspector
- ✓ Fire Inspector II
- ✓ California UST Inspector

Permit Technician Certification:

- ✓ Permit Technician

CACEO Certified Code Enforcement Officer

California State Fire Marshall

Certifications: Certified EMT1 (AED Certification), Driver Operator 1A, Driver Operator 1B, Driver Operator, Command 1A, 1B, 2A, Firefighter 1, 2, Hazardous Materials First Responder, Instructor 1A, 1B, Investigation, 1A, Management, 1, Prevention, 1A, 1B, 1C, 1D, 2A, 3A,3B, ICS 100, 200, S-290, S-130, S-190, PC832 with Firearms. Fire control 3, S-230 S-231 S-215, Fire Safety Officer

FEMA: IS 100, 200, 241, 242, 275, 700, 288, 800, 08-A, 1900

Several of our engineers are licensed as professional engineers in various engineering disciplines by the State of California BPELSG (Board for Professional Engineers, Land Surveyors, and Geologists)

2.2.b INVOLVEMENT IN INT. CODE COUNCIL (ICC) AND CA BUILDING OFFICIALS (CALBO) COMMITTEES

Our staff members are involved in many local and national International Code Council (ICC) and California Building Officials (CALBO) committees, and are involved in the development of local and national guidelines and codes for Building and Safety:

- Chair; ICC Sustainability Membership Council
- Chair; ICC LA Basin Chapter Inspection Committee
- Commissioner; ICC Codes & Standards Council
- Commissioner; CALBO Green Committee
- Commissioner; ICC/CALBO CA Exam Committee
- Commissioner; CALBO Outreach/Communications Committee
- ICC Los Angeles Basin Chapter Board of Directors
- ICC Building Officials Membership Governing Council
- ICC Code Development Committee Vice Chair
- ICC Technology/Web Advisory Group
- IAS Accreditation Committee
- ICC LA Chapter Accessibility Committee
- Commissioner; CALBO State Licensing Boards Committee

2.2.c RESUMES

AYLA JEFFERSON, CBO, CSP, Principal Building & Safety Official, ICC Certified Building Official, Plans Examiner and Inspector



Education

- Rio Hondo College, CE, Bosphorous Univ, Turkey, Athanee Royal, Belgium

Registrations/Certifications

- ICC Certifications: Building Code Official, Certified Building Official, Certified Sustainability Professional, Accessibility Inspector, Accessibility Plans Examiner, Building Plans Examiner, California Building Plans Examiner, CalGreen Plans Examiner and Inspector, Building Inspector CBC, Building Inspector UBC, Plumbing Inspector UPC, California Commercial Plumbing Inspector, Residential Mechanical Inspector, California Residential Mechanical Inspector, Permit Technician
- IAPMO Plumbing, Mechanical Inspector

Highlights

Ms. Jefferson has over 25 years of experience in private and governmental sector. She has extensive experience in managing building and safety departments of different municipalities under Transtech contracts. She has served as Building Official, Deputy Building Official, Plan Checker, Code Enforcement Official, Community Improvement Coordinator, Planning Technician, and Inspector for various municipalities.

DENNIS TARANGO, CBO, CSP, Principal Building & Safety Official, ICC Certified Building Official, Plans Examiner and Inspector



Education

- Cal Poly, Engineering
- Fresno State BA
- Rio Hondo College

Registrations/Certifications

- ICC Certified Building Official, Plans Examiner, Commercial Building Inspector, Building Inspector UBC, Fire Plans Examiner

Highlights

- ICC Sustainability Membership Council Governing Committee

Mr. Tarango has over 20 years of experience in building and safety. He is experienced in managing building and safety departments of different municipalities. Currently he is serving as Building Official for Transtech Contract Cities. At Transtech, Mr. Tarango is responsible for the Building and Safety Division as well as business development, client relations, and management oversight. With his analytical and strategic management skills, he provides strong leadership and develops staff to enhance the Departments abilities. Prior to working for Transtech, Mr. Tarango served as Deputy Building Official, Plans Examiner, and Senior Building Inspector for various local cities including the City of Diamond Bar, City of Yorba Linda, and City of Hemet.

BILL DORMAN, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector



Education

- AS, Architecture - East Los Angeles College; BA, University of La Verne

Registrations/Certifications

- ICC Certified Building Official, Plans Examiner, Building Inspector

Highlights

Mr. Dorman has over 30 years of experience in Building and Safety. He serves as Building Official/Plan Checker/Inspector at various Transtech contract cities. He has extensive experience in construction codes, building and safety plan review and inspection, code interpretations, and resolving code related construction and plan review problems on a broad range of projects. Prior to joining Transtech, he has served in various capacities, including as Building Official/Code Administrator for the City of Pasadena.

MICHAEL ROBERTS, CBO, MCP, ICC Certified Building Official, Plans Examiner and Inspector



Education

- Associate of Applied Science, Building Inspection Technology – Chemeketa Community College, Salem Oregon
- Fire Code Administration, National Fire Academy – Emmitsburg, Maryland

Registrations/Certifications

- ICC Certified Master Code Professional, Building Code Official, Building Official, Plumbing Inspector, Combination Inspector, Commercial Building Inspector, Accessibility Plans Examiner / Inspector, Commercial Energy Conservation Plans Examiner, Commercial Energy Conservation Inspector, Electrical Inspector, Commercial Electrical Inspector, Residential Electrical Inspector, Residential Energy Conservation Inspector, Residential Building Inspector, Residential Mechanical Inspector, Residential Plans Examiner, Mechanical Inspector, Commercial Mechanical Inspector, Fire Code Inspector, Fire Inspector II
- ICBO Certified Structural Inspector, Plumbing Inspector, Mechanical Inspector, Building Plans Examiner, Fire Code Official

Highlights

Mr. Roberts has over 30 years of experience in municipalities, including governmental development administration. He has reached the highest possible level of code administration with the Master Code Professional designation certification from the International Code Council and has proven superior leadership abilities. He has served as Building Official, Community Development Director, Senior Plans Examiner, Plans/Residential Examiner, and Inspector for various municipalities and served as Principal Consultant. Serving as a Building Official for many years, Mr. Roberts provided the necessary code interpretations, and coordinated with agency staff and departments, and applicants on building and safety related issues. He has vast knowledge of municipal government operations, including preparation and presentation of staff reports and resolutions to city councils, committees, and related interaction with members of the public, other city departments, and other governmental agencies.

JASON ROBBINS, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector Education



- A.A. and A.S. Degrees; Cal State LA, Computer Science (In Progress)

Registrations/Certifications

- ICC Certified Building Inspector, Commercial Building Inspector, Res. Combo, Building, Electrical, Mechanical, Plumbing Inspector, Permit Technician

Highlights

Mr. Robbins has over 8 years of experience working in governmental environments. He is assigned to various Transtech Contract Cities. He has served as Permit Technician and as Building Inspector under Transtech's contract cities, including at the City of Alhambra, City of South Pasadena, City of Temple City, City of Montebello, and City of Seal Beach. Mr. Robbins also has experience working alongside Los Angeles County Staff at City of Commerce as a Permit Technician.

ROBERT HERNANDEZ, ICC Certified Plans Examiner and Inspector



Education

- Coastline College, Electrical and mech code classes; Fullerton College, Building construction cod.

Registrations/Certifications

- ICC Certified Plans Examiner, Inspector-Res Building, Commercial, Res Plumbing, Commercial Plumbing

Highlights

Mr. Hernandez has over 30 years of experience and has served as Inspector and Plan Checker. His prior

experience includes working for various cities as inspector and plan checker.

CEM AYAN, PE, ICC Certified Plans Examiner and Inspector



Education

- M.S., B.S. in Civil Engineering

Registrations/Certifications

- Registered Civil Engineer
- ICC Certified Plans Examiner, Inspector

Highlights

- Experience includes working as Structural Design Engineer.

Mr. Ayan has approximately 20 years of experience in engineering and construction. He works at various Transtech Contract Cities as Plan Checker and Deputy Building Official. His experience also includes both working for a construction company as construction engineer and for consulting firms design firms as design/field construction engineer. His field construction experience includes site start-up, site grading/paving/concrete work, excavation, backfill, vertical survey, storm & wastewater collection, shallow/deep foundation, structural work, M&E, brick work, gable/hip/flat roof, interior/exterior architectural finish, and CM/PM activities.

JEFFREY KAO, PE, CBO, CASp, ICC Certified Building Official, Plans Examiner and Inspector



Education

- MS, BS Civil Engineering, Cal Poly

Registrations/Certifications

- Registered Civil Engineer; CASp
- ICC Certified Building Official, California Building Plans Examiner, CalGreen Inspector, CalGreen Plans Examiner, Mechanical Plans Examiner, Plumbing Plans Examiner, Building Inspector

Highlights

Mr. Kao has over 20 years of experience and has been working at Transtech as Deputy Building Official, Senior Plans Examiner, On-Site Over the Counter Plans Examiner and performed plan checks for a variety of residential and commercial projects in Cities of Alhambra, South Pasadena, and Temple City. Mr. Kao has broad knowledge of building and safety operations, including working in the capacity of Deputy Building Official and Plans Examiner. His past experience includes working as a structural engineer for 4 years at a structural design firm.

CALVIN CHANG, PE, ICC Certified Plans Examiner



Education

- MS, BS Civil Engineering

Registrations/Certifications

- Registered Civil Engineer
- ICC Certified Plans Examiner

Highlights

- Chinese Cantonese and Mandarin Speaker
- Extensive experience in Structural Plan Check

Mr. Chang has 30 years of experience and has been working at Transtech as Deputy Building Official, Senior Plans Examiner, On-Site Over the Counter Plans Examiner. He has performed plan checks for a variety of residential and commercial projects in Cities of Alhambra, Temple City, Huntington Park, San Manuel Indian Reservation and San Bernardino. Prior to joining Transtech, he was a Sr. Plans Examiner at the City of Burbank. Mr. Chang has extensive experience in Building Codes, code interpretations and resolving code related construction and plan check problems on a broad range of residential and commercial projects.

JONATHAN TARANGO, ICC Certified Building Inspector, CALGreen Inspector/Plans Examiner, Permit Technician



Education

- Construction Management, Fullerton College; General Education, Mount San Antonio College

Registrations/Certifications

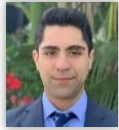
- ICC Residential Building Inspector, Residential Plumbing Inspector, & Residential Electrical Inspector

Highlights

Mr. Tarango has over 6 years of City government experience working in many diverse communities. His experience includes working as a Building Inspector and Permit Technician at various Transtech contract

cities.

JOHN TUFAN, ICC Permit Technician, CalGreen Inspector/Plans Examiner



Education

- BA Public Administration
- University of Redlands MA in Management

Registrations/Certifications

- ICC Permit Technician

Highlights

Mr. Tufan has been working in Transtech's Building and Safety Department and performing various clerical and technical duties in support of Building Inspection, Plan Checkers and Building Officials. Mr. Tufan acquired his ICC Permit Technician Certification and has worked in various contract cities including City of Alhambra, South Pasadena, Placentia, Commerce, Bell and many more. In addition to this, Mr. Tufan supports Transtech's Engineering Department in various contract cities such as West Covina, South El Monte, Banning and Rosemead.

GREGORY AHERN, ICC Certified Inspector, ICC Certified Fire Inspector



Education

- Associates of Science Degree – Public Works Construction - Citrus Community College
- FT 101: Fire Protection Organization, FT 102: Fire Prevention Technology, FT 103: Fire Protection Equipment System, FT104: Building Construction/Fire Protection, FT 105: Fire Behavior & Combustion – Hancock Community College

Registrations/Certifications

- ICC Certified Residential Building Inspector, ICC Certified Residential Mechanical Inspector, ICC Certified Residential Plumbing Inspector. ICC Fire Inspector I, ICC California UST Inspector Certification
- Hazardous Waste Operator and Emergency Operations Certification (HAZWOPER)
- Aboveground Petroleum Storage Tank Inspector Certification EPA (APSA)

Highlights

Mr. Ahern has over twenty years' experience inspecting commercial development in the City of Glendale. He has in depth experience inspecting high rise mixed use development projects, as well as industrial projects.

FRANKIE LOPEZ, ICC Certified Building Inspector



Education

- Los Angeles Trade Technical College L.A. Ca ; A/S Degree in Inspection Technology, and A/A Degree in Offset Printing

Registrations/Certifications

- ICC Building Inspector, ICC Residential Building Inspector, I.C.B.O. Certified-1985-16108, CalOES SAP Evaluator

Highlights

Mr. Lopez has over 28 years of experience as a Building Inspector for the City of Los Angeles. His experience includes inspecting one- and two-family dwellings and inspecting foundations, electrical, heating, plumbing, framing (structural and non-structural), insulation, application of stucco, installation of roofing, and final completions on structures regarding residential homes. Mr. Lopez has completed several roofing, rain gutter installations, water sprinklers, heating/air conditioning and ductwork repair and installation projects. Prior to joining Transtech Engineers, Mr. Lopez worked as a Part Time Building Inspector for the Cities of Diamond Bar, San Dimas, San Gabriel, San Marino, Walnut and La Verne.

JEREMY REED, ICC Certified Building Inspector, Permit Technician



Education

- Citrus College

Registrations/Certifications

- ICC Certified Building Inspector, Permit Technician

Highlights

Mr. Reed has over 9 years of experience working in governmental environments. He is assigned to various Transtech Contract Cities. Mr. Reed has served as a Permit Technician and a Building Inspector under contract cities such as City of South Pasadena, Alhambra, Hawaiian Gardens, West Covina and Maywood. Some of Mr. Reeds roles as a building inspector include conducting building, electrical,

mechanical, and plumbing inspections; ensuring that all proper documents are obtained prior to finalization of permits; and answering questions that contractors, developers, engineers, or homeowners may have regarding code requirements. Mr. Reed is the currently serving City of Maywood Building and Safety Division, he provides permit issuance and inspection services.

NICHOLAS TARANGO, ICC Certified Building Inspector, Permit Technician



Education

- Fullerton College

Registrations/Certifications

- ICC Permit Technician, Residential Building Inspector

Highlights

Mr. Tarango's experience includes working as a Permit Technician at local public agencies including City of South Pasadena and City of Alhambra. As a permit technician he performs preliminary review of permit applications and plan submittals for completeness and accuracy and determines appropriate fees. In addition, he also routes plans, issues permits, and manages logs and records, and provides information to the public relating to the status of projects and permits.

CAN GOZUBUYUK, ICC Certified Inspector



Education

- MBA, Southern States University (SSU); BS, Engineering,

Registrations/Certifications

- ICC Certified Residential Building Inspector, Residential Mechanical Inspector, Residential Plumbing Inspector,

Highlights

Mr. Gozubuyuk has been working in Transtech's Building and Safety Department as a Building Inspector for various contract Cities. Mr. Gozubuyuk quickly gained his ICC Residential, Plumbing, and Mechanical Certifications and continuously serves as a Building Inspector for the City of South Pasadena, Seal Beach, Alhambra, Temple City, Huntington Park and many more. Some of his roles as a building inspector include conducting building, electrical, mechanical, and plumbing inspections; ensuring that all proper documents are obtained prior to finalization of permits; and answering questions that contractors, developers, engineers, or homeowners may have regarding code requirements.

STEVE RIVAS, ICC Certified Building Inspector, Permit Technician



Education

- Engineering and Construction Technology, Mount San Antonio College (In progress)

Registrations/Certifications

- ICC Certified Residential Building Inspector and Permit Technician

Highlights

Mr. Rivas' is working as a Permit Technician at the City of West Covina. Some of his major responsibilities include processing permit applications electronically and answering any questions applicants might have regarding the permit process. Mr. Rivas has a passion for knowledge. Since joining the Transtech Team, he has received his Permit Technician Certification and Residential Building Inspector Certification through ICC. He is currently training to conduct Field Inspections.

JULIE ROBBINS, ICC Certified Permit Technician



Education

- B.A., Political Science, University of La Verne
- Associates in Business Administration; Paralegal Education; Political Science; General Education; SCACEO Code Enforcement Courses, Rio Hondo Community College

Registrations/Certifications

- ICC Certified Permit Technician
- CACEO Certified Code Enforcement Officer

Highlights

- Spanish Speaker

Mrs. Robbins has approximately 34 years of City Government and Building and Safety experience. Mrs. Robbins has been working in Transtech's Building and Safety department in various contract cities performing various clerical and technical duties in support of Building Inspections, Plan Checkers, and the Building Official.

AMY CHAN, ICC Certified Permit Technician



Education

- B.A., Cal State, Long Beach

Registrations/Certifications

- Permit Tech, CalGreen Plans Examiner, and Inspector

Highlights

- Chinese Cantonese Speaker

Ms. Chan has approximately 5 years of City Government and Building and Safety experience. Ms. Chan has been working in Transtech’s Building and Safety department in various contract cities performing various clerical and technical duties in support of Building Inspections, Plan Checkers, and the Building Official. Prior to working for Transtech Engineers Ms. Chan worked for the City of Arcadia as a Planning Intern. Some of her responsibilities included providing technical support to planning staff by conducting research, answering questions, and providing information to the public, preparing agendas and reports for review boards and meetings. During her time there, Ms. Chan examined various types of applications received from the city (i.e. rebuilding, modifications, etc.), wrote up conditional use, approval, and staff report letters, and working on updates regarding the general plan, zoning, and municipal codes.

NATHAN ESTABROOK, ICC Certified Permit Technician



Education

- B.S., Cal State, Fullerton

Registrations/Certifications

- ICC Certified Permit Technician, First Aid CPR and BLS Certified

Highlights

Mr. Estabrook is working as a Permit Technician at the City of West Covina. Some of his responsibilities include processing permit applications and performing technical work for permit applications. He performs clerical work that supports the operations involved with the issuance and coordination of the building inspection and permit process. He also ensures that all necessary approvals are obtained.

DAVID RAGLAND, PE, PLS, QSD, QSP, Sr. Engineer, Map and Engineering Plan Check



Education

- Humboldt State University, CA, Bachelor of Science

Registrations/Certifications

- Registered Civil Engineer
- Licensed Land Surveyor

Highlights

Mr. Ragland is a civil engineer and land surveyor has over 30 years of diverse experience in a wide variety of projects in civil engineering. He has managed numerous multi-disciplinary teams dealing with the planning, engineering, entitlement, environmental permitting, development and construction of urban and rural development, and public works projects. His experience also includes special emphasis on complex grading and hillside developments (has worked on the civil engineering and development of more than 40,000 acres of hillside properties), preparation of due diligence and project feasibility analysis, through conceptual planning and design to entitlement and construction.

MICHAEL ACKERMAN, PE, QSD, QSP, QISP, Sr. Engineer, Map and Engineering Plan Check



Education

- BS in Engineering

Registrations/Certifications

- RE Academy, Caltrans
- Water Pollution Control Compliance on Construction Sites for RE, Caltrans
- Construction Program Management Workshop, FHWA
- Field Office Procedures Course, Caltrans
- California Work Zone Inspection – High Speed, Caltrans
- Asphalt Concrete Inspection and Rehabilitation Strategies, Caltrans

Highlights

Mr. Ackerman has over 20 years of experience. At Transtech, he has been working as a Sr. Engineer at various Transtech City Engineering Contracts. He has served at various Cities under Transtech’s City Engineering Contracts, including Temple City, Huntington Park, and Alhambra. He has a broad

knowledge of municipal government operations, including preparation and presentation of staff reports/resolutions to city councils, committees and interaction with public, various city departments, city council and other governmental agencies.

Mr. Ackerman's experience also includes working at Caltrans and other agencies:

- Caltrans District 8: Mr. Ackerman was a civil transportation engineer for Caltrans District 8 where he was involved in the design and construction of various projects.
- City of San Bernardino: Mr. Ackerman was involved in various projects, including Development Review and Plan Check, Design and Project Management.
- City of Huntington Park: Mr. Ackerman worked as contract City Engineer under Transtech's municipal services contract and later as City Engineer and Interim Director of Public Works under the City.

MELISSA DEMIRCI, RSP, Principal, Municipal Services Contract Manager



Education

- BS Civil Engineering, Cal Poly Pomona

Registrations/Certifications

- Licensed Roadway Safety Professional

Highlights

Ms. Demirci has over 12 years of experience in Contract and Project Management. She oversees our municipal contracts and will service as the Contract Principal for this contract. She has her BS Degree in Civil Engineering from Cal Poly Pomona. She coordinates and interfaces with Transtech's Building and Safety Division to develop special projects to ensure a successful applicant experience during the plan review, permit issuance and inspection process. Her prior experience includes working at the City of Los Angeles, Mayor's Office Energy and Environment Team.

Melissa leads Transtech's Community Benefit Enhancement (CBE) Program, which provides volunteer and financial support for civic and community activities in client cities. This program demonstrates Transtech's commitment to the progress, health, and well-being of the communities we serve. This is something that we take pride in as a company. In services and partnership with our client Cities, we have a proven record of active engagement in City and Community events. This includes involvement or presence at City programs or events, supporting local businesses through the chamber, youth events, hosting workshops, sports, scholarship opportunities, community service, managing homelessness challenges, public safety, crime prevention, or any other community benefit that the City wishes us to be a part of. Our goal is not just to serve as a consultant (which is what we are best at) but to also be an active partner with our clients and further enhance the City's reputation as an ideal community to live, invest, work, and play. We are deeply committed to maintaining our partnership with our valued customers, its community, and remain open and enthusiastic to receiving input on how to best serve the City's needs today and in the future.

Sub Consultant: SOILS REPORT REVIEW SUPPORT: GEO-ADVANTEC, INC. (www.geoadvantec.com)

Geo-Advantec, Inc. offers comprehensive services in various areas from site feasibility evaluation through project completion for a wide range of projects and services, which include: Geotechnical Eng.; Eng. Geology; Geotechnical Earthquake Eng.; Geotechnical Instrumentation; Pavement Eng.; Forensic Geotechnical Eng.; Grading Monitoring and Field Testing; Soils & Materials Laboratory Testing; Special Inspection Services. Geo-Advantec owns a certified laboratory accredited by AMRL (ASHTO Materials Reference Laboratory), in conformity to the requirements of the AASHTO Accreditation Program (AAP), AASHTO R-18, ASTM D3740 and ASTM E329; CCRL (Cement and Concrete Reference Laboratory); Caltrans; DSA (the Department of the State Architects); Army Corp of Engineers.

Sub Consultant: LANDSCAPE PLAN REVIEW SUPPORT: WITHERS & SANDGREN, LTD. (www.withersandsandgren.com)

Withers & Sandgren has been involved in providing varying levels of support to Community Development Departments for over twenty years. The firm has provided counter support for walk in plan reviews, been monthly Design Review Committee attendees, as well as presenters with planning staff to Planning Commissions and City Councils.

Section 3: Transitioning of Work

Transtech has completed several similar service transitions and will be able to minimize any inconveniences:

- ✓ We do not see a need for an extensive overlapping work period with the current consultant. Our staff has done similar transitions before and can handle any open issues remaining from the current consultant. The “overlapping work period” would only increase the City’s cost on staff time. Our expectation is to review the project files and address status of current/open plan checks, projects, and priority issues for transition.
- ✓ After this initial assessment and evaluation, a continued process will be implemented for day to day operations under the direction and supervision of our Directors of Building & Safety Operations and Principal Building Officials. Building and Safety staff will continue to report to our Principal Building Officials.
- ✓ Also, Ayla and/or Dennis will continue to attend meetings with the City, be conscious of our service status, and continue to provide principal level oversight, support, and guidance. They will attend meetings with City Management and City Council to provide reports and make presentations on issues related to our services and answer questions.
- ✓ Within approximately 30 days of the contract approval, Transtech will complete a thorough review of existing City policies, ordinances, and conditions pertaining to relevant services, and perform an operational, service and quality assessment and efficiency review. Based on this review, we will provide any recommendations we may have for any improvements in service quality, efficiency, and effectiveness.
- ✓ Transtech will also develop and provide to the City monitoring information that shows achievement of the performance standards, and that personnel are providing helpful and courteous service to customers. The monitoring may include, but is not limited to, customer feedback through written questionnaires, interviews, and observations at the building counter and during building permit inspections and statistical reports.

Recent Service Transition for the City of Carson from Los Angeles County:

- Transtech has recently facilitated Building and Safety Services Transition from the County of Los Angeles for the City of Carson,
- Since its incorporation approx. 55 years ago, the City of Carson has contracted with the Los Angeles County for Building and Safety Services.
- In June 2023, the City issued an RFP for these services. Transtech was selected by the City. Transtech completed the transition in a short duration, including implementation of an electronic plan check system and permitting system.

Other Service Transitions from Los Angeles County

- Transtech facilitated Building and Safety Services Transition from the County of Los Angeles for the City of Temple City. Transtech is providing Building and Safety Services to City since 2013.
- Transtech facilitated Building and Safety Services Transition from the County of Los Angeles for the City of Commerce. Transtech is providing Building and Safety Services to City since 2017.

Service Transitions from other Consultants:

- Transtech facilitated several Building and Safety Services Transitions from other Consultants at various other Cities, where Transtech is currently serving as Building and Safety Services Provider.

Section 4: References

CITY OF COMMERCE (Year started and completed: 2015 – Ongoing Service)
 Contact: Vilko Domic, Assistant City Manager
 T: 323-722-4805
 E: vilkod@ci.commerce.ca.us
 Services Provided: **Building & Safety Services**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

CITY OF BELL (Year started and completed: 2015 – Ongoing Service)
 Contact: Manuel Acosta, Community Development Director
 T: (323) 588-6211
 E: macosta@cityofbell.org
 Services Provided: **Building & Safety Services**

CITY OF AZUSA (Year started and completed: 2019 – Ongoing Service)
 Contact: Sergio Gonzalez, City Manager
 T: 626-812-5239
 E: sergio.gonzalez@azusaca.gov
 Services Provided: **Building & Safety Services**

CITY OF ALHAMBRA (Year started and completed: 1993 – Ongoing Service)
 Contact: Andrew Ho, Community Development Director
 T: 626-570-5041
 E: andrewho@cityofalhambra.org
 Services Provided: **Building & Safety Services**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

CITY OF TEMPLE CITY (Year started and completed: 2013 – Ongoing Service)
 Contact: Bryan Cook, City Manager
 T: 626-285-2171

E: bcook@templecity.us

Services Provided: **Building & Safety Services;** City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

CITY OF SOUTH PASADENA (Year started and completed: 1997 – Ongoing Service)

Contact: Angelica Frausto-Lupo, Community Development Director

T: 626-403-7222

E: afraustolupo@southpasadenaca.gov

Services Provided: **Building & Safety Services**

CITY OF WEST COVINA (Year started and completed: 2019 – Ongoing Service)

Contact: Paulina Morales, Acting City Manager

T: 626-939-8401

E: pmorales@westcovina.org

Services Provided: **Building & Safety Services;** City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

CITY OF CARSON (Year started and completed: 2023 – Ongoing Service)

Contact: Robert Lennox, Ed.D., Assistant City Manager

T: 310-952-1728

E: RLennox@carsonca.gov

Services Provided: **Building & Safety Services**

Please see following reference letters:



CITY OF COMMERCE

Jose D. Jimenez, Director of Economic
Development and Planning
**ECONOMIC DEVELOPMENT AND
PLANNING**

March 8, 2022

Subject: Transtech Engineers, Inc. Letter of Reference – City of Commerce

It is my pleasure to recommend and provide full support for Transtech Engineers, Inc. As Director in two different municipalities, I've had the distinct pleasure of utilizing Transtech for a variety of municipal services. Currently, we partner with Transtech Engineers, Inc. to provide Building and Safety Services, as well as City Engineering Services to the City of Commerce.

They serve in the capacity of Building Official, Permit Technician, Building Inspector, Building Plan Check/Review, City Engineer, City Traffic Engineer, Public Works Engineering, CIP Management, Construction Management, Grant Management, and as-needed Professional Services inclusive of planning, design, project management, construction management, and inspection.

Transtech has always provided the highest quality work. Their staff is professional and courteous; their work is efficient and cost effective; and they truly are a partner to the City of Commerce.

Within the two municipalities where I partnered with Transtech, their staff has always been professional and extremely responsive to the needs of the respective cities. They provide excellent customer service in all of the interactions with City Staff, the Departments, and the public.

Their leadership and continued service commitment to the City has been to the highest degree of service that one can expect.

If you have any further questions, please feel free to contact me at jjimenez@ci.commerce.ca.us, or via phone at (323) 722-4805 ext. 2389.

Sincerely,

Jose D. Jimenez
Director of Economic Development and Planning

2535 Commerce Way • Commerce, California 90040 • (323) 722-4805 • FAX (323) 888-6841



March 9, 2022

To whom it may concern,

Subject: Transtech Reference Letter

Transtech Engineers, Inc. currently provides Building and Safety Services in the capacity of Building Official, Building Inspector, and Building Plan Check/Review to the City of Bell.

I have personally had the pleasure to work with Transtech in three separate agencies over the last 12 years. Transtech staff has always been professional, responsive, and flexible in meeting all of my Department's and City's needs.

The firm has proven themselves to be a great asset to the City and a reliable partner in getting projects completed. The staff have provided excellent customer services and professional quality work to the City of Bell, with a high attention to detail. As Community Development Director, I work directly with their staff and the City is very satisfied with their services. I can confidently recommend them for their services. Transtech provides high-quality professional staff and work and are efficient and cost effective

They pride themselves on customer service, their leadership and continued service commitment to the City is exemplary. I highly recommend their services.

If you have any questions, please contact me at (323) 588-6211 extension 2623 or email me at macosta@cityofbell.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Manuel Acosta".

Manuel Acosta
Community Development Director

6330 Pine Avenue, Bell, California 90201 • Telephone: (323) 588-6211 • Fax: (323) 771-9473



Gateway
to the
San Gabriel Valley

111
South First Street
Alhambra
California
91801

City of Alhambra
Community Development Department

March 14, 2022

Subject: Transtech Engineers, Inc.
Letter of Recommendation

To Whom It May Concern:

Transtech has been providing full-service City Engineering and Building and Safety services to the City of Alhambra for nearly 30 years.

They provide excellent customer care and service not only internally to City staff but also to the public who frequently interacts with them through both their Engineering and Building and Safety Services. They continue to be an integral part of the city.

They have teams serving both our Public Works and Community Development Departments in the capacities of Building Official, Permit Technician, Building Inspector, and Building Plan Check/Review, City Engineer, City Traffic Engineer, Public Works Engineering, CIP Management, Construction Management, Grant Management, and as-needed Professional Services inclusive of planning, design, project management, construction management, and inspection.

The city has had nothing but positive experiences with their staff and we are extremely satisfied with their services over the many years. They continue to provide the highest quality work with professionalism and a high regard to customer service. Their commitment to quality and quick responsiveness sets them apart from others. I highly recommend them for their services.

Best Regards,

A blue ink handwritten signature of Andrew Ho.

Andrew Ho
City of Alhambra
Director of Community Development
andrewho@cityofalhambra.org



9701 Las Tunas Drive • Temple City • California 91780 • 626-285-2171

March 14, 2022

Subject: Letter of Reference, Transtech Engineers, Inc. – Municipal Services

Transtech Engineers, Inc. has continuously served the City of Temple City since 2012, providing a full array of City Engineering, Building and Safety, and Construction Management services. Throughout their tenure in Temple City, where I have served as City Manager since 2014, they have cost-effectively provided high-quality services with highly qualified professionals and expertise which has been of excellent service to Temple City.

Transtech employees and management are responsive to any issues and requests and provide expert advice to complex and day-to-day municipal concerns. The Transtech team provides the City of Temple City with a broad array of municipal services, including serving as the City Engineer, City Building Official, CIP Project Construction Manager, and City Traffic Engineer. In addition, the firm provides the City with Building Plan Check Review and, as needed, Professional Services, including planning, public works project design and compliance services, building and public works inspection services, and construction management services.

Transtech serves as a vital and critical partner to the City of Temple City in delivering excellent service to the community. For example, during the pandemic, the City continued providing building and engineering services mainly due to the partnership with the City staff and Transtech management and employees in delivering virtual building and plan check reviews and permitting services. This partnership led to a seamless transition of services during the pandemic, allowing for uninterrupted service continuity.

Based on my experience working directly with Transtech's management and staff and the feedback we receive from the Community, City Staff, and other stakeholders, we have been very satisfied with the quality of work and services provided to the City. Based on my direct experience, I would highly recommend their services. If you have any questions, please call me directly at 626-285-2171, ext—4105, or e-mail at bcook@templecity.us.

Sincerely,

Bryan Cook
City Manager



CITY OF SOUTH PASADENA

COMMUNITY DEVELOPMENT DEPARTMENT

1414 MISSION STREET, SOUTH PASADENA, CA 91030

TEL. (626) 403-7220

March 11, 2022

Subject: Reference Letter for Transtech, Inc.

To whom it may concern:

I have the pleasure to work alongside the Transtech's Building and Safety team in my role as the Community Development Director with the City of South Pasadena. Transtech has been providing full Building and Safety Services, including Building Official, Permit Technician, Building Inspector, and Building Plan Check services to the City for over twenty years. They manage all aspects of the City's Building and Safety Division.

I can confidently say that I am extremely satisfied with Transtech's services. They provide the highest quality of services to the City and the applicants. Transtech has led the City in innovation and implementation of online and digital-based services, allowing the City to provide all building-related services electronically.

Transtech provides high quality services in an efficient and cost-effective manner. They are responsive, professional and timely on all of their assignments. The City frequently receives positive feedback from the community and applicants who interact with their staff, and the City staff continues to have a great working relationship with the team.

Their commitment to quality and quick responsiveness for any needs the City may have sets them apart from others. I highly recommend them for their services. Please do not hesitate to call (626-403-7222) or email (afraustolupo@southpasadenaca.gov) should you have any questions.

Best Regards,

Angelica Frausto-Lupo
Community Development Director



March 7, 2022

Subject: Letter of reference: Transtech Engineers, Inc.

Transtech has been providing services to the City of West Covina since 2019. Transtech provides a full suite of City Engineering and Building & Safety services. The firm currently serves in the capacity of City Engineer, City Traffic Engineer, Public Works Engineering, Public Works Permitting and Inspection, Capital Improvement Program Management, Project and Construction Management, Design, Grant Writing & Management, providing as-needed Professional Services, Building Official, Plans Examiner, Building Inspector, and Permit Technician.

Transtech exemplifies public service. The firm has proven to be quite responsive to community needs and is a vital City partner. Since they came aboard, West Covina residents and applicants have consistently complimented us on their work on our behalf. In their roles they frequently interact with the public, residents, businesses, and community members and have always provided the highest level of customer service and project delivery.

Transtech has helped West Covina define bold new horizons of community service. During the pandemic the Transtech team continued to provide exceptional service to the City, introducing an electronic plan check portal and streamlining Building and Safety operations for more efficiency. Their leadership and continued service commitment to the City has been exceptional. Additionally, the firm has been working quite closely with my office as West Covina seeks to garner State approval and establish a municipal Health Department.

Transtech principals are directly involved. The Transtech Team provides high quality work and have principal level involvement which ensures the success of their services. The firm is cost effective in their approach and have proven themselves to be an extremely valuable asset to the City.

I am pleased to write this letter of recommendation for Transtech. I recommend the firm without reservation. If I can provide any additional information, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Carmany".

David Carmany
City Manager
T: (626) 939-8400
E: dcarmany@westcovina.org

1444 West Garvey Avenue • West Covina • CA 91790 • Phone (626) 939-8401 • Fax (626) 939-8406

Section 5: Firm Qualifications

5.1 Company Qualifications

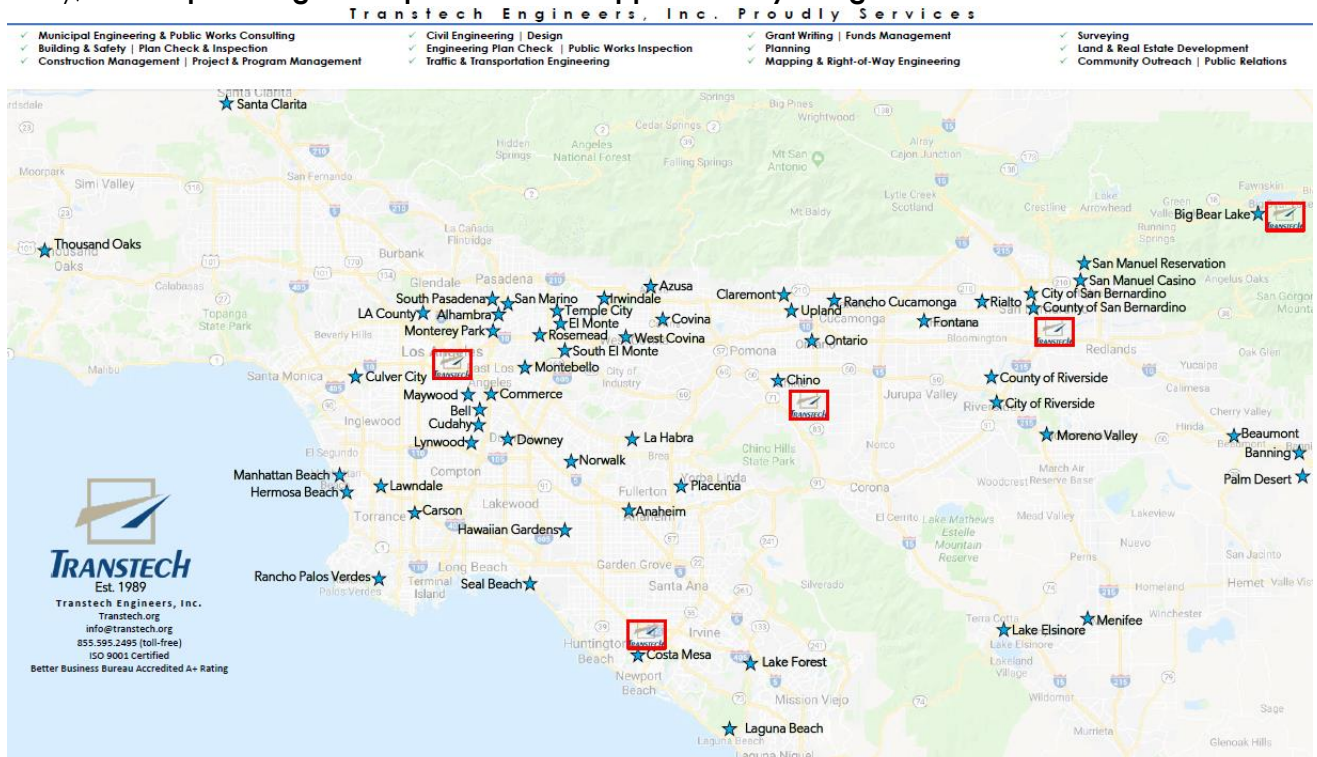
Established in 1989, Transtech Engineers, Inc. (a California Corporation) is a **multi-disciplinary municipal engineering consulting** firm.

Our staff and resources include **approximately 200 staff**, including **building official, plan checkers, inspectors, permit technicians**, engineers, project managers, designers, construction managers, traffic and transportation analysts, technicians, admin support personnel.

Our **multi-disciplinary service capabilities** include:

- Building & Safety Services, Building Inspection, Plan Check, Building Evaluations, City Building Official, Code Enforcement
- Civil Engineering,
- Staff Augmentation
- CIP Program Management
- Construction Management and Inspection
- Federally Funded Project Management
- Grant Writing
- CDBG Project Management
- City Engineer, City Traffic Engineer, Development Review, Public Works Engineering, Plan Check, Inspection
- Labor Compliance
- Planning Support
- Traffic and Transportation Planning and Engineering
- Water Resources Engineering
- Surveying, Mapping, ALTA, Right-of-way Engineering
- Emergency, Support Services

Currently, we are **providing municipal services to approximately 75 agencies:**



City of Temple City

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction

City of Alhambra

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management,

- Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of Commerce

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

City of Maywood

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Inspection, Permit Technician

City of Monterey Park

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, plan check and as-needed inspection

City of South Pasadena

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

City of Seal Beach

- ✓ **Building & Safety Services:** Building Official, Plan Review, As-needed Inspection

City of Azusa

- ✓ **Building & Safety Services:** Building Official, Building Plan Review, As-needed Insp

City of Rancho Palos Verdes

- ✓ **CIP Project Management:** CIP/Fed Proj Management
- ✓ **Building & Safety Services:** Plan Review, Inspection.

San Manuel Casino and Indian Reservation

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection

City of Manhattan Beach

- ✓ **On-call Building & Safety Services:** Plan Review

City of Hermosa Beach

- ✓ **On-call Building & Safety Services:** Plan Review

City of Norwalk

- ✓ **On-call Building & Safety Services:** Plan Review

City of La Habra

- ✓ **On-call Building & Safety Services:** Plan Review

City of Ontario

- ✓ **CIP Management Services:** Transtech is City's Contract CIP Manager for major Public Works Projects

City of Chino

- ✓ **CIP Management Services:** Transtech is City's Contract CIP Manager for major Public Works Projects

City of Placentia

- ✓ **On-call PM/CM and Development/PW Plan Check:** On-call services

City of Rialto

- ✓ **On-call Services:** Traffic Engineering, PW Inspection and Permit Tech

City of Culver City

- ✓ **On-call Engineering Services:** Eng Services

City of Anaheim

- ✓ **On-call Engineering Services:** Engineering Services

PW Insp, Fed Proj Management

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of South El Monte

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, As-needed Inspection, As-Needed Permit Technician

City of West Covina

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW PC, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of Rosemead

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

City of Bell

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of Carson

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of Cudahy

- ✓ **CIP Management and Engineering Services:** Traffic Eng, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Plan Review.

City of Hawaiian Gardens

- ✓ **Building and Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

City of Downey

- ✓ **Building & Safety Services:** Plan Review, Inspection

County of Los Angeles

- ✓ **Building & Safety Services:** Plan Review, Inspection

County of Riverside

- ✓ **Building & Safety Services:** Plan Review, Inspection

San Bernardino County Housing Authority

- ✓ **On-call Services:** As-Needed Support

City of San Bernardino

- ✓ **On-call Services:** CIP Program Management, Traffic Engineering, Constr. Management

City of El Monte

- ✓ **On-call Services:** Traffic Engineering, Construction Management, Development Plan Check

City of Banning

- ✓ **Public Works Plan Check:** PW Plan Check and Pw Inspection

Riverside County Economic Development Agency

- ✓ **On-call Services:** Eng, Building Evaluations, & Surveying

City of Lancaster

- ✓ **Traffic Engineering Services:** On-call City Traffic Engineering

City of Palm Desert

- ✓ **City Traffic Engineering Services:** City Traffic Engineering

City of Irwindale

- ✓ **On-call Services:** Construction Management and Inspection Services

City of San Marino

✓ **City Traffic Engineering Services:** City Traffic Engineering

City of Lynwood

✓ **On-call Services:** Engineering, CIP and Construction Management.

Transtech has experience in **various types of projects**, such as:

- Street Rehabilitation and Reconstruction
- Traffic Signal and Street Lighting
- ADA Improvements
- Water, Drainage, Sewer Improvements
- Bridges Parks and Playgrounds
- Parking Structures
- Community Centers
- Libraries
- City Halls
- Fire Stations
- Renovation of Historic Buildings
- Residential, Office, Commercial, Industrial Buildings

One of the **unique qualifications** of Transtech is that we serve public agencies as **municipal contract service providers**, including **Contract City Engineer, City Traffic Engineer, Building Official, CIP Manager, Planner and in other capacities.**

We have extensive **experience working with Public Agencies/Cities in similar assignments. We are accustomed to working with public agencies and have a good understanding of public agency procedures and policies.** We have extensive experience in preparing staff reports and presentations to City Council, Boards and public, and in communicating effectively with diverse audiences and stakeholders at public forums. We have managed large and complex projects, which involved multiple agencies and jurisdictions. **Several of our staff members are former City Engineers, Public Works Directors.**

We **work with METRO** on a number of projects. Currently, we are managing 710 Mobility Improvement Projects for the Cities of Alhambra and Rosemead, which has total funding of over \$200m.

Our team includes **experienced staff members who have worked for CALTRANS** and are intimately familiar with the standards and procedures, project development and approval process, and requirements. One of our **Sr. Staff Member is former Deputy Director of Caltrans District 7.**

We **work and coordinate with LA County** on a number of projects.

We have extensive **experience in the management and administration of grant funded projects.** Our staff members have **completed Caltrans RE Academy for Federally and State Funded Projects.** We **follow guidelines and procedures of Caltrans Local Assistance Procedures Manual (LAPM).**

Our team has **proven track record in obtaining outside grants for its client cities.** Our staff works with our client cities to find potential funding sources, and to prepare competitive applications for various programs. We have obtained extensive amount of funds for our client cities.

Community Benefit Enhancement (CBE)

Supporting civic and community activities demonstrates Transtech's commitment to the progress, health, and well-being of the communities we serve. This is something that we take pride in as a company. In services and partnership with our client Cities, we have a proven record of active engagement in City and Community events. This includes involvement or presence at City programs or events, supporting local businesses through the chamber, youth events, hosting workshops, sports, scholarship opportunities, community service, managing homelessness challenges, public safety, crime prevention, or any other community benefit that the City wishes us to be a part of. Our goal is not just to serve as a consultant (which is what we are best at) but to also be an active partner with our clients and further enhance the City's reputation as an ideal community to live, invest, work, and play. We are deeply committed to maintaining our partnership with our valued customers, its community, and remain open and enthusiastic to receiving input on how to best serve the City's needs today and in the future.

Following are some of the CBE programs we have are proud to be part of:



New Community Outreach Project:

- The Transtech Team is very passionate about giving back, especially through youth empowerment and workshops to encourage middle school and high school students to pursue higher education and to get involved in STEM related fields, like engineering.
- Several of our team members have been involved in various organizations and spoke at countless events to encourage the youth and young women in particular to pursue Engineering in both their academic and career paths.
- We are proud to have founded an annual Transtech Engineers Scholarship Program awarded during the fall semester to Cal Poly Pomona students. The scholarship awards five students \$3,000 each based on their GPA and grade level. We partnered with Cal Poly Pomona to start this annual scholarship with the Civil Engineering Program at the university.
- We wanted to further our reach and mission and have begun to develop a special community project interfacing with local schools to implement a yearlong STEM extracurricular program. We have worked on developing a program where every year we will focus on one middle school or high school in the cities we serve to offer this elective to the students.

5.2 Examples of Building and Safety Projects

Transtech's Plan Check and Inspection Capacity in numbers:

- We maintain and manage **electronic plan submittal portals for over 25 cities.**
- In 2023, we **processed and reviewed approximately 11,000 projects with 76,000 documents and performed approximately 52,000 inspections.**

Few Examples of Building and Safety Projects by Transtech:



Agency: CITY OF BELL

Project: Residential Development, 6518 & 6522 Walker. (Valuation \$4 m). This development includes new 14 new two-story detached single-family dwellings.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check/Inspection.

Transtech serves as the City's Contract Building Official, Plan Checker, Inspector.



Agency: CITY OF COMMERCE

Project: Warehouse with Office Space Development (Valuation \$20 m). This development includes one-story of warehouse with mezzanines for office use of 114,898 square feet of total floor area in a 5.65-acre lot.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



Agency: CITY OF SOUTH EL MONTE

Project: Chico Residential Development (Valuation \$15 m). This development includes 13 buildings with 70 residential units.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



Agency: CITY OF ALHAMBRA

Project: Main Street Collection (Valuation \$23 m). This development includes 4-story mixed-use project with 8,200 s ft retail space, 52 condos, 9 live/work units, 19 townhomes, and 6 shopkeeper units.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



Agency: CITY OF WEST COVINA

Project: Asteria Residential Development (Valuation \$40 m). This development includes 158-unit residential homes.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



Agency: SAN MANUEL BAND OF MISSION INDIANS TRIBE AND CASINO

Project: Casino Expansion/Development (Valuation \$700 m): This project involves Casino's expansion program, which includes casino renovation, new hotel, entertainment center, parking structure, pedestrian bridges, alignment of entry and exit roads, and various other improvements.

Transtech provided following services:

Building Plan Check and Inspection.

Fire Plan Check.

Transtech serves as the Tribe's and Casino's (they are 2 sperate entities) Contract Building Official, Plan Checker, Inspector and Fire Marshall.



Agency: CITY OF TEMPLE CITY

Project: Blossom Walk Residential Development (Valuation \$6 m). This development includes 24-unit condominiums and 4 single family homes.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



Agency: CITY OF WEST COVINA

Project: Medical Center Building (Valuation \$20 m). This project is a new Medical Office Building of approximately 55,000 sf that will operate 24/7 providing a radiation oncology department and infusion department.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.

Building Plan Check and Inspection.

Engineering Plan Check and Inspection.

Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.



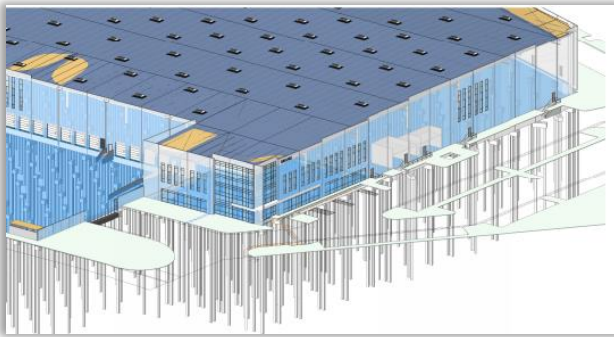
Agency: CITY OF SOUTH PASADENA

Project: 820 Mission Development LLC (Project Value: \$10M). This project is a new office building with one residential unit above, new 15-unit townhome cluster with office fronting Mission Street with one-level subterranean parking, convert existing 3-story industrial building into 9 residential units, construct 13 townhome units.

Transtech provided following services:

Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
Building Plan Check and Inspection.

Transtech serves as the City's Contract Building Official.



Agency: CITY OF CARSON

Project: The District at South Bay (Valuation \$175 m). This development includes Industrial Buildings on 73 acres with 5 industrial building with 1,499,492 sq ft and Country Mart project including five (5) restaurant / retail buildings, four (4) drive through restaurants, and one (1) restroom facility building on an approximate 11-acre site. There will be a park component with a performance pavilion, kids playground, event lawn, dog park and gardens. The restroom facility will include public and family restrooms to support the public open space.

Transtech provided following services:

Building Plan Check and Inspection.

Transtech serves as the City's Contract Building Official.



Agency: SNOQUALMIE INDIAN TRIBE, WASHINGTON

Project: Casino expansion (Valuation \$195 m). This development includes 5 phases with 1,188,000 sq ft to include casino remodel, podium, hotel tower, parking structure, valet parking.

Transtech provided following services:

Building Plan Check and Inspection.

Transtech serves as the Tribe's Casino's Contract Building Official, Plan Checker, Inspector.

Section 6: Legal

Following are responses to questions listed in the RFP in this section:


- List any other names under which the current firm has operated in the past 10 years.
None.
- List the names of any other firms that provide similar services, current and past, where any of current firm's owners, part owners, shareholders, principals, management staff, or key staff are currently or were in the past owners, part owners, shareholders, principals, management staff, or key staff.
None.
- Provide a list, if your firm and/or any owners, part owners, shareholders, principals, management staff, or key staff have been investigated by any Local, County, State and Federal Agencies for any claims and actions in the past 10 years. If the answer is yes, provide a summary and when and how the investigation was closed; if not closed, indicate current status.
None.
- Provide a list of any other firms, current and past, if any of current firm's owners, part owners, shareholders, principals, management staff, or key staff are involved currently and/or were involved in the past, have been or are currently being investigated by any Local, County, State and Federal Agencies for any claims and actions in the past 10 years. If the answer is yes, provide a summary and when and how the investigation was closed; if not closed, indicate current status.
None.

Appendix: Insurance

Following is a copy of Transtech's current Insurance Certificate. If selected by the City for this project, we will appreciate the opportunity of having our Attorney discuss the final contract language to ensure our insurance is in compliance with current laws and regulations and meets the City's requirements with the City's Attorney.

Following items may be discussed:

- For insurability purposes, any duty to defend which is not expressly deleted or defined as a reimbursement to the extent of the adjudicated negligence will present insurability issues.
- Insurance may not cover payment for any of the City's defense related cost prior to a final determination of liability or to pay any amount that exceeds Contractor's finally determined percentage of liability based upon the comparative fault of Contractor. Consultant should reimburse all reasonable attorneys' fees as part of City's total damages tied directly to Consultant's determined percentage of fault.
- For insurability purposes, one of the most important contract terms is to ensure the word "negligent" is evident in the indemnity clause. Absent a negligence trigger for claims, a client or owner could present claims with no allegations of negligence, and the professional liability may have coverage implications. Inserting "negligent" acts, errors, or omissions can help make the entire indemnity subject to an appropriate standard of care.
- Many contracts use phrases such as: "arising out of or in connection with". This can allow the certificate holder to assert claims that vaguely involve our scope of services. By replacing such phrases with "but only to the extent actually caused by", the claimant must establish that the negligence was the proximate cause of the damage, otherwise known as direct causation.
- For insurability purposes, we suggest limiting the obligation to only those parties with whom we have the contract, or who are in direct contractual privity to the project owner.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/30/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

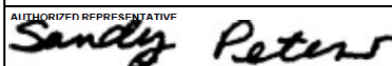
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER AssuredPartners Design Professionals Insurance Services, LLC 3697 Mt. Diablo Blvd Suite 230 Lafayette CA 94549	CONTACT NAME: Sandy Peters PHONE (A/C, No, Ext): 626-696-1901 FAX (A/C, No): E-MAIL Address: CertsDesignPro@AssuredPartners.com
License# 6003745	INSURER(S) AFFORDING COVERAGE NAIC #
	INSURER A: Travelers Casualty and Surety Co of America 31194
	INSURER B: Travelers Property Casualty Company of America 25674
	INSURER C: The Travelers Indemnity Company of Connecticut 25682
	INSURER D: Hartford Casualty Insurance Company 29424
	INSURER E:
	INSURER F:

COVERAGES **CERTIFICATE NUMBER: 1716638315** **REVISION NUMBER:**

INSRT LTR	TYPE OF INSURANCE	ADDITIONAL INSURED (INS/D)	WAIVED (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liab Included GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:	Y	Y	6805H737478	12/31/2023	12/31/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000
C	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NoOwnedAutos <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	BA3R067451	12/31/2023	12/31/2024	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$	Y	Y	CUP4F17434A	12/31/2023	12/31/2024	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	57WEGA508A	9/1/2023	9/1/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liability Claims Made Form			107328311	12/31/2023	12/31/2024	Per Claim \$2,000,000 Aggregate Limit \$4,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Insured owns no company vehicles; therefore, hired/non-owned auto is the maximum coverage that applies. Professional Liability is E&O Liability. Umbrella Liability policy is follow-form from its underlying Policies: General Liability/Auto Liability/Employers Liability.

CERTIFICATE HOLDER	CANCELLATION 30 Day Notice will be sent to holder
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 

ACORD 25 (2016/03)

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EXHIBIT B
FEE SCHEDULE

EXHIBIT B
FEE SCHEDULE

Service Description	Fees effective through June 30, 2024
Plan checks	
Plan checks % of monthly Building Division Fees collected.	SLIDING SCALE % OF THE PLAN CHECK FEES
\$0 to \$250,000	60%
\$250,001 to \$350,000	57%
\$350,001 and above	52%
Staff Services	Per the standard hourly rates
Any other services	Per the standard hourly rates
Where no fees collected, or reduced for plan check or permits, entitlement reviews, PRR and other additional services requested shall be per the hourly standard rates.	
The above hourly rates are increased each year July 1st automatically by the percentage change Los Angeles-Long Beach-Anaheim California Consumer Price Index-All Urban Consumers ("CPI-U") for the preceding twelve-month period as calculated for February by the U.S. Department of Labor Bureau of Labor Statistics and published by the United States Bureau of Labor Statistic.	

TRANSTECH ENGINEERS, INC.
SCHEDULE OF HOURLY RATES
Effective: July 1, 2023 - June 30, 2024

Rates are average ranges, negotiable and can be adjusted to establish a fee for each assignment based on the specific project's scope, when such projects are identified by the City.

ENGINEERING		CONSTRUCTION MANAGEMENT	
Field Technician	\$85 - \$95	Labor Compliance Analyst	\$145 - \$155
Engineering Technician	\$95 - \$105	Funds Coordinator	\$150 - \$160
Assistant CAD Drafter	\$105 - \$120	Office Engineer	\$145 - \$155
Senior CAD Drafter	\$120 - \$135	Construction Inspector	\$140 - \$150
Associate Designer	\$135 - \$150	Senior Construction Inspector	\$150 - \$160
Senior Designer	\$150 - \$165	Construction Manager	\$170 - \$185
Design Project Manager	\$190 - \$200	Resident Engineer	\$185 - \$200
Assistant Engineer	\$115 - \$125	PUBLIC WORKS INSPECTION	
Associate / Staff Engineer	\$145 - \$160	Public Works Inspector	\$140 - \$150
Senior Civil Engineer	\$200 - \$220	Senior Public Works Inspector	\$150 - \$160
Traffic Analyst Technician	\$100 - \$110	Supervising PW Inspector	\$160 - \$170
Associate Traffic Analyst	\$150 - \$160	SURVEY AND MAPPING	
Senior Traffic Analyst	\$160 - \$170	Survey Analyst	\$150 - \$155
Professional Transportation Planner	\$170 - \$185	Senior Survey Analyst	\$155 - \$160
Traffic Engineer Technician	\$95 - \$105	2-Man Survey Crew	\$345 - \$360
Associate/Staff Traffic Engineer	\$145 - \$160	Survey & Mapping Specialist	\$185 - \$200
Traffic Engineer	\$170 - \$185	Licensed Land Surveyor	\$210 - \$220
Senior Traffic Engineer	\$185 - \$205	FUNDING & GRANT WRITING	
Project Manager	\$185 - \$205	Funds Analyst	\$145 - \$150
Senior Project Manager	\$205 - \$220	Senior Funds Analyst	\$150 - \$160
Deputy City Engineer	\$170 - \$190	Grant Writer	\$165 - \$170
City Engineer	\$190 - \$205	Funds & Grant Project Manager	\$185 - \$195
Principal Engineer	\$205 - \$225	PLANNING	
BUILDING & SAFETY		Community Development Technician	\$80 - \$90
Permit Technician	\$75 - \$85	Planning Technician	\$90 - \$100
Plan Check Technician/Analyst/Supervisor	\$125 - \$140	Assistant Planner	\$100 - \$120
Building Inspector	\$115 - \$130	Associate Planner	\$120 - \$140
Senior Inspector	\$125 - \$140	Senior Planner	\$145 - \$165
Plans Examiner/Checker	\$140 - \$155	Planning Manager	\$170 - \$190
Plan Check Engineer	\$150 - \$170	ADMINISTRATIVE STAFF	
Deputy Building Official	\$160 - \$170	Administrative/Clerical	\$70 - \$80
Building Official	\$165 - \$180	Project Accountant	\$80 - \$90

The above fees are increased each year July 1st automatically by the percentage change Los Angeles-Long Beach-Anaheim California Consumer Price Index-All Urban Consumers ("CPI-U") for the preceding twelve-month period as calculated for February by the U.S. Department of Labor Bureau of Labor Statistics and published by the United States Bureau of Labor Statistic.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of the City, and prior to commencement of Services, Consultant shall obtain, provide, and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to the City. If Consultant maintains higher limits than the minimum limits shown below, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000 per accident for bodily injury or disease).

Consultant shall submit to the City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the City, its officers, agents, employees, and volunteers.

Other provisions or requirements

Proof of insurance. Consultant shall provide certificates of insurance to the City as evidence of the insurance coverage required herein, along with a waiver of subrogation

endorsement for workers' compensation. Insurance certificates and endorsements must be approved by the City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with the City at all times during the term of this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, or Consultant's agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by the City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

The City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, the City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by the City will be promptly reimbursed by Consultant or the City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, the City may immediately terminate this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against the City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of Agreement provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Agreement are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that the City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to the City and approved of in writing.

Separation of insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass through clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the Services who is brought onto or involved in the Services by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subconsultants, and others engaged in the Services will be submitted to the City for review.

The City's right to revise specifications. The City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation or come to some other agreement to address the additional cost.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be

eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Services.

FOR ITEM # 7, PLEASE SEE ITEM # 9

FOR ITEM # 8, PLEASE SEE ITEM # 9



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: René Bobadilla, P.E., City Manager
BY: Fernando N. Muñoz, CMC, Deputy City Clerk
SUBJECT: MINUTES OF THE JANUARY 11, 2024 SPECIAL CITY COUNCIL MEETINGS
DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Approve the minutes as submitted.

FISCAL IMPACT

N/A

BACKGROUND

Staff has prepared minutes for the following meeting:

- Special City Council Meeting of January 11, 2024

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

N/A

ATTACHMENT(S):

A. January 11, 2024 Special Meeting Minutes

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



APPROVED:

MINUTES OF THE SPECIAL MEETINGS OF THE CITY COUNCIL

January 11, 2024

CALL TO ORDER

Mayor Sarno called the meeting to order at 6:02 p.m.

ROLL CALL

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

Members absent: None

INVOCATION

Cindy Jarvis led the invocation.

PLEDGE OF ALLEGIANCE

Youth Leadership Committee member Valerie Bojorquez led the invocation.

INTRODUCTIONS

Mayor Sarno introduced the following members from the Chamber of Commerce:

1. Ross Gile, Digical Web Designs and Embroidery Goods, Inc.

PRESENTATIONS

1. **2023 HOLIDAY HOME DECORATING CONTEST WINNERS (COMMUNITY SERVICES)**
2. **TREE LIGHTING & SANTA FLOAT PROGRAMS RECAP (COMMUNITY SERVICES)**
3. **HOLIDAY BASKET PROGRAMS RECAP (COMMUNITY SERVICES)**
4. **2023 COMMUNITY SERVICES DEPARTMENT END OF YEAR RECAP OF EVENTS (COMMUNITY SERVICES)**

CHANGES TO AGENDA

There were no changes.

PUBLIC COMMENTS

Members of the Little Lake City School District spoke during public comment.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

There were no staff communications.

HOUSING SUCCESSOR AGENDA – NONE

SUCCESSOR AGENCY AND CITY COUNCIL AGENDA

PUBLIC HEARING

5. **PUBLIC HEARING TO CONSIDER THE PROPOSED ZONE TEXT AMENDMENTS TO ENSURE THAT THE CITY’S ZONING ORDINANCE IS ALIGNED WITH THE STATE’S ACCESSORY DWELLING UNIT (ADU) AND JUNIOR ACCESSORY DWELLING UNIT (JADU) STATUTES AND FIND THAT THE AMENDMENTS ARE EXEMPT FROM CEQA (PLANNING)**

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the Public Hearing and receive the written and oral staff report and any comments from the public regarding the proposed zone text amendments related to ADU and JADU regulations; and
- 2) Find and determine that the proposed zone text amendments are consistent with the goals, policies, and program of the City’s General Plan; and
- 3) Find and determine that the proposed zone text amendments are consistent with the State’s ADU and JADU regulations; and
- 4) Find and determine that this Project is exempt from California Environmental Quality Act (CEQA) pursuant to Public Resource Code (PRC) Section 21080.17 which provides an exemption for the adoption of an ordinance by a city or county to implement the provisions of Section 65852.2 of the Government Code (the state ADU law); and
- 5) Waive further reading and introduce Ordinance No. 1134 by title, adopting Zone Text Amendments to ensure that the City’s Zoning Ordinance is aligned with the State’s Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) statutes; and
- 6) Take such additional, related action that may be desirable.

City Manager, René Bobadilla provided a brief explanation on Item No. 5.

Mayor Sarno opened the public hearing at 6:35 p.m.

There was no one wishing to speak on Item No. 5.

Mayor Sarno closed the public hearing at 6:35 p.m.

It was moved by Councilmember Martin, seconded by Councilmember Zamora, to find and determine that the proposed zone text amendments are consistent with the goals, policies, and program of the City’s General Plan, find and determine that the proposed zone text amendments are consistent with the State’s ADU and JADU regulations, find and determine that this Project is exempt from California Environmental Quality Act

(CEQA) pursuant to Public Resource Code (PRC) Section 21080.17 which provides an exemption for the adoption of an ordinance by a city or county to implement the provisions of Section 65852.2 of the Government Code (the state ADU law), waive further reading and introduce Ordinance No. 1134 by title, adopting Zone Text Amendments to ensure that the City's Zoning Ordinance is aligned with the State's Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) statutes, and take such additional, related action that may be desirable, by the following roll call vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

6. A PUBLIC HEARING TO CONSIDER AN APPEAL OF THE PLANNING COMMISSION'S DECISION TO APPROVE ZONE DETERMINATION CASE NO. 2023-01: A REQUEST TO DETERMINE THAT A BATTERY ENERGY STORAGE SYSTEM USE WITH DIRECT CONNECTION TO A PUBLIC UTILITY GRID IS A SIMILAR AND COMPATIBLE USE WITH OTHER SIMILARLY PRINCIPALLY PERMITTED USES LISTED IN THE M-2, HEAVY MANUFACTURING, ZONE; AND ADOPT A NOTICE OF EXEMPTION UNDER CEQA SECTION 15061(B)(3) (COMMON SENSE EXEMPTION) (PLANNING)

RECOMMENDATION: It is recommended that the City Council:

- 1) Open the public hearing, receive public testimony from anyone in the audience or on Zoom wishing to speak; and
- 2) Consider the information presented in the written and oral staff reports, in combination with the November 13, 2023 Planning Commission staff report and summary, which collectively provides the necessary background and context; and
- 3) Deny the appeal by Bridgeland Resources LLC; and
- 4) Find and determine that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15061(b)(3) (Common Sense Exemption) and;
- 5) Adopt City Council Resolution No. 9892, which incorporates the City Council's findings and actions regarding the matter, which include to ratify the Planning Commission's decision and to approve Zone Determination Case No. 2023-01 determining that a battery energy storage system use with direct connection to a public utility grid is similar to and compatible with other similarly principally permitted uses listed in the M-2, Heavy Manufacturing, Zone and will not be inconsistent with the purpose of the M-2 Zone; and
- 6) Take such additional, related action that may be desirable.

Contract Planner, Alejandro De Loera provided a presentation on Item No. 6. Council asked questions regarding safety and allowed uses in the M-2 zones in the City, as well

as is the type of batteries being stored. City Attorney, Ivy M. Tsai added that future code amendments can be made to accommodate for battery storage.

Mayor Sarno opened the public hearing at 6:57 p.m.

Elkins Kalt, representatives for the appellant Bridgeland Resources LLC, provided a presentation. Councilmember Martin and Rodriguez made comments about the authenticity of the letters received in opposition to the project and about the legality of the project.

Reed Smith, representatives for the applicant Gridstor, provided a rebuttal. Chris Baker and Ryan Schalk, speakers representing Gridstor also provided additional information.

Deputy City Clerk, Fernando Muñoz provided the names of the people who submitted public comments via email: two (2) letters from Elkins Kalt, Eric Cartier, Jeremy Flores, Kathie Fink, PMC Global representatives Waterstone Environmental, Phillip Babich, Ricardo Uribe, Robert Corona, and two (2) emails from Yeesmi Pulido.

The following people spoke during public comments: Christ Hite, Manny Solis, Tommy Faavae, Joe Sullivan, Deveney Pula, and Mindy Jenkins.

Elkins Kalt provided closing arguments.

Mayor Sarno closed the public hearing at 7:55 p.m.

It was moved by Mayor Pro Tem Rounds, seconded by Councilmember Martin, to deny the appeal by Bridgeland Resources LLC, find and determine that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15061(b)(3) (Common Sense Exemption), adopt City Council Resolution No. 9892, which incorporates the City Council's findings and actions regarding the matter, which include to ratify the Planning Commission's decision and to approve Zone Determination Case No. 2023-01 determining that a battery energy storage system use with direct connection to a public utility grid is similar to and compatible with other similarly principally permitted uses listed in the M-2, Heavy Manufacturing, Zone and will not be inconsistent with the purpose of the M-2 Zone, and take such additional, related action that may be desirable, by the following roll call vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

OLD BUSINESS

7. APPOINTMENTS TO CITY COMMISSIONS/COMMITTEES AND EXTERNAL ORGANIZATIONS (CITY CLERK)

RECOMMENDATION: It is recommended that the City Council:

- 1) Review and make appointments to City commissions and committees as desired; and

- 2) Review and make appointments to City Council liaisons to advisory committees as desired; and
- 3) Review and make appointments to City Council subcommittees as desired; and
- 4) Review and make appointments to external organizations as desired; and
- 5) Take such additional, related action that might be desirable.

City Manager, René Bobadilla provided a brief presentation on Item No. 7. Mayor Sarno asked for Council to determine if eliminating council liaisons from advisory committees would be beneficial, to which there was unanimous consensus. City Manager Bobadilla made a comment that advisory committee summaries and quarterly reports would be provided to Council to keep them apprised of ongoing business.

Mayor Sarno asked to only keep the CIP Project Subcommittee, Whittier PD Subcommittee, and the Parcel Tax for November 2024 Election Subcommittee. City Manager Bobadilla added that he and Director of Finance, Lana Dich would create budget workshops and quarterly financial reports to promote transparency and participation.

The following external committee appointments were made:

Organization	Council Liaison
California Contract Cities Association	Martin
Chamber Youth Enrichment Fund Board	Rounds
City Selection Committee (League of Cal Cities) (Mayor is Rep)	Mayor Alt - Martin
Gateway Cities Council of Governments	Zamora Alt - Martin
91/605/405 Committee (Subcommittee of COG)	Zamora

I-5 Consortium Policy Board	Martin Alt - Rounds
Joint Powers Insurance Authority	Martin Alt - Rounds
LA CADA	Rodriguez Alt - N/A
League of California Cities	Mayor Alt - Martin
Sanitation District (Mayor is Rep)	Mayor Alt - Rounds
SFHS Education Foundation	Rodriguez
SASSFA	Rounds Alt - N/A
SEAACA	Rodriguez Alt - Martin
Southeast Water Coalition Board	Zamora
Southern California Association of Governments (SCAG)	Martin Alt - Zamora
Vector Control Appt can be for 2 or 4 yrs.	Rounds

It was moved by Councilmember Zamora, seconded by Councilmember Martin, to approve the Council appointments and incorporate the changes to council liaisons and subcommittees as recommended by Council and the City Manager, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

REGULAR BUSINESS

8. AMENDMENT NO. 2 TO THE COOPERATIVE AND FUNDING AGREEMENT WITH METRO FOR THE ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the Mayor to sign Amendment No. 2 to the Cooperative and Funding Agreement for the Rosecrans/Marquardt Grade Separation Project between the Los Angeles County Metropolitan Transportation Authority and the City of Santa Fe Springs; and
- 2) Approve a Professional Services Agreement with RailPros, Inc. to provide rail road flagging services for the Rosecrans Marquardt Grade Separation Project; and
- 3) Take such additional, related action that may be desirable.

City Manager, René Bobadilla provided a brief presentation to Item No. 8.

It was moved by Councilmember Zamora, seconded by Mayor Pro Tem Rounds, to authorize the Mayor to sign Amendment No. 2 to the Cooperative and Funding Agreement for the Rosecrans/Marquardt Grade Separation Project between the Los Angeles County Metropolitan Transportation Authority and the City of Santa Fe Springs, approve a Professional Services Agreement with RailPros, Inc. to provide rail road flagging services for the Rosecrans Marquardt Grade Separation Project, and take such additional, related action that may be desirable, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

SUCCESSOR AGENCY

9. ADOPT RESOLUTION SA-2024-001 APPROVING THE SUCCESSOR AGENCY'S RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 24-25) AND

ADMINISTRATIVE BUDGET FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025 (FINANCE)

RECOMMENDATION: It is recommended that the Successor Agency:

- 1) Adopt Resolution SA-2024-001 Approving the Successor Agency's Recognized Obligation Payment Schedule (ROPS 24-25) and Administrative Budget for the Period July 1, 2024 through June 30, 2025.

CITY COUNCIL

10. LISTING AGREEMENT TO APPOINT COLLIER INTERNATIONAL GREATER LOS ANGELES, INC., THE EXCLUSIVE RIGHT TO NEGOTIATE THE RENEWAL OF A GROUND LEASE WITH THE UNITED STATES POSTAL SERVICE AT 11760 TELEGRAPH ROAD (PLANNING)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the Listing Agreement appointing Colliers International Greater Los Angeles, Inc. ("Colliers") as the City's sole agent and granting to Colliers the exclusive right to negotiate the renewal of a ground lease with the United States Postal Services (USPS) for the real property located at 11760 Telegraph Road; and
- 2) Authorize the Mayor to execute the Listing Agreement; and
- 3) Take such additional, related action that may be desirable.

11. TRAFFIC ENFORCEMENT AGREEMENT WITH THE CALIFORNIA HIGHWAY PATROL SANTA FE SPRINGS AREA (CHP) (POLICE SERVICES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Authorize the Director of Police Services to enter into an agreement with the California Highway Patrol Santa Fe Springs Area (CHP) for traffic enforcement in an amount not to exceed \$50,000 on a recurring fiscal year basis.

12. REVISION TO PERSONNEL POLICIES AND PROCEDURES MANUAL, SECTION 6-3.7 HOURLY NON-BENEFITTED SICK LEAVE TO COMPLY WITH THE HEALTHY WORKPLACE/HEALTHY FAMILIES ACT OF 2014 (PAID SICK LEAVE) (HUMAN RESOURCES)

RECOMMENDATION: It is recommended that the City Council:

- 1) Approve the revision to Personnel Policies and Procedures Manual (PPPM), Section 6-3.7 Hourly Non-Benefitted Sick Leave to comply with the Healthy Workplace/Healthy Families Act of 2014 (Paid Sick Leave).

13. CLARKE ESTATE PARKING LOT PAVING IMPROVEMENTS – AWARD OF CONTRACT (PUBLIC WORKS)

RECOMMENDATION: It is recommended that the City Council:

- 1) Accept the bids; and
- 2) Award a contract to Prestige Paving Company, Inc. of La Mirada, California in the amount of \$129,197.81; and
- 3) Take such additional, related action that may be desirable.

14. CALRECYCLE GRANT AND PAYMENT PROGRAMS (CITY MANAGER)

RECOMMENDATION: It is recommended that the City Council:

- 1) Adopt a resolution authorizing the submittal of application(s) for all CalRecycle Grant and Payment Programs for which the City is eligible.

It was moved by Councilmember Zamora, seconded by Councilmember Rodriguez, to approve the consent calendar, by the following vote:

Ayes: Martin, Rodriguez, Zamora, Rounds, Sarno
Nays: None
Absent: None
Recused: None

COUNCIL COMMENTS/AB1234 COUNCIL CONFERENCE REPORTING

Councilmember Zamora wished everyone a Happy New Year and talked about the prospects of a one-stop shop for development projects. City Manager Bobadilla added that they have interviewed four (4) firms to provide in-house plan check services.

Councilmember Martin also wished everyone a Happy New Year and admired the number of people in attendance. She thanked staff and commented on the battery storage project.

Councilmember Rodriguez commended staff and congratulated the Mayor and Mayor Pro Tem. Lastly, she thanked commissioners and staff for their hard work.

Mayor Pro Tem Rounds welcomed everyone to 2024 and talked about the growth in the City, stating that Santa Fe Springs is not afraid to try new things.

Mayor Sarno directed staff to create a policy for council rotation for mayor and mayor pro tem positions and for rules governing council meetings. He commented on Gridstor and thanked Councilmember Martin for her term as Mayor.

ADJOURNMENT

Mayor Sarno adjourned the meeting at 8:26 p.m.

Jay Sarno
Mayor

ATTEST:

Fernando N. Muñoz
Deputy City Clerk

Date



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: René Bobadilla, P.E., City Manager
BY: Fernando N. Muñoz, CMC, Deputy City Clerk
SUBJECT: RESOLUTION NO. 9896 – WEED ABATEMENT
DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Adopt Resolution No. 9896 declaring weeds a public nuisance, declaring its intention to remove them, and setting Tuesday, February 20, 2024 as the date for Public Hearing.

FISCAL IMPACT

N/A

BACKGROUND

The City contracts with the Los Angeles County Agricultural Commissioner for the abatement of weeds. The county has conducted their annual inspection of the properties in the City and listed those needing weeds abated. If the proposed resolution is passed, it will declare hazardous weeds, brush, rubbish, etc., growing or occurring upon or in front of the listed properties as a seasonal and recurrent public nuisance. Weed abatement notices will be mailed to all property owners listed on or before February 1st, 2024.

Resolution No. 9896 declares the weeds to be a public nuisance and sets a Public Hearing on the matter for Tuesday, February 20, 2024, at 6:00 p.m. where property owners will have an opportunity to object to any part of the weed abatement process.

Resolution No. 9896 provides property owners with the option of abating the weeds themselves, contracting the work to others, or having the County Agricultural

Commissioner’s contractor perform the work. Costs for work performed by the County, if approved by the City Council, will be assessed to the respective property owner’s tax bill.

ANALYSIS

N/A

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

If approved, the public hearing for weed abatement charges will be held on February 20, 2024.

ATTACHMENT(S):

- A. Resolution No. 9896
- B. Declaration List

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

RESOLUTION NO. 9896

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DECLARING THAT WEEDS, BRUSH, RUBBISH AND REFUSE UPON OR IN FRONT OF SPECIFIED PROPERTY IN THE CITY ARE A SEASONAL AND RECURRENT PUBLIC NUISANCE, AND DECLARING ITS INTENTION TO PROVIDE FOR THE ABATEMENT THEREOF

THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS DOES RESOLVE AS FOLLOWS:

BE IT RESOLVED THAT, pursuant to the provisions of Title 4, Division 3, Part 2, Chapter 13, Article 2, of the California Government Code, Sections 39560 to 39588, inclusive, and evidence received by it, the City Council of the City of Santa Fe Springs specifically finds:

SECTION 1. That the weeds, brush or rubbish growing or existing upon the streets, sidewalks, or private property in the city attain such large growth as to become, when dry, a fire menace to adjacent improved property, or which are otherwise noxious, dangerous, or a public nuisance.

SECTION 2. That the presence of dry grass, stubble, refuse, or other flammable materials are conditions which endanger the public safety by creating a fire hazard.

SECTION 3. That by reason of the foregoing fact, the weeds, brush, rubbish, dry grass, stubble, refuse, or other flammable material growing or existing upon the private property hereinafter described, and upon the streets and sidewalks in front of said property constitute a seasonal and recurrent public nuisance and should be abated as such.

SECTION 4. That the private property, together with the streets and sidewalks in front of same herein referred to, is more particularly described as follows, to wit: That certain property described in the attached list hereto and by this reference made a part hereof as though set forth in full at this point.

BE IT THEREFORE RESOLVED, pursuant to the findings of fact, by this Council heretofore made, that the weeds, brush, rubbish, dry grass, stubble, refuse, or other flammable material in and upon and in front of the real property hereinbefore described constitute and are hereby declared to be a seasonal and recurrent public nuisance which should be abated. The Agricultural Commissioner/Director of Weights and Measures, County of Los Angeles, is hereby designated the person to give notice to destroy said weeds, brush, rubbish, dry grass, stubble, refuse, or other flammable material and shall cause notices to be given to each property owner by United States Mail and said notice shall be substantially in the following form to wit.

**NOTICE TO DESTROY WEEDS,
REMOVE BRUSH, RUBBISH AND REFUSE**

Notice is hereby given that on February 6, 2024, the City Council of the City of Santa Fe Springs passed or will pass a resolution declaring noxious or dangerous vegetation including weeds, brush, tumbleweeds, sagebrush, and chaparral or rubbish and refuse were growing or occurring upon or in front of said property on certain streets in said city or unincorporated area of the County of Los Angeles, and more particularly described in the resolution, and that they constitute a public nuisance which must be abated by the removal of said noxious or dangerous vegetation, rubbish and refuse. The resolution further declares that, if not abated, the vegetation and/or rubbish and refuse may be removed and the nuisance abated by County authorities in which case the cost of removal shall be assessed upon the land from or in front of which the noxious or dangerous vegetation, rubbish and refuse are removed. Such cost will constitute a special assessment against such lots or lands. Reference is hereby made to said resolution for further particulars. In addition, the Board of Supervisors of the County of Los Angeles authorized and directed the Agricultural Commissioner to recover its costs of details. All property owners having any objections to the proposed removal of noxious or dangerous vegetation, rubbish and refuse and the recovery of inspection costs, are hereby notified that they may attend a hearing of the City Council of said city to be held at 11710 East Telegraph Road, Santa Fe Springs, CA 90670, in the Council Chambers on February 20, 2024 at 6:00 p.m. where their objections will be heard and given due consideration. If the property owner does not want to present objections to the proposed removal of the noxious or dangerous vegetation including weeds, brush, tumbleweeds, sagebrush, and chaparral or rubbish and refuse, or the recovery of inspection costs, the owner need not appear at the above mentioned hearing.

City Clerk of the City of Santa Fe Springs

BE IT THEREFORE RESOLVED, that the Agricultural Commissioner is hereby authorized and directed to recover its costs of inspection of the properties hereinabove described in a manner consistent with prior action of the Board adopting a fee schedule for such inspections. The recovery of these costs is vital to the ongoing operation governing the identification and abatement of those properties that constitute a seasonal and recurrent public nuisance and endanger the public safety.

BE IT FURTHER RESOLVED THAT, the 20th day of February, 2024, at the hour of 6:00 p.m. of said day is the day and hour, and the Meeting Room of the City Council of the City of Santa Fe Springs in the City Hall in the City of Santa Fe Springs is fixed by this City Council as the place when and where any and all property owners having any objections to the aforesaid proposed removal of weeds, brush, rubbish, dry grass, stubble, refuse, or other flammable material may appear before the City Council and show cause why said weeds, brush, rubbish, dry grass, stubble, refuse, or other flammable material should not be removed in accordance with this resolution, and said objections will then and there be heard and given due consideration; and

BE IT RESOLVED THAT the notices to destroy weeds, brush, rubbish, dry grass, stubble, refuse or other flammable material hereinbefore referred to shall be mailed by said Agricultural Commissioner/Director of Weights and Measures at least ten days prior to February 20, 2024.

PASSED and ADOPTED this 6th day of February, 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jay Sarno, Mayor

ATTEST:

Fernando N. Muñoz, CMC, Deputy City Clerk

2024

LOS ANGELES COUNTY DECLARATION LIST

CITY OF SANTA FE SPRINGS

KEY OF 8, CITY CODE 623 (UNIMPROVED)

PARCEL	LOCATION	OWNER	MAILING ADDRESS	CITY/STATE	ZIP
7005001803	SHOEMAKER AVE	SO PAC CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
7005014801	CARMENITA	SO PAC CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
7005014803	ALONDRA BLVD	SO PAC CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
7005014913	13560 FIRESTONE BLVD	DEPARTMENT OF TRANSPORTATION	100 S MAIN ST MS 13	LOS ANGELES CA	90012
7005014915	13561 FIRESTONE BLVD	DEPARTMENT OF TRANSPORTATION	100 S MAIN ST MS 13	LOS ANGELES CA	90012
7005014917	13562 FIRESTONE BLVD	STATE OF CALIFORNIA DEPT OF TRANSPORTATION	100 S MAIN ST MS 6	LOS ANGELES CA	90012
7005014918	13563 FIRESTONE BLVD	STATE OF CALIFORNIA DEPT OF TRANSPORTATION	100 S MAIN ST STE 1300	LOS ANGELES CA	90012
8002019042	BELL RANCH DR	MCMASTER CARR SUPPLY COMPANY	PO BOX 54960	LOS ANGELES CA	90054
8002021803	LOS NIETOS RD	A T AND S F RY CO	8920 REX RD	PICO RIVERA CA	92660
8005012027	GEARY AVE	GEARY AVENUE PROPERTIES LLC	8536 WHITE FISH CIR	FOUNTAIN VALLEY CA	92708
8005012047	10137 NORWALK BLVD	GEMINIS PROPERTY DEVELOPMENT LLC	PO BOX 2767	SANTA FE SPRINGS CA	90670
8005012902	12171 TELEGRAPH RD	SANTA FE SPRINGS CITY	11710 TELEGRAPH RD	SANTA FE SPRINGS CA	90670
8005015047	10025 BLOOMFIELD AVE	WG HOLDINGS SPV LLC	109 N POST OAK LN STE 230	HOUSTON TX	77024
8005015048	SANTA FR SPRINGS RD	CENTRIS TELEGRAPH POINT LLC	448 N LASALLE DR 2ND FL	CHICAGO IL	60654
8005015049	SANTA FR SPRINGS RD	CENTRIS TELEGRAPH POINT LLC	448 N LASALLE DR 2ND FL	CHICAGO IL	60654
8005015050	SANTA FR SPRINGS RD	WG HOLDINGS SPV LLC	109 N POST OAK LN STE 230	HOUSTON TX	77024
8005015051	SANTA FR SPRINGS RD	WG HOLDINGS SPV LLC	109 N POST OAK LN STE 230	HOUSTON TX	77024
8009001095	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009001097	CLARK ST	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009001098	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009001101	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004078	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004079	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004116	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004117	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004118	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004119	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004127	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009004128	GARDEN PARKWAY	TOWNLOT FEE LLC	515 S FLOWER ST STE 4800	LOS ANGELES CA	90071
8009022071	FLORENCE AVE	SFS REAL ESTATE AND RECOVERY LLC	14555 N 82ND ST	SCOTTSDALE AZ	85260
8011004031	FREEMAN AVE	12720 TELEGRAPH LLC	109 N POST OAK LN	HOUSTON TX	77024
8011004058	FREEMAN AVE	NAMMDM LLC	10029 GREENLEAF AVE	SANTA FE SPRING CA	90670

2024
LOS ANGELES COUNTY DECLARATION LIST
CITY OF SANTA FE SPRINGS
KEY OF 8, CITY CODE 623 (UNIMPROVED)

PARCEL	LOCATION	OWNER	MAILING ADDRESS	CITY/STATE	ZIP
8011004064	FREEMAN AVE	SFW SYSTEM LLC	PO BOX 235	RANCHO SANTA FE CA	92067
8011005013	13007 TELEGRAPH RD	GREEN LEAF XC, LLC	3010 OLD RANCH PARKWAY SUITE 470	SEAL BEACH CA	90740
8011005034	10330 GREENLEAF AVE	PLAINS WEST COAST TERMINALS LLC	333 CLAY ST STE 1600	HOUSTON TX	77002
8011007026	FREEMAN AVE	TALL PROPERTIES LLC	PO BOX 5547	FULLERTON CA	92838
8011007027	FREEMAN AVE	TALL PROPERTIES LLC	PO BOX 5547	FULLERTON CA	92838
8011007028	ROMANDEL AVE	TALL PROPERTIES LLC	PO BOX 5547	FULLERTON CA	92838
8011007029	ROMANDEL AVE	TALL PROPERTIES LLC	PO BOX 5547	FULLERTON CA	92838
8011007038	ROMANDEL AVE	12720 TELEGRAPH LLC	109 N POST OAK LN	HOUSTON TX	77024
8011007040	ROMANDEL AVE	12720 TELEGRAPH LLC	109 N POST OAK LN	HOUSTON TX	77024
8011007041	ROMANDEL AVE	PRODUCTOL INC	12243 BRANFORD ST	SUN VALLEY CA	91352
8011009935	10712 LAUREL AVE	SDG SANTA FE SPRINGS LLC	26400 LA ALAMEDA STE 100	MISSION VIEJO CA	92691
8011015041	10765 PAINTER AVE	WESTMONT PROPERTIES INC	10805 PAINTER AVE	SANTA FE SPRINGS CA	90670
8011017015	TELEGRAPH RD	WADE,CYNTHIA S CO TR ET AL	10720 S BLUE WATER BAY	MOHAVE VALLEY AZ	86440
8011017035	TELEGRAPH RD	12720 TELEGRAPH LLC	10345 W OLYMPIC BLVD	LOS ANGELES CA	90064
8011017036	TELEGRAPH RD	12720 TELEGRAPH LLC	10345 W OLYMPIC BLVD	LOS ANGELES CA	90064
8011017037	TELEGRAPH RD	12720 TELEGRAPH LLC	10345 W OLYMPIC BLVD	LOS ANGELES CA	90064
8011017064	SANDOVAL ST	YEH FAMILY LIMITED PTNSHP LTD	12928 SANDOVAL ST	SANTA FE SPRINGS CA	90670
8017018800	SANTA ANITA RTE 5 FWY	SOU PAC CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8017018801	FLORENCE AVE	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8017018802	SANTA ANITA RTE 5 FWY	SO PAC CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8059029016	BORA SR	BPW INC	13639 BORA DR	SANTA FE SPRINGS CA	90670
8069004803	SHOEMAKER AVE	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8069006044	14150 ROSECRANS AVE	VALLEY VIEW-SANTA FE SPRINGS LLC	26100 NORTHWESTERN HWY STE 1913	SOUTHFIELD MI	48076
8069011801	BONAVISTA AVE	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8069011802	BONAVISTA AVE	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8069013802	MICA ST	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8069016913	EXCELSIOR DR	STATE OF CALIFORNIA DEPT OF	100 S MAIN ST MS 6	LOS ANGELES CA	90012
8167001807	BUSCH PL	SOUTHERN PAC TRANS CO	1700 FARMAN ST 10TH FL	OMAHA NE	68102
8167002055	SANTA FE SPRINGS RD	GREENLEAF BUSINESS CENTER LLC	5215 OLD ORCHARD RD STE 420	SKOKIE IL	60077
8168001815	NORWALK BLVD	UNION PACIFIC RAILROAD COMPANY	1400 DOUGLAS ST	OMAHA NE	68179
8168001816	NORWALK BLVD	UNION PACIFIC RAILROAD COMPANY	1400 DOUGLAS ST	OMAHA NE	68179
8168002901	SORENSEN AVE	LA COUNTY FLOOD CONTROL DISTRICT	900 S FREMONT AVE	ALHAMBRA CA	91803
8168007026	9005 SORESEN AVE	MCKESSON CORPORATION	PO BOX 92129	SOUTHLAKE TX	68179
8168007814	DICE RD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8168007816	DICE RD	SOU PACIFIC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8168009027	SORENSEN AVE	VALVOLINE LLC	100 VALVOLINE WAY	LEXINGTON KY	40509

2024
LOS ANGELES COUNTY DECLARATION LIST
CITY OF SANTA FE SPRINGS
KEY OF 8, CITY CODE 623 (UNIMPROVED)

PARCEL	LOCATION	OWNER	MAILING ADDRESS	CITY/STATE	ZIP
8168009030	SORENSEN AVE	VALVOLINE LLC	100 VALVOLINE WAY	LEXINGTON KY	40509
8168011802	SANTA FE SPRINGS RD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8168011803	SANTA FE SPRINGS RD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8168012814	SORENSEN AVE	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8168023048	11790 SLAUSON AVE	CEM CONSTRUCTION CORPORATION	8207 BROOKGREEN RD	DOWNEY CA	90240
8177029810	PIONEER BLVD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8177029815	PIONEER BLVD	SO CALIF EDISON CO	2 INNOVATION WAY 2ND FL	POMONA CA	91768
8177029823	RANCHO SANTA GERTRUDES	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8178004065	LOS NIETOS RD	CHAVEZ, WILLIAM AND	2923 VIA SAN DELARRO	MONTEBELLO CA	90640
8178035811	NORWALK BLVD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8178035812	DE COSTA AVE	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8178035815	NORWALK BLVD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8178036803	RIVERA RD	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8178036804	DE COSTA AVE	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8178037805	PIONEER BLVD	A T AND S F RY CO	8920 REX ROAD	PICO RIVERA CA	90660
8178037806	LOS NIETOS RD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179
8178037811	LOS NIETOS RD	SOU PAC TRANS CO	1400 DOUGLAS ST STOP 1690	OMAHA NE	68179

TOTAL VACANT/IMPROVED RECORDS 0
TOTAL UNIMPROVED RECORDS 85
TOTAL RECORDS 85



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, City Treasurer

SUBJECT: TREASURER'S REPORT OF INVESTMENTS FOR THE QUARTER ENDED DECEMBER 31, 2023

DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Receive and file the report.

FISCAL IMPACT

Investment earnings for the quarter ended December 31, 2023 amounted to \$1,371,082.82.

BACKGROUND/DISCUSSION

Beginning January 2016, the City retained PFM Asset Management LLC ("PFMAM") to manage \$20.8 million of the City's reserve funds ("managed portfolio").

Based on a cash flow analysis and discussion with PFMAM and the City Council Audit Subcommittee, an additional \$10.0 million of the City's reserve funds were added to the portfolio in May 2017, and \$35.0 million in January 2023 bringing the total principal invested to \$65.8 million.

At the end of each calendar quarter, PFMAM provides a detailed written report covering general market conditions as well as the balances and transactions of the City's portfolio for the previous quarter. PFMAM's detailed report is attached to this Treasurer's Report.

Ms. Sarah Meacham, Director with PFMAM, along with her staff, have also regularly provided an update, including a detailed review of the results of the portfolio for the quarter, a discussion of the investment strategies and policies which govern the City’s portfolio, and general market conditions.

ANALYSIS

The City’s managed portfolio generated interest income in the amount of \$550,360 for the most recent quarter. The interest income represents actual cash receipts received by the City, plus the amortization of any discounts or premiums, as well as realized gains and losses. The figure does not include unrealized gains or losses (i.e. changes in market value).

The overall performance of the City’s managed portfolio account is expressed in a “yield” and “total return”. The yield is a forward-looking measurement which shows the income and dividends on the investments to be expected in the future based on current holdings, expressed as an annual rate of return. The City’s yield (at cost value) on December 31, 2023 was 3.68%, increase from 3.53% the previous quarter.

Total return on the other hand, is a backward-looking measurement focused on not only interest earned, but also realized and unrealized gains/losses. Realized gains/losses result from selling a security at a price higher or lower than was actually paid to purchase it. Unrealized gains/losses result from market value increases and decreases in security values for securities which are still held in the portfolio.

Of particular importance to the City’s portfolio is the inverse relationship between yield and market value. In general, when yields go up, market values go down, and vice versa. For example, if the City is holding a bond which pays 1.0% and the market yield increases to 1.1% the market value of the City’s 1.0% security will decline so that an investor purchasing the security would pay a price below face value which would cause the security to yield 1.1% even though it only pays 1.0%. If held until maturity, the security would pay the full face value along with the 1.0% stated interest throughout the term. In other words, “unrealized” gains/losses are not “realized” unless the security is actually sold prior to maturity.

The yield at June 30, 2016 was 1.25% and rose to 3.68% as of December 31, 2023. This has resulted in unrealized losses, however, it is important to point out that the investments continue to pay the stated interest on the security. The unrealized losses simply represent the amount that the City would lose, if the security was sold in the current market conditions. It is not an actual loss of the City’s principal value invested. It is also important to remember that rising yield markets are good in the sense that as securities mature, they are replaced with higher rate securities, increasing the overall interest income of the portfolio.

Because the total return (as opposed to the yield) takes into account realized and unrealized gains/losses, it is generally compared against a target benchmark to evaluate portfolio performance. The City’s benchmark is the 1-5 Year U.S. Treasury Index. The total return for the City’s portfolio for the quarter ended December 31, 2023 was 3.28% vs. the benchmark’s total return of 3.10%; the City’s portfolio outperformed the benchmark by 0.18%. Since inception of the managed portfolio (January 2016) the total return for the City’s portfolio was 1.33% vs. the benchmark total return of 0.99% through December 31, 2023.

Aside from the PFMAM managed portfolio, the City’s other investments are the Local Agency Investment Fund (“LAIF”), a pooled investment fund managed by the California State Treasurer; the California Asset Management Program (“CAMP”), a pooled investment fund managed by PFMAM; and the First American Treasury Obligations Fund, a U.S. Treasury money market fund (“MMF”) used by the City’s bond trustee. LAIF returned an annualized rate of 4.00% for the quarter while CAMP returned 5.56% and the MMF returned 4.83%. Interest earnings for the quarter amounted to \$240,997, \$532,203, and \$47,522, respectively, for the LAIF, CAMP, and the MMF accounts.

ENVIRONMENTAL

None

SUMMARY/NEXT STEPS

The attached Treasurer’s Report contains all investments under the control of the City.

The investments, at market value, are summarized as follows:

Pooled Cash and Investments	\$ 139.0 million
Successor Agency Bond Funds	18.8 million
Bonds Reserves and Debt Service	<u>3.4 million</u>
Total Investments	\$ 161.2 million

Pooled cash and investments consist of the PFMAM managed account, LAIF, and CAMP. The Successor Agency bond funds are held in LAIF and are the source of funds for ongoing capital improvement projects. Spending on multiple capital projects has occurred and these funds will be drawn down for deposit into the City’s pooled cash and investments.

The bond reserves and debt service funds consist of the MMF accounts held, as required, by the City’s third party trustee, U.S. Bank. These funds are held for debt service payments and reserves for bond issuances of the Water Utility Authority, the Successor Agency, and the Heritage Springs Assessment District.

CITY COUNCIL AGENDA REPORT – MEETING OF FEBRUARY 6, 2024
Treasurer’s Report of Investments for the Quarter Ended December 31, 2023

Page 4 of 4

The investments, at market value, are summarized by type as follows:

PFMAM Managed Portfolio	\$ 69.9 million
LAIF	23.8 million
CAMP	64.1 million
MMF	<u>3.4 million</u>
Total Investments	\$161.2 million

PFMAM and Staff will continue to work with the City Council Audit Subcommittee to review any proposed changes to the portfolio make-up.

ATTACHMENT(S):

- A. Attachment A – Treasurer’s Report of Investments (Quarter Ended December 31, 2023)
- B. Attachment B – PFMAM Investment Performance Review (Quarter Ended December 31, 2023)

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

**CITY OF SANTA FE SPRINGS
TREASURER'S REPORT OF INVESTMENTS
QUARTER ENDED DECEMBER 31, 2023**

DESCRIPTION	BEGINNING BALANCE	DEPOSITS/ PURCHASES	WITHDRAWALS/ SALES	ENDING BALANCE	MARKET VALUE	QUARTERLY INVESTMENT EARNING	ANNUAL YIELD
POOLED INVESTMENTS:							
PFM MANAGED PORTFOLIO (1)	\$ 70,213,681.59	\$ 7,702,774.59	\$ 7,329,405.04	\$ 70,587,051.14	\$ 69,888,278.65	\$ 550,360.00	3.68%
CALIFORNIA ASSET MANAGEMENT PROGRAM	65,946,558.05	21,532,203.30	23,400,416.67	64,078,344.68	64,078,344.68	532,203.30	5.56%
LOCAL AGENCY INVESTMENT FUND	5,060,544.53	45,607.08	-	5,106,151.61	5,073,181.86	51,297.22	4.00%
SUBTOTAL POOLED INVESTMENTS	<u>141,220,784.17</u>	<u>29,280,584.97</u>	<u>30,729,821.71</u>	<u>139,771,547.43</u>	<u>139,039,805.19</u>	<u>1,133,860.52</u>	
SUCCESSOR AGENCY BOND FUNDS (2):							
LOCAL AGENCY INVESTMENT FUND	18,714,106.13	168,756.28	-	18,882,862.41	18,760,938.24	189,700.14	4.00%
SUCCESSOR AGENCY FUNDS:							
LOCAL AGENCY INVESTMENT FUND	0.96	-	-	0.96	0.95	-	4.00%
INVESTMENTS HELD BY FISCAL AGENT (3):							
U.S. BANK CORPORATE TRUST MONEY MARKET FUNDS:							
First American Treasury Obligations Fund Class D:							
City of Santa Fe Springs	577,390.73	132,085.40	135,508.25	573,967.88	573,967.88	14,025.64	4.83%
Successor Agency	2,608,388.87	31,340.21	-	2,639,729.08	2,639,729.08	31,340.21	4.83%
Heritage Springs Assessment District	173,349.83	2,156.31	-	175,506.14	175,506.14	2,156.31	4.83%
Subtotal First American Treasury Obligations Fund Class D	<u>3,359,129.43</u>	<u>165,581.92</u>	<u>135,508.25</u>	<u>3,389,203.10</u>	<u>3,389,203.10</u>	<u>47,522.16</u>	
SUBTOTAL INVESTMENTS HELD BY FISCAL AGENT (U.S. BANK)	<u>3,359,129.43</u>	<u>165,581.92</u>	<u>135,508.25</u>	<u>3,389,203.10</u>	<u>3,389,203.10</u>	<u>47,522.16</u>	
TOTAL INVESTMENTS	<u>\$163,294,020.69</u>	<u>\$ 29,614,923.17</u>	<u>\$ 30,865,329.96</u>	<u>\$ 162,043,613.90</u>	<u>\$ 161,189,947.48</u>	<u>\$1,371,082.82</u>	

Notes:

(1) See attached report prepared by PFM, the City's investment manager, for detailed analysis of the managed portfolio. All information except for the market value is reported on the amortized cost basis. Investment earnings on the amortized cost basis do not include unrealized gains and losses.

(2) Unspent bond proceeds of the former redevelopment agency to be used for ongoing capital improvement projects.

(3) Fiscal agent accounts are held by U.S. Bank as Trustee for debt service reserves and payment of bond principal and interest.

CERTIFICATION:

The investment transactions are in compliance with the investment policy approved by the City Council.
There is sufficient liquidity within the portfolio to meet all anticipated expenditures for the next six months.



LANA DICH, CITY TREASURER



City of Santa Fe Springs

Investment Performance Review For the Quarter Ended December 31, 2023

Client Management Team

Monique Spyke, Managing Director
James Sims, CFA, Managing Director
Richard Babbe, CCM, Senior Managing Consultant

PFM Asset Management LLC

633 W 5th St., 25th Floor
Los Angeles, CA 90071
213-415-1699

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- ❑ The U.S. economy is characterized by:
 - ❑ Economic resilience but expectations for a slowdown
 - ❑ Cooling inflation that still remains above the Federal Reserve’s (“Fed”) target
 - ❑ The labor market coming into better balance
 - ❑ Consumers that continue to support growth through spending

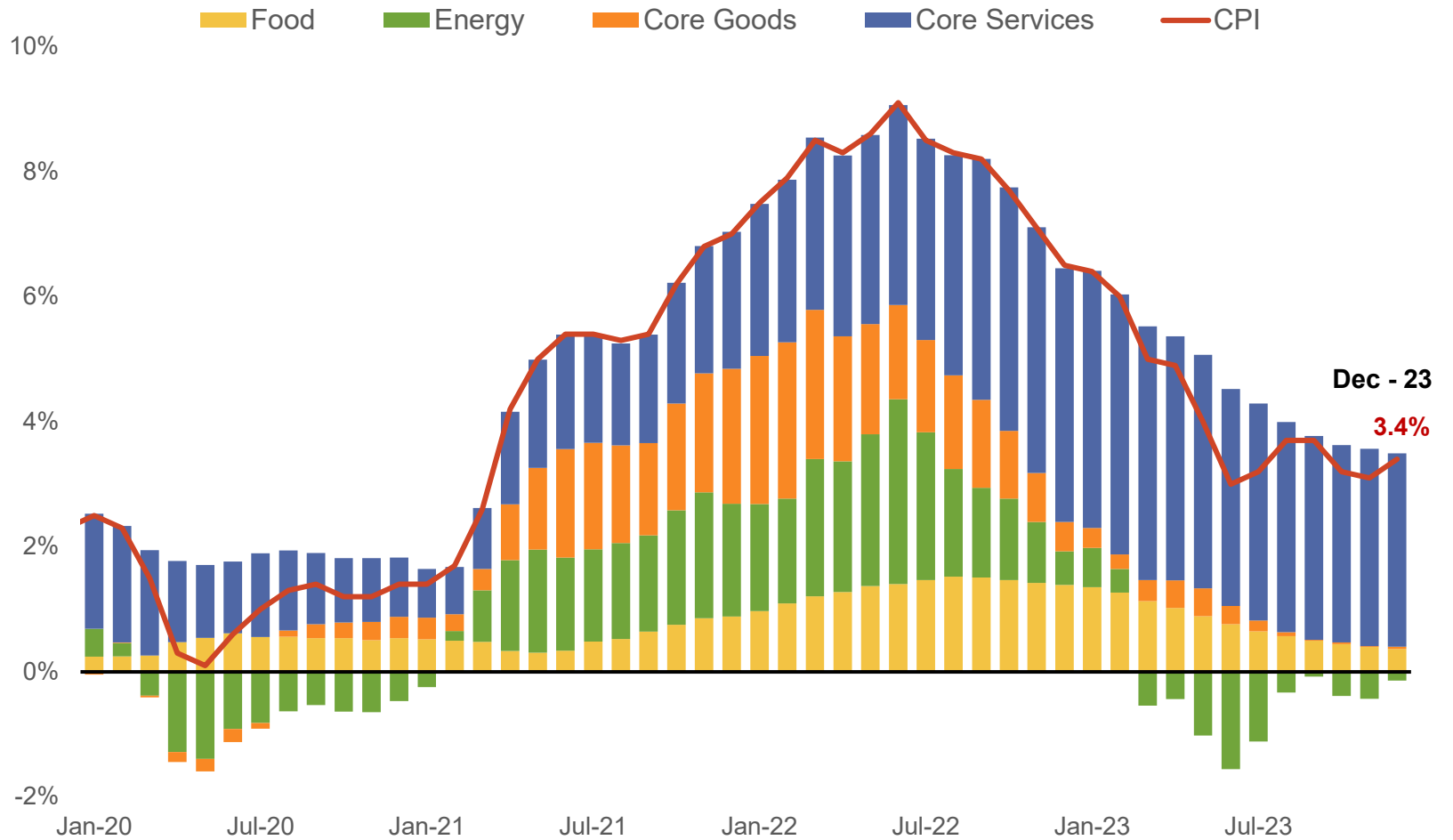


- ❑ Federal Reserve signals end to rate hiking cycle
 - ❑ Fed projected to cut the short-term Fed funds rate by 75 basis points by December 2024, with the overnight rate falling to 4.50% to 4.75%
 - ❑ Markets are pricing a more aggressive 6 rate cuts by year end
 - ❑ Fed officials reaffirm that restoring price stability is the priority



- ❑ Treasury yields ended the quarter materially lower
 - ❑ After peaking in October, yields reversed course on dovish Fed pivot
 - ❑ Yield curve inversion persisted throughout the rally
 - ❑ Credit spreads narrowed sharply on increased expectations for a soft landing

Factors Contributing to the Consumer Price Index (CPI YoY)



Lower energy and goods prices helped to offset increases in wage-driven services costs

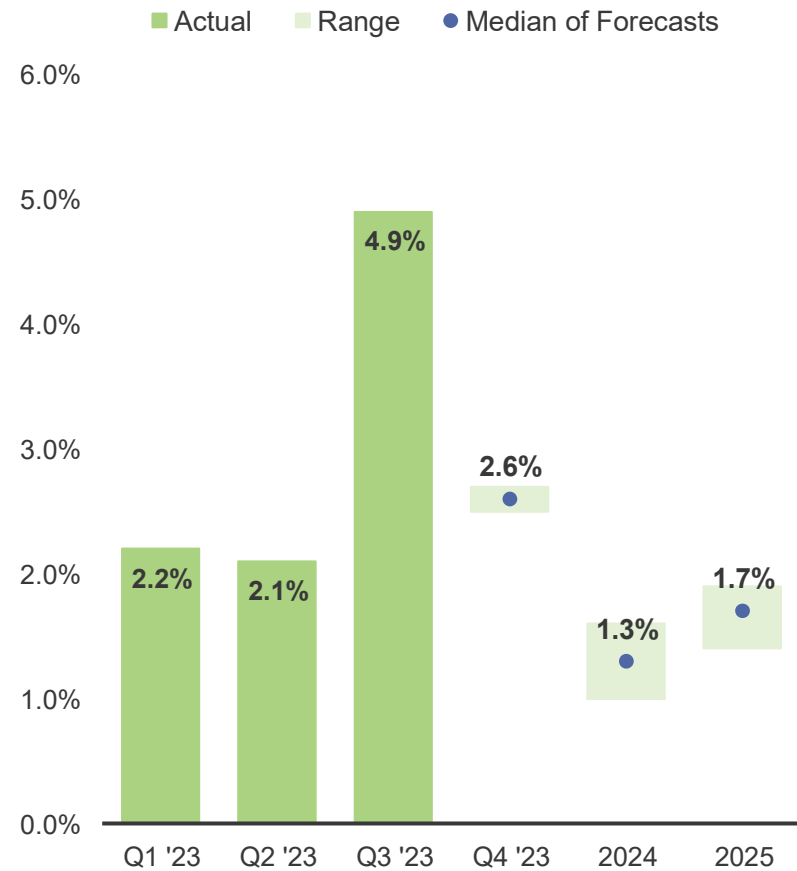
Source: Bloomberg, as of December 2023.

Balanced Risks Support Soft Landing

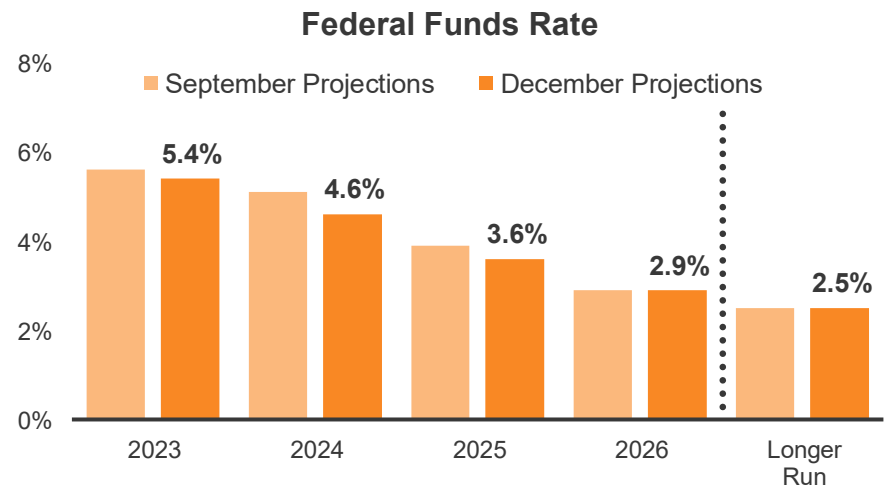
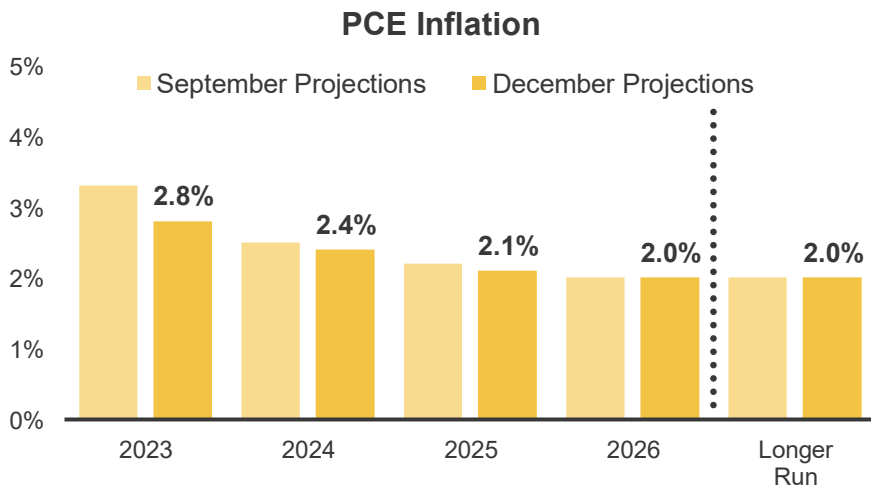
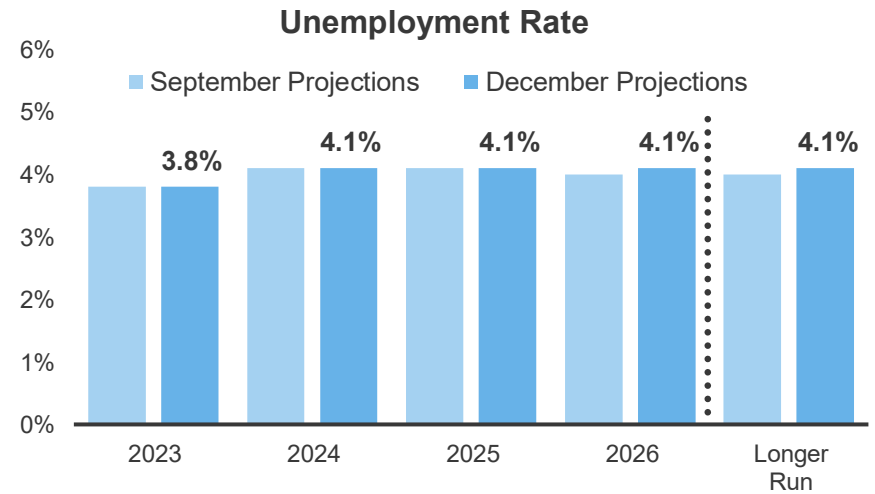
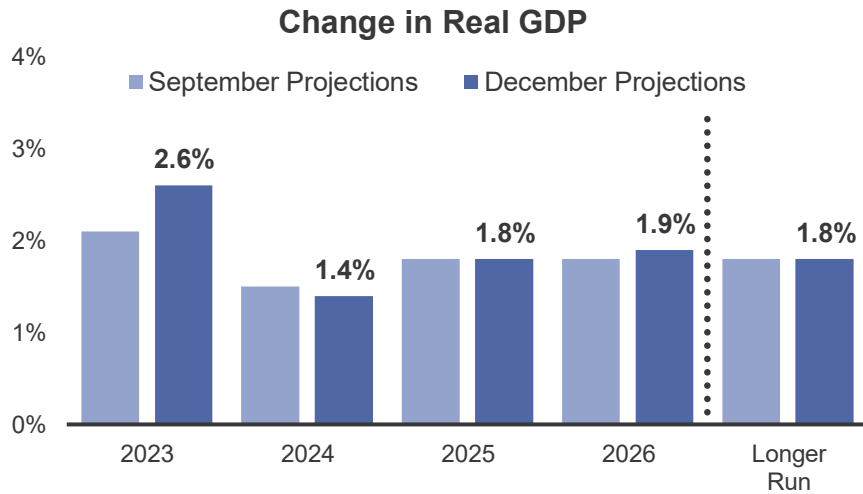
<i>Employment</i>	○	○	●
<i>Wages</i>	○	○	●
<i>Consumer</i>	○	●	○
<i>Inflation</i>	○	●	○
<i>Housing</i>	●	○	○
<i>Manufacturing</i>	●	○	○
<i>Inverted yield curve</i>	○	●	○
<i>Credit spreads</i>	○	○	●
<i>Fed Policy</i>	○	●	○

Source: Bloomberg, Economist Forecasts.

U.S. GDP Forecasts Annualized Rate



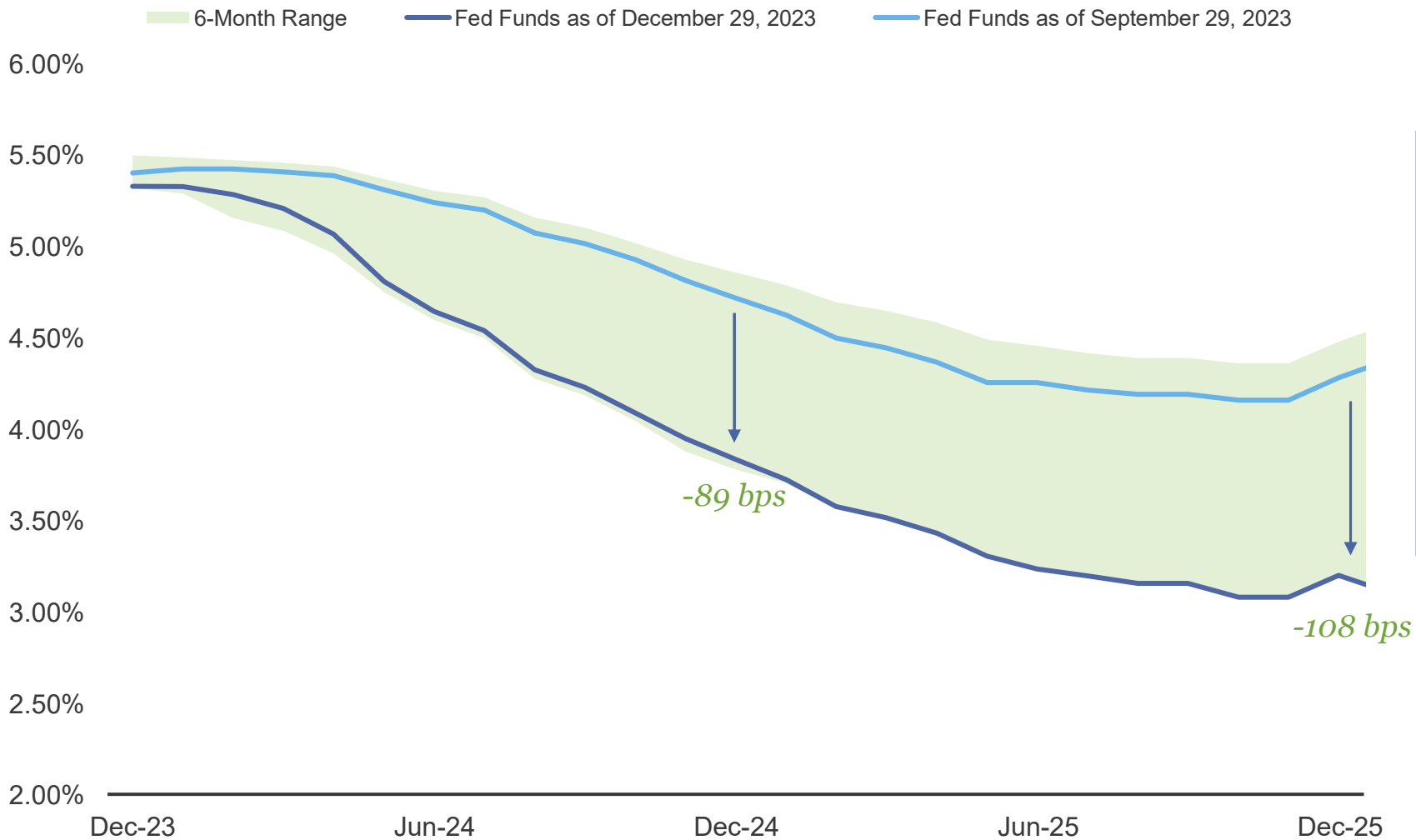
Federal Reserve Projects a Soft Landing



Source: Federal Reserve, latest economic projections as of December 2023.

Market Expects Lower Rates

Implied Fed Funds Rate

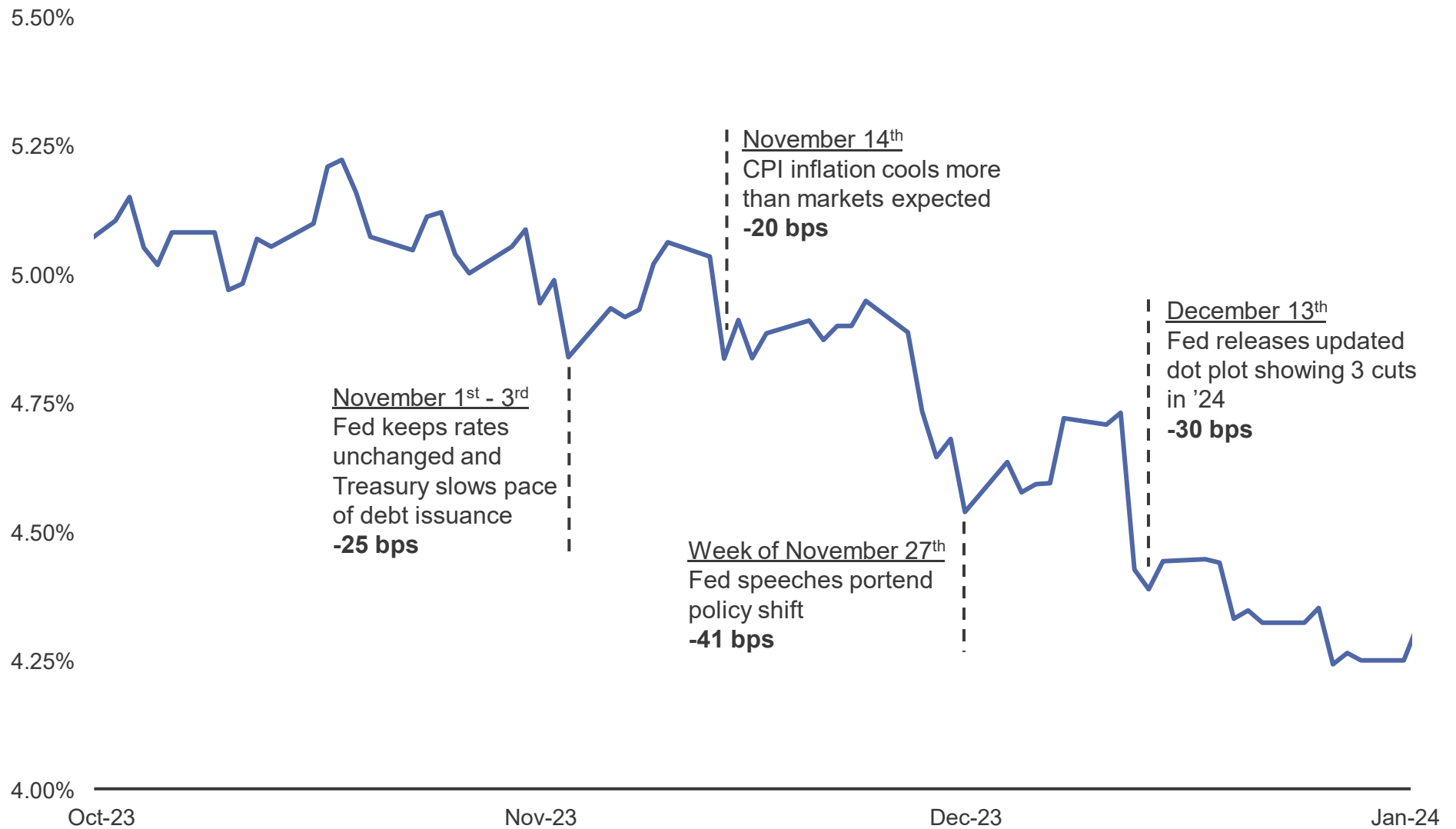


Expectations for Fed Funds have reached their most dovish levels in 6 months in response to falling inflation, Fed pivot and moderating labor market

Source: Bloomberg, as of December 2023.

Rates Fall on Softer Inflation and Fed Pivot

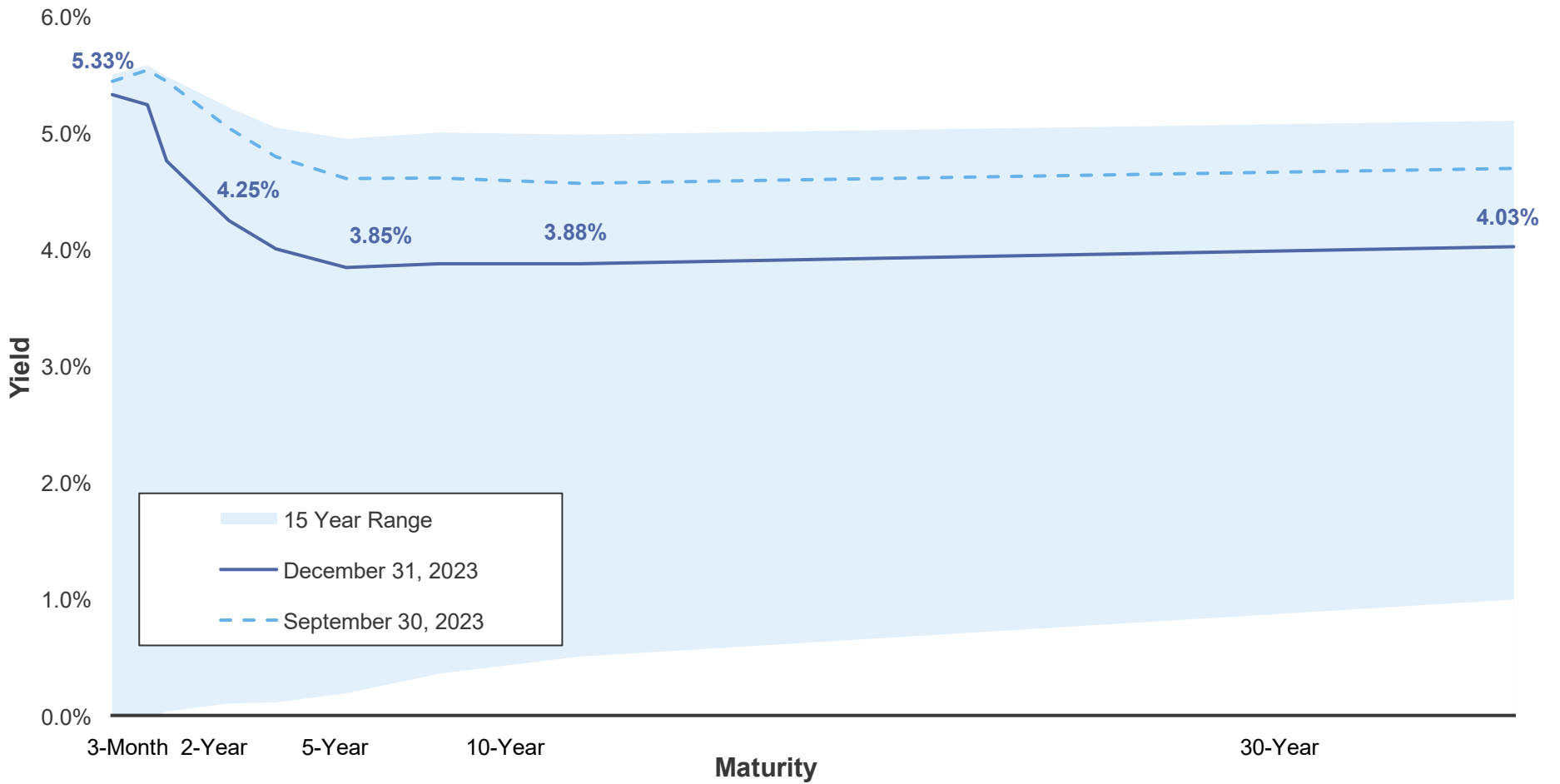
2-Year US Treasury Yield



Source: Bloomberg, as of 12/31/2023.

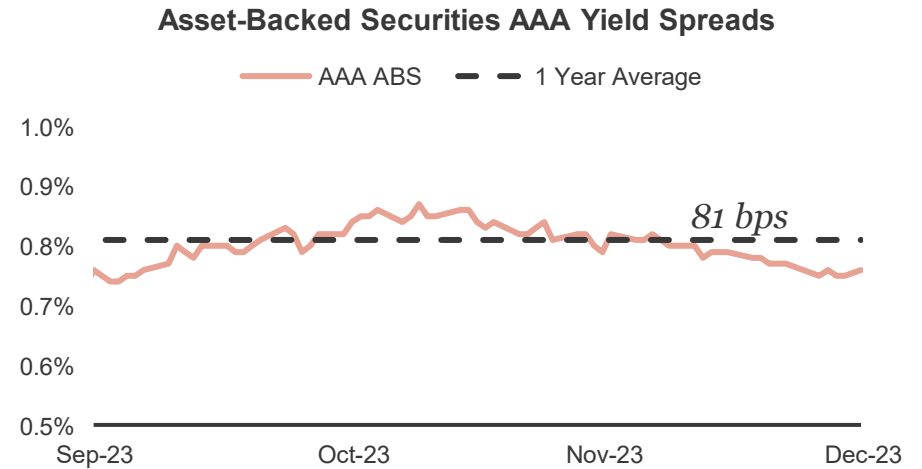
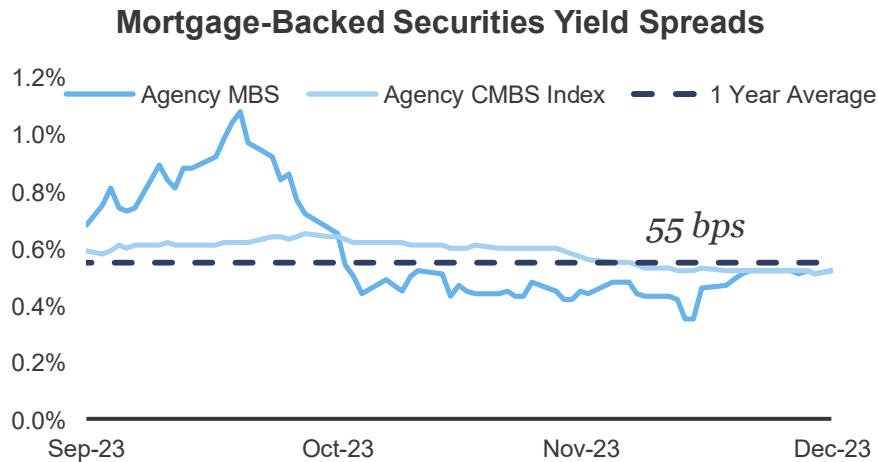
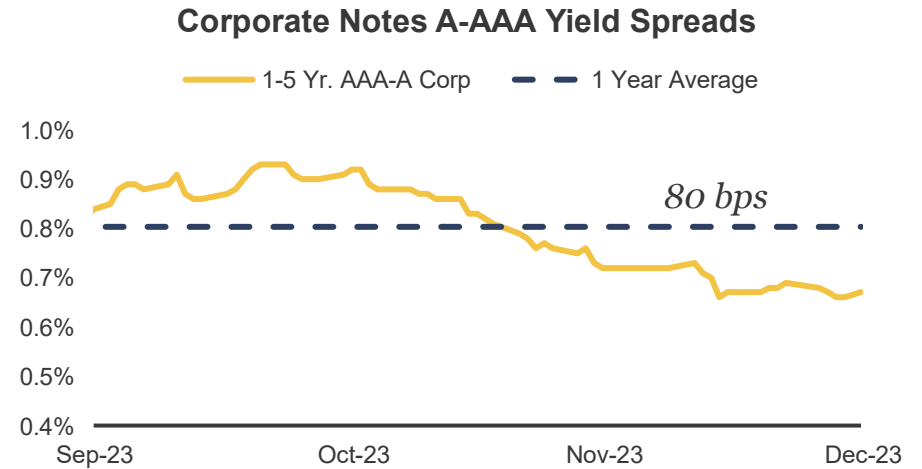
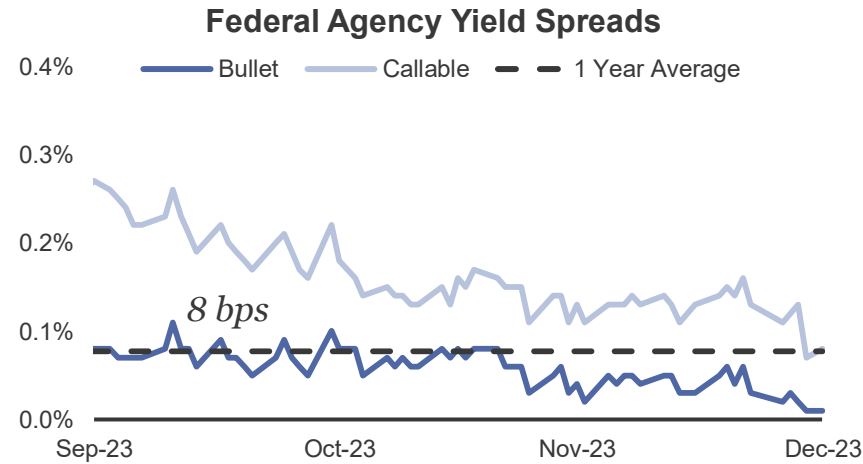
Interest Rates Moderate But Remain High

U.S. Treasury Yield Curve



Source: Bloomberg, as of December 31, 2023.

Sector Yield Spreads

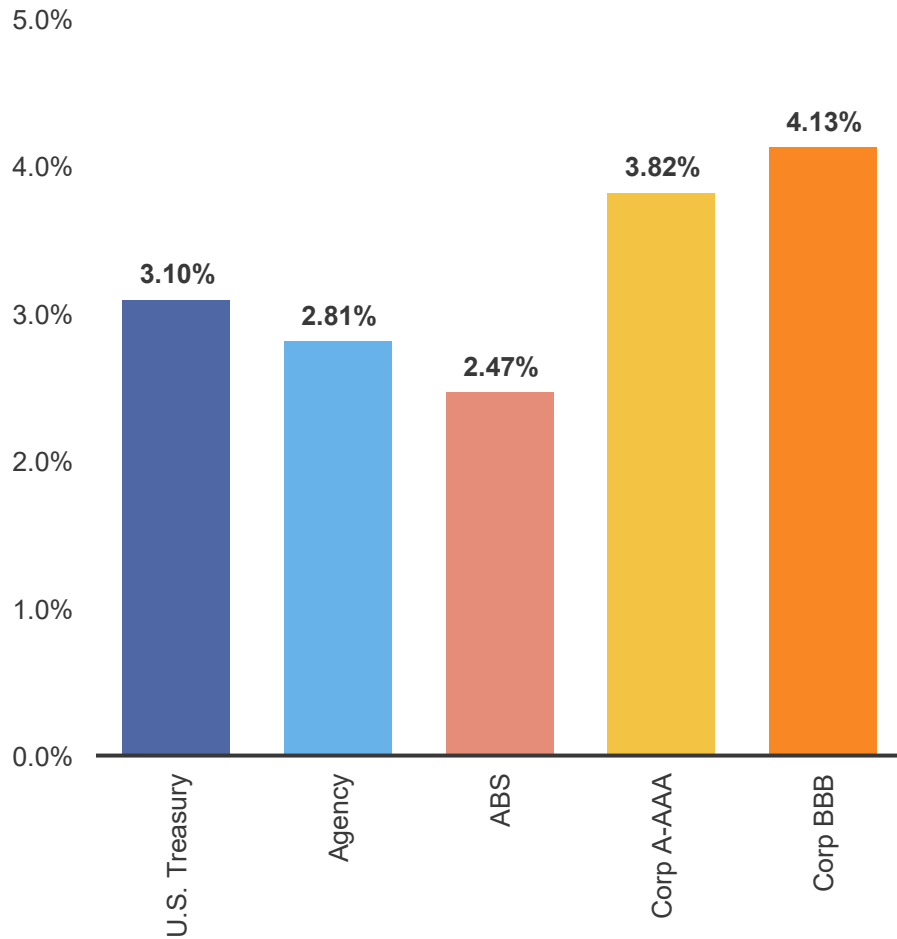


Source: ICE BofA 1-5 year Indices via Bloomberg, MarketAxess and PFMAM as of December 31, 2023. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities and represented by the ICE BofA Agency CMBS Index.

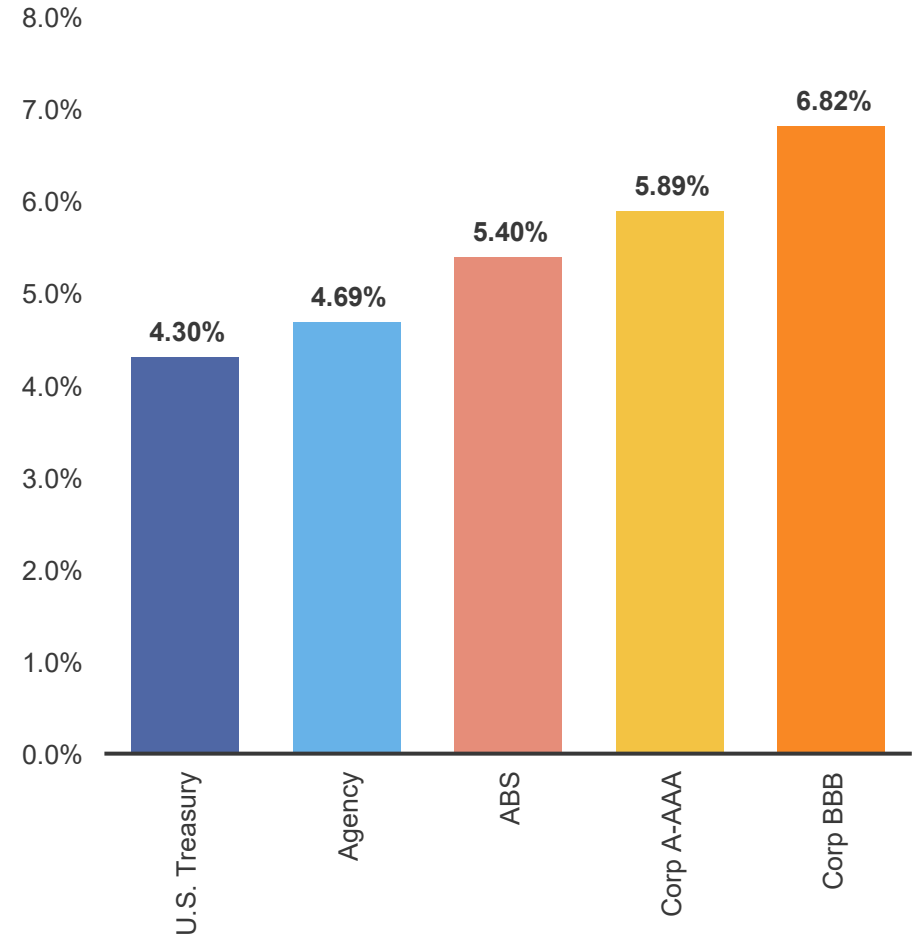
Fixed-Income Markets in 4Q 2023

1-5 Year Indices

1-5 Year Indices Quarterly Returns



1-Year Return



Source: ICE BofA Indices. ABS indices are 0-5 year, based on weighted average life. As of December 31, 2023.

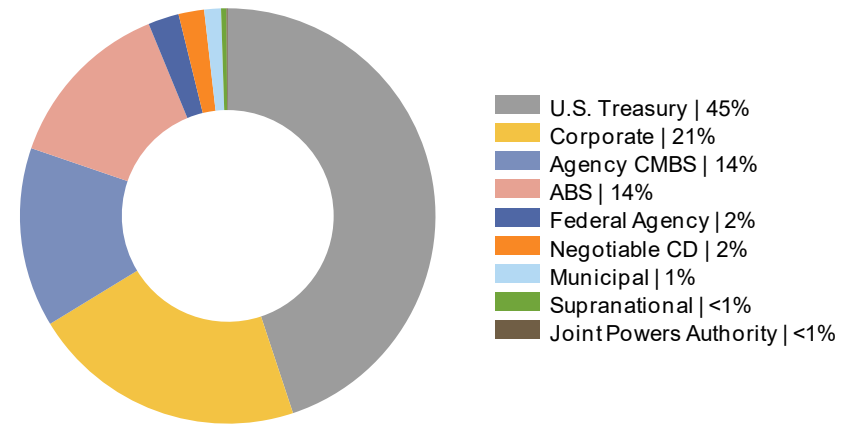
Portfolio Review

Portfolio Snapshot¹

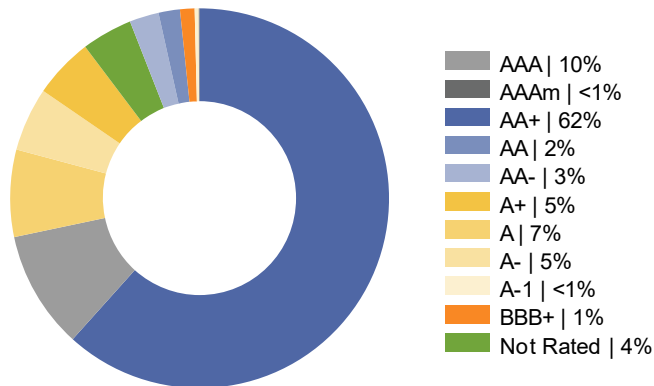
Portfolio Statistics

Total Market Value	\$70,339,343.63
<i>Managed Account Sub-Total</i>	\$69,841,361.89
<i>Accrued Interest</i>	\$451,064.98
<i>Pool</i>	\$46,916.76
Portfolio Effective Duration	2.50 years
Benchmark Effective Duration	2.53 years
Yield At Cost	3.68%
Yield At Market	4.36%
Portfolio Credit Quality	AA

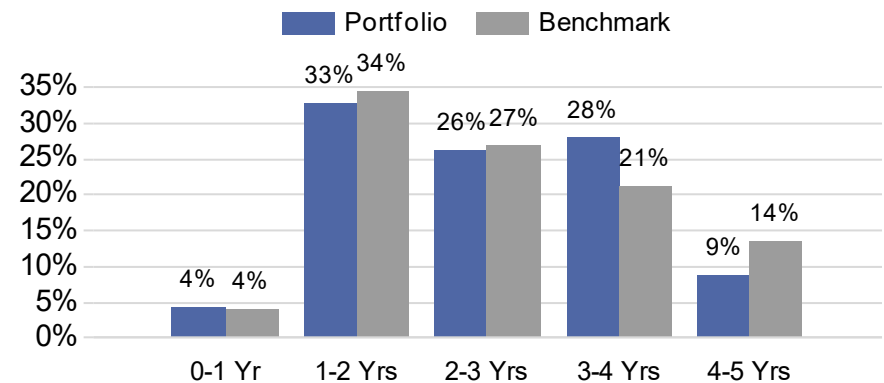
Sector Allocation



Credit Quality - S&P



Duration Distribution



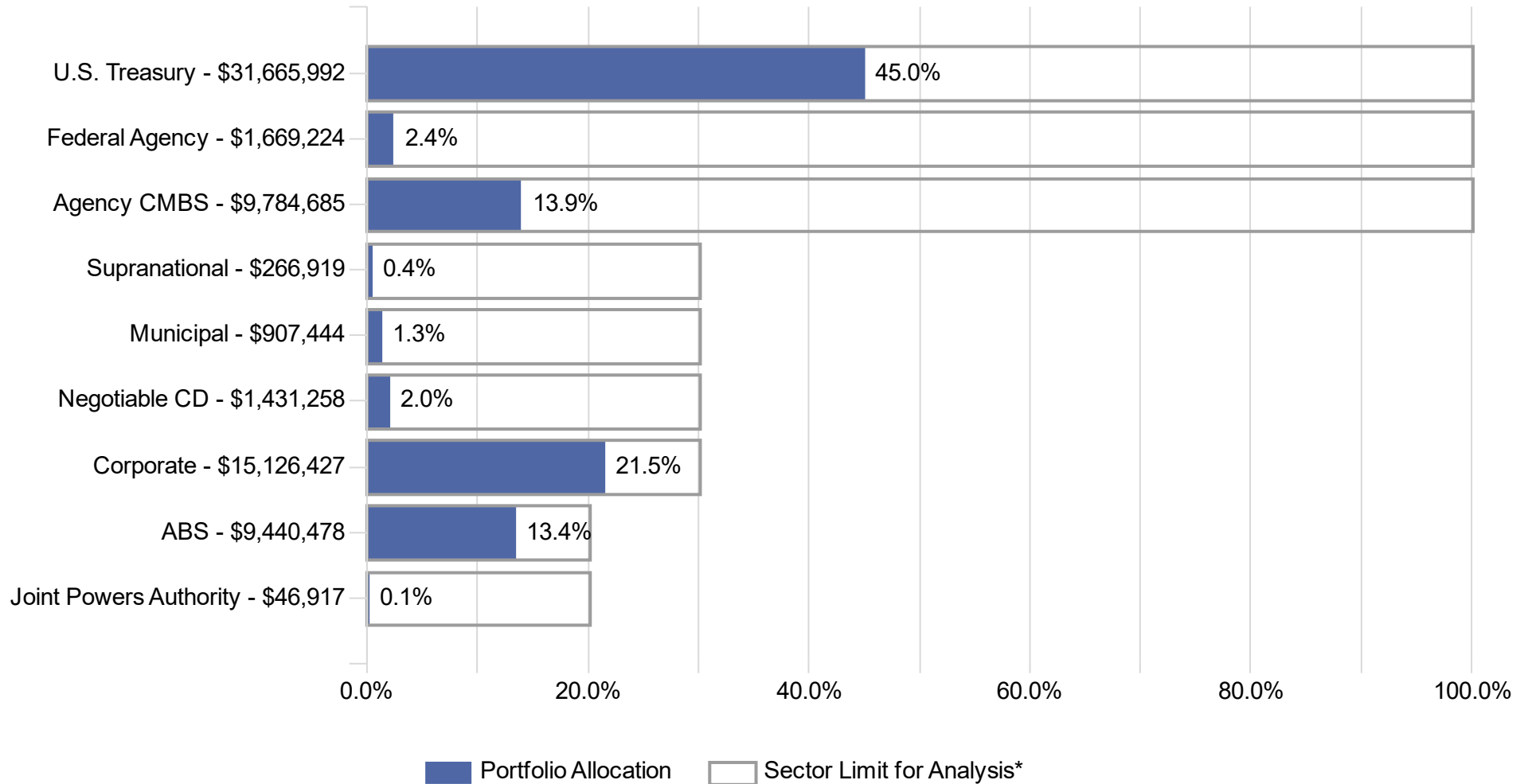
1. Total market value includes accrued interest and balances invested in CAMP, as of December 31, 2023.

Yield and duration calculations exclude balances invested in CAMP.

The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

**Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.*

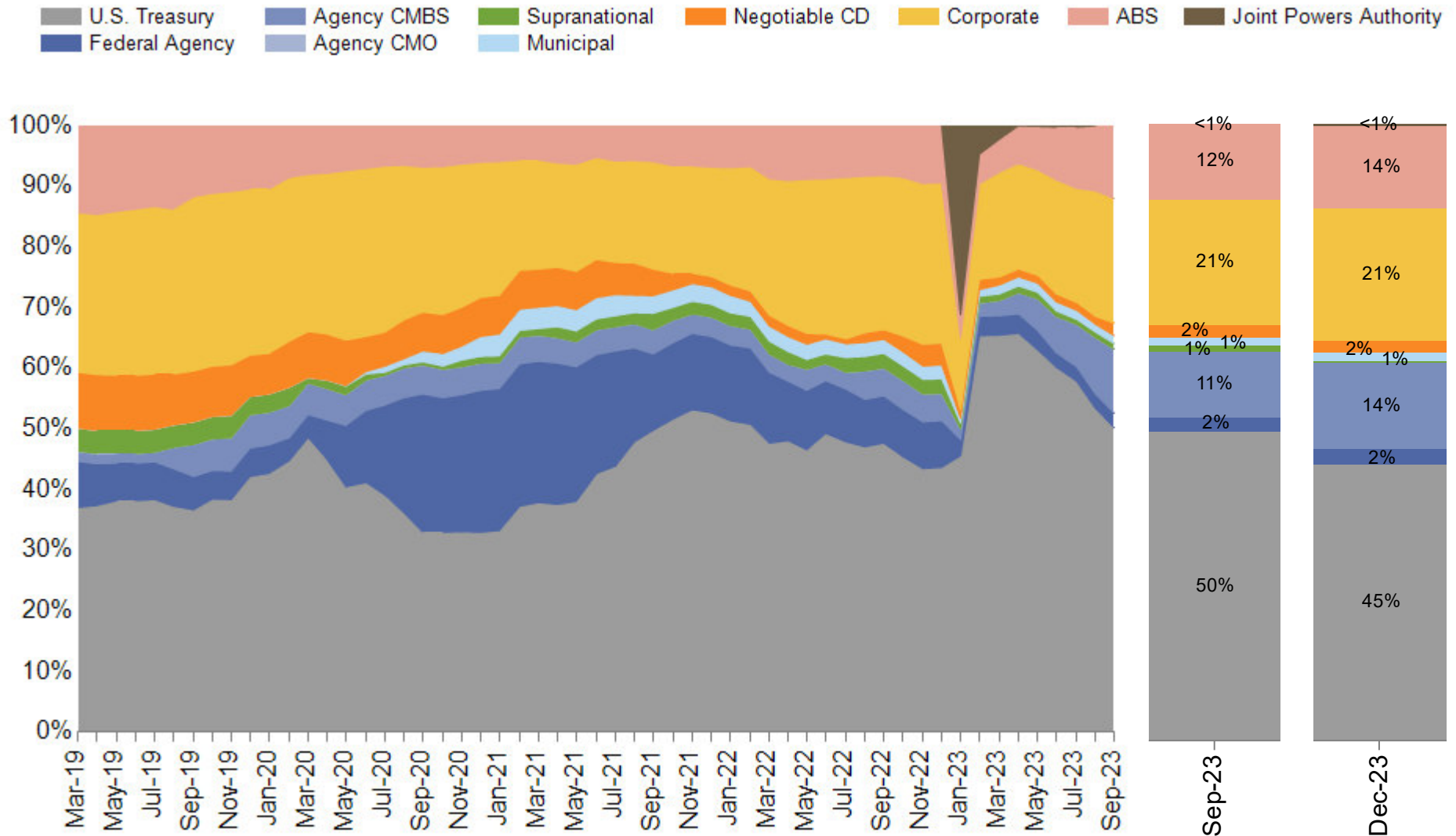
Certificate of Compliance

During the reporting period for the quarter ended December 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

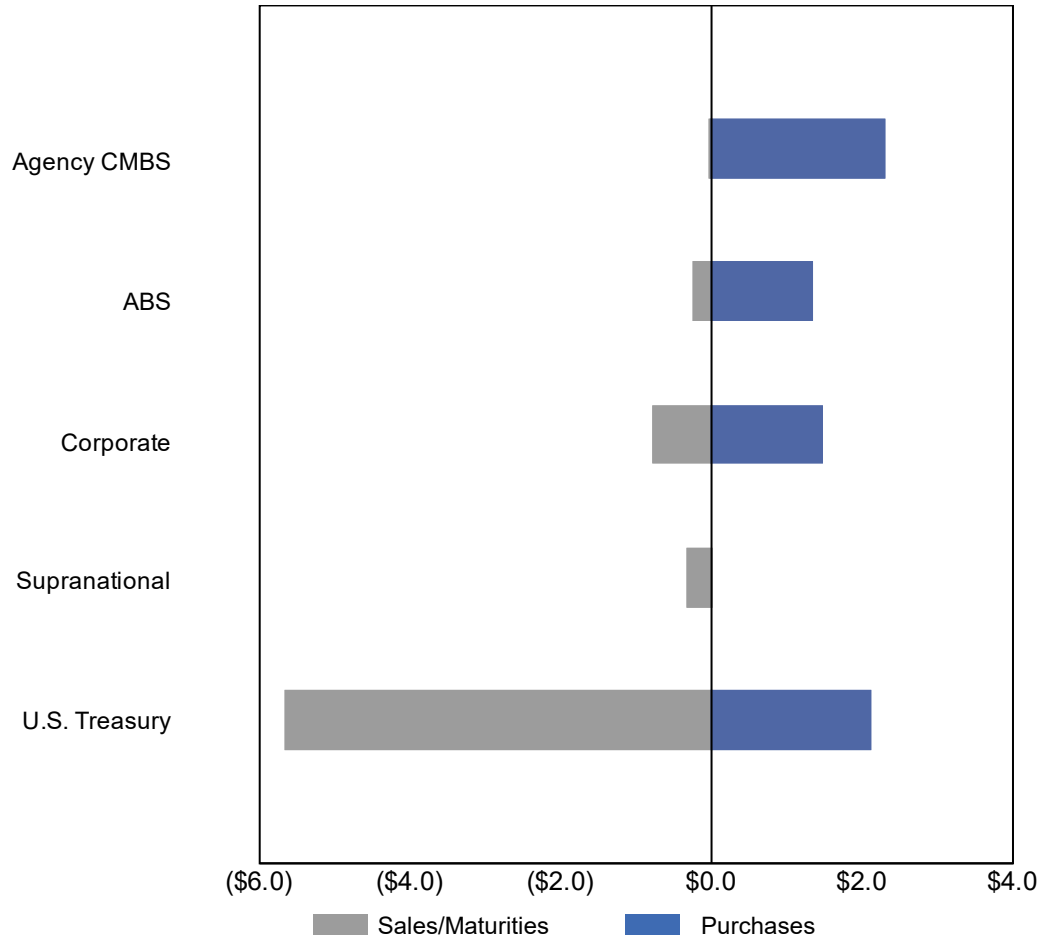
Historical Sector Allocation



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Portfolio Activity

Net Activity by Sector
(\$ millions)

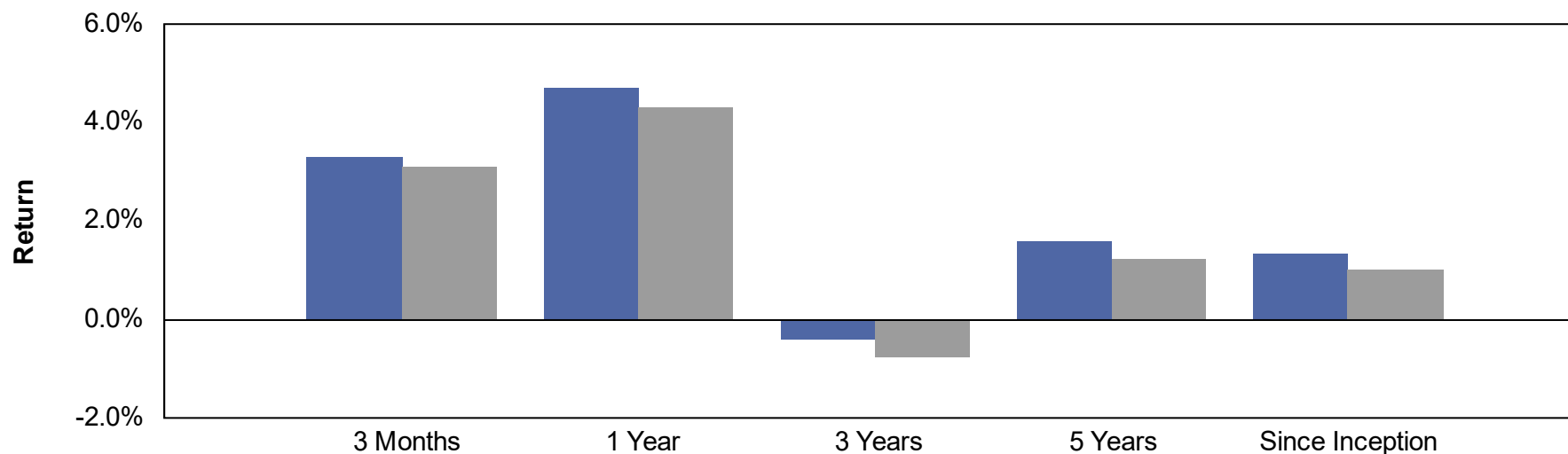


Sector	Net Activity
Agency CMBS	\$2,296,925
ABS	\$1,127,314
Corporate	\$727,881
Supranational	(\$316,610)
U.S. Treasury	(\$3,509,621)
Total Net Activity	\$325,889

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

Portfolio Performance

Portfolio Benchmark



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$563,657	\$2,055,971	\$2,991,174	\$4,411,485	\$5,799,029
Change in Market Value	\$1,669,421	\$989,097	(\$1,889,398)	\$955,847	\$11,500,723
Total Dollar Return	\$2,233,078	\$3,045,068	\$1,101,776	\$5,367,332	\$17,299,752
Total Return³					
Portfolio	3.28%	4.69%	-0.41%	1.59%	1.33%
Benchmark ⁴	3.10%	4.30%	-0.76%	1.21%	0.99%
Difference	0.18%	0.39%	0.35%	0.38%	0.34%

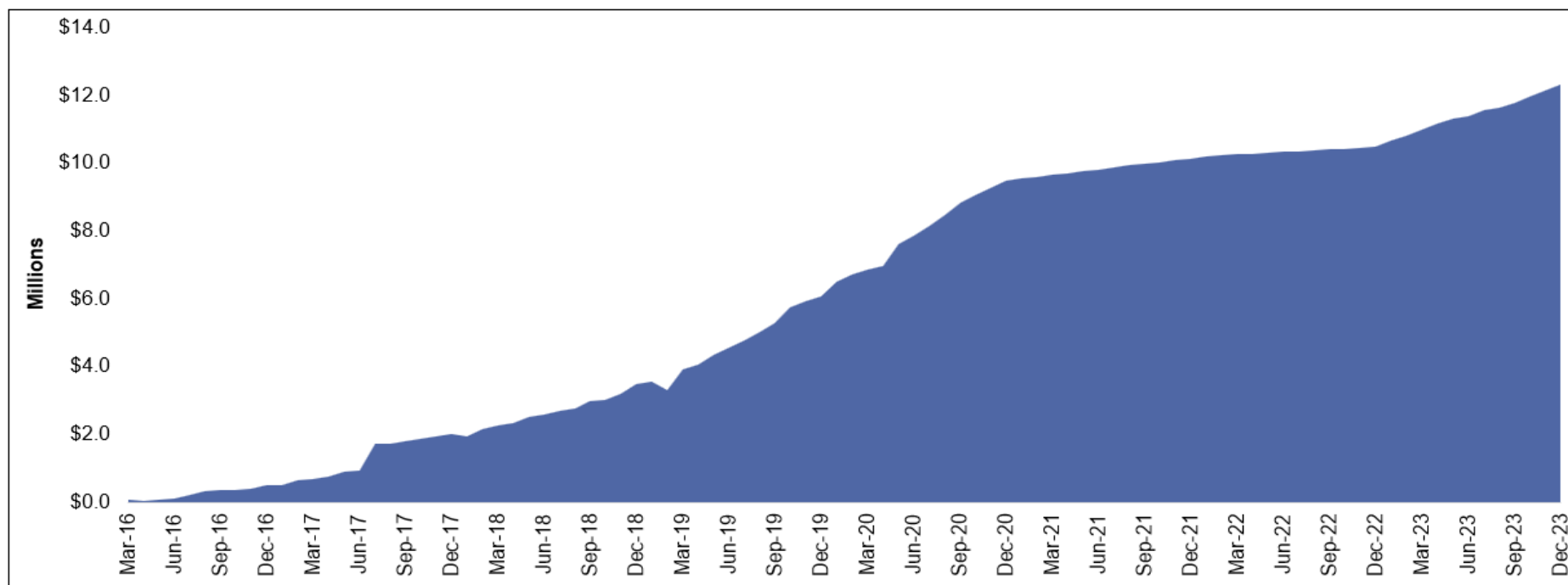
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2016.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg.

Accrual Basis Earnings

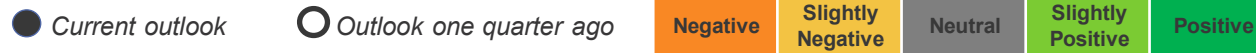


Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$563,657	\$2,055,971	\$2,991,174	\$4,411,485	\$5,799,029
Realized Gains / (Losses) ³	(\$83,951)	(\$456,752)	(\$386,088)	(\$147,003)	(\$342,324)
Change in Amortized Cost	\$70,655	\$239,503	\$253,210	\$4,597,344	\$6,892,404
Total Earnings	\$550,360	\$1,838,722	\$2,858,296	\$8,861,826	\$12,349,110

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2016.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Realized gains / (losses) are shown on an amortized cost basis.

Fixed-Income Sector Outlook – 1Q 2024

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Issuer Distribution

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	45.0%	
UNITED STATES TREASURY	45.0%	AA / Aaa / AA
Federal Agency	2.4%	
FANNIE MAE	1.5%	AA / Aaa / AA
FREDDIE MAC	0.9%	AA / Aaa / AA
Agency CMBS	13.9%	
FANNIE MAE	1.9%	AA / Aaa / AA
FREDDIE MAC	12.1%	AA / Aaa / AA
Supranational	0.4%	
INTL BANK OF RECONSTRUCTION AND DEV	0.4%	AAA / Aaa / AAA
Municipal	1.3%	
FLORIDA STATE BOARD OF ADMIN FIN CORP	0.3%	AA / Aa / AA
NEW JERSEY TURNPIKE AUTHORITY	0.1%	AA / A / A
NEW YORK ST URBAN DEVELOPMENT CORP	0.5%	NR / NR / AA
STATE OF CALIFORNIA	0.4%	AA / Aa / AA
Negotiable CD	2.0%	
CREDIT AGRICOLE SA	0.4%	A / Aa / AA
NATIXIS NY BRANCH	0.7%	A / A / A
NORDEA BANK ABP	0.5%	AA / Aa / AA
TORONTO-DOMINION BANK	0.5%	A / A / NR
Corporate	21.5%	
ADOBE INC	0.2%	A / A / NR
AMAZON.COM INC	0.1%	AA / A / AA
AMERICAN EXPRESS CO	0.1%	BBB / A / A
AMERICAN HONDA FINANCE	0.6%	A / A / A
APPLE INC	0.3%	AA / Aaa / NR

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	21.5%	
BANK OF AMERICA CO	1.0%	A / Aa / AA
BMW FINANCIAL SERVICES NA LLC	0.7%	A / A / NR
BURLINGTON NORTHERN SANTA FE	0.2%	AA / A / NR
CHARLES SCHWAB	0.1%	A / A / A
CINTAS CORPORATION NO. 2	0.1%	A / A / NR
CITIGROUP INC	1.0%	A / A / A
COLGATE-PALMOLIVE COMPANY	0.0%	AA / Aa / NR
COMMONWEALTH BANK OF AUSTRALIA	0.7%	AA / Aa / A
DEERE & COMPANY	0.6%	A / A / A
GENERAL DYNAMICS CORP	0.4%	A / A / NR
GOLDMAN SACHS GROUP INC	0.2%	BBB / A / A
HERSHEY COMPANY	0.9%	A / A / NR
HOME DEPOT INC	0.4%	A / A / A
HONEYWELL INTERNATIONAL	0.3%	A / A / A
HSBC HOLDINGS PLC	0.7%	A / A / A
IBM CORP	0.3%	A / A / A
INTEL CORPORATION	0.3%	A / A / A
JP MORGAN CHASE & CO	1.5%	A / Aa / AA
LINDE PLC	0.3%	A / A / NR
LOCKHEED MARTIN CORP	0.1%	A / A / A
Mercedes-Benz Group AG	0.7%	A / A / A
MORGAN STANLEY	0.5%	A / A / A
NATIONAL AUSTRALIA BANK LTD	0.4%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.4%	A / A / A
NESTLE SA	0.2%	AA / Aa / NR
NORTHERN TRUST	0.2%	A / A / A

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	21.5%	
PACCAR FINANCIAL CORP	0.6%	A / A / NR
PEPSICO INC	0.5%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.2%	A / A / A
ROCHE HOLDINGS INC	1.0%	AA / Aa / AA
STATE STREET CORPORATION	0.8%	A / A / AA
TARGET CORP	0.3%	A / A / A
TEXAS INSTRUMENTS INC	0.2%	A / Aa / NR
THE BANK OF NEW YORK MELLON CORPORATION	0.8%	A / A / AA
THE WALT DISNEY CORPORATION	0.5%	A / A / A
TOYOTA MOTOR CORP	0.5%	A / A / A
TRUIST FIN CORP	0.3%	A / A / A
UNITEDHEALTH GROUP INC	0.3%	A / A / A
USAA CAPITAL CORP	0.2%	AA / Aa / NR
WAL-MART STORES INC	0.2%	AA / Aa / AA
WELLS FARGO & COMPANY	1.3%	A / Aa / AA
ABS	13.4%	
ALLY AUTO RECEIVABLES TRUST	0.4%	NR / Aaa / AAA
AMERICAN EXPRESS CO	0.4%	AAA / NR / AAA
BANK OF AMERICA CO	1.7%	AAA / Aaa / AAA
BMW VEHICLE OWNER TRUST	0.2%	AAA / NR / AAA
CAPITAL ONE FINANCIAL CORP	1.1%	AAA / Aaa / AAA
CARMAX AUTO OWNER TRUST	0.5%	AAA / Aaa / AAA
DISCOVER FINANCIAL SERVICES	1.1%	AAA / Aaa / AAA
FIFTH THIRD AUTO TRUST	0.7%	AAA / Aaa / NR
FORD CREDIT AUTO OWNER TRUST	0.5%	AAA / NR / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	13.4%	
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	0.9%	AAA / Aaa / AAA
HARLEY-DAVIDSON MOTORCYCLE TRUST	1.2%	AAA / Aaa / AAA
HONDA AUTO RECEIVABLES	0.2%	AAA / Aaa / AAA
HYUNDAI AUTO RECEIVABLES	1.4%	AAA / NR / AAA
KUBOTA CREDIT OWNER TRUST	0.9%	NR / Aaa / AAA
MERCEDES-BENZ AUTO RECEIVABLES	0.6%	AAA / Aaa / AAA
TOYOTA MOTOR CORP	0.7%	AAA / Aaa / AAA
USAA AUTO OWNER TRUST	0.7%	AAA / Aaa / NR
VOLKSWAGEN OF AMERICA	0.1%	AAA / Aaa / NR
WORLD OMNI AUTO REC TRUST	0.1%	AAA / NR / AAA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/2/2023	10/4/2023	425,000.00	91282CJA0	US TREASURY NOTES	4.62%	9/30/2028	423,787.09	4.70%	
10/3/2023	10/11/2023	215,000.00	379930AD2	GMCAR 2023-4 A3	5.78%	8/16/2028	214,955.84	5.78%	
10/5/2023	10/11/2023	400,000.00	3137FNWX4	FHMS K736 A2	2.28%	7/1/2026	371,394.19	5.13%	
10/11/2023	10/19/2023	650,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	637,282.10	5.26%	
10/25/2023	10/31/2023	450,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	437,471.40	5.60%	
10/30/2023	11/2/2023	115,000.00	63743HFK3	NATIONAL RURAL COOP CORPORATE NOTES (CAL	5.60%	11/13/2026	114,959.75	5.61%	
11/1/2023	11/8/2023	115,000.00	438123AC5	HAROT 2023-4 A3	5.67%	6/21/2028	114,979.75	5.67%	
11/3/2023	11/13/2023	200,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	199,973.70	5.54%	
11/6/2023	11/13/2023	255,000.00	771196CE0	ROCHE HOLDINGS INC CORP NOTE (CALLABLE)	5.26%	11/13/2026	255,000.00	5.27%	
11/7/2023	11/14/2023	130,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	129,985.99	5.54%	
11/8/2023	11/10/2023	60,000.00	713448FW3	PEPSICO INC CORPORATE NOTES (CALLABLE)	5.12%	11/10/2026	59,983.80	5.13%	
11/14/2023	11/21/2023	235,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	234,982.41	5.14%	
11/15/2023	11/21/2023	460,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	459,991.67	5.74%	
11/27/2023	12/4/2023	250,000.00	17325FBC1	CITIBANK NA CORP NOTES (CALLABLE)	5.48%	12/4/2026	250,000.00	5.49%	
11/28/2023	12/7/2023	360,000.00	3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	359,257.32	4.93%	
12/4/2023	12/11/2023	400,000.00	94988J6F9	WELLS FARGO CORP NOTES (CALLABLE)	5.25%	12/11/2026	400,000.00	5.25%	
12/5/2023	12/8/2023	400,000.00	48125LRU8	JP MORGAN CORP NOTES (CALLABLE)	5.11%	12/8/2026	400,000.00	5.11%	

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
12/7/2023	12/14/2023	230,000.00	05522RDH8	BACCT 2023-A2 A2	4.98%	11/15/2028	229,969.11	4.98%	
12/8/2023	12/11/2023	1,700,000.00	91282CGP0	US TREASURY NOTES	4.00%	2/29/2028	1,703,183.86	4.24%	
12/11/2023	12/21/2023	265,000.00	3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	268,210.68	4.78%	
Total BUY		7,315,000.00					7,265,368.66		0.00
INTEREST									
10/1/2023	10/1/2023	110,000.00	12189LAV3	BURLINGTN NORTH SANTA FE CORP NOTES (CAL	3.00%	4/1/2025	1,650.00		
10/1/2023	10/1/2023	150,000.00	05565ECA1	BMW US CAPITAL LLC (CALLABLE) CORP NOTES	3.45%	4/1/2027	2,587.50		
10/1/2023	10/25/2023	700,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	2,811.08		
10/1/2023	10/25/2023	300,000.00	3137BKRJ1	FHMS K047 A2	3.32%	5/1/2025	832.25		
10/1/2023	10/25/2023	181,380.85	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	408.41		
10/1/2023	10/25/2023	500,000.00	3137H14B9	FHMS K743 A2	1.77%	5/1/2028	737.50		
10/1/2023	10/25/2023	550,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	1,920.42		
10/1/2023	10/25/2023	525,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	1,200.94		
10/1/2023	10/25/2023	600,000.00	3137F1G44	FHLMC MULTIFAMILY STRUCTURED P	3.24%	4/1/2027	1,621.50		
10/1/2023	10/25/2023	700,000.00	3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	2,000.83		
10/1/2023	10/25/2023	450,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	994.87		
10/1/2023	10/25/2023	240,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	669.40		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/2023	10/25/2023	150,000.00	3137BM7C4	FHMS K052 A1	3.30%	9/1/2025	413.50		
10/1/2023	10/25/2023	285,000.00	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,252.10		
10/1/2023	10/25/2023	262,587.35	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	670.12		
10/1/2023	10/25/2023	325,000.00	3137BLMZ8	FHLMC SERIES K049 A2	3.01%	7/1/2025	815.21		
10/1/2023	10/25/2023	650,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	2,518.75		
10/1/2023	10/25/2023	250,000.00	3137BMTX4	FHMS K052 A2	3.15%	11/1/2025	656.46		
10/1/2023	10/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
10/1/2023	10/25/2023	360,966.64	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	890.45		
10/1/2023	10/25/2023	300,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	642.50		
10/13/2023	10/13/2023	95,000.00	023135CE4	AMAZON.COM INC CORPORATE NOTES	3.00%	4/13/2025	1,425.00		
10/15/2023	10/15/2023	30,411.22	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	9.63		
10/15/2023	10/15/2023	255,000.00	02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	1,034.87		
10/15/2023	10/15/2023	270,000.00	891941AD8	TAOT 2023-B A3	4.71%	2/15/2028	1,059.75		
10/15/2023	10/15/2023	55,000.00	539830BU2	LOCKHEED MARTIN CORP NOTES (CALLABLE)	4.95%	10/15/2025	1,361.25		
10/15/2023	10/15/2023	13,144.63	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	3.72		
10/15/2023	10/15/2023	57,634.38	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	24.97		
10/15/2023	10/15/2023	250,000.00	02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	1,137.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2023	10/15/2023	64,265.05	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	39.63		
10/15/2023	10/15/2023	250,000.00	91282CGV7	US TREASURY NOTES	3.75%	4/15/2026	4,687.50		
10/15/2023	10/15/2023	175,000.00	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	446.25		
10/15/2023	10/15/2023	475,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	2,188.96		
10/15/2023	10/15/2023	140,000.00	44933XAD9	HART 2023-B A3	5.48%	4/17/2028	639.33		
10/15/2023	10/15/2023	225,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	808.13		
10/15/2023	10/15/2023	101,428.44	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	68.46		
10/15/2023	10/15/2023	200,000.00	91282CEH0	US TREASURY NOTES	2.62%	4/15/2025	2,625.00		
10/15/2023	10/15/2023	230,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	967.92		
10/15/2023	10/15/2023	95,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	45.92		
10/15/2023	10/15/2023	235,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	1,082.96		
10/15/2023	10/15/2023	455,000.00	254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	1,869.29		
10/15/2023	10/15/2023	200,000.00	344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	871.67		
10/15/2023	10/15/2023	195,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	867.75		
10/15/2023	10/15/2023	23,964.19	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	9.99		
10/15/2023	10/15/2023	83,395.16	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	53.51		
10/15/2023	10/15/2023	180,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	697.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2023	10/15/2023	415,000.00	14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,528.58		
10/15/2023	10/15/2023	325,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	758.33		
10/15/2023	10/15/2023	185,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	342.25		
10/15/2023	10/15/2023	185,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	830.96		
10/15/2023	10/15/2023	220,000.00	448979AD6	HART 2023-A A3	4.58%	4/15/2027	839.67		
10/15/2023	10/15/2023	135,000.00	58770AAC7	MBART 2023-1 A3	4.51%	11/15/2027	507.37		
10/15/2023	10/15/2023	265,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,150.54		
10/15/2023	10/15/2023	109,073.06	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	49.99		
10/15/2023	10/15/2023	520,000.00	90291VAC4	USAOT 2023-A A3	5.58%	5/15/2028	2,418.00		
10/15/2023	10/15/2023	25,000.00	437076CM2	HOME DEPOT INC (CALLABLE) CORPORATE NOTE	2.70%	4/15/2025	337.50		
10/15/2023	10/15/2023	465,000.00	41285YAC9	HDMOT 2023-B A3	5.69%	8/15/2028	1,322.93		
10/15/2023	10/15/2023	230,000.00	05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	918.08		
10/15/2023	10/15/2023	170,000.00	50117EAC8	KCOT 2022-1A A3	2.67%	10/15/2026	378.25		
10/15/2023	10/15/2023	101,815.77	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	47.51		
10/15/2023	10/15/2023	86,496.66	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	51.18		
10/15/2023	10/15/2023	175,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	770.00		
10/15/2023	10/15/2023	240,000.00	50117KAC4	KCOT 2023-1A A3	5.02%	6/15/2027	1,004.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/16/2023	10/16/2023	74,314.63	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	78.03		
10/16/2023	10/16/2023	180,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	670.50		
10/16/2023	10/16/2023	68,980.40	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	39.09		
10/16/2023	10/16/2023	140,000.00	36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	635.83		
10/18/2023	10/18/2023	14,854.11	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4.58		
10/20/2023	10/20/2023	676.65	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	0.27		
10/20/2023	10/20/2023	102,810.45	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	87.39		
10/22/2023	10/22/2023	290,000.00	3135G03U5	FANNIE MAE NOTES	0.62%	4/22/2025	906.25		
10/24/2023	10/24/2023	110,000.00	06406RAL1	BANK OF NY MELLON CORP	2.10%	10/24/2024	1,155.00		
10/24/2023	10/24/2023	115,000.00	06406RAN7	BANK OF NY MELLON (CALLABLE) CORP NOTES	1.60%	4/24/2025	920.00		
10/24/2023	10/24/2023	225,000.00	06051GJK6	BANK OF AMERICA CORP (CALLABLE) CORPORAT	1.19%	10/24/2026	1,346.63		
10/25/2023	10/25/2023	325,000.00	89115B6K1	TORONTO DOMINION BANK NY CERT DEPOS	5.60%	10/27/2025	18,149.44		
10/25/2023	10/25/2023	115,000.00	05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	524.21		
10/26/2023	10/26/2023	100,000.00	46647PCZ7	JPMORGAN CHASE & CO (CALLABLE) CORPORATE	4.08%	4/26/2026	2,040.00		
10/26/2023	10/26/2023	325,000.00	06406RBQ9	BANK OF NY MELLON CORP NOTES (CALLABLE)	4.94%	4/26/2027	8,038.88		
10/28/2023	10/28/2023	105,000.00	693475BH7	PNC FINANCIAL SERVICES CORP NOTE (CALLAB	5.67%	10/28/2025	2,977.28		
10/28/2023	10/28/2023	110,000.00	89788MAJ1	TRUIST FINANCIAL CORP NOTES (CALLABLE)	5.90%	10/28/2026	3,245.00		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/30/2023	10/30/2023	30,000.00	63743HFF4	NATIONAL RURAL UTIL COOP CORPORATE NOTES	5.45%	10/30/2025	817.50		
10/31/2023	10/31/2023	25,000.00	91282CAT8	US TREASURY NOTES	0.25%	10/31/2025	31.25		
10/31/2023	10/31/2023	700,000.00	912828ZL7	US TREASURY NOTES	0.37%	4/30/2025	1,312.50		
10/31/2023	10/31/2023	325,000.00	91282CEN7	US TREASURY NOTES	2.75%	4/30/2027	4,468.75		
10/31/2023	10/31/2023	500,000.00	91282CDG3	US TREASURY NOTES	1.12%	10/31/2026	2,812.50		
11/1/2023	11/1/2023	70,000.00	17252MAP5	CINTAS CORPORATION NO. 2 CORP NOTE (CALL	3.45%	5/1/2025	1,207.50		
11/1/2023	11/1/2023	125,000.00	172967MX6	CITIGROUP INC (CALLABLE) CORPORATE NOTES	0.98%	5/1/2025	613.13		
11/1/2023	11/1/2023	150,000.00	90327QD89	USAA CAPITAL CORP CORPORATE NOTES	3.37%	5/1/2025	2,531.25		
11/1/2023	11/1/2023	250,000.00	46647PAF3	JPMORGAN CHASE & CORP NOTES (CALLABLE)	3.54%	5/1/2028	4,425.00		
11/1/2023	11/25/2023	284,613.07	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,250.40		
11/1/2023	11/25/2023	450,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	994.87		
11/1/2023	11/25/2023	360,469.55	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	918.87		
11/1/2023	11/25/2023	257,187.79	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	677.61		
11/1/2023	11/25/2023	600,000.00	3137F1G44	FHLMC MULTIFAMILY STRUCTURED P	3.24%	4/1/2027	1,621.50		
11/1/2023	11/25/2023	325,000.00	3137BLMZ8	FHLMC SERIES K049 A2	3.01%	7/1/2025	815.21		
11/1/2023	11/25/2023	550,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	1,920.42		
11/1/2023	11/25/2023	179,013.23	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	403.08		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/1/2023	11/25/2023	250,000.00	3137BMTX4	FHMS K052 A2	3.15%	11/1/2025	656.46		
11/1/2023	11/25/2023	650,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	2,567.50		
11/1/2023	11/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
11/1/2023	11/25/2023	240,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	669.40		
11/1/2023	11/25/2023	700,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	2,811.08		
11/1/2023	11/25/2023	300,000.00	3137BKRJ1	FHMS K047 A2	3.32%	5/1/2025	832.25		
11/1/2023	11/25/2023	400,000.00	3137FNWX4	FHMS K736 A2	2.28%	7/1/2026	760.67		
11/1/2023	11/25/2023	450,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	1,818.75		
11/1/2023	11/25/2023	525,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	1,200.94		
11/1/2023	11/25/2023	500,000.00	3137H14B9	FHMS K743 A2	1.77%	5/1/2028	737.50		
11/1/2023	11/25/2023	150,000.00	3137BM7C4	FHMS K052 A1	3.30%	9/1/2025	413.50		
11/1/2023	11/25/2023	300,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	642.50		
11/1/2023	11/25/2023	650,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	2,518.75		
11/1/2023	11/25/2023	700,000.00	3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	2,000.83		
11/3/2023	11/3/2023	325,000.00	65558UYF3	NORDEA BANK ABP NEW YORK CERT DEPOS	5.53%	11/3/2025	8,986.25		
11/4/2023	11/4/2023	45,000.00	857477BX0	STATE STREET CORP NOTES (CALLABLE)	5.75%	11/4/2026	1,293.98		
11/4/2023	11/4/2023	325,000.00	427866BH0	HERSHEY COMPANY CORP NOTES CALLABLE	4.25%	5/4/2028	6,906.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/10/2023	11/10/2023	150,000.00	665859AW4	NORTHERN TRUST CORP NOTE (CALLABLE)	4.00%	5/10/2027	3,000.00		
11/11/2023	11/11/2023	250,000.00	037833CR9	APPLE INC CORP NOTES (CALLABLE)	3.20%	5/11/2027	4,000.00		
11/15/2023	11/15/2023	240,000.00	50117KAC4	KCOT 2023-1A A3	5.02%	6/15/2027	1,004.00		
11/15/2023	11/15/2023	475,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	2,188.96		
11/15/2023	11/15/2023	220,000.00	448979AD6	HART 2023-A A3	4.58%	4/15/2027	839.67		
11/15/2023	11/15/2023	81,140.83	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	48.01		
11/15/2023	11/15/2023	255,000.00	02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	1,034.87		
11/15/2023	11/15/2023	95,365.41	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	64.37		
11/15/2023	11/15/2023	415,000.00	14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,528.58		
11/15/2023	11/15/2023	185,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	342.25		
11/15/2023	11/15/2023	185,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	830.96		
11/15/2023	11/15/2023	20,778.44	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	8.66		
11/15/2023	11/15/2023	200,000.00	344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	871.67		
11/15/2023	11/15/2023	235,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	1,082.96		
11/15/2023	11/15/2023	195,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	867.75		
11/15/2023	11/15/2023	169,247.06	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	431.58		
11/15/2023	11/15/2023	180,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	697.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2023	11/15/2023	26,853.83	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	8.50		
11/15/2023	11/15/2023	250,000.00	91324PEC2	UNITEDHEALTH GROUP INC (CALLABLE) CORPOR	1.15%	5/15/2026	1,437.50		
11/15/2023	11/15/2023	230,000.00	05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	918.08		
11/15/2023	11/15/2023	175,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	770.00		
11/15/2023	11/15/2023	465,000.00	41285YAC9	HDMOT 2023-B A3	5.69%	8/15/2028	2,204.88		
11/15/2023	11/15/2023	230,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	967.92		
11/15/2023	11/15/2023	95,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	45.92		
11/15/2023	11/15/2023	52,946.61	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	22.94		
11/15/2023	11/15/2023	59,927.51	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	36.96		
11/15/2023	11/15/2023	170,000.00	50117EAC8	KCOT 2022-1A A3	2.67%	10/15/2026	378.25		
11/15/2023	11/15/2023	102,628.62	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	47.04		
11/15/2023	11/15/2023	94,836.78	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	44.26		
11/15/2023	11/15/2023	225,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	808.13		
11/15/2023	11/15/2023	250,000.00	02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	1,137.50		
11/15/2023	11/15/2023	455,000.00	254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	1,869.29		
11/15/2023	11/15/2023	78,502.48	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	50.37		
11/15/2023	11/15/2023	265,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,150.54		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2023	11/15/2023	140,000.00	44933XAD9	HART 2023-B A3	5.48%	4/17/2028	639.33		
11/15/2023	11/15/2023	520,000.00	90291VAC4	USAOT 2023-A A3	5.58%	5/15/2028	2,418.00		
11/15/2023	11/15/2023	3,000,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	30,000.00		
11/15/2023	11/15/2023	11,867.07	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	3.36		
11/15/2023	11/15/2023	325,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	758.33		
11/15/2023	11/15/2023	270,000.00	891941AD8	TAOT 2023-B A3	4.71%	2/15/2028	1,059.75		
11/15/2023	11/15/2023	275,000.00	369550BC1	GENERAL DYNAMICS CORP NOTES (CALLABLE)	3.75%	5/15/2028	5,156.25		
11/15/2023	11/15/2023	135,000.00	58770AAC7	MBART 2023-1 A3	4.51%	11/15/2027	507.37		
11/16/2023	11/16/2023	180,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	670.50		
11/16/2023	11/16/2023	215,000.00	379930AD2	GMCAR 2023-4 A3	5.78%	8/16/2028	1,208.18		
11/16/2023	11/16/2023	140,000.00	36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	635.83		
11/16/2023	11/16/2023	65,023.59	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	36.85		
11/16/2023	11/16/2023	70,247.12	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	73.76		
11/18/2023	11/18/2023	10,579.49	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	3.26		
11/20/2023	11/20/2023	96,357.25	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	81.90		
11/24/2023	11/24/2023	240,000.00	40428HTA0	HSBC USA INC CORPORATE NOTES	3.75%	5/24/2024	4,500.00		
11/25/2023	11/25/2023	115,000.00	05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	524.21		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/28/2023	11/28/2023	155,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	542.50		
11/30/2023	11/30/2023	100,000.00	91282CCF6	US TREASURY NOTES	0.75%	5/31/2026	375.00		
11/30/2023	11/30/2023	600,000.00	91282CAZ4	US TREASURY NOTES	0.37%	11/30/2025	1,125.00		
11/30/2023	11/30/2023	625,000.00	91282CFZ9	US TREASURY NOTES	3.87%	11/30/2027	12,109.38		
11/30/2023	11/30/2023	300,000.00	91282CDK4	US TREASURY NOTES	1.25%	11/30/2026	1,875.00		
11/30/2023	11/30/2023	725,000.00	91282CET4	US TREASURY NOTES	2.62%	5/31/2027	9,515.63		
11/30/2023	11/30/2023	1,000,000.00	91282CHE4	US TREASURY NOTES	3.62%	5/31/2028	18,125.00		
11/30/2023	11/30/2023	1,075,000.00	912828ZT0	US TREASURY NOTES	0.25%	5/31/2025	1,343.75		
12/1/2023	12/1/2023	135,000.00	46647PCH7	JPMORGAN CHASE & CO (CALLABLE) CORP NOTE	0.82%	6/1/2025	556.20		
12/1/2023	12/25/2023	500,000.00	3137H14B9	FHMS K743 A2	1.77%	5/1/2028	737.50		
12/1/2023	12/25/2023	450,000.00	3137BSP72	FHMS K058 A2	2.65%	8/1/2026	994.87		
12/1/2023	12/25/2023	256,949.57	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	655.15		
12/1/2023	12/25/2023	325,000.00	3137BLMZ8	FHLMC SERIES K049 A2	3.01%	7/1/2025	815.21		
12/1/2023	12/25/2023	284,307.78	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,249.06		
12/1/2023	12/25/2023	600,000.00	3137F1G44	FHLMC MULTIFAMILY STRUCTURED P	3.24%	4/1/2027	1,621.50		
12/1/2023	12/25/2023	240,000.00	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	669.40		
12/1/2023	12/25/2023	250,000.00	3137BMTX4	FHMS K052 A2	3.15%	11/1/2025	656.46		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/1/2023	12/25/2023	250,000.00	3137BN6G4	FHMS K053 A2	2.99%	12/1/2025	623.96		
12/1/2023	12/25/2023	360,004.36	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	888.08		
12/1/2023	12/25/2023	650,000.00	3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	2,518.75		
12/1/2023	12/25/2023	550,000.00	3136BQDE6	FNA 2023-M6 A2	4.19%	7/1/2028	1,920.42		
12/1/2023	12/25/2023	178,770.00	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	402.53		
12/1/2023	12/25/2023	150,000.00	3137BM7C4	FHMS K052 A1	3.30%	9/1/2025	413.50		
12/1/2023	12/25/2023	300,000.00	3137BKRJ1	FHMS K047 A2	3.32%	5/1/2025	832.25		
12/1/2023	12/25/2023	450,000.00	3137HAST4	FHMS K509 A2	4.85%	9/1/2028	1,818.75		
12/1/2023	12/25/2023	700,000.00	3137HACX2	FHMS K505 A2	4.81%	6/1/2028	2,811.08		
12/1/2023	12/25/2023	650,000.00	3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	2,567.50		
12/1/2023	12/25/2023	300,000.00	3137BRQJ7	FHMS K057 A2	2.57%	7/1/2026	642.50		
12/1/2023	12/25/2023	235,000.00	3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	992.68		
12/1/2023	12/25/2023	700,000.00	3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	2,000.83		
12/1/2023	12/25/2023	525,000.00	3137BNGT5	FHMS K054 A2	2.74%	1/1/2026	1,200.94		
12/1/2023	12/25/2023	400,000.00	3137FNWX4	FHMS K736 A2	2.28%	7/1/2026	760.67		
12/5/2023	12/5/2023	225,000.00	53522KAB9	LINDE INC/CT CORPORATE NOTES (CALLABLE)	4.70%	12/5/2025	5,287.50		
12/15/2023	12/15/2023	220,000.00	448979AD6	HART 2023-A A3	4.58%	4/15/2027	839.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2023	12/15/2023	55,754.74	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	34.38		
12/15/2023	12/15/2023	255,000.00	02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	1,034.87		
12/15/2023	12/15/2023	89,443.84	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	60.37		
12/15/2023	12/15/2023	415,000.00	14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,528.58		
12/15/2023	12/15/2023	130,000.00	89239FAD4	TAOT 2023-D A3	5.54%	8/15/2028	620.17		
12/15/2023	12/15/2023	23,471.94	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	7.43		
12/15/2023	12/15/2023	465,000.00	41285YAC9	HDMOT 2023-B A3	5.69%	8/15/2028	2,204.88		
12/15/2023	12/15/2023	175,000.00	500945AC4	KCOT 2023-2A A3	5.28%	1/18/2028	770.00		
12/15/2023	12/15/2023	455,000.00	254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	1,869.29		
12/15/2023	12/15/2023	200,000.00	44918CAD4	HART 2023-C A3	5.54%	10/16/2028	984.89		
12/15/2023	12/15/2023	185,000.00	44933DAD3	HART 2022-C A3	5.39%	6/15/2027	830.96		
12/15/2023	12/15/2023	180,000.00	344928AD8	FORDO 2023-A A3	4.65%	2/15/2028	697.50		
12/15/2023	12/15/2023	73,747.29	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	47.32		
12/15/2023	12/15/2023	10,655.41	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	3.02		
12/15/2023	12/15/2023	520,000.00	90291VAC4	USAOT 2023-A A3	5.58%	5/15/2028	2,418.00		
12/15/2023	12/15/2023	230,000.00	05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	918.08		
12/15/2023	12/15/2023	159,554.15	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	406.86		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2023	12/15/2023	265,000.00	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,150.54		
12/15/2023	12/15/2023	185,000.00	448977AD0	HART 2022-A A3	2.22%	10/15/2026	342.25		
12/15/2023	12/15/2023	140,000.00	44933XAD9	HART 2023-B A3	5.48%	4/17/2028	639.33		
12/15/2023	12/15/2023	270,000.00	891941AD8	TAOT 2023-B A3	4.71%	2/15/2028	1,059.75		
12/15/2023	12/15/2023	225,000.00	254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	808.13		
12/15/2023	12/15/2023	325,000.00	14041NFZ9	COMET 2022-A1 A1	2.80%	3/15/2027	758.33		
12/15/2023	12/15/2023	48,380.22	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	20.96		
12/15/2023	12/15/2023	475,000.00	31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	2,188.96		
12/15/2023	12/15/2023	30,000.00	63743HFE7	NATIONAL RURAL UTIL COOP CORPORATE NOTES	3.45%	6/15/2025	517.50		
12/15/2023	12/15/2023	250,000.00	02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	1,137.50		
12/15/2023	12/15/2023		459058KJ1	INTL BK RECON & DEVELOP NOTES	3.12%	6/15/2027	4,298.25		
12/15/2023	12/15/2023	87,681.52	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	40.92		
12/15/2023	12/15/2023	460,000.00	06054YAC1	BAAT 2023-2A A3	5.74%	6/15/2028	1,760.27		
12/15/2023	12/15/2023	195,000.00	14318UAD3	CARMX 2022-4 A3	5.34%	8/16/2027	867.75		
12/15/2023	12/15/2023	17,640.28	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	7.35		
12/15/2023	12/15/2023	230,000.00	41285JAD0	HDMOT 2023-A A3	5.05%	12/15/2027	967.92		
12/15/2023	12/15/2023	235,000.00	06428AAC2	BAAT 2023-1A A3	5.53%	2/15/2028	1,082.96		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2023	12/15/2023	95,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	45.92		
12/15/2023	12/15/2023	96,285.42	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	44.13		
12/15/2023	12/15/2023	135,000.00	58770AAC7	MBART 2023-1 A3	4.51%	11/15/2027	507.37		
12/15/2023	12/15/2023	240,000.00	50117KAC4	KCOT 2023-1A A3	5.02%	6/15/2027	1,004.00		
12/15/2023	12/15/2023	170,000.00	50117EAC8	KCOT 2022-1A A3	2.67%	10/15/2026	378.25		
12/15/2023	12/15/2023	75,810.08	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	44.85		
12/15/2023	12/15/2023	200,000.00	344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	871.67		
12/16/2023	12/16/2023	66,376.13	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	69.69		
12/16/2023	12/16/2023	215,000.00	379930AD2	GMCAR 2023-4 A3	5.78%	8/16/2028	1,035.58		
12/16/2023	12/16/2023	61,254.83	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	34.71		
12/16/2023	12/16/2023	180,000.00	362583AD8	GMCAR 2023-2 A3	4.47%	2/16/2028	670.50		
12/16/2023	12/16/2023	140,000.00	36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	635.83		
12/18/2023	12/18/2023	6,465.41	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	1.99		
12/20/2023	12/20/2023	89,420.79	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	76.01		
12/21/2023	12/21/2023	115,000.00	438123AC5	HAROT 2023-4 A3	5.67%	6/21/2028	778.84		
12/25/2023	12/25/2023	115,000.00	05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	524.21		
12/31/2023	12/31/2023	300,000.00	91282CBC4	US TREASURY NOTES	0.37%	12/31/2025	562.50		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/31/2023	12/31/2023	3,000,000.00	91282CGC9	US TREASURY NOTES	3.87%	12/31/2027	58,125.00		
12/31/2023	12/31/2023	750,000.00	91282CEW7	US TREASURY NOTES	3.25%	6/30/2027	12,187.50		
12/31/2023	12/31/2023	725,000.00	912828ZW3	US TREASURY NOTES	0.25%	6/30/2025	906.25		
12/31/2023	12/31/2023	325,000.00	91282CDQ1	US TREASURY NOTES	1.25%	12/31/2026	2,031.25		
Total INTEREST		71,602,759.13					437,405.93		0.00
MATURITY									
10/24/2023	10/24/2023	300,000.00	06051GJH3	BANK OF AMERICA CORP NOTES (CALLED, OMD	0.81%	10/24/2023	301,215.00		
Total MATURITY		300,000.00					301,215.00		0.00
PAYDOWNS									
10/1/2023	10/25/2023	497.09	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	497.09		
10/1/2023	10/25/2023	386.93	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	386.93		
10/1/2023	10/25/2023	5,399.56	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	5,399.56		
10/1/2023	10/25/2023	2,367.62	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	2,367.62		
10/15/2023	10/15/2023	6,444.44	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	6,444.44		
10/15/2023	10/15/2023	5,752.94	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	5,752.94		
10/15/2023	10/15/2023	6,063.03	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	6,063.03		
10/15/2023	10/15/2023	3,185.75	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	3,185.75		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
10/15/2023	10/15/2023	4,337.54	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	4,337.54		
10/15/2023	10/15/2023	4,687.77	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	4,687.77		
10/15/2023	10/15/2023	3,557.39	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	3,557.39		
10/15/2023	10/15/2023	1,277.56	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	1,277.56		
10/15/2023	10/15/2023	4,892.68	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	4,892.68		
10/15/2023	10/15/2023	6,978.99	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	6,978.99		
10/15/2023	10/15/2023	5,355.83	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	5,355.83		
10/16/2023	10/16/2023	3,956.81	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	3,956.81		
10/16/2023	10/16/2023	4,067.51	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	4,067.51		
10/18/2023	10/18/2023	4,274.62	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4,274.62		
10/20/2023	10/20/2023	6,453.20	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	6,453.20		
10/20/2023	10/20/2023	676.65	92290BAA9	VZOT 2020-B A	0.47%	2/20/2025	676.65		
11/1/2023	11/25/2023	305.29	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	305.29		
11/1/2023	11/25/2023	465.19	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	465.19		
11/1/2023	11/25/2023	238.22	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	238.22		
11/1/2023	11/25/2023	243.23	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	243.23		
11/15/2023	11/15/2023	5,921.57	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	5,921.57		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
11/15/2023	11/15/2023	3,138.16	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	3,138.16		
11/15/2023	11/15/2023	9,692.91	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	9,692.91		
11/15/2023	11/15/2023	3,381.89	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	3,381.89		
11/15/2023	11/15/2023	4,566.39	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	4,566.39		
11/15/2023	11/15/2023	4,755.19	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	4,755.19		
11/15/2023	11/15/2023	7,155.26	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	7,155.26		
11/15/2023	11/15/2023	1,211.66	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	1,211.66		
11/15/2023	11/15/2023	5,330.75	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	5,330.75		
11/15/2023	11/15/2023	4,172.77	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	4,172.77		
11/15/2023	11/15/2023	6,343.20	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	6,343.20		
11/16/2023	11/16/2023	3,870.99	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	3,870.99		
11/16/2023	11/16/2023	3,768.76	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	3,768.76		
11/18/2023	11/18/2023	4,114.08	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4,114.08		
11/20/2023	11/20/2023	6,936.46	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	6,936.46		
12/1/2023	12/25/2023	257.43	3136AX7E9	FNA 2017-M12 A2	3.06%	6/1/2027	257.43		
12/1/2023	12/25/2023	262.72	3136ARTE8	FNA 2016-M3 A2	2.70%	2/1/2026	262.72		
12/1/2023	12/25/2023	500.47	3136AY6X6	FNA 2017-M15 A2	2.96%	9/1/2027	500.47		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/1/2023	12/25/2023	358.72	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	358.72		
12/1/2023	12/25/2023	390.82	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	390.82		
12/15/2023	12/15/2023	5,896.11	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	5,896.11		
12/15/2023	12/15/2023	6,044.55	14317DAC4	CARMX 2021-3 A3	0.55%	6/15/2026	6,044.55		
12/15/2023	12/15/2023	8,941.32	41284YAD8	HDMOT 2022-A A3	3.06%	2/15/2027	8,941.32		
12/15/2023	12/15/2023	3,966.18	44935FAD6	HART 2021-C A3	0.74%	5/15/2026	3,966.18		
12/15/2023	12/15/2023	5,347.85	448977AD0	HART 2022-A A3	2.22%	10/15/2026	5,347.85		
12/15/2023	12/15/2023	1,181.20	14316NAC3	CARMX 2021-1 A3	0.34%	12/15/2025	1,181.20		
12/15/2023	12/15/2023	3,011.76	14316HAC6	CARMX 2020-4 A3	0.50%	8/15/2025	3,011.76		
12/15/2023	12/15/2023	5,068.85	89238JAC9	TAOT 2021-D A3	0.71%	4/15/2026	5,068.85		
12/15/2023	12/15/2023	4,611.66	14044CAC6	COPAR 2021-1 A3	0.77%	9/15/2026	4,611.66		
12/15/2023	12/15/2023	4,352.81	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	4,352.81		
12/15/2023	12/15/2023	6,781.32	50117XAE2	KCOT 2021-2A A3	0.56%	11/17/2025	6,781.32		
12/15/2023	12/15/2023	3,227.78	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	3,227.78		
12/16/2023	12/16/2023	3,829.67	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	3,829.67		
12/16/2023	12/16/2023	3,620.02	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	3,620.02		
12/18/2023	12/18/2023	3,935.94	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	3,935.94		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/20/2023	12/20/2023	6,402.14	92868KAC7	VALET 2021-1 A3	1.02%	6/22/2026	6,402.14		
Total PAYDOWNS		234,215.20					234,215.20		0.00
SELL									
10/2/2023	10/4/2023	435,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	433,824.59		-5,854.77
10/4/2023	10/10/2023	175,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	174,771.44		-2,233.08
10/10/2023	10/11/2023	375,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	374,817.22		-4,521.77
10/13/2023	10/19/2023	500,000.00	91282CGG0	US TREASURY NOTES	4.12%	1/31/2025	497,257.14		-5,261.30
10/18/2023	10/19/2023	50,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	49,965.18		-659.83
10/26/2023	10/31/2023	75,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	75,151.33		-890.79
11/1/2023	11/2/2023	200,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	200,457.54		-2,367.94
11/8/2023	11/10/2023	65,000.00	63743HEU2	NATIONAL RURAL UTIL COOP CORPORATE NOTES	0.35%	2/8/2024	64,194.94		-859.51
11/8/2023	11/10/2023	245,000.00	641062AU8	NESTLE HOLDINGS INC CORP NOTES (CALLABLE	0.60%	9/14/2024	235,205.55		-10,025.40
11/9/2023	11/10/2023	330,000.00	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/2024	316,609.52		-13,535.05
11/16/2023	11/20/2023	225,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	226,386.76		-2,262.57
11/17/2023	11/21/2023	325,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	327,040.63		-3,268.40
11/28/2023	12/1/2023	375,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	377,919.50		-3,642.12
11/30/2023	12/4/2023	155,000.00	04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE) CORP	0.70%	5/28/2024	151,446.88		-3,568.96

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
12/5/2023	12/6/2023	600,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	605,978.60		-4,868.63
12/8/2023	12/11/2023	100,000.00	912828Z52	US TREASURY NOTES	1.37%	1/31/2025	96,453.97		-4,010.52
12/8/2023	12/11/2023	1,750,000.00	91282CGD7	US TREASURY NOTES	4.25%	12/31/2024	1,768,789.91		-13,864.74
12/8/2023	12/11/2023	275,000.00	91282CGG0	US TREASURY NOTES	4.12%	1/31/2025	276,382.01		-1,758.76
12/20/2023	12/21/2023	150,000.00	91282CGG0	US TREASURY NOTES	4.12%	1/31/2025	151,396.57		-497.26
Total SELL		6,405,000.00					6,404,049.28		-83,951.40

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 01/31/2023 4.125% 01/31/2025	91282CGG0	1,075,000.00	AA+	Aaa	2/6/2023	2/7/2023	1,068,491.21	4.45	18,556.90	1,071,439.94	1,068,449.17
US TREASURY NOTES DTD 02/29/2020 1.125% 02/28/2025	912828ZC7	775,000.00	AA+	Aaa	3/2/2020	3/4/2020	785,837.89	0.84	2,946.17	777,522.10	744,242.19
US TREASURY NOTES DTD 04/15/2022 2.625% 04/15/2025	91282CEH0	200,000.00	AA+	Aaa	6/30/2023	6/30/2023	191,843.75	5.03	1,118.85	194,147.42	195,062.50
US TREASURY NOTES DTD 04/30/2020 0.375% 04/30/2025	912828ZL7	300,000.00	AA+	Aaa	10/4/2021	10/6/2021	296,988.28	0.66	191.62	298,878.12	283,921.86
US TREASURY NOTES DTD 04/30/2020 0.375% 04/30/2025	912828ZL7	400,000.00	AA+	Aaa	6/3/2020	6/5/2020	399,875.00	0.38	255.50	399,966.13	378,562.48
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	325,000.00	AA+	Aaa	6/10/2021	6/10/2021	321,039.06	0.56	71.04	323,591.42	306,058.61
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	425,000.00	AA+	Aaa	5/4/2021	5/6/2021	418,824.22	0.61	92.90	422,855.52	400,230.49
US TREASURY NOTES DTD 05/31/2020 0.250% 05/31/2025	912828ZT0	325,000.00	AA+	Aaa	6/30/2020	6/30/2020	324,873.05	0.26	71.04	324,963.53	306,058.61
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	725,000.00	AA+	Aaa	6/28/2021	6/29/2021	711,774.41	0.71	4.98	720,060.76	680,820.31
US TREASURY NOTES DTD 07/31/2020 0.250% 07/31/2025	91282CAB7	400,000.00	AA+	Aaa	7/1/2021	7/7/2021	392,281.25	0.73	418.48	397,000.86	374,562.48
US TREASURY NOTES DTD 08/31/2020 0.250% 08/31/2025	91282CAJ0	700,000.00	AA+	Aaa	8/4/2021	8/9/2021	691,824.22	0.54	591.35	696,648.10	653,625.00
US TREASURY NOTES DTD 10/31/2020 0.250% 10/31/2025	91282CAT8	25,000.00	AA+	Aaa	8/26/2021	8/27/2021	24,516.60	0.72	10.65	24,788.08	23,222.66
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	300,000.00	AA+	Aaa	10/4/2021	10/6/2021	294,796.88	0.80	98.36	297,600.94	278,578.14
US TREASURY NOTES DTD 11/30/2020 0.375% 11/30/2025	91282CAZ4	300,000.00	AA+	Aaa	12/1/2020	12/3/2020	299,343.75	0.42	98.36	299,748.37	278,578.14
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	300,000.00	AA+	Aaa	1/7/2021	1/11/2021	298,804.69	0.46	3.09	299,519.24	278,062.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 01/15/2023 3.875% 01/15/2026	91282CGE5	2,000,000.00	AA+	Aaa	2/6/2023	2/7/2023	1,986,562.50	4.12	35,801.63	1,990,670.14	1,985,000.00
US TREASURY NOTES DTD 01/15/2023 3.875% 01/15/2026	91282CGE5	750,000.00	AA+	Aaa	1/26/2023	1/27/2023	749,794.92	3.88	13,425.61	749,859.05	744,375.00
US TREASURY NOTES DTD 01/31/2021 0.375% 01/31/2026	91282CBH3	200,000.00	AA+	Aaa	2/25/2021	2/26/2021	196,812.50	0.70	313.86	198,652.40	184,750.00
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	300,000.00	AA+	Aaa	3/1/2021	3/3/2021	296,800.78	0.72	506.87	298,615.37	277,218.75
US TREASURY NOTES DTD 02/28/2021 0.500% 02/28/2026	91282CBQ3	725,000.00	AA+	Aaa	9/2/2021	9/7/2021	718,542.97	0.70	1,224.93	721,884.04	669,945.31
US TREASURY NOTES DTD 04/15/2023 3.750% 04/15/2026	91282CGV7	250,000.00	AA+	Aaa	4/21/2023	4/24/2023	249,023.44	3.89	1,997.95	249,249.84	247,734.38
US TREASURY NOTES DTD 05/31/2021 0.750% 05/31/2026	91282CCF6	100,000.00	AA+	Aaa	6/3/2021	6/8/2021	99,566.41	0.84	65.57	99,789.88	92,312.50
US TREASURY NOTES DTD 08/15/2016 1.500% 08/15/2026	9128282A7	200,000.00	AA+	Aaa	9/8/2022	9/13/2022	185,492.19	3.50	1,133.15	190,304.49	187,187.50
US TREASURY NOTES DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	225,000.00	AA+	Aaa	10/7/2021	10/12/2021	223,444.34	1.02	500.26	224,139.84	206,718.75
US TREASURY NOTES DTD 10/31/2021 1.125% 10/31/2026	91282CDG3	225,000.00	AA+	Aaa	11/15/2021	11/17/2021	223,611.33	1.25	431.15	224,206.25	207,632.81
US TREASURY NOTES DTD 10/31/2021 1.125% 10/31/2026	91282CDG3	275,000.00	AA+	Aaa	11/3/2021	11/4/2021	274,108.40	1.19	526.96	274,494.01	253,773.44
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	3,000,000.00	AA+	Aaa	1/31/2023	2/1/2023	2,811,445.31	3.80	7,747.25	2,856,982.02	2,836,875.00
US TREASURY NOTES DTD 11/30/2021 1.250% 11/30/2026	91282CDK4	300,000.00	AA+	Aaa	12/2/2021	12/7/2021	300,386.72	1.22	327.87	300,226.21	277,406.25
US TREASURY NOTES DTD 12/31/2021 1.250% 12/31/2026	91282CDQ1	325,000.00	AA+	Aaa	1/3/2022	1/6/2022	323,273.44	1.36	11.16	323,961.22	300,066.39
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	1,000,000.00	AA+	Aaa	2/6/2023	2/7/2023	938,828.13	3.91	8,498.64	952,486.66	949,375.00
US TREASURY NOTES DTD 02/15/2017 2.250% 02/15/2027	912828V98	5,000,000.00	AA+	Aaa	1/26/2023	1/27/2023	4,731,445.31	3.69	42,493.21	4,792,958.85	4,746,875.00
US TREASURY NOTES DTD 03/31/2022 2.500% 03/31/2027	91282CEF4	600,000.00	AA+	Aaa	4/14/2022	4/18/2022	592,851.56	2.76	3,811.48	595,314.77	573,562.50

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 04/30/2022 2.750% 04/30/2027	91282CEN7	325,000.00	AA+	Aaa	5/4/2022	5/6/2022	320,886.72	3.03	1,522.32	322,254.05	312,710.94
US TREASURY NOTES DTD 05/31/2022 2.625% 05/31/2027	91282CET4	350,000.00	AA+	Aaa	6/1/2022	6/6/2022	344,818.36	2.95	803.28	346,452.57	335,125.00
US TREASURY NOTES DTD 05/31/2022 2.625% 05/31/2027	91282CET4	375,000.00	AA+	Aaa	6/9/2022	6/10/2022	367,309.57	3.07	860.65	369,723.42	359,062.50
US TREASURY NOTES DTD 06/30/2022 3.250% 06/30/2027	91282CEW7	750,000.00	AA+	Aaa	6/1/2023	6/5/2023	733,623.05	3.83	66.96	735,937.42	733,125.00
US TREASURY NOTES DTD 11/30/2022 3.875% 11/30/2027	91282CFZ9	625,000.00	AA+	Aaa	12/28/2022	12/29/2022	622,265.63	3.97	2,117.49	622,825.59	623,925.75
US TREASURY NOTES DTD 12/31/2022 3.875% 12/31/2027	91282CGC9	3,000,000.00	AA+	Aaa	1/26/2023	1/27/2023	3,035,507.81	3.61	319.37	3,028,816.79	2,996,718.60
US TREASURY NOTES DTD 01/31/2023 3.500% 01/31/2028	91282CGH8	2,000,000.00	AA+	Aaa	1/31/2023	2/1/2023	1,987,109.38	3.64	29,293.48	1,989,468.54	1,969,687.60
US TREASURY NOTES DTD 02/28/2023 4.000% 02/29/2028	91282CGP0	1,700,000.00	AA+	Aaa	12/8/2023	12/11/2023	1,684,128.91	4.24	22,978.02	1,684,345.19	1,706,375.00
US TREASURY NOTES DTD 05/31/2023 3.625% 05/31/2028	91282CHE4	1,000,000.00	AA+	Aaa	6/29/2023	6/30/2023	977,656.25	4.13	3,169.40	979,956.52	990,000.00
US TREASURY NOTES DTD 09/30/2023 4.625% 09/30/2028	91282CJA0	425,000.00	AA+	Aaa	10/2/2023	10/4/2023	423,572.27	4.70	4,994.62	423,634.45	438,945.31
Security Type Sub-Total		32,600,000.00					31,919,982.46	3.09	209,472.43	32,095,940.11	31,456,519.42
Supranational											
INTL BK RECON & DEVELOP NOTES DTD 07/19/2022 3.125% 06/15/2027	459058KJ1	275,000.00	AAA	Aaa	7/12/2022	7/19/2022	274,857.00	3.14	381.94	274,899.37	266,536.60
Security Type Sub-Total		275,000.00					274,857.00	3.14	381.94	274,899.37	266,536.60
Negotiable CD											
CREDIT AGRICOLE CIB NY CERT DEPOS DTD 08/19/2022 4.100% 08/16/2024	22536AZR8	250,000.00	A-1	P-1	8/17/2022	8/19/2022	250,000.00	4.07	3,929.17	250,000.00	248,030.76

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Negotiable CD											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	325,000.00	A	A1	10/27/2022	10/31/2022	325,000.00	5.58	3,437.78	325,000.00	331,235.16
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	325,000.00	AA-	Aa3	11/2/2022	11/3/2022	325,000.00	5.53	2,895.57	325,000.00	322,794.23
NATIXIS NY BRANCH CERT DEPOS DTD 09/20/2023 5.610% 09/18/2026	63873QP65	500,000.00	A	A1	9/18/2023	9/20/2023	500,000.00	5.61	8,025.42	500,000.00	510,910.00
Security Type Sub-Total		1,400,000.00					1,400,000.00	5.32	18,287.94	1,400,000.00	1,412,970.15
Municipal											
NJ TURNPIKE AUTHORITY TXBL REV BONDS DTD 02/04/2021 0.897% 01/01/2025	646140DN0	70,000.00	AA-	A1	1/22/2021	2/4/2021	70,000.00	0.90	313.95	70,000.00	67,228.70
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	340,000.00	NR	NR	12/16/2020	12/23/2020	340,000.00	0.87	870.97	340,000.00	322,609.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	255,000.00	AA	Aa3	9/3/2020	9/16/2020	255,000.00	1.26	1,603.95	255,000.00	242,160.75
CA ST MUNICIPAL BONDS DTD 03/15/2023 4.846% 03/01/2027	13063D3N6	265,000.00	AA-	Aa2	3/9/2023	3/15/2023	265,000.00	4.85	4,280.63	265,000.00	268,376.10
Security Type Sub-Total		930,000.00					930,000.00	2.16	7,069.50	930,000.00	900,374.55
Joint Powers Authority											
CAMP Pool		46,916.76	AAAm	NR			46,916.76		0.00	46,916.76	46,916.76
Security Type Sub-Total		46,916.76					46,916.76		0.00	46,916.76	46,916.76

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	290,000.00	AA+	Aaa	4/22/2020	4/24/2020	289,402.60	0.67	347.40	289,843.77	275,692.27
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	395,000.00	AA+	Aaa	7/21/2020	7/23/2020	393,032.90	0.48	658.33	394,388.52	371,162.15
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	795,000.00	AA+	Aaa	8/25/2020	8/27/2020	791,279.40	0.47	1,043.44	793,772.04	744,445.95
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	295,000.00	AA+	Aaa	9/23/2020	9/25/2020	294,112.05	0.44	301.15	294,692.82	275,573.66
Security Type Sub-Total		1,775,000.00					1,767,826.95	0.50	2,350.32	1,772,697.15	1,666,874.03
Corporate											
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	105,000.00	A-	A2	3/16/2021	3/18/2021	104,947.50	0.77	225.31	104,996.31	103,883.33
HSBC USA INC CORPORATE NOTES DTD 05/24/2022 3.750% 05/24/2024	40428HTA0	240,000.00	A-	A2	5/17/2022	5/24/2022	239,990.40	3.75	925.00	239,998.11	238,272.00
BMW US CAPITAL LLC CORPORATE NOTES DTD 08/12/2021 0.750% 08/12/2024	05565EBU8	70,000.00	A	A2	8/9/2021	8/12/2021	69,993.70	0.75	202.71	69,998.71	68,080.18
WALT DISNEY COMPANY/THE (CALLABLE) DTD 09/06/2019 1.750% 08/30/2024	254687FK7	325,000.00	A-	A2	9/3/2019	9/6/2019	323,674.00	1.84	1,911.63	324,823.69	317,258.50
BANK OF NY MELLON CORP DTD 10/24/2019 2.100% 10/24/2024	06406RAL1	110,000.00	A	A1	1/21/2020	1/28/2020	110,484.00	2.00	429.92	110,083.04	107,431.39
ADOBE INC (CALLABLE) CORP NOTE DTD 02/03/2020 1.900% 02/01/2025	00724PAB5	175,000.00	A+	A2	1/26/2022	1/28/2022	177,077.25	1.50	1,385.42	175,711.20	169,247.05
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 02/06/2020 1.800% 02/06/2025	69371RQ66	80,000.00	A+	A1	10/22/2020	10/29/2020	83,608.80	0.73	580.00	80,929.36	77,387.76
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 02/07/2022 1.875% 02/07/2025	63743HFC1	45,000.00	A-	A2	1/31/2022	2/7/2022	44,998.65	1.88	337.50	44,999.50	43,444.89

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	20,000.00	A+	A1	5/20/2020	5/26/2020	20,195.40	1.58	138.00	20,046.36	19,327.30
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	5/20/2020	5/26/2020	50,488.50	1.58	345.00	50,115.89	48,318.25
JPMORGAN CHASE & CO CORP NOTES (CALLABLE) DTD 02/16/2021 0.563% 02/16/2025	46647PBY1	60,000.00	A-	A1	2/9/2021	2/16/2021	60,000.00	0.56	126.68	60,000.00	59,650.08
AMERICAN EXPRESS CO CORP NOTES (CALLABLE) DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	85,000.00	BBB+	A2	3/1/2022	3/4/2022	84,914.15	2.29	621.56	84,966.47	82,266.83
ROCHE HOLDINGS INC (CALLABLE) CORPORATE DTD 03/10/2022 2.132% 03/10/2025	771196BT8	425,000.00	AA	Aa2	3/3/2022	3/10/2022	425,000.00	2.13	2,793.81	425,000.00	412,457.83
HSBC USA INC CORPORATE NOTES DTD 03/17/2023 5.625% 03/17/2025	40428HVL3	275,000.00	A-	A2	3/9/2023	3/17/2023	274,532.50	5.72	4,468.75	274,717.97	276,280.95
BURLINGTN NORTH SANTA FE CORP NOTES (CAL) DTD 03/09/2015 3.000% 04/01/2025	12189LAV3	110,000.00	AA-	A3	3/5/2021	3/9/2021	118,429.30	1.07	825.00	112,213.14	107,493.32
AMAZON.COM INC CORPORATE NOTES DTD 04/13/2022 3.000% 04/13/2025	023135CE4	95,000.00	AA	A1	4/11/2022	4/13/2022	94,848.95	3.06	617.50	94,935.50	92,950.00
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	25,000.00	A	A2	3/24/2022	3/28/2022	24,956.25	2.76	142.50	24,981.54	24,381.63
BANK OF NY MELLON (CALLABLE) CORP NOTES DTD 04/24/2020 1.600% 04/24/2025	06406RAN7	115,000.00	A	A1	3/11/2021	3/15/2021	117,725.50	1.01	342.44	115,830.63	110,464.98
CINTAS CORPORATION NO. 2 CORP NOTE (CALL) DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	70,000.00	A-	A3	4/26/2022	5/3/2022	69,984.60	3.46	402.50	69,993.16	68,740.42
USAA CAPITAL CORP CORPORATE NOTES DTD 05/26/2022 3.375% 05/01/2025	90327QD89	150,000.00	AA	Aa1	5/23/2022	5/26/2022	149,509.50	3.49	843.75	149,777.42	147,063.90

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
CITIGROUP INC (CALLABLE) CORPORATE NOTES DTD 05/04/2021 0.981% 05/01/2025	172967MX6	125,000.00	BBB+	A3	4/27/2021	5/4/2021	125,000.00	0.98	204.38	125,000.00	122,961.38
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	135,000.00	A-	A1	5/24/2021	6/1/2021	135,000.00	0.82	92.70	135,000.00	132,661.53
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	30,000.00	A-	A2	4/27/2022	5/4/2022	29,991.90	3.46	46.00	29,996.22	29,380.83
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	240,000.00	A-	A3	7/20/2022	7/27/2022	240,000.00	4.00	4,106.67	240,000.00	237,326.16
COLGATE-PALMOLIVE CO CORPORATE NOTES DTD 08/09/2022 3.100% 08/15/2025	194162AM5	25,000.00	AA-	Aa3	8/1/2022	8/9/2022	24,977.00	3.13	292.78	24,987.64	24,440.50
WALMART INC CORPORATE NOTES DTD 09/09/2022 3.900% 09/09/2025	931142EW9	125,000.00	AA	Aa2	9/6/2022	9/9/2022	124,912.50	3.93	1,516.67	124,950.74	123,822.13
NESTLE HOLDINGS INC CORP NOTE DTD 09/13/2022 4.000% 09/12/2025	641062BA1	150,000.00	AA-	Aa3	9/6/2022	9/13/2022	149,950.50	4.01	1,816.67	149,971.97	148,494.30
HOME DEPOT INC NOTES (CALLABLE) DTD 09/19/2022 4.000% 09/15/2025	437076CR1	35,000.00	A	A2	9/12/2022	9/19/2022	34,987.40	4.01	412.22	34,992.81	34,714.61
LOCKHEED MARTIN CORP NOTES (CALLABLE) DTD 10/24/2022 4.950% 10/15/2025	539830BU2	55,000.00	A-	A2	10/19/2022	10/24/2022	54,843.25	5.05	574.75	54,905.83	55,367.68
PNC FINANCIAL SERVICES CORP NOTE (CALLAB DTD 10/28/2022 5.671% 10/28/2025	693475BH7	105,000.00	A-	A3	10/25/2022	10/28/2022	105,000.00	5.67	1,042.05	105,000.00	105,172.52
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 10/31/2022 5.450% 10/30/2025	63743HFF4	30,000.00	A-	A2	10/20/2022	10/31/2022	29,959.80	5.50	277.04	29,975.48	30,319.29
LINDE INC/CT CORPORATE NOTES (CALLABLE) DTD 12/05/2022 4.700% 12/05/2025	53522KAB9	225,000.00	A	A2	11/28/2022	12/5/2022	224,757.00	4.74	763.75	224,843.91	224,959.05
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 01/12/2023 4.966% 01/12/2026	63253QAA2	305,000.00	AA-	Aa3	1/4/2023	1/12/2023	305,000.00	4.97	7,110.35	305,000.00	306,856.23

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
CITIGROUP INC CORP NOTES (CALLABLE) DTD 01/25/2022 2.014% 01/25/2026	17327CAN3	60,000.00	BBB+	A3	1/18/2022	1/25/2022	60,000.00	2.01	523.64	60,000.00	57,637.32
STATE STREET CORP NOTES (CALLABLE) DTD 01/26/2023 4.857% 01/26/2026	857477BZ5	50,000.00	A	A1	1/23/2023	1/26/2023	50,000.00	4.86	1,045.60	50,000.00	49,810.85
STATE STREET CORP (CALLABLE) CORPORATE N DTD 02/07/2022 1.746% 02/06/2026	857477BR3	75,000.00	A	A1	2/2/2022	2/7/2022	75,000.00	1.75	527.44	75,000.00	72,113.63
GOLDMAN SACHS GROUP INC CORP NOTES (CALL DTD 02/12/2021 0.855% 02/12/2026	38141GXS8	140,000.00	BBB+	A2	2/12/2021	2/17/2021	140,285.60	0.81	462.18	140,080.03	132,825.84
PEPSICO INC CORP NOTES (CALLABLE) DTD 02/15/2023 4.550% 02/13/2026	713448FQ6	295,000.00	A+	A1	2/13/2023	2/15/2023	294,828.90	4.57	5,145.29	294,878.95	296,109.50
JPMORGAN CHASE & CO CORP NOTES (CALLABLE DTD 02/24/2022 2.595% 02/24/2026	46647PCV6	100,000.00	A-	A1	2/16/2022	2/24/2022	100,000.00	2.60	915.46	100,000.00	96,881.10
COMMONWEALTH BK AUSTR NY CORPORATE NOTES DTD 03/13/2023 5.316% 03/13/2026	20271RAR1	500,000.00	AA-	Aa3	3/6/2023	3/13/2023	500,000.00	5.32	7,974.00	500,000.00	507,411.50
NATIONAL RURAL UTIL COOP CORP NOTES (CAL DTD 02/09/2023 4.450% 03/13/2026	63743HFH0	65,000.00	A-	A2	2/2/2023	2/9/2023	64,953.85	4.47	867.75	64,967.19	64,664.02
CITIGROUP INC CORP NOTES (CALLABLE) DTD 03/17/2022 3.290% 03/17/2026	172967NL1	65,000.00	BBB+	A3	3/10/2022	3/17/2022	65,000.00	3.29	617.79	65,000.00	63,249.36
STATE STREET CORP NOTES (CALLABLE) DTD 10/29/2020 2.901% 03/30/2026	857477BM4	200,000.00	A	A1	2/17/2022	2/22/2022	204,026.00	2.38	1,466.62	201,614.67	194,387.60
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 03/30/2023 4.450% 03/30/2026	69371RS49	350,000.00	A+	A1	3/27/2023	3/30/2023	349,765.50	4.47	3,937.01	349,824.77	349,274.45
JPMORGAN CHASE & CO (CALLABLE) CORPORATE DTD 04/26/2022 4.080% 04/26/2026	46647PCZ7	100,000.00	A-	A1	4/19/2022	4/26/2022	100,000.00	4.08	736.67	100,000.00	98,440.40

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
UNITEDHEALTH GROUP INC (CALLABLE) CORPOR DTD 05/19/2021 1.150% 05/15/2026	91324PEC2	250,000.00	A+	A2	5/17/2021	5/19/2021	249,565.00	1.19	367.36	249,793.48	231,444.00
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 07/07/2023 5.250% 07/07/2026	02665WEK3	155,000.00	A-	A3	7/5/2023	7/7/2023	154,809.35	5.29	3,933.13	154,840.31	157,785.35
MORGAN STANLEY CORP NOTES DTD 07/25/2016 3.125% 07/27/2026	61761J3R8	175,000.00	A-	A1	12/2/2021	12/6/2021	184,782.50	1.86	2,339.41	180,416.76	167,635.83
TRUIST FIN CORP NOTES (CALLABLE) DTD 07/28/2022 4.260% 07/28/2026	89788MAH5	105,000.00	A-	A3	7/25/2022	7/28/2022	105,000.00	4.26	1,901.03	105,000.00	102,999.54
STATE STREET CORP NOTES (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	195,000.00	A	A1	7/31/2023	8/3/2023	195,000.00	5.27	4,226.39	195,000.00	197,754.96
WELLS FARGO BANK NA BANK NOTES (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	250,000.00	A+	Aa2	8/3/2023	8/9/2023	249,782.50	5.48	5,374.31	249,811.33	254,149.75
TOYOTA MOTOR CREDIT CORP CORPORATE NOTES DTD 08/14/2023 5.000% 08/14/2026	89236TKX2	275,000.00	A+	A1	8/9/2023	8/14/2023	274,667.25	5.04	5,232.64	274,709.75	278,407.80
HERSHEY COMPANY CORP NOTES (CALLABLE) DTD 08/09/2016 2.300% 08/15/2026	427866AX6	350,000.00	A	A1	1/26/2023	1/30/2023	326,788.00	4.34	3,041.11	332,819.89	331,795.45
BANK OF AMERICA NA CORPORATE NOTES DTD 08/18/2023 5.526% 08/18/2026	06428CAA2	450,000.00	A+	Aa1	8/14/2023	8/18/2023	450,000.00	5.53	9,186.98	450,000.00	458,658.90
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/08/2023 5.150% 09/08/2026	24422EXD6	300,000.00	A	A2	9/5/2023	9/8/2023	299,787.00	5.18	4,849.58	299,807.92	305,468.40
BANK OF AMERICA CORP (CALLABLE) CORPORAT DTD 10/21/2020 1.197% 10/24/2026	06051GJK6	225,000.00	A-	A1	12/2/2021	12/6/2021	219,908.25	1.68	501.24	222,067.17	208,980.68
TRUIST FINANCIAL CORP NOTES (CALLABLE) DTD 10/28/2022 5.900% 10/28/2026	89788MAJ1	110,000.00	A-	A3	10/26/2022	10/28/2022	110,000.00	5.90	1,135.75	110,000.00	110,929.94

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
STATE STREET CORP NOTES (CALLABLE) DTD 11/04/2022 5.751% 11/04/2026	857477BX0	45,000.00	A	A1	11/1/2022	11/4/2022	45,000.00	5.75	409.76	45,000.00	45,663.35
PEPSICO INC CORPORATE NOTES (CALLABLE) DTD 11/10/2023 5.125% 11/10/2026	713448FW3	60,000.00	A+	A1	11/8/2023	11/10/2023	59,983.80	5.13	435.63	59,984.52	61,222.02
NATIONAL RURAL COOP CORPORATE NOTES (CAL DTD 11/02/2023 5.600% 11/13/2026	63743HFK3	115,000.00	A-	A2	10/30/2023	11/2/2023	114,959.75	5.61	1,055.45	114,961.77	118,096.38
ROCHE HOLDINGS INC CORP NOTE (CALLABLE) DTD 11/13/2023 5.265% 11/13/2026	771196CE0	255,000.00	AA	Aa2	11/6/2023	11/13/2023	255,000.00	5.27	1,790.10	255,000.00	260,279.27
CITIBANK NA CORP NOTES (CALLABLE) DTD 12/04/2023 5.488% 12/04/2026	17325FBC1	250,000.00	A+	Aa3	11/27/2023	12/4/2023	250,000.00	5.49	1,029.00	250,000.00	254,701.25
JP MORGAN CORP NOTES (CALLABLE) DTD 12/08/2023 5.110% 12/08/2026	48125LRU8	400,000.00	A+	Aa2	12/5/2023	12/8/2023	400,000.00	5.11	1,305.89	400,000.00	404,039.20
WELLS FARGO CORP NOTES (CALLABLE) DTD 12/11/2023 5.254% 12/11/2026	94988J6F9	400,000.00	A+	Aa2	12/4/2023	12/11/2023	400,000.00	5.25	1,167.56	400,000.00	405,090.80
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/10/2020 2.350% 01/08/2027	02665WDJ7	250,000.00	A-	A3	2/6/2023	2/8/2023	230,772.50	4.51	2,823.26	235,169.28	235,105.25
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	45,000.00	A	A2	1/19/2022	1/24/2022	44,923.50	1.99	404.62	44,953.27	41,993.19
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	155,000.00	A	A2	1/28/2022	2/1/2022	154,446.65	2.03	1,393.71	154,660.47	144,643.21
PNC FINANCIAL SERVICES CORP NOTES (CALLA DTD 01/24/2023 4.758% 01/26/2027	693475BL8	40,000.00	A-	A3	1/19/2023	1/24/2023	40,000.00	4.76	819.43	40,000.00	39,534.52
MORGAN STANLEY CORPORATE NOTES (CALLABLE DTD 01/19/2023 5.050% 01/28/2027	61747YEZ4	200,000.00	A-	A1	1/17/2023	1/19/2023	199,996.00	5.05	4,292.50	199,996.94	200,271.20

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 03/07/2022 2.350% 03/08/2027	24422EWD7	125,000.00	A	A2	3/8/2022	3/10/2022	124,690.00	2.40	922.05	124,802.51	117,423.88
BMW US CAPITAL LLC (CALLABLE) CORP NOTES DTD 04/01/2022 3.450% 04/01/2027	05565ECA1	150,000.00	A	A2	4/1/2022	4/5/2022	150,480.00	3.38	1,293.75	150,309.55	144,247.65
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 04/26/2023 4.947% 04/26/2027	06406RBQ9	325,000.00	A	A1	4/19/2023	4/26/2023	325,000.00	4.95	2,902.93	325,000.00	324,940.53
NORTHERN TRUST CORP NOTE (CALLABLE) DTD 05/10/2022 4.000% 05/10/2027	665859AW4	150,000.00	A+	A2	5/11/2022	5/13/2022	151,750.50	3.74	850.00	151,166.67	147,963.15
APPLE INC CORP NOTES (CALLABLE) DTD 05/11/2017 3.200% 05/11/2027	037833CR9	250,000.00	AA+	Aaa	5/23/2022	5/25/2022	247,552.50	3.42	1,111.11	248,344.02	241,872.50
INTEL CORP NOTES (CALLABLE) DTD 08/05/2022 3.750% 08/05/2027	458140BY5	225,000.00	A	A2	8/5/2022	8/9/2022	224,340.75	3.82	3,421.88	224,525.28	220,249.13
HOME DEPOT INC CORP NOTES (CALLABLE) DTD 09/14/2017 2.800% 09/14/2027	437076BT8	250,000.00	A	A2	2/6/2023	2/8/2023	234,095.00	4.34	2,080.56	237,192.64	237,692.75
CITIGROUP INC CORP (CALLABLE) NOTES DTD 01/10/2017 3.887% 01/10/2028	172967LD1	175,000.00	BBB+	A3	6/12/2023	6/14/2023	165,800.25	5.19	3,231.07	166,906.86	169,385.83
HONEYWELL INTL CORP NOTES (CALLABLE) DTD 11/02/2022 4.950% 02/15/2028	438516CJ3	225,000.00	A	A2	6/1/2023	6/5/2023	231,572.25	4.26	4,207.50	230,753.16	231,486.98
TEXAS INSTRUMENTS INC CORP NOTE (CALLABL DTD 11/18/2022 4.600% 02/15/2028	882508BV5	115,000.00	A+	Aa3	5/11/2023	5/18/2023	117,764.60	4.04	1,998.44	117,394.47	116,851.62
WELLS FARGO CORP NOTES (CALLABLE) DTD 03/24/2022 3.526% 03/24/2028	95000U2V4	250,000.00	BBB+	A1	6/1/2023	6/5/2023	235,302.50	4.91	2,375.15	237,062.18	237,598.00
JPMORGAN CHASE & CORP NOTES (CALLABLE) DTD 04/25/2017 3.540% 05/01/2028	46647PAF3	250,000.00	A-	A1	6/12/2023	6/14/2023	234,055.00	5.03	1,475.00	235,852.50	238,645.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
HERSHEY COMPANY CORP NOTES CALLABLE DTD 05/04/2023 4.250% 05/04/2028	427866BH0	325,000.00	A	A1	5/8/2023	5/10/2023	326,979.25	4.11	2,186.98	326,718.44	324,575.88
GENERAL DYNAMICS CORP NOTES (CALLABLE) DTD 05/11/2018 3.750% 05/15/2028	369550BC1	275,000.00	A-	A3	6/1/2023	6/5/2023	266,582.25	4.45	1,317.71	267,561.06	269,672.98
MERCEDES-BENZ FIN NA CORPORATE NOTES DTD 08/03/2023 5.100% 08/03/2028	58769JAL1	475,000.00	A	A2	8/21/2023	8/23/2023	469,015.00	5.39	9,959.17	469,448.89	483,836.90
BMW US CAPITAL LLC CORP NOTES (CALLABLE) DTD 08/11/2023 5.050% 08/11/2028	05565ECE3	300,000.00	A	A2	8/11/2023	8/15/2023	297,564.00	5.24	5,891.67	297,749.74	305,270.70
Security Type Sub-Total		15,135,000.00					15,051,314.05	4.05	164,381.27	15,054,889.04	14,962,046.09

Agency CMBS

FHMS K047 A2 DTD 07/30/2015 3.329% 05/01/2025	3137BKRJ1	300,000.00	AA+	Aaa	5/19/2022	5/24/2022	301,921.88	3.10	832.25	300,870.49	293,600.48
FHLMC SERIES K049 A2 DTD 10/01/2015 3.010% 07/01/2025	3137BLMZ8	325,000.00	AA+	Aaa	8/11/2022	8/16/2022	320,416.99	3.53	815.21	322,612.47	316,212.14
FHMS K052 A1 DTD 12/01/2015 3.308% 09/01/2025	3137BM7C4	150,000.00	AA+	Aaa	8/5/2022	8/10/2022	148,910.16	3.56	413.50	149,406.34	146,402.20
FHMS K052 A2 DTD 02/10/2016 3.151% 11/01/2025	3137BMTX4	250,000.00	AA+	Aaa	7/21/2022	7/26/2022	247,109.38	3.53	656.46	248,377.96	243,204.72
FHMS K053 A2 DTD 03/29/2016 2.995% 12/01/2025	3137BN6G4	250,000.00	AA+	Aaa	8/4/2022	8/9/2022	247,119.14	3.36	623.96	248,333.39	242,382.71
FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	275,000.00	AA+	Aaa	4/11/2023	4/14/2023	263,613.28	4.37	629.06	266,617.63	265,159.80
FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	250,000.00	AA+	Aaa	3/1/2023	3/6/2023	235,429.69	4.96	571.88	239,679.36	241,054.36
FNA 2016-M3 A2 DTD 03/31/2016 2.702% 02/01/2026	3136ARTE8	178,507.28	AA+	Aaa	10/6/2022	10/12/2022	168,410.48	4.55	401.94	172,138.27	171,761.68
FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	300,000.00	AA+	Aaa	5/18/2023	5/23/2023	285,257.81	4.26	642.50	288,154.29	286,638.22

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	400,000.00	AA+	Aaa	10/5/2023	10/11/2023	371,140.63	5.13	760.67	373,521.38	379,840.23
FHMS K058 A2 DTD 11/09/2016 2.653% 08/01/2026	3137BSP72	450,000.00	AA+	Aaa	4/12/2023	4/17/2023	429,521.48	4.14	994.88	433,934.07	429,628.47
FHMS K061 A2 DTD 01/30/2017 3.347% 11/01/2026	3137BTUM1	239,641.28	AA+	Aaa	5/19/2023	5/24/2023	232,264.82	4.31	668.40	233,567.58	232,656.90
FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	700,000.00	AA+	Aaa	5/18/2023	5/23/2023	679,765.63	4.30	2,000.83	683,186.60	680,590.65
FHLMC MULTIFAMILY STRUCTURED P DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	600,000.00	AA+	Aaa	6/12/2023	6/15/2023	573,585.94	4.51	1,621.50	577,397.49	579,111.83
FNA 2017-M12 A2 DTD 10/30/2017 3.060% 06/01/2027	3136AX7E9	256,692.14	AA+	Aaa	8/24/2023	8/29/2023	239,997.11	5.07	654.50	241,518.16	246,515.82
FNA 2017-M15 A2 DTD 12/29/2017 2.960% 09/01/2027	3136AY6X6	359,503.89	AA+	Aaa	8/24/2023	8/29/2023	334,773.95	4.96	886.85	336,885.45	343,988.22
FHMS K743 A2 DTD 06/30/2021 1.770% 05/01/2028	3137H14B9	500,000.00	AA+	Aaa	8/10/2023	8/15/2023	437,617.19	4.73	737.50	442,655.66	449,210.44
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	700,000.00	AA+	Aaa	7/13/2023	7/20/2023	706,991.60	4.59	2,811.08	706,342.77	711,479.27
FNA 2023-M6 A2 DTD 07/01/2023 4.190% 07/01/2028	3136BQDE6	550,000.00	AA+	Aaa	8/22/2023	8/25/2023	529,203.13	5.07	1,920.42	530,717.12	546,132.14
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	650,000.00	AA+	Aaa	9/7/2023	9/14/2023	640,384.55	4.99	2,518.75	640,905.67	657,514.35
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	650,000.00	AA+	Aaa	10/11/2023	10/19/2023	635,741.60	5.26	2,567.50	636,272.90	659,820.03
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	283,916.96	AA+	Aaa	9/19/2023	9/28/2023	283,915.54	5.27	1,247.34	283,915.61	290,825.72
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	450,000.00	AA+	Aaa	10/25/2023	10/31/2023	435,652.65	5.60	1,818.75	436,092.29	459,031.40
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	235,000.00	AA+	Aaa	11/14/2023	11/21/2023	234,320.62	5.14	992.68	234,334.33	241,654.69
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	360,000.00	AA+	Aaa	11/28/2023	12/7/2023	358,965.72	4.93	1,458.00	358,978.53	367,627.15

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	265,000.00	AA+	Aaa	12/11/2023	12/21/2023	267,474.57	4.78	1,104.17	267,461.19	272,290.34
Security Type Sub-Total		9,928,261.55					9,609,505.54	4.63	30,350.58	9,653,877.00	9,754,333.96
ABS											
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	2,529.47	AAA	NR	9/22/2020	9/29/2020	2,529.10	0.37	0.34	2,529.40	2,524.44
CARMX 2020-4 A3 DTD 10/21/2020 0.500% 08/15/2025	14316HAC6	14,628.52	AAA	NR	10/14/2020	10/21/2020	14,625.30	0.50	3.25	14,627.44	14,475.29
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	20,244.16	AAA	NR	4/20/2021	4/28/2021	20,242.03	0.38	3.42	20,243.33	19,967.80
KCOT 2021-2A A3 DTD 07/28/2021 0.560% 11/17/2025	50117XAE2	80,900.20	NR	Aaa	7/20/2021	7/28/2021	80,897.15	0.56	20.14	80,898.87	78,709.57
CARMX 2021-1 A3 DTD 01/27/2021 0.340% 12/15/2025	14316NAC3	9,474.21	AAA	NR	1/20/2021	1/27/2021	9,472.33	0.34	1.43	9,473.46	9,303.17
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	44,027.41	AAA	NR	4/13/2021	4/21/2021	44,017.91	0.52	10.18	44,023.22	43,051.23
TAOT 2021-D A3 DTD 11/15/2021 0.710% 04/15/2026	89238JAC9	70,741.23	AAA	NR	11/9/2021	11/15/2021	70,739.72	0.71	22.32	70,740.45	68,667.54
HART 2021-C A3 DTD 11/17/2021 0.740% 05/15/2026	44935FAD6	51,788.56	AAA	NR	11/9/2021	11/17/2021	51,777.00	0.75	17.03	51,782.46	50,406.14
CARMX 2021-3 A3 DTD 07/28/2021 0.550% 06/15/2026	14317DAC4	90,240.87	AAA	Aaa	7/21/2021	7/28/2021	90,226.02	0.55	22.06	90,233.41	87,360.31
VALET 2021-1 A3 DTD 12/13/2021 1.020% 06/22/2026	92868KAC7	83,018.65	AAA	Aaa	12/7/2021	12/13/2021	83,015.39	1.02	25.87	83,016.87	80,832.62
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	95,000.00	AAA	Aaa	9/20/2021	9/27/2021	94,979.66	0.58	24.49	94,988.92	91,854.50
COPAR 2021-1 A3 DTD 10/27/2021 0.770% 09/15/2026	14044CAC6	69,135.63	AAA	Aaa	10/19/2021	10/27/2021	69,134.32	0.77	23.66	69,134.90	66,900.43
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	57,634.81	AAA	Aaa	10/13/2021	10/21/2021	57,633.35	0.68	16.33	57,634.00	55,733.50
KCOT 2022-1A A3 DTD 03/23/2022 2.670% 10/15/2026	50117EAC8	170,000.00	NR	Aaa	3/15/2022	3/23/2022	169,975.69	2.67	201.73	169,985.15	164,948.74

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	83,547.73	AAA	NR	10/26/2021	11/3/2021	83,536.36	0.81	30.08	83,541.32	81,124.49
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	179,652.15	AAA	NR	3/9/2022	3/16/2022	179,645.24	2.22	177.26	179,647.95	175,374.22
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	62,546.46	AAA	NR	1/11/2022	1/19/2022	62,541.02	1.26	32.84	62,543.22	60,683.41
HDMOT 2022-A A3 DTD 04/20/2022 3.060% 02/15/2027	41284YAD8	150,612.83	AAA	Aaa	4/12/2022	4/20/2022	150,587.75	3.06	204.83	150,596.59	147,929.32
COMET 2022-A1 A1 DTD 03/30/2022 2.800% 03/15/2027	14041NFZ9	325,000.00	AAA	NR	3/23/2022	3/30/2022	324,975.50	2.80	404.44	324,984.19	316,764.53
HART 2023-A A3 DTD 04/12/2023 4.580% 04/15/2027	448979AD6	220,000.00	AAA	NR	4/4/2023	4/12/2023	219,978.53	4.58	447.82	219,982.40	218,446.05
HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	185,000.00	AAA	NR	11/1/2022	11/9/2022	184,999.11	5.39	443.18	184,999.33	185,708.22
KCOT 2023-1A A3 DTD 03/31/2023 5.020% 06/15/2027	50117KAC4	240,000.00	NR	Aaa	3/28/2023	3/31/2023	239,962.44	5.02	535.47	239,969.18	241,043.52
CARMX 2022-4 A3 DTD 10/31/2022 5.340% 08/16/2027	14318UAD3	195,000.00	AAA	NR	10/26/2022	10/31/2022	194,954.27	5.35	462.80	194,965.43	195,598.75
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	265,000.00	AAA	Aaa	11/15/2022	11/22/2022	264,947.58	5.21	613.62	264,959.87	265,310.87
MBART 2023-1 A3 DTD 01/25/2023 4.510% 11/15/2027	58770AAC7	135,000.00	AAA	NR	1/18/2023	1/25/2023	134,983.80	4.51	270.60	134,986.95	134,172.42
HDMOT 2023-A A3 DTD 02/23/2023 5.050% 12/15/2027	41285JAD0	230,000.00	NR	Aaa	2/13/2023	2/23/2023	229,976.84	5.05	516.22	229,980.95	229,440.32
KCOT 2023-2A A3 DTD 07/26/2023 5.280% 01/18/2028	500945AC4	175,000.00	NR	Aaa	7/18/2023	7/26/2023	174,955.80	5.29	410.67	174,960.09	177,197.32
BAAT 2023-1A A3 DTD 07/31/2023 5.530% 02/15/2028	06428AAC2	235,000.00	NR	Aaa	7/25/2023	7/31/2023	234,991.09	5.53	577.58	234,991.92	237,855.25
TAOT 2023-B A3 DTD 05/23/2023 4.710% 02/15/2028	891941AD8	270,000.00	NR	Aaa	5/16/2023	5/23/2023	269,984.91	4.71	565.20	269,986.86	269,721.74
FORDO 2023-A A3 DTD 03/31/2023 4.650% 02/15/2028	344928AD8	180,000.00	AAA	NR	3/28/2023	3/31/2023	179,981.23	4.65	372.00	179,984.14	179,173.76
GMCAR 2023-2 A3 DTD 04/12/2023 4.470% 02/16/2028	362583AD8	180,000.00	AAA	Aaa	4/4/2023	4/12/2023	179,995.05	4.47	335.25	179,995.79	179,020.84

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	115,000.00	AAA	NR	7/11/2023	7/18/2023	114,979.62	5.47	104.84	114,981.64	116,455.81
DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9	225,000.00	NR	Aaa	4/4/2023	4/11/2023	224,986.95	4.31	431.00	224,988.87	223,425.70
HART 2023-B A3 DTD 07/19/2023 5.480% 04/17/2028	44933XAD9	140,000.00	AAA	NR	7/11/2023	7/19/2023	139,993.92	5.48	340.98	139,994.50	141,955.94
ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	250,000.00	NR	Aaa	7/11/2023	7/19/2023	249,957.38	5.46	606.67	249,961.40	252,990.63
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	200,000.00	AAA	NR	6/21/2023	6/26/2023	199,997.30	5.23	464.89	199,997.59	202,129.96
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	230,000.00	AAA	NR	6/8/2023	6/16/2023	229,947.93	4.79	489.64	229,953.70	230,752.70
COMET 2023-A1 A DTD 05/24/2023 4.420% 05/15/2028	14041NGD7	415,000.00	AAA	NR	5/17/2023	5/24/2023	414,904.84	4.43	815.24	414,916.46	413,286.51
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	255,000.00	AAA	NR	6/7/2023	6/14/2023	254,977.38	4.87	551.93	254,979.91	256,965.31
USAOT 2023-A A3 DTD 09/15/2023 5.580% 05/15/2028	90291VAC4	520,000.00	AAA	Aaa	9/7/2023	9/15/2023	519,909.00	5.58	1,289.60	519,914.09	525,754.58
BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	460,000.00	NR	Aaa	11/15/2023	11/21/2023	459,991.67	5.74	1,173.51	459,991.85	469,991.12
DCENT 2023-A2 A DTD 06/28/2023 4.930% 06/15/2028	254683CZ6	455,000.00	AAA	Aaa	6/21/2023	6/28/2023	454,938.53	4.93	996.96	454,944.87	458,640.50
GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9	140,000.00	AAA	Aaa	7/11/2023	7/19/2023	139,994.60	5.45	317.92	139,995.10	142,159.70
HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	115,000.00	NR	Aaa	11/1/2023	11/8/2023	114,979.75	5.67	181.13	114,980.32	117,427.43
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	475,000.00	AAA	Aaa	8/15/2023	8/23/2023	474,970.55	5.53	1,167.44	474,972.67	480,200.63
HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	465,000.00	AAA	Aaa	9/20/2023	9/27/2023	464,894.86	5.70	1,175.93	464,899.80	471,512.28
TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	130,000.00	AAA	NR	11/7/2023	11/14/2023	129,985.99	5.54	320.09	129,986.33	132,519.18
GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	215,000.00	AAA	Aaa	10/3/2023	10/11/2023	214,955.84	5.78	517.79	214,957.62	220,172.77

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
HART 2023-C A3 DTD 11/13/2023 5.540% 10/16/2028	44918CAD4	200,000.00	AAA	NR	11/3/2023	11/13/2023	199,973.70	5.54	492.44	199,974.33	203,686.82
BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	230,000.00	NR	Aaa	12/7/2023	12/14/2023	229,969.11	4.98	540.89	229,969.38	232,379.21
Security Type Sub-Total		9,405,722.89					9,404,570.41	4.60	18,771.00	9,404,748.49	9,421,707.09
Managed Account Sub Total		71,448,984.44					70,358,056.41	3.68	451,064.98	70,587,051.16	69,841,361.89
Securities Sub Total		\$71,495,901.20					\$70,404,973.17	3.68%	\$451,064.98	\$70,633,967.92	\$69,888,278.65
Accrued Interest											\$451,064.98
Total Investments											\$70,339,343.63

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Lana Dich, Director of Finance & Administrative Services

SUBJECT: AUTHORIZE BANKING SERVICES WITH FARMERS & MERCHANTS BANK

DATE: February 6, 2024

RECOMMENDATION(S):

It is recommended that the City Council:

- 1) Authorize the City Manager to execute Banking Services with Farmers & Merchants Bank.

FISCAL IMPACT

Farmers & Merchants Bank reduces the City's estimated annual banking activity charges by approximately \$16,000. Monthly bank fee balances not offset by earning allowances on compensating balances maintained with the Bank will be deducted from interest earned on investment account balances.

BACKGROUND

The Finance Department is responsible for maintaining all banking transactions for the City and Successor Agency. Banking Services utilized include, but are not limited to, daily deposit processing, check clearing, ACH, wire services, and account reconciliation. The City has utilized the banking services of Bank of the West, now BMO, for over twelve years. Bank fees have escalated over the years and are no longer competitive as compared to other banks, and customer service offices have become regionalized. In addition, it is recommended practice to periodically review banking services provided to the City to ensure the receipt of quality service and appropriate fee structure.

Authorize Banking Services with Farmers & Merchants Bank

DISCUSSION

In order to ensure the City is keeping up with the best practices related to banking services, updated banking technology, and to assure competitive pricing in the market, the City, on October 12, 2023, issued a Request for Proposals (“RFP”) for banking services.

Through the RFP process, the City received six proposals. Staff evaluated the proposal based on the financial strength and capacity of the banking institution, quality of the proposal, ability of the bank’s representatives to service the City, availability and location of the branches, references, and total cost to the City.

ANALYSIS

The criteria used to evaluate the proposals included the following:

- 1) Financial strength and capacity of the banking institution.
- 2) Completeness and quality of the proposal.
- 3) The ability of the bank’s representatives to service the City.
- 4) Availability and location of the branch.
- 5) Fees and earning credits.
- 6) Reference.

The criteria above were used to evaluate all six submitted proposals. This method of evaluating proposals for professional services where the qualifications of the Bank are of the utmost importance and the award is not automatically made to the bank with the lowest fees. Based on the results of those initial evaluations, the top four ranking bank proposals were invited and given an opportunity to demonstrate their governmental banking services to staff from both the Finance Department and the City Manager’s Office.

- 1) BMO
- 2) Pacific Premier Bank,
- 3) Citizen Business Bank,
- 4) Farmers & Merchants Bank

The proposal evaluations were based on the criteria equaling a score of 100%:

	Evaluation Criteria	Available Points
1	Qualifications	15%
2	Relationship Manager	15%
3	Key Personnel	20%
4	Governmental Sector’s Understanding and Approach	20%
5	Past Experience and References	15%
6	Pricing	15%
	Total	100%

Authorize Banking Services with Farmers & Merchants Bank

Evaluation Criteria:

- 1) Bank Qualifications - Banks were required to be a qualified State depository, Federal Reserve Member, and be insured by the Federal Deposit Insurance Corporation. Banks were required to be adequately capitalized to accommodate the City’s cash and investment management needs and to have a full-service branch.
- 2) Relationship Manager – Banks were required to demonstrate a relationship manager’s qualifications to provide services to local government agencies.
- 3) Key Personnel – Banks were required to demonstrate staff experience and time commitment relevant to local government agencies.
- 4) Governmental Sector’s Understanding and Approach – Banks were required to address all areas of Finance and Administrative Services responsibilities for maintaining all banking transactions from the City and Successor Agency.
- 5) Past Experience and References – Banks were required to demonstrate experience in providing services comparable to the City’s needs, including currently having active municipal government clients.
- 6) Pricing – The price questions were evaluated based on a typical month’s volume of transactions annualized for a full one-year period. In addition to the cost of banking services, banks were also asked to quote the earning allowance rate on compensating balances to be maintained by the City. Earnings are available to offset the costs of banking services.

Combined Ranking:

The combined ranking based on all evaluation criteria is as follows:

Rank	Financial Institution	Average Score (out of 100)
1	Farmers & Merchants Bank	92
2	Pacific Premier Bank	88
3	BMO	80
4	Citizens Business Bank	69

Based on the evaluation, the proposal submitted by Farmers & Merchants Bank was found to be most responsive to the City’s needs, offering the best value both in terms of price, and is most appropriate and flexible for the banking services sought by the City. Farmers & Merchants Bank enhanced “Access” web portal that offers City staff reconciliation, reporting, and training tools, along with the highest degree of administrative security, allowing for continual innovation, efficiency, and safety in the City’s banking.

Farmers & Merchants Bank reduces the City’s estimated annual banking activity charges by 58%. This competitive pricing strategy, together with Farmers & Merchants Bank’s strong qualifications, team experience, client references, as well as an appropriate proposal scope of services and time of performance, will provide for an elastic and cost-effective banking services platform. Based on these criteria, staff recommends that the

Authorize Banking Services with Farmers & Merchants Bank

City Council designate Farmers & Merchants Bank as the official depository for the City of Santa Fe Springs.

Merchant Card Services: The City is also looking to combine merchant services with banking services to streamline operations, cash flow, and operational coordination. The City currently accepts credit cards over the counter at four (4) locations utilizing Evalon, a third-party merchant service provider to process credit card payments.

Smart Safe: Through Farmers & Merchants Bank, the City is also looking to implement a cash and coin deposit system known as Smart Safe. Currently, the City contracted with a third-party courier service to deliver cash to the bank. The integrated Smart Safe system will validate, count, deposit, and securely store cash and coins efficiently, safely, and securely. This will eliminate risk and liability of lost or stolen cash.

ENVIRONMENTAL

N/A

SUMMARY/NEXT STEPS

Once approved, staff will move forward with the transition. The transition has an estimated three-month timeline, and as such, will require the participation of staff from Finance and Information Technology. To ensure project success, the Department might bring contract support, when necessary, to limit interruption during the transition.

As part of the services offered, Merchants & Farmers Bank will present annually to the City Council on the second meeting of the month following year end.

ATTACHMENT(S):

- A. Attachment A – Banking Services RFP
- B. Attachment B – Farmers & Merchants Proposal

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>



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

City of Santa Fe Springs

REQUEST FOR PROPOSALS

FOR

Banking Services

KEY RFP DATES:

The schedule below is tentative and subject to change at the discretion of the City, with appropriate notice to prospective firms.

Issue Date:	October 12, 2023
Deadline for Questions:	October 26, 2023
City Response to Questions:	November 9, 2023
Due date for Proposals:	November 30, 2023

**REQUEST FOR PROPOSALS (RFP)
Banking Services**

I. INTRODUCTION

A. General Information

The City of Santa Fe Springs (hereinafter referred to as “City”), incorporated in 1957 under the general laws of the State of California and is a commercial center and residential city located within the southeast area of Los Angeles County. The City provides a full range of municipal services including public safety (police services contracted with the City of Whittier), street construction and maintenance, water services, community and recreational programs, public infrastructure improvements, planning & zoning, and general administrative and support services. The City occupies a land area of 8.9 square miles and serves a population of 18,260.

B. Background

The City’s Finance Department (“Finance”) is seeking proposals from qualified financial institutions for Banking Services for its bank accounts and related cash management services. The City is seeking comprehensive high-quality banking services, competitive pricing, and a strong working relationship with its banking partner.

The City has had a long-term relationship with a local branch of a major bank; however, in keeping up with best practices and in order to test the market, the City has determined to solicit proposals from interested banking institutions to ensure the City receives the best available services to meet the needs of the City.

Electronic submittal of proposals must be emailed to Lana Dich, Director of Finance & Administrative Services at LanaDich@santafesprings.org by 5:00 p.m. on November 30, 2023. Please see Exhibit A for a summary of key dates for this RFP. The City reserves the right to reject any or all proposals submitted.

During the evaluation process, the City reserves the right, where it may serve the City’s best interest, to request additional information or clarifications from interested vendors, or to allow corrections of errors or omissions. The City reserves the right to retain all proposals submitted. Submission of a proposal indicates acceptance by the banking institutions of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the banking institution selected. There is no expressed or implied obligation for the City to reimburse responding banks for any expenses incurred in preparing bids in response to this invitation. The City reserves the right without prejudice to reject any or all bids.

All questions, concerns, comments regarding this RFP should be emailed to Oscar Jimenez, Finance Analyst, at OscarJimenez@santafesprings.org by **Thursday, October 26, 2023**. Answers to inquiries shall be emailed out to all bidders.

II. GENERAL TERMS AND CONDITIONS

A. **Proposal Requirements**

1. **Requirement to Meet All Provisions.** Each institution submitting a proposal shall meet all of the terms and conditions of the RFP specifications. By virtue of its proposal submittal, the institution acknowledges agreement with and acceptance of all provisions of the RFP specifications.
2. **Proposal Submittal.** Each proposal must include responses to the service requirements under the Scope of Work section and shall be accompanied by any other required submittals or supplemental materials. **Proposals must be submitted by email (in PDF file format) to LanaDich@santafesprings.org and received no later than 5:00 p.m. on November 30, 2023.** It is the banking institution's responsibility to confirm receipt. Proposals received after the above date and time will not be considered. Please see Exhibit A for a summary of key dates for this RFP.
3. **Proposal Withdrawal.** An institution may withdraw its proposal prior to the deadline submission, by submitting a written request to the Director of Finance and Administrative Services for its withdrawal.
4. **Submittal of One Proposal Only.** No individual or banking institution of any kind shall be allowed to make or file, or to be interested in more than one proposal, except an alternative proposal when specifically requested.
5. **Proposal Retention and Award.** The City reserves the right to retain all proposals for a period of 90 days for examination and comparison. The City also reserves the right to waive non-substantial irregularities in any proposal, to reject any or all proposals, to reject or delete one part of a proposal and accept the other, except to the extent that proposals are qualified by specific limitations.
6. **Proposal Evaluation and Selection.** Proposals will be evaluated based on the following criteria:
 - a. **Institution Qualifications** – In order to be considered in the selection process for banking services, the proposing institution must have the following minimum qualifications:
 - i. Demonstrate financial strength and ability to protect and collateralize City deposits;
 - ii. **Qualified Depository.** Institution must be a qualified State or National public depository, as defined as defined in California Government Code Section 53630.5 and must perform its obligations under this proposal in compliance with all applicable federal and California state laws and regulations, statutes and policies.

- iii. **Federal Reserve Member.** Bank must be a member of the Federal Reserve System and have access to all Federal Reserve System services (e.g. check processing including check 21 Act, electronic funds transfer, safekeeping, delivery and custodial services, etc.)
- iv. **Federally Insured.** Bank must be insured by the Federal Deposit Insurance Corporation and be in good standing.
- v. **Capitalization.** Bank must be adequately capitalized to accommodate the City's cash and investment management needs.
- vi. **Ratings.** Bank must provide their most current long-term debt rating (Moody's, Standard and Poor's, and/or Fitch).
- vii. **Community Reinvestment Act (CRA).** Bank must be in compliance and in good standing with the Community Reinvestment Act. Provide the Bank's CRA rating.

Other information concerning the qualifications of the institution may also be included at the institution's discretion and will be reviewed and considered during the selection process.

- b. **Experience** – The Bank's related experience in providing services comparable to the City's needs. Does the Bank currently have active municipal government clients in Southern California?
- c. **Client References** – The references obtained from current and past Bank's client cities. Please list at least three (3) California public agency references that are comparable to the City's size and financial needs.
- d. **Proposed Scope of Services and Time of Performance** – Proposals must address all items set forth in Section IV of this RFP.
- e. **Proposed Fees**

The contract award will not be based solely on fees, but on a combination of factors as determined to be in the best interest of the City. After evaluating the proposals and discussing them further with the finalists or the tentatively selected vendor, the City reserves the right to further negotiate the proposed work and/or method and amount of compensation.

7. **Questions and Communications.** All questions, concerns or comments regarding this RFP must be emailed to **Oscar Jimenez, Finance Analyst, (OscarJimenez@santafesprings.org) by Thursday, October 26, 2023.** Answers to such inquiries, as well as any revisions to the RFP, will be emailed out to all firms. Any addenda shall become a part of this RFP.
8. **Contract Requirement.** The selected banking institution to whom the award is made shall execute a written contract with the City within thirty (30) calendar days after notice of the award has been sent by mail to the address given in its proposal. The contract shall be made in the form adopted by the City and shall incorporate the proposal and these specifications.
9. **Insurance Requirements.** The selected banking institution shall maintain professional liability, workers' compensation and any other insurance coverage required by the City. The institution shall provide proof of insurance in the form, coverages and amounts specified in the contract within thirty (30) calendar days after notice of contract award as a precondition to the contract execution.

III. PROPOSAL REQUIREMENTS

General Requirements

The purpose of the proposal is to demonstrate the banking institution's qualifications, competence and capacity in carrying out the requested services. Therefore, the substance of the proposals will carry more weight than the form or manner in which they are presented.

The proposal should address all points outlined in the RFP. The proposal should be prepared simply, providing a straightforward and concise description of the bank's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following items must be included:

A. Cover Letter

A letter of introduction to include: the name and address of the respondent; name, address, and telephone number of the person or persons to contact; and, the name of the person authorized to represent the banking institution. This letter must be signed by an officer of the responding institution authorized to bind the banking institution to all commitments made in the proposal.

B. Table of Contents

List all materials included in the proposal identified by sequential page number and section reference number.

C. Similar Engagements with other Government Entities

List at least three (3) of the most significant engagements performed in the last three years that are similar to the engagement described in this RFP. Indicate the scope of work, date and the name and telephone number of the principal client contact.

D. Proposed Fees

The proposal should contain all pricing information essential to implementing the service requested by the City and any additional services proposed by the banks. The total maximum price needs to contain all direct and indirect costs including all out-of-pocket expenses and presented as a not-to-exceed amount. These include costs associated with account services, disbursement services, banking center services, depository services, reconciliation services, automated clearing house network fees, funds transfer services, online account maintenance, and any other relevant costs. Also, the proposal should include any items noted as “optional” by the bank under the service requirement section of the scope of work.

The City will not be responsible for expenses incurred in preparing and submitting proposals. Such costs should not be included in the proposal.

F. Rates for Additional Professional Services

If it should become necessary for the City to request the bank to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of specific recommendations presented by the bank, then such additional work shall be performed only if set forth in an addendum to the contract between the City and the institution. Any such additional work agreed to between the City and the bank shall be performed at the same rates set forth in the proposed fees.

IV. Scope of Services

The City seeks a qualified institution/bank to provide the services as outlined below. Best industry practices and/or technical requirements may require additional services not explicitly detailed. The bank should identify any additional services required, price them, and explain them in their proposals. Moreover, if there are other services not explicitly stated in the Scope of Services that the bank considers necessary or an enhancement to what is requested, the provider should also identify them, price them and explain them in their proposals.

A. Overview

Detailed services to be provided to the City have segregated into the following two categories:

- **Required Services:** These services are mandatory and must be provided to the City by the selected institution. The only exceptions are acceptable alternative or

non-material deviations. The City retains the option in the case of certain services to elect not to use them. This is based on changes in the City's capability to handle these internally.

- **Optional Services:** These are services that the City may wish to use depending on the cost, quality and availability of the services offered. If there is a cost for these services, it must be specified in the bid. Optional services do not have to be addressed in order to be considered an acceptable bid, however, selection of an institution may be based on the ability to provide these optional services at a reasonable cost. In addition, any other services that the institution may wish to offer to the City may be included with the submission package. Again, this does not have to be addressed in order to be considered an acceptable bid, but, the final selection may be based on these services.

1. Required Services

a. General Operating Account

- General checking account
- Payroll Sweep account
- Athletic Officials
- Petty cash account
- Successor Agency account

b. Deposit Services

- Guarantee same day credit for wire transfers and ACH deposits on the day received regardless of the time of receipt during the day. Send via email incoming wire/ACH deposits.
- Redeposit returned items due to "non-sufficient funds". Items returned a second time should be forwarded to the City daily. Send via email returned item notification as well.
- Provide cutoff time for deposits to ensure same day ledger credit
- Describe how the bank handles any deposit discrepancies, including check deposited to the City by mistake and how the City will be notified on deposit adjustments.
- Include a list of all the bank's deposit locations within the City's surrounding area and branch hours (exclude ATM deposits).
- Must have the ability to offer Check Scanner and Lockbox services.

c. Billing

Direct fees method provide the unit charge for each required service, monthly and annual charges. Any earnings credit occurring in the account will be used to offset fees. Earnings credit on collected balances in excess of those required to pay charges incurred in any month shall be carried forward to offset future bank charges. Interest earnings rate will be computed in accordance with the negotiated rate agreed upon.

- d. Daily cash balance reports for the previous day activity through direct access by 6:00 am each day. The following information needs to be provided for the checking account:
- Cash balance
 - Type, number, and amount of debits
 - Type, number and amount of credits
 - Collected and available balance.
- e. Secured online access to authorized City employees.
- Ability to run resolution/settlement reports online
 - Ability to provide a BAI file format for bank reconciliation with the City's financial system (Tyler Munis)
 - Ability to offer stop payments notices, cancellations, exceptions notification and other account maintenance or confirmation assistance online
- f. Transaction reports for current day activity to be provided for the checking account:
- Type, number and amount of debits
 - Type, number and amounts of credits
- g. Monthly statements for all accounts within 7 working days. These statements must provide:
- Listing of warrants and amounts cleared sorted by check number
 - Date warrant cleared
 - Date and amount of deposits
 - Summary of beginning cash balance, deposits/credits, warrants/debits and ending cash for each day.
- h. Monthly account analysis report for active checking accounts and a summary providing the following information:
- Average daily cash balances (investable balance, excess/(deficit) balance, balance required to cover all analyzed charges)
 - Average daily float
 - Average daily collected balances
 - Overdraft charges
 - Detailed transaction volume description and prices
 - Basis of earnings allowance
- i. Annual/Fiscal Statements for all accounts on or before August 1st of each year or as needed. The bank shall provide comparative data by month and by major service cost category to be identified by the City. This information shall be "actual" data and shall include columns for units processed and collected, and ledger balances. The annual statement detailed analysis shall be prepared on

a fiscal year basis (July 1-June 30). This report shall be provided at no additional cost to the City.

- j. The bank shall provide online services for the City to initiate wire transfers, ACH transactions, transfers between accounts, and to create and store repetitive money transfer templates as well as create future dated money transfers. Please provide the cut off time for setting up EFTs for same day execution.
- k. Web based online services shall include services such as image inquiry information reporting, business statements, stop payments, positive pay, account balance inquiry, transaction inquiry, deposit history, and other online web applications that can provide added convenience and cost savings.
- l. Stop payments that are initiated by direct access to the bank by authorized City employees will be done the same day. The bank shall provide online confirmations of stop payments.
- m. Positive pay to include such services as payment of matching checks by check number, vendor name, check amount, exception reports, return instruction, and holdover exceptions and must have multiple positive pay file formats available (text file preferred).
 - Please describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.
- n. Direct access to the bank to view images of paid checks for payroll and accounts payable per month. In addition, a bank file on cancelled checks shall be available to the City for upload to Tyler Munis for automatic clearing of cancelled checks on a monthly basis.
- o. Assure that proper City signature authorizations are on all paid items.
- p. The bank shall guarantee not to return unpaid because of insufficient or uncollected funds any item drawn on the City's account. Any fees for overdraft will be charged to the City through account analysis.
- q. Direct deposit of City employee's payroll and benefit checks into their own bank accounts with a 24 hour turnaround. Online confirmation of the receipt of the payroll file transferred to the bank will be available to the City. The bank must guarantee direct deposit amounts are available in individual personal bank accounts on the City's biweekly pay date on Thursdays. All payroll deposit must be available at the start of business on pay day.

- Describe the procedure and timeline for paying or returning exception items and default disposition if a decision response is not received.
- q. The bank shall provide support for all products and/or services provided to the City. Training manuals and on-going support are to be supplied by the bank for all services provided.
- r. Ability to set up EFTs to make vendor payments such that an accounts payable filed can be submitted electronically to the bank to process payments.
- s. Other standard banking documentation and services not specified in this RFP will be provided to the City at a reasonable cost.

2. Optional Services

- Partner with armored courier service to pick up the deposit from City Hall on a daily basis before noon to ensure same day deposit.
- Credit/Debit card processing
- There may be additional services not otherwise specified in the RFP that a proposing institution may wish to offer to the City, whether for free or at a cost specified by the bidder. Proposals are not required to address any additional services in order to be considered an acceptable bid. However, the desirability and price of any additional services offered may be a factor in the final selection of the successful bidder.

B. Conversion Plan

As part of any conversion period and as necessary thereafter, the Bank must provide on-site training to City personnel for the operation and use of the Bank's services and automated systems for all areas of service. The training must be sufficient to ensure that City personnel are proficient with all systems and procedures prior to the conversion date, and anytime thereafter. Training, operating manuals, and on-going support are to be supplied by the Bank for all services provided.

1. Describe the overall plan your Bank would coordinate to ensure a smooth and error-free transition from a current Banking Provider.
2. How long does a typical conversion to your Bank take?
3. Provide a detailed implementation schedule, including assigned responsibilities.
4. Provide all costs and the responsible party (Bank or City) that are involved in an implementation.

5. Describe the Bank's hardware, software, and personnel utilized for technical applications of banking processes and procedures. Include a description of portals, transmissions and downloads of information, electronic funds transfers, and e-Banking.
6. Describe the Bank's technical personnel who will be available to support the City's technical staff in implementing new processes and procedures to perform the City's banking functions. Training, operating manuals, and technical support shall be supplied by the Bank as appropriate for all services provided.

EXHIBIT A

Banking and Merchant Services Schedule

Issuance of Request for Proposals	October 12, 2023
Deadline for Questions	October 26, 2023
City Response to Questions	November 9, 2023
Due date for Proposals	November 30, 2023
Interviews	December 11-14, 2023
City Council Award of Contract	January 16, 2024

The above schedule is tentative and subject to change at the discretion of the City, with appropriate notice to prospective providers.



PROPOSAL FOR BANKING SERVICES

prepared for



Farmers & Merchants Bank
9001 Firestone Blvd.
Downey, CA 90241

Carlos Gallardo
Assistant Vice President
Email: Carlos.Gallardo@FMB.com
Tel: 562-357-8956
Mobile: 562-357-8956



Lana Dich
Director of Finance & Administrative Services
City of Santa Fe Springs
11710 Telegraph Rd
Santa Fe Springs, CA 90503

Dear Mr. Lana,

Thank you for allowing Farmers & Merchants Bank the opportunity to provide City of Santa Fe Springs with a proposal regarding our banking services.

The objective of this proposal is to identify Farmers & Merchants Bank as a financially secure financial institution that possesses the capability and expertise to provide depository and other banking services to your company. The proposal herein detailed includes General Banking products, Treasury Management services and other financial services all of which will ensure that City of Santa Fe Springs receives the best business solutions and costs possible.

The following person will have contractual responsibility with City of Santa Fe Springs and will be your primary contact during the period of proposal evaluation:

Carlos Gallardo
Assistant Vice President
Banking Relationship Specialist

Email: Carlos.Gallardo@FMB.com
Tel: 562-357-8956
Mobile: 562-357-8956

All information submitted with this proposal is true and correct and shall remain valid for the entire duration of the review period.

In closing, should you select to establish a business relationship with Farmers & Merchants Bank, we will strive to exceed the service objectives of City of Santa Fe Springs. Our Bank prides itself on the ability to always go above and beyond for our clients.

Thank you for taking the time to review this proposal. If you have any further questions, please feel free to contact me directly.

Sincerely,

Carlos Gallardo
Assistant Vice President
Banking Relationship Specialist



FMB.com



Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



Background

Determined to create a sound financial institution that would serve the people of Long Beach, C.J. Walker and his wife Carrie established Farmers & Merchants Bank of Long Beach (F&M Bank), on November 23, 1907. Since that time, F&M Bank has worked to improve life in Long Beach under the leadership of the Walker family. From successfully weathering the Great Depression, to purchasing 100% of the bonds to fund the building of new Schools in the Long Beach Unified School District, F&M Bank has maintained its commitment to its clients and community. When C.J. retired in 1937 his son, Gus Walker, assumed the presidency. In 1979 Gus turned to his son, Kenneth Walker, who was at the helm until 2008. Kenneth remains President of the Bank's Main Office to this day, with fourth generation Daniel K. Walker being named Chief Executive Officer and Chairman of the Board and Daniel's brother Henry serving as President.

Family traditions have held strong through the years, as the Walkers recognize the importance of maintaining their unique family environment with both employees and clients within the framework of an independent regional bank. Through consistent and careful management by the founding family, F&M Bank has grown to become one of the strongest and most financially secure banks in California.

The founders of Farmers & Merchants Bank designed their organization to address the needs of commercial banking and consumer clients. F&M Bank established its focus upon the principles of conservatism, honesty, integrity, the Church, the Home, and service above self. The Bank has maintained this focus by instituting practices that embody these values: relationship banking, community philanthropy, & technology investments. Guided by its original values and time-honored practices, F&M Bank has sustained its financial strength throughout the century, while maintaining its commitment to servicing the needs of its clients, many who can trace their involvement with F&M Bank back two or three generations.

Community Support

As the company has grown, so has the Bank's dedication to giving back and supporting the community. F&M Bank continuously supports numerous nonprofit organizations, including various schools, religious institutions and charities. We strive to provide specific and impactful support to the nonprofit community through the development of deep partnerships. F&M Bank has a history of being deeply involved within the community and works to maintain partnerships based on implicit trust and friendship.

F&M Bank demonstrates a leadership role in providing community development services that address many needs of the communities served by the Bank. While maintaining its strategic focus, the Bank provides financial services that support low- and moderate-income families, individuals and small businesses. Bank employees dedicate thousands of hours of service each year to organizations throughout the Southern CA communities the Bank serves.

About Our Company

F&M Bank is a California state-chartered bank with deposits insured by the Federal Deposit Insurance Corporation (Member FDIC) and an Equal Housing Lender. With 116 years of experience, F&M Bank continues to provide the highest level of service to many organizations similar to yours, which we are proud to call our clients. F&M Bank has approximately 800 employees and operates 26 branches from San Clemente to Santa Barbara. The Bank offers commercial and small business banking, business loan programs, home loans, and a robust offering of consumer retail banking products.

F&M Bank has the technology, resources, and capability to support the complex needs of our



FMB.com



Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



clients. Our dedicated team of professionals are trained and committed to bringing City of Santa Fe Springs exceptional service for all of its banking and financial needs.

Financial Condition

F&M Bank has \$12.05 Billion in assets at the close of 2022. Net income for full year 2022 was \$109.0 million. These figures reflect F&M Bank's continued dedication to sound, conservative banking policies and management. Since 1907, F&M Bank has always provided clients that extra measure of security. Viewing fiscal responsibility as a service to our community and depositors, F&M Bank maintains capital ratios that far exceed the minimum limit set by the FDIC. Below are the Bank's capital ratios as of December 31, 2022.

	F&M Bank	Minimum Required
Total risk-based capital ratio	16.37%	10.00%
Tier 1 risk-based capital ratio	15.44%	8.00%
Common equity tier 1 capital ratio	15.44%	6.50%
Tier 1 leverage ratio	10.91%	5.00%

The Downey branch team will be assigned to City of Santa Fe Springs and will be available to take care of the City of Santa Fe Springs's day-to-day banking needs. This will include any business product demonstrations, service installations and follow up training, as needed.

Business Checking Services

F&M Bank offers a variety of business accounts including, business checking, money market, zero balance sweep accounts, and analyzed checking accounts.

A Zero balance sweep account (ZBA) is a checking account that maintains a zero balance at the end of each day. When funds are needed in the ZBA the exact amount of money required is automatically transferred from the Parent account. Similarly, deposits are automatically swept from the ZBA into the Parent account daily. Zero balance accounts help to increase efficiency and help to avoid possible risk and fraud.

Analyzed checking accounts provide an earnings credit rate that is used to offset accumulated expenses associated with bank services, account transactions and currency fees. The earnings credit rate (ECR) is based on the collected balances. Each month, the system calculates the earnings credit for the account by applying the earnings credit rate to the "Balance for Earnings Credit".

All accounts belonging to City of Santa Fe Springs may be linked to the main operating account to help offset any activity fees.

Treasury Management Suite

F&M Bank provides the banking services described throughout this proposal including the following:

Online Sweep Facility	Zero Balance Sweep Accounts
Online Administrative Access	Change Order Services
Remote Deposit Capture	Merchant Services
ACH Origination	Business Visa Credit Card



FMB.com



Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



Positive Pay Service
Electronic Statements
Online Activity Reporting
Internal Funds Transfer
Bill Pay Services

Business Debit MasterCard
Electronic Notices
Online Stop Payments
Wire Transfer – Domestic
Wire Transfer - International

Further details on F&M Bank's business solutions, provided as follows.

Overnight Sweep Account Facility

Farmers & Merchants Bank offers an overnight sweep product allowing additional investment income on collected funds in the related checking account above a designated target balance and invested in the F&M Repurchase Agreement. The Repurchase agreement account is not FDIC insured but is secured by the Bank's portfolio of investments, a portion of which is set aside for use as collateral against the purchase. Per Federal regulations governing the repurchase agreements, a detailed description of the collateral security including current market value is provided any time there is a change to the agreement. All Repurchase Agreements are collateralized to 110% of the invested balance. The interest rate for the Repurchase Agreement is a tiered rate based on the daily balance.

In addition, F&M also offers a mutual fund sweep investment account. Similar to the Repurchase Agreement, this account sweeps collected funds in the related checking account but invests in a choice of Money Market Mutual Funds offered through Federated Investors.

There are no costs associated with the overnight sweep investment products.

LockBox Services

Lockbox Services is a payment processing service designed to simplify and streamline the accounts receivable process.

Lockbox provides the client with a designated PO Box for their payments to be routed. All payments received in the PO Box are picked up daily (M-F excluding holidays), processed and deposited directly to the client's F&M account.

Lockbox offers a variety of daily reporting options and can capture specified payment data from checks, check stubs, invoices and documents for reporting purposes. The system can perform manual data entry or read payment data directly from bar codes, QR codes and scan lines. All deposits including checks, payment coupons, invoices, documents and envelopes can be imaged and will be available for viewing, download and printing by approximately 3:00pm the same business day on the Lockbox portal.

The Lockbox portal is accessible 24/7 and contains deposit information, downloadable images of all checks and documents, customer payment data, daily and monthly deposit summaries, customizable processing alerts, robust search capabilities and reporting capabilities. Images of checks, documents and reports will be available in the Lockbox portal for 7 years (unless Lockbox service is terminated by the client, in which case the client will have 60 days to download and save their data and images).

With Lockbox Services, there is no longer a need for City of Santa Fe Springs to prepare deposits and make daily trips to the bank. This service is beneficial for mid-size retail businesses as well as large wholesale companies that receive a significant volume of checks and documents.

Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



Additional services offered:

- Exception processing via the Lockbox portal. The client's ability to accept or reject checks that do not meet specific predetermined requirements.
- Credit Card processing for credit card payments received via mail
- Remote Capture for Lockbox. The ability to scan checks and documents directly from the client's location. Lockbox will use the images to perform any applicable data entry for reporting. The checks will be deposited same day. All activity will be available on the Lockbox portal.
- Look-up table/database options for City of Santa Fe Springs to provide specific remitter information to be matched to payments and inserted into reporting and/or to direct payments to specific deposit accounts.
- Custom reports/files. The ability to create reports/files according to the City of Santa Fe Springs's specifications. Many clients utilize this option to obtain files that can be uploaded into their own posting applications. (some restrictions may apply)
- Secure file transmissions (SFTP) of daily activity including images, reports and custom files.

Armored Services

F&M Bank accepts deliveries from all major armored carriers. Armored pick-ups, such as on-call services, are structured based on the needs of City of Santa Fe Springs. Armored deposits are transported and delivered to the F&M Bank Central Cash Center located in Seal Beach, CA. Deposits are processed within 48 hours of delivery to our facility. Should City of Santa Fe Springs choose to consider armored services, F&M Bank will gladly assist with the process of selecting the armored company that offers the best value for the service.

Cash Discrepancies

Cash deposits will be verified in dual custody. Discrepancies in the amount of cash listed on deposits will be credited with an advice of credit or debited with an advice of charge. Cash discrepancies are available for viewing on the online banking system.

Deposit Adjustments

The Bank creates a Proof Correction notice for all deposit adjustments. The Proof Correction notice is postal mailed to City of Santa Fe Springs on the following business day or in the event City of Santa Fe Springs signs up for eNotices, an automated notification is sent when the eNotice is available for viewing, on the Bank's online banking website.

Returned Items

Electronic notices are also available online, for any deposited items that are returned. Returned items can be manually re-deposited the following business day, by the Bank, per City of Santa Fe Springs request. Written notification is also postal mailed the following business day.

Online Banking

F&M Bank's Treasury Management service allows users with "administrative" rights to grant system access for "non-supervisory" users. A user's entitlements determine the accounts and features they can access while logged onto the Online Banking system. Administrative users can perform user-related administration tasks including:

- Editing a business user's details and entitlements
- Resetting a business user's password
- Viewing a business user's activity report
- Establishing Dual Control and Approval capability

Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



- Disabling a business user
- Deleting a business user

F&M Bank's Online Banking system also provides these additional capabilities:

- Manage multiple accounts
- Obtain Account information
- View paid checks (front & back)
- View deposit slips
- View deposited items
- Internal transfer funds between accounts
- Place stop payments
- 24/7 access

A variety of report options are available through the Bank's Online Banking system. Report categories include transaction activity, specific transaction type and user defined report options. Report formats include PDF, CSV and BAI format. Reports can be generated on demand and can also be set up to run on a daily, weekly or monthly basis.

If City of Santa Fe Springs should require specialty reporting with specified data and delivery methods, the F&M Bank IT team will work closely with City of Santa Fe Springs's IT staff to identify the reporting requirements and provide a solution that best meets the needs of City of Santa Fe Springs.

The F&M Treasury Management system also offers various business services including Positive Pay, Remote Deposit Capture, ACH Origination & Wire Transfers. The Bank provides multi-layered security features, which allow City of Santa Fe Springs to customize each user's level of authorization and approval for services such as internal transfers, ACH transactions and Wire Transfers.

The Downey branch team is available to provide onsite demonstrations on any of the Bank's business products and services.

Monthly Account Statements/ Electronic Statements

F&M Bank provides monthly activity statements for all accounts. Online Banking users may also enroll in Electronic Statements that are available on the first day following the statement closing date.

Positive Pay Services

Positive Pay is a fraud detection tool that matches the account number, check number and dollar amount of each check presented for payment against a list of checks previously authorized and issued by the client, via file upload through the Positive Pay module. The system will send an alert notification to the assigned positive pay user(s) to review any exceptions on check and/or ACH transactions and provides the positive pay user(s) the opportunity to make "pay" or "return" decisions as transactions post to the account. Cut-off time for processing exceptions is 2pm.

F&M Bank offers the following Positive Pay services:

- **Traditional Positive Pay:** Verifies all checks presented for payment against the issued check file to match check dollar amount, serial number and issue status. Checks that do not match are flagged as exceptions. The assigned positive pay user will determine if each exception item will be paid or returned, on a daily basis.

Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



- **ACH Positive Pay:** enables City of Santa Fe Springs to monitor and control all ACH transaction activity. This service helps to prevent unauthorized and potentially fraudulent electronic debit/credit transactions from posting to the account utilizing filters and blocks.
- **Payee Match Positive Pay:** Like Traditional Positive Pay, the service verifies checks presented for payment against the previously uploaded positive pay file submitted by City of Santa Fe Springs and also matches Payee Name. Checks that do not match are flagged as exceptions. The assigned positive pay user will determine if each exception item will be paid or returned on a daily basis.

Remote Deposit Capture Services

F&M Bank's Remote Deposit Capture Service allows checks to be scanned and deposited at City of Santa Fe Springs's preferred location. Access to the Remote Deposit module is available through the Bank's online banking portal. The system generates a virtual endorsement on the back of the check bypassing the need for manual endorsement. The check scanner will be provided to City of Santa Fe Springs, at no cost.

An email confirmation is sent after each deposit is processed. Deposit reports, containing check images, are also available for users to print & download. The cut-off time for same day credit on deposits made via Remote Deposit Capture is 6:00pm on business days.

Onsite installation and training will be performed by an F&M Bank team member at the convenience of City of Santa Fe Springs.

Image Cash Letter Processing

Image Cash Letter file processing allows clients with specialized software to create and submit an ICL/x9.37 deposit file in lieu of utilizing the traditional Remote Deposit Capture service. The ICL file is submitted to the Bank via an SFTP connection or upload through the Bank's Remote Deposit module. An alternative method of delivery may be customized depending on the needs of City of Santa Fe Springs.

ACH Origination

ACH Origination service is available through the Bank's Treasury Management system. ACH transactions may be submitted utilizing the online banking portal's payments feature. Additionally, ACH files may be uploaded to the portal in NACHA or CSV format. ACH transactions have a 3:00pm cut-off time on any business day for an effective date as early as the next business day. Same Day ACH transactions are also available and have a cut-off time of 12:00pm.

ACH Payments may be set up to credit businesses or individuals. ACH Receipts can be set up to collect funds from any recipient's account within the United States. Payee information, for repeat transactions, can also be saved as a template on the online banking portal. As an added layer of security, City of Santa Fe Springs may customize security features including setting specific limits for approval and implementing dual control. ACH transactions require a one time "Secure Access Code" (SAC) to be provided by the user drafting the payment as well as the authorized approving party. The SAC may be delivered by email, text message or automated phone message.

All ACH Returns and Notifications of Change are transmitted via email in an encrypted attachment or clickable web-link that the client is able to log into to obtain the data.

Wire Transfer Services

F&M Bank offers Online Wire Transfer services through the Online Treasury Management system. The cut-off time for Domestic wire transfers is 2:00pm. International Wires have a cut-off

Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



time of 12pm. Wire transfer requests may be initiated, approved and monitored through this channel. Beneficiary information, for repeat wires, can also be saved as a template on the portal. As an added layer of security, City of Santa Fe Springs may customize security features including setting specific limits for approval and implementing dual control. Wire transfers also require a one time "Secure Access Code" (SAC) to be provided by the user drafting the wire as well as the authorized approving party. The SAC may be delivered by email, text message or automated phone message.

Real-time online wire activity is also available through the Bank's Online Banking system.

Merchant Services

Farmers & Merchants Bank offers Merchant Services that enable business clients to accept **Visa, MasterCard, Discover and American Express** credit cards along with other forms of payment such as Apple Pay & Google Pay.

The following are the types of services available:

- Point-of-sale
- Internet & E-Commerce
- Mail & Phone Order
- Pay anywhere solutions-such as virtual terminal and wireless apps for smartphones

While rates vary based on the type of card and the manner in which the transaction is processed, the Bank is pleased to offer competitive pricing to City of Santa Fe Springs.

Borrowing Services

F&M Bank offers many customized business credit products to serve the needs of its client base, including the following:

- Real Estate secured financing
- Master Loan Agreements
- C&I financing
- Lines of credit
- Construction financing
- Tax Exempt Bond financing
- New Markets Tax Credit financing
- SBA 504 / 7a financing

Additional credit products are also available to meet City of Santa Fe Springs's needs.

Client References

City of Downey
Anil Gandhi
Finance Director

Work Phone: 562-904-7265
Email: agandhy@downeyca.org

Organizational Overview & Qualifications

Farmers & Merchants Bank Profile



Montebello Unified School District

Donald Ellingson
Chief Financial Officer

Work Phone: 323-887-7900 x 2355
Mobile Phone: 323-436-4594 Mobile
Email: Eillingson_Donald@montebello.k12.ca.us

City of Lakewood

Jose Gomez
Director of Finance & Administrative Services

Work Phone: 562-866-9771
Email: JGomez@lakewoodcity.org

Commitment to Technology and Information Security

F&M Bank has implemented an IT roadmap under the leadership of its new CIO. Over the past five years F&M has invested \$70 million in technology that increases efficiency, convenience and security for bank clients. Recent investments in cutting-edge online and mobile banking technology enable F&M Bank to remain competitive.

F&M Bank is regulated by the Federal Reserve Board and the Department of Financial Protection and Innovation. The Bank has an Information Security Program, Security Policy and Incident Response plan in place. The plans are updated and approved annually by the Bank's Chief Information Security Officer and approved by the Board of Directors. All communication containing NPPI data must be encrypted per the Bank's Information Security Policy.

In the event of an emergency, the Bank has a Business Continuity Plan as well as a Business Impact Analysis in place. Updates and testing of the Disaster Recovery plan and procedure are also performed annually.

In Closing

Carlos Gallardo and your dedicated branch support team will be the primary contacts for City of Santa Fe Springs's day- to-day needs, operational inquiries, technical support, and any loan requirements, should the need arise. F&M Bank is fully committed to providing City of Santa Fe Springs with the utmost care, respect, and exceptional service. We thank you for your time in reviewing this proposal.



Sectran Security Armored Courier Quote

- Site: City of Santa Fe Springs
 - Service Schedule: 3, 4, or 5 x a week (Pick up 9:00-11:00 AM)
 - Address: 11710 E. Telegraph Road
Santa Fe Springs, CA 90670
 - Liability: \$50,000.00
-

The armored quote is approximately:

- 3 x a Week service: Approximately \$345/month
- 4 x a Week service: Approximately \$433/ month
- 5 x a Week service: Approximately \$540/ month

Quotes provided do not include insurance surcharge (4.95% Fixed) and Fluctuating Diesel gas surcharge (23.5%).

If the customer would like to have their invoices paid through Account Analysis, there is a \$10.00 fee per invoice associated with this service.

Darius Barfatani
Sales/Customer Service Manager



[562-478-1975 \(Office\)](tel:562-478-1975)

[562-577-1386 \(Mobile\)](tel:562-577-1386)

Fax: [562-949-4327](tel:562-949-4327)

***: dbarfatani@sectransecurity.com**



ACCOUNT ANALYSIS

CUSTOMER:

City of Santa Fe Springs CA

STATEMENT PERIOD:

07/01/2023 THROUGH 07/31/2023

SUMMARY OF PARENT POSITION

	F & M BANK	BANK OF THE WEST
EARNINGS ALLOWANCE	565.10	2,260.39
LESS ACTIVITY CHARGES	985.63	2,367.59
EXCESS (DEFICIT) POSITION	(420.53)	(107.21)

BALANCE INFORMATION**AVERAGE MONTHLY BALANCES:**

	F & M BANK	BANK OF THE WEST
AVERAGE COLLECTED BALANCE	2,957,134.86	2,957,134.86
LESS RESERVE REQUIREMENT	<u>295,713.49</u>	<u>295,713.49</u>
AVERAGE NET COLLECTED BALANCE	2,661,421.37	2,661,421.37

RATE INFORMATION

	F & M BANK	BANK OF THE WEST
EARNINGS CREDIT RATE	0.25%	1.00%
RESERVE REQUIREMENT RATE	10.00%	10.00%
MULTIPLIER (AVG NET COLLECTED BALANCE REQUIRED PER \$1 OF SERVICE CHARGE)	4,709.68	1,177.42



ACCOUNT ANALYSIS

ACTIVITY CHARGE DETAIL

	FARMERS & MERCHANTS BANK			BANK OF THE WEST			SAVINGS ON ACTIVITY CHARGES
	VOLUME	UNIT PRICE	SVC CHG	VOLUME	UNIT PRICE	SVC CHG	
ACCOUNT ANALYSIS SERVICES							
MISCELLANEOUS SERVICES							
CHECKS PAID	630	0.2000	126.00	630	0.2100	132.30	6.30
BANK ORIGINATED CREDIT	1	-	-	1	0.3500	0.35	0.35
MONTHLY MAINTENANCE	5	\$25/GROUP	25.00	5	10.0000	50.00	25.00
DEPOSIT ADMINISTRATION FEE	3,093	-	-	3,093	0.1500	463.95	463.95
ZBA CHARGES							
ZBA CONCENTRATION ACCOUNT FEE	1	-	-	1	40.0000	40.00	40.00
ZBA TIER ACCOUNT FEE	1	-	-	1	20.0000	20.00	(35.00)
CHECKS DEPOSITED - NON-ENCODED							
NON-ENCODED ON US	2	0.1500	0.30	2	0.1400	0.28	(0.02)
DEPOSITED ITEMS RETURNED/RECLEARED							
RETURNED DEPOSITED ITEM	2	10.0000	20.00	2	7.5000	15.00	(5.00)
RETURNED ITEM MAKER NAME	2	-	-	2	1.0000	2.00	2.00
RECLEAR ITEMS	1	-	-	1	6.0000	6.00	6.00
IMAGE EXPRESS SERVICES							
CD PRODUCED - PER CD	1	n/a	-	1	37.0000	37.00	37.00
IMAGES WRITTEN TO CD	572	-	-	572	0.0500	28.60	28.60
WIRE TRANSFER SERVICES							
INCOMING WIRE - AUTO	4	10.0000	40.00	4	13.0000	52.00	12.00
ACCOUNT RECONCILEMENT PROCESSING							
INPUT ISSUE, ELECTRONIC	567	-	-	567	0.0900	51.03	51.03
BASE FEE	2	-	-	2	80.0000	160.00	160.00
POSITIVE PAY							
POSITIVE PAY BASE FEE (see below F&M BANK SERVICES - POSITIVE PAY)	2	-	-	2	45.0000	90.00	90.00
EXCEPTION ITEMS	1	-	-	1	1.2500	1.25	1.25
ACH SERVICES							
ELECTRONIC (ACH) CREDITS	85	0.1500	12.75	85	0.2200	18.70	5.95
ELECTRONIC (ACH) DEBITS	68	0.1500	10.20	68	0.2200	14.96	4.76
RETURNED ITEMS - DEBIT	2	10.0000	20.00	2	6.0000	12.00	(8.00)
ACH BLOCK MAINTENANCE	1	10.0000	10.00	1	15.0000	15.00	5.00
ACH POS PAY COMPANY MONTHLY MAINTENANCE	1	25.0000	25.00	1	30.0000	30.00	5.00
ACH POS PAY - RECURRING FILTER	9	-	-	9	2.5000	22.50	22.50
ELECTRONIC DEPOSIT SERVICE							
DEPOSIT FEE	18	-	-	18	1.5000	27.00	27.00
EDS ITEMS	2,498	0.0800	199.84	2,498	0.0800	199.84	-
PREMIER MAINTENANCE (see below F&M BANK SERVICES - CHECK IMAGE DEPOSIT)	1	-	-	1	45.0000	45.00	45.00
PREMIER ADDITIONAL ACCT MAINTENANCE	3	-	-	3	22.0000	66.00	66.00
CASH SERVICES							
CASH ORDERS	1	5.0000	5.00	1	4.0000	4.00	(1.00)
CURRENCY SUPPLIED PER \$1	417	0.0012	0.50	417	0.0020	0.83	0.33



ACCOUNT ANALYSIS

ACTIVITY CHARGE DETAIL

	FARMERS & MERCHANTS BANK			BANK OF THE WEST			SAVINGS ON ACTIVITY CHARGES
	VOLUME	UNIT PRICE	SVC CHG	VOLUME	UNIT PRICE	SVC CHG	
CASH VAULT							
CASH VAULT DEPOSITS - CV2	23	-	-	23	1.7500	40.25	40.25
CURRENCY DEP - STD (PER \$100) - CV	216	0.1400	30.24	216	0.1500	32.40	2.16
COIN DBP PARTIAL/ MIXED BAG - CV2	2	8.0000	16.00	2	6.7500	13.50	(2.50)
TREASURYNOW							
IMAGES VIEWED	15	-	-	15	0.1000	1.50	1.50
TREASURYNOW ACCT FEE	1	-	-	1	150.0000	150.00	150.00
TREASURYNOW ACCT FEE	4	-	-	4	-	-	-
PREV DAY DETAIL ITEMS	500	-	-	500	-	-	-
PREV DAY DETAIL ITEMS	408	-	-	408	0.1500	61.20	61.20
ARP SPBCIAL REPORTS	3	-	-	3	1.2500	3.75	3.75
STOP PAYMENT							
13 MONTH STOP (ONLINE)	2	15.0000	30.00	2	20.0000	40.00	10.00
MONEY TRANSFER							
DOMESTIC WIRE	3	15.0000	45.00	3	-	-	(45.00)
DOMESTIC WIRE	9	15.0000	135.00	9	15.0000	135.00	-
ACCT TRANSFER ITEMS	1	-	-	1	-	-	-
ACH SERVICES							
ACH TRANSACTIONS	1,332	0.1500	199.80	1,332	0.2000	266.40	66.60
REAL TIME PAYMENTS							
RTP CRBDIT IN	18	-	-	18	1.0000	18.00	18.00
F&M BANK SERVICES							
ONLINE BANKING CASH MANAGER	1	35.0000	35.00				
PAPER STATEMENT FEE <1>	-	3.0000	-	-			-
POSITIVE PAY							
CHECK POSITIVE PAY SERVICE PER MONTH PER ACCOUNT	-	25.0000	-				
CHECK POSITIVE PAY WITH PAYEE MATCH MONTHLY PER ACCOUNT	-	35.0000	-				
ACH POSITIVE PAY MONTHLY PER ACCOUNT	-	25.0000	-				
POSITIVE PAY BUNDLE MONTHLY PER ACCOUNT	-	50.0000	-				
CHECK IMAGE DEPOSIT							
MONTHLY(IF LESS THAN 2000 ITEMS PROCESSED PER MONTH)	-	100.0000	-				
TOTAL ACTIVITY CHARGES			985.63			2,367.59	1,361.96

AVG COLLECTED BALANCE REQUIRED FOR TOTAL SERVICES PROVIDED

5,157,779.15

3,097,390.00

<1> Paper Statement Fee applies unless enrolled in eStatements.

This estimate is based on a comparison of the specific accounts, balances and cash management services as detailed above and does not constitute a commitment for opening an account. The amount of your actual analysis fees and earnings credit may vary depending on factors such as the current earnings credit rate, products/services utilized, transaction volumes, and average monthly balances. These factors could result in cost savings that differ from what is estimated on this form. The earnings credit rate as well as bank services fees are subject to change without prior notice.



BUSINESS SCHEDULE OF FEES

The fee schedule below applies to all Non-Analyzed Business Checking Accounts unless otherwise noted.

BANK FEES

ATM Service Charge (At A Non-F&M Bank ATM)	\$1.50
Bond Coupon Collection	\$10.00
Chargeback Item Fee (Check)	\$10.00
Checks/Deposit Slips	Per Catalog Pricing
Daily Deposit Report Per Report Per Account	\$5.00
Debit Card Foreign Transaction (International)	3% Of Purchase Price
Debit Item	\$0.40
Deposit Bag (Disposable)	\$0.25-\$0.80
Deposit Correction	\$5.00
Endorsement Stamp	Per Catalog Pricing
Escheatment Notice	\$2.00
Insufficient Funds Item/s Fee (Per Item Returned) ²	\$30.00
Legal Process	\$100.00
Merchant Services	Per Agreement
Merchant Services Supplies	Market Price
Night Depository Annual Fee	\$20.00
Night Depository Replacement Key	\$5.00
Overdraft Item/s Fee (Per Item)	\$30.00
Paper Statement	\$3.00
Research Per Hour - Bank Account (1 Hour Minimum, Prorated Thereafter)	\$50.00
Special Cash Order	\$20.00
Special Statement	\$5.00
Stop Payment In-Person / Phone Per Request	\$30.00
Stop Payment Online / Telebanker Per Request	\$15.00
Sweep Transaction Charge	\$5.00
Telephone Transfer Fee	\$5.00
Verification Of Deposit Per Account	\$20.00

ACH FEES¹

ACH Block Authorization Monthly Per Account	\$10.00
ACH Block Set-Up	\$5.00
ACH Filter Authorization Monthly Per Account	\$10.00
ACH Origination Chargeback/Creditback	\$10.00
ACH Filter Per Item	\$1.00
ACH Filter Set-Up	\$5.00
ACH Origination Reversal	\$30.00
ACH Stop Payment Per Request	\$30.00
Direct ACH Monthly	\$25.00
Direct ACH Set-Up Fee (SFTP)	\$100.00
EDI Charge Per Transaction	\$1.00
EDI Service Maintenance Per Month	\$25.00
EDI Setup Fee	\$35.00
Item Reversal Charge	\$30.00
Notification Of Change	\$2.00
Return Per Item Charge	\$10.00
Same Day ACH Origination Per Item	\$0.40
Standard ACH Origination Per Item	\$0.15
Standard ACH Received (Credit or Debit) Per Item	\$0.15

BUSINESS ONLINE BANKING

Each Additional Log-In ID (Employee Access Control)	\$5.00
Bill Pay Overnight Check	\$17.50
Bill Pay Paid Return Item Per Item	\$30.00
Bill Pay Re-Issue Draft Per Item	\$30.00
Bill Pay Stop Payment Draft Per Request	\$30.00
Same Day Electronic Bill Payment	\$12.95
Stop Payment Online Per Request	\$15.00
Tax Payment Per Payment	\$5.00

BUSINESS ONLINE BANKING WITH CASH MANAGER

Cash Manager Per Month	\$35.00 ³
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CASHIER'S CHECKS

Client	\$8.00
Non-Client	\$16.00

CHECK IMAGE DEPOSIT¹

One Time Set-Up	\$100.00
Monthly (If Less Than 2,000 Items Processed Per Month)	\$100.00
Check Image Scanned And Provided Electronically	
On-Us Item: F&M Drawn Item Per Check	\$0.08
Non-F&M Item: Transit Item Per Check	\$0.08

COIN (IN OR OUT)

Coin & Currency Change Order	\$5.00
Per Standard Bag Deposited	\$5.00
Per Mixed Standard Bag Deposited	\$8.00
Per Roll Deposited	\$0.15
Per Box/Bag Provided	\$5.00 Per Box/\$0.75 Per Bag
Per Loose Standard Bag Provided	\$7.00
Per Roll Provided	\$0.15

COLLECTION PROCESSING

Incoming Domestic	\$50.00
Incoming International	\$60.00
Outgoing Domestic (Plus Correspondent Bank Fees)	\$15.00
Outgoing International (Plus Correspondent Bank Fees)	\$30.00

COPY

Business Credit Card Paper Billing "Special Handling" Statement	\$30.00
Per Credit Card Statement†	\$4.00
Per Item (e.g. Checks, Deposit Slips)	\$3.00
Per Statement With Images	\$10.00
Per Statement Without Images	\$5.00

CREDIT CARDS

Refer to the Elan Financial Services Schedule of Fees for credit cards opened after May 1, 2021.

CURRENCY (IN OR OUT)

Per \$1,000.00 Deposited	\$1.70
Per \$1,000.00 Provided	\$1.50

EARLY ACCOUNT CLOSURE

Checking/Money Market Accounts (Within 90 Days Of Opening)	\$20.00
Savings Accounts (Within 1 Year Of Opening)	\$20.00

LOCKBOX – ELECTRONIC¹

Set-Up Per Box	\$150.00
Maintenance Per Box Per Month	\$175.00
Monthly Minimum	\$325.00
Reporting Per Month	\$150.00
Image Transaction (Correspondence)	\$0.15
Data Entry Per Keystroke	\$0.025
Deposit	\$1.25
Image Transaction	\$0.08
Items Processed Per Online Item	\$0.45
Items Processed Per Paper Item	\$0.65

MEDICAL ELECTRONIC LOCKBOX (MED ESOLUTIONS)¹

Please See All Fees Noted Above for Electronic Lockbox	
Med eSolutions Image Transaction	\$0.45

MONEY ORDERS

Client	\$5.00
Non-Client	\$10.00

NOTARY SERVICES (ACKNOWLEDGEMENTS, JURATS, ETC.)

Client, Per Signature	\$10.00
Non-Client, Per Signature	\$15.00

PRE-PAID GIFT CARDS

MasterCard® Pre-Paid Gift Card Activation Per Card	\$3.00
Inactivity Per Month (After 12 Consecutive Months Of Inactivity)	\$2.95
Replacement Of Lost Or Stolen Card	\$5.00



BUSINESS SCHEDULE OF FEES CONT'D

POSITIVE PAY

Check Positive Pay Service Per Month Per Account.....	\$25.00
Check Positive Pay With Payee Match Monthly Per Account.....	\$35.00
ACH Positive Pay Monthly Per Account.....	\$25.00
Positive Pay Bundle Monthly Per Account (ACH Positive Pay And Check Positive Pay With Payee Match)	\$50.00

REMOTE DEPOSIT CAPTURE (RDC) ¹

One Time Set-Up Per Location.....	\$150.00
Rental Fee Per Month (Scanner Plus Maintenance)	Varies
Single Feed Scanner	\$25.00
Multiple Feed Scanner.....	\$50.00
Monthly License (Up To 2 Licenses).....	\$30.00
Monthly (Licenses In Excess Of The First 2)	\$20.00
Check Scanned And Provided Electronically	
On-Us Item: F&M Drawn Item Per Check.....	\$0.15
Non-F&M Item: Transit Item Per Check.....	\$0.15
Bundled RDC Per Item Charges (Scanning And Transmitting)	\$0.15

SAFE DEPOSIT BOX

Key Deposit	\$20.00
Forced Entry	\$150.00
Late Fee.....	\$10.00
Annual Rent.....	Varies Based On Box Size
• 2x5	\$25.00
• 3x5	\$50.00
• 4x5	\$55.00
• 5x5	\$60.00
• 3x10	\$70.00
• 4x10	\$85.00
• 5x10	\$100.00
• 6x10	\$110.00
• 8x10	\$130.00
• 9x10	\$140.00
• 10x10	\$150.00
• 10x15	\$200.00
• 15x15	\$300.00

SMART SAFES¹

Smart Safe Deposit Correction Notice	\$5.00
Smart Safe Setup Fee	\$100.00
Smart Safe Service Per Unit Per Month	\$50.00

WIRE TRANSFERS – DOMESTIC & USD INT'L VIA US CORRESPONDENT BANK*

Incoming Domestic Wire – eNotice.....	\$10.00
Incoming Domestic Wire – Mail Notice	\$15.00
Online Banking Outgoing Wire – eNotice	\$15.00
Online Banking Outgoing Wire – Mail Notice	\$20.00
Outgoing Domestic Wire – eNotice.....	\$30.00
Outgoing Domestic Wire – Mail Notice	\$35.00

*Online Banking Wires Are For Domestic & Int'l Via US Correspondent Bank Purposes Only

WIRE TRANSFERS – INTERNATIONAL

Incoming International Wire – eNotice.....	\$10.00
Incoming International Wire – Mail Notice	\$15.00
Outgoing International Wire – USD	\$50.00
Outgoing International Wire – FX	\$40.00

BUSINESS CHECKING PLUS (Per Item, Per Month)

Debit Transactions (After 400 Withdrawals, Checks, or Drafts).....	\$0.40
Standard ACH Origination (After 100 Transactions).....	\$0.15
Outgoing Domestic Online Banking Wires – eNotice (After 2 Wires)	\$15.00
Currency (excludes rolled/bagged coins)	
Per \$1,000 Deposited (After \$20,000).....	\$1.70
Per \$1,000 Provided (After \$20,000).....	\$1.50
Each Additional Log-In ID (Employee Access Control)	\$5.00

BUSINESS CHECKING NON-ANALYZED & BUSINESS INTEREST ON CHECKING

(Per Item, Per Month)	
Debit Item (Checks Paid After 300 Debits)	\$0.40

Please Note: Prices subject to change. Certain accounts may have fees for services not noted in this schedule. Please review your account agreement for details.

¹Account Analysis set up is required.

² Returned items may be presented for payment by the payee or their financial institution multiple times resulting in multiple Insufficient Funds Item/s fees being charged.

³ Online Banking (OLB) fee listed on statement may be combined with ACH transaction fees incurred during the billing period, if applicable.



ACCOUNT ANALYSIS SCHEDULE OF FEES

BANK FEES

Account Analysis Maintenance Per Month	\$25.00
ATM Service Charge (At a Non-F&M Bank ATM)(SC)	\$1.50
Bond Coupon Collection (SC)	\$10.00
Cashier's Check	\$8.00
Chargeback Item Fee (Check)	\$10.00
Checks/Deposit Slips	Per Catalog Pricing + \$10.00
Armored Car and Courier Services	Per Agreement
Armored Car and Courier Services	Per Agreement + 10% (\$10 minimum) ²
Daily Deposit Report Per Report Per Account	\$5.00
Debit Card Foreign Transaction (International)(SC)	3% Of Purchase Price
Debit Item (Checks Paid)	\$0.20
Deposit Bag/Each (Disposable)	\$0.25-\$0.80
Deposit Correction	\$5.00
Deposit Item	\$0.15
Endorsement Stamp	Per Catalog Pricing + \$10.00
Escheatment Notice (SC)	\$2.00
Insufficient Funds Item/s Fee (Per Item Returned) ¹	\$30.00
Legal Process (SC)	\$100.00
Lockbox	Per Agreement
Merchant Services	Per Agreement
Merchant Services	Per Agreement+ 10% (\$10 minimum) ²
Merchant Services Supplies	Market Price
Night Depository Annual Fee	\$20.00
Night Depository Replacement Key (SC)	\$5.00
Money Order	\$5.00
Overdraft Item/s Fee (Per Item)	\$30.00
Paper Statement	\$3.00
Remote Deposit Capture	Per Agreement
Research Per Hour - Bank Account (1 Hour Minimum, Prorated Thereafter)	\$50.00
Special Cash Order (SC)	\$20.00
Special Statement	\$5.00
Stop Payment In-Person / Phone Per Request	\$30.00
Stop Payment Online / Telebanker Per Request	\$15.00
Sweep Transaction Charge	\$5.00
Telephone Transfer Fee	\$5.00
Vendor Invoice	Per Agreement + 10% (\$10 minimum)
Verification Of Deposit Per Account (SC)	\$20.00

ACH FEES

ACH Block Authorization Monthly Per Account	\$10.00
ACH Block Set-Up	\$5.00
ACH Filter Authorization Monthly Per Account	\$10.00
ACH Origination Chargeback/Creditback	\$10.00
ACH Filter Per Item	\$1.00
ACH Filter Set-Up	\$5.00
ACH Origination Reversal	\$30.00
ACH Stop Payment Per Request	\$30.00
Direct ACH Monthly	\$25.00
Direct ACH Set-Up Fee (SFTP)	\$100.00
EDI Charge Per Transaction	\$1.00
EDI Service Maintenance Per Month	\$25.00
EDI Setup Fee	\$35.00
Item Reversal Charge	\$30.00
Notification Of Change	\$2.00
Return Per Item Charge	\$10.00
Same Day ACH Origination Per Item	\$0.40
Standard ACH Origination Per Item	\$0.15
Standard ACH Received (Credit or Debit) Per Item	\$0.15

BUSINESS ONLINE BANKING

Each Additional Log-In ID (Employee Access Control)	\$5.00
Bill Pay Overnight Check (SC)	\$17.50
Bill Pay Paid Return Item Per Item (SC)	\$30.00
Bill Pay Re-Issue Draft Per Item (SC)	\$30.00
Bill Pay Stop Payment Draft Per Request (SC)	\$30.00
Same Day Electronic Bill Payment (SC)	\$12.95
Stop Payment Online Per Request	\$15.00
Tax Payment Per Payment (SC)	\$5.00

BUSINESS ONLINE BANKING WITH CASH MANAGER

Cash Manager Per Month	\$35.00 ³
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CHECK IMAGE DEPOSIT

One Time Set-Up	\$100.00
Monthly (If Less Than 2,000 Items Processed Per Month)	\$100.00
Check Image Scanned And Provided Electronically	
On-Us Item: F&M Drawn Item Per Check	\$0.08
Non-F&M Item: Transit Item Per Check	\$0.08

COIN (IN OR OUT)

Coin & Currency Change Order	\$5.00
Per Standard Bag Deposited	\$5.00
Per Mixed Standard Bag Deposited	\$8.00
Per Roll Deposited	\$0.10
Per Box/Bag Provided	\$4.00 Box/\$0.60 Bag
Per Loose Standard Bag Provided	\$3.50
Per Roll Provided	\$0.12

COLLECTION PROCESSING

Incoming Domestic (SC)	\$50.00
Incoming International (SC)	\$60.00
Outgoing Domestic (Plus Correspondent Bank Fees)(SC)	\$15.00
Outgoing International (Plus Correspondent Bank Fees)(SC)	\$30.00

COPY

Business Credit Card Paper Billing "Special Handling" Statement (SC)	\$30.00
Per Credit Card Statement [†]	\$4.00
Per Item (e.g. Checks, Deposit Slips)	\$3.00
Per Statement With Images	\$10.00
Per Statement Without Images	\$5.00

CREDIT CARD

Refer to the Elan Financial Services Schedule of Fees for credit cards opened after May 1, 2021.

CURRENCY (IN OR OUT)

Per \$1,000.00 Deposited	\$1.40
Per \$1,000.00 Provided	\$1.20

EARLY ACCOUNT CLOSURE

Checking/ Money Market Accounts (Within 90 Days of Opening)(SC)	\$20.00
Savings Accounts (Within 1 Year of Opening)(SC)	\$20.00

LOCKBOX – ELECTRONIC

Set-Up Per Box	\$150.00
Maintenance Per Box Per Month	\$175.00
Monthly Minimum	\$325.00
Reporting Per Month	\$150.00
Image Transaction (Correspondence)	\$0.15
Data Entry Per Keystroke	\$0.025
Deposit	\$1.25
Image Transaction	\$0.08
Items Processed Per Online Item	\$0.45
Items Processed Per Paper Item	\$0.65

MEDICAL ELECTRONIC LOCKBOX (MED ESOLUTIONS)

Please See All Fees Noted Above for Electronic Lockbox	
Med eSolutions Image Transaction	\$0.45

NOTARY SERVICES (ACKNOWLEDGEMENTS, JURATS, ETC.)

Client, Per Signature	\$10.00
Non-Client, Per Signature	\$15.00

POSITIVE PAY

Check Positive Pay Service Per Month Per Account	\$25.00
Check Positive Pay with Payee Match Monthly Per Account	\$35.00
ACH Positive Pay Monthly Per Account	\$25.00
Positive Pay Bundle Monthly Per Account (ACH Positive Pay and Check Positive Pay with Payee Match)	\$50.00



ACCOUNT ANALYSIS SCHEDULE OF FEES CONT'D

REMOTE DEPOSIT CAPTURE (RDC)

One Time Set-Up Per Location	\$150.00
Rental Fee Per Month (Scanner Plus Maintenance)	Varies
Single Feed Scanner	\$25.00
Multiple Feed Scanner	\$50.00
Monthly License (Up To 2 Licenses)	\$30.00
Monthly (Licenses In Excess Of The First 2)	\$20.00
Check Scanned And Provided Electronically	
On-Ups Item: F&M Drawn Item Per Check	\$0.15
Non-F&M Item: Transit Item Per Check	\$0.15
Bundled RDC Per Item Charges (Scanning And Transmitting)	\$0.15

SAFE DEPOSIT BOX

Key Deposit (SC)	\$20.00
Forced Entry (SC)	\$150.00
Late Fee (SC)	\$10.00
Annual Rent (SC)	Varies Based On Box Size
• 2x5 (SC)	\$25.00
• 3x5 (SC)	\$50.00
• 4x5 (SC)	\$55.00
• 5x5 (SC)	\$60.00
• 3x10 (SC)	\$70.00
• 4x10 (SC)	\$85.00
• 5x10 (SC)	\$100.00
• 6x10 (SC)	\$110.00
• 8x10 (SC)	\$130.00
• 9x10 (SC)	\$140.00
• 10x10 (SC)	\$150.00
• 10x15 (SC)	\$200.00
• 15x15 (SC)	\$300.00

SMART SAFES

Smart Safe Deposit Correction Notice	\$5.00
Smart Safe Setup Fee	\$100.00
Smart Safe Service Per Unit Per Month	\$50.00

WIRE TRANSFERS – DOMESTIC & USD INT'L VIA US CORRESPONDENT BANK*

Incoming Domestic Wire – eNotice	\$10.00
Incoming Domestic Wire – Mail Notice	\$15.00
Online Banking Outgoing Wire – eNotice	\$15.00
Online Banking Outgoing Wire – Mail Notice	\$20.00
Outgoing Domestic Wire – eNotice	\$30.00
Outgoing Domestic Wire – Mail Notice	\$35.00

*Online Banking Wires Are For Domestic & Int'l Via US Correspondent Bank Purposes only

WIRE TRANSFERS – INTERNATIONAL

Personal Outgoing International (Correspondent Fees Included)	\$60.00
Personal Incoming International Wire – eNotice	\$10.00
Personal Incoming International Wire – Mail Notice	\$15.00
Incoming International Wire – eNotice	\$10.00
Incoming International Wire – Mail Notice	\$15.00
Outgoing International Wire – USD	\$50.00
Outgoing International Wire – FX	\$40.00

(SC) = Statement Charge. Fees labeled SC will be itemized on your monthly Checking Account statement.

Please Note: Prices subject to change. Certain accounts may have fees for services not noted in this schedule. Please review your account agreement for details.

¹ Returned items may be presented for payment by the payee or their financial institution multiple times resulting in multiple Insufficient Funds Item/s fees being charged.

² 10% (\$10 minimum) charge applies when vendor invoices for Armored Car and Courier Services and/or Merchant Services are paid directly by F&M Bank and passed through Account Analysis.



11/24/2023

Merchant Services Comparison Quote

Quote Prepared for: Santa Fe Springs City Hall
INTERCHANGE

	ELAVON	ELAVON	VOLUME	FMB Fee	FMB Total Fee	BR# 25 FMB Savings
VISA DISCOUNT RATE	\$276.43	0.20	\$138,217.08	0.10	\$138.22	
MC QUALIFIED PER ITEM	\$262.81	0.20	\$131,402.64	\$0.10	\$131.40	
VISA/MC PER ITEM	\$45.70	0.10	457	\$0.22	\$100.54	
MC WAT	\$2.42	0.02	121	\$0.22	\$26.62	
AMEX DISCOUNT RATE	\$155.36	0.40	\$38,839.29	0.10	\$38.84	
AMEX WAT	\$2.05	0.05	41	\$0.08	\$0.20	
AMEX PER ITEM		0.10	40	\$0.22	\$0.20	
BASC DISCOUNT	\$7.00	0.00	\$0.00	0.00	\$7.00	
RSPACKAGE	\$12.99	0.00	0	\$0.00	\$0.00	
OTHER TRANSACTIONS FEES	\$538.71	\$0.00	0	\$0.00	\$538.71	
INTERCHANGE FEES	\$4,139.76	\$0.00	0	\$0.00	\$4,139.76	
AMEX INTERCHANGE FEES	\$641.20	\$0.00	0	\$0.00	\$641.20	
MONTHLY PCI FEE	\$0.00	\$0.00	0	\$0.00	\$9.95	
PAYMENT NETWORK & ASSOC FEES	\$616.02	\$0.00	0	\$0.00	\$616.02	
MONTHLY STATEMENTS FEE	\$0.00	\$0.00	0	\$0.00	\$10.00	
Current Processing Cost	\$6,704.45				\$6,398.66	\$305.79

Note: Estimated Monthly Savings as of

11/24/2023

APPROX. YEARLY SAVINGS

\$3,669.45

INTERCHANGE FEES VARY MONTHLY BASED ON CARD TYPE AND VOLUME



Merchant Services Comparison Quote

11/24/2023

Quote Prepared for: CITY OF SANTA FE SPRINGS
INTERCHANGE

						BR# 25
	ELAVON	ELAVON	VOLUME	FMB Fee	FMB Total Fee	FMB Savings
VISA DISCOUNT RATE	\$32.84	0.33	\$9,952.75	0.10	\$9.95	
MC DISCOUNT RATE	\$18.12	0.33	\$5,491.00	\$0.10	\$5.49	
VISA/MC PER ITEM	\$6.24	0.16	39	\$0.22	\$8.58	
AMEX DISCOUNT RATE	\$6.55	0.63	\$1,040.00	0.10	\$1.04	
AMEX PER ITEM	\$0.64	0.16	4	\$0.22	\$0.20	
BASC DISCOUNT	\$10.00	0.00	\$0.00	0.00	\$10.00	
RSPACKAGE	\$12.99	0.00	0	\$0.00	\$0.00	
OTHER TRANSACTIONS FEES	\$76.16	\$0.00	0	\$0.00	\$76.16	
INTERCHANGE FEES	\$302.40	\$0.00	0	\$0.00	\$302.40	
DBTENABLE	\$5.00	\$0.00	0	\$0.00	\$0.00	
AMEX INTERCHANGE FEES	\$16.47	\$0.00	0	\$0.00	\$16.47	
PAYMENT NETWORK & ASSOC FEES	\$28.37	\$0.00	0	\$0.00	\$28.37	
MONTHLY STATEMENTS FEE	\$0.00	\$0.00	0	\$0.00	\$10.00	
Current Processing Cost	\$515.79				\$468.66	\$47.12

Note: Estimated Monthly Savings as of

11/24/2023

APPROX. YEARLY SAVINGS

\$565.47

INTERCHANGE FEES VARY MONTHLY BASED ON CARD TYPE AND VOLUME

ANNUAL PCI FEE \$9.95 PER MO

FMB ONE TIME SET UP FEE \$55.00 **Waived**



Merchant Services Comparison Quote

11/24/2023

Quote Prepared for: POLICE SERVICES CENTER
INTERCHANGE

						BR# 25
	ELAVON	ELAVON	VOLUME	FMB Fee	FMB Total Fee	FMB Savings
VISA DISCOUNT RATE	\$7.66	0.85	\$901.00	0.10	\$0.90	
MC DISCOUNT RATE	\$1.46	0.85	\$172.00	\$0.10	\$0.17	
DISCOVER DISCOUNT RATE	\$0.38	0.85	\$45.00	\$0.10	\$0.05	
VISA/MC/DISC PER ITEM	\$5.44	0.32	17	\$0.22	\$3.74	
INM5000R	\$22.10	0.00	0	\$0.00	\$0.00	
OTHER TRANSACTIONS FEES	\$4.73	\$0.00	0	\$0.00	\$4.73	
INTERCHANGE FEES	\$12.51	\$0.00	0	\$0.00	\$12.51	
SAFETSOSMB	\$50.00	\$0.00	0	\$0.00	\$0.00	
PAYMENT NETWORK & ASSOC FEES	\$3.64	\$0.00	0	\$0.00	\$3.64	
CARD MINIMUM BILL FEE	\$19.63	\$0.00	0	\$0.00	\$19.63	
MONTHLY STATEMENTS FEE	\$0.00	\$0.00	0	\$0.00	\$10.00	
Current Processing Cost	\$127.55				\$55.37	\$72.19

Note: Estimated Monthly Savings as of

11/24/2023

APPROX. YEARLY SAVINGS

\$866.22

INTERCHANGE FEES VARY MONTHLY BASED ON CARD TYPE AND VOLUME

ANNUAL PCI FEE \$9.95 PER MO

FMB ONE TIME SET UP FEE \$55.00 **Waived**

Conversion Plan:

Transition Timeline

Week 1-2:

- Required account opening documentation collected
- Account signer information collected

Week 3-4:

- Account signature cards created then presented to organization for signature collection (Accounts will be opened when signature card(s) are signed)
- Agreement for all requested business products provided to the organization for review and signature collection (Cash Management, ACH, RDC, Wires)
- Pending return of signed business application and acceptance form to begin application processing
- Credentials for services created (Cash Management)

Week 4-5:

- Onsite installation and staff training for business services

Week 5-6:

- Ensure all services are set up to the specifications set for the organization

26 Offices Serving Southern California



LONG BEACH

Main – Long Beach
302 Pine Ave.
562-437-0011

Belmont Shore*
4827 E. 2nd St.
562-621-1430

Bixby Knolls*
4545 California Ave.
562-984-3600

East Long Beach
3140 E. Anaheim St.
562-621-1400

Los Altos*
2302 Bellflower Blvd.
562-799-7271

Memorial Office
2801 Atlantic Ave.
562-989-7862

LOS ANGELES COUNTY

Downey*
9001 Firestone Blvd.
562-334-1836

Lakewood*
4909 Lakewood Blvd.
562-602-8378

Redondo Beach*
1333 S. Pacific Coast Hwy.
310-802-7560

Rolling Hills Estates*
27525 Indian Peak Rd.
310-491-1711

Torrance*
22400 Hawthorne Blvd.
310-265-3200

SANTA BARBARA COUNTY

Santa Barbara
33 E. Carrillo St.
805-280-4700

ORANGE COUNTY

Corona del Mar*
2421 E. Coast Hwy.
949-723-1804

Fullerton*
315 N. Harbor Blvd.
714-578-1945

Garden Grove*
10422 Garden Grove Blvd.
714-590-3880

Huntington Beach*
7125 Yorktown Ave.
714-465-3131

Laguna Hills*
24300 Paseo de Valencia
949-340-3150

Lake Forest*
23772 Rockfield Blvd.
949-460-7900

Newport Beach
4695 MacArthur Ct., Ste. 130
949-241-8280

Orange*
1220 E. Katella Ave.
714-288-8450

Rossmoor*
12535 Seal Beach Blvd.
562-799-2002

San Clemente*
621 N. El Camino Real
949-373-2470

San Juan Capistrano*
31873 Del Obispo St.
949-488-8550

Santa Ana
1750 E. 17th St.
714-564-1750

Santa Ana – Main
1702 N. Main St.
714-888-2630

Tustin – The District*
2691 Park Ave.
714-824-3070

*Open Saturdays from 9:00 am to 12:00 pm



FMB.com





ACCOUNT ANALYSIS

CUSTOMER:
City of Santa Fe Springs CA

STATEMENT PERIOD:
07/01/2023 THROUGH 07/31/2023

SUMMARY OF PARENT POSITION

	F & M BANK	BANK OF THE WEST
EARNINGS ALLOWANCE	2,260.39	2,260.39
LESS ACTIVITY CHARGES	985.63	2,367.59
EXCESS (DEFICIT) POSITION	1,274.75	(107.21)

BALANCE INFORMATION

AVERAGE MONTHLY BALANCES:

	F & M BANK	BANK OF THE WEST
AVERAGE COLLECTED BALANCE	2,957,134.86	2,957,134.86
LESS RESERVE REQUIREMENT	295,713.49	295,713.49
AVERAGE NET COLLECTED BALANCE	2,661,421.37	2,661,421.37

RATE INFORMATION

	F & M BANK	BANK OF THE WEST
EARNINGS CREDIT RATE	1.00%	1.00%
RESERVE REQUIREMENT RATE	10.00%	10.00%
MULTIPLIER (AVG NET COLLECTED BALANCE REQUIRED PER \$1 OF SERVICE CHARGE)	1,177.42	1,177.42



ACCOUNT ANALYSIS

ACTIVITY CHARGE DETAIL

	FARMERS & MERCHANTS BANK			BANK OF THE WEST			SAVINGS ON ACTIVITY CHARGES
	VOLUME	UNIT PRICE	SVC CHG	VOLUME	UNIT PRICE	SVC CHG	
ACCOUNT ANALYSIS SERVICES							
MISCELLANEOUS SERVICES							
CHECKS PAID	630	0.2000	126.00	630	0.2100	132.30	6.30
BANK ORIGINATED CREDIT	1	-	-	1	0.3500	0.35	0.35
MONTHLY MAINTENANCE	5	\$25/GROUP	25.00	5	10.0000	50.00	25.00
DEPOSIT ADMINISTRATION FEE	3,093	-	-	3,093	0.1500	463.95	463.95
ZBA CHARGES							
ZBA CONCENTRATION ACCOUNT FEE	1	-	-	1	40.0000	40.00	40.00
ZBA TIER ACCOUNT FEE	1	-	-	1	20.0000	20.00	(35.00)
CHECKS DEPOSITED - NON-ENCODED							
NON-ENCODED ON US	2	0.1500	0.30	2	0.1400	0.28	(0.02)
DEPOSITED ITEMS RETURNED/RECLEARED							
RETURNED DEPOSITED ITEM	2	10.0000	20.00	2	7.5000	15.00	(5.00)
RETURNED ITEM MAKER NAME	2	-	-	2	1.0000	2.00	2.00
RECLEAR ITEMS	1	-	-	1	6.0000	6.00	6.00
IMAGE EXPRESS SERVICES							
CD PRODUCED - PER CD	1	n/a	-	1	37.0000	37.00	37.00
IMAGES WRITTEN TO CD	572	-	-	572	0.0500	28.60	28.60
WIRE TRANSFER SERVICES							
INCOMING WIRE - AUTO	4	10.0000	40.00	4	13.0000	52.00	12.00
ACCOUNT RECONCILEMENT PROCESSING							
INPUT ISSUE, ELECTRONIC	567	-	-	567	0.0900	51.03	51.03
BASE FEE	2	-	-	2	80.0000	160.00	160.00
POSITIVE PAY							
POSITIVE PAY BASE FEE <i>(see below F&M BANK SERVICES - POSITIVE PAY)</i>	2	-	-	2	45.0000	90.00	90.00
EXCEPTION ITEMS	1	-	-	1	1.2500	1.25	1.25
ACH SERVICES							
ELECTRONIC (ACH) CREDITS	85	0.1500	12.75	85	0.2200	18.70	5.95
ELECTRONIC (ACH) DEBITS	68	0.1500	10.20	68	0.2200	14.96	4.76
RETURNED ITEMS - DEBIT	2	10.0000	20.00	2	6.0000	12.00	(8.00)
ACH BLOCK MAINTENANCE	1	10.0000	10.00	1	15.0000	15.00	5.00
ACH POS PAY COMPANY MONTHLY MAINT	1	25.0000	25.00	1	30.0000	30.00	5.00
ACH POS PAY - RECURRING FILTER	9	-	-	9	2.5000	22.50	22.50
ELECTRONIC DEPOSIT SERVICE							
DEPOSIT FEE	18	-	-	18	1.5000	27.00	27.00
EDS ITEMS	2,498	0.0800	199.84	2,498	0.0800	199.84	-
PREMIER MAINTENANCE <i>(see below F&M BANK SERVICES - CHECK IMAGE DEPOSIT)</i>	1	-	-	1	45.0000	45.00	45.00
PREMIER ADDITIONAL ACCT MAINTENANCE	3	-	-	3	22.0000	66.00	66.00
CASH SERVICES							
CASH ORDERS	1	5.0000	5.00	1	4.0000	4.00	(1.00)
CURRENCY SUPPLIED PER \$1	417	0.0012	0.50	417	0.0020	0.83	0.33



ACCOUNT ANALYSIS

ACTIVITY CHARGE DETAIL

	FARMERS & MERCHANTS BANK			BANK OF THE WEST			SAVINGS ON ACTIVITY CHARGES
	VOLUME	UNIT PRICE	SVC CHG	VOLUME	UNIT PRICE	SVC CHG	
CASH VAULT							
CASH VAULT DEPOSITS - CV2	23	-	-	23	1.7500	40.25	40.25
CURRENCY DEP - STD (PER \$100) - CV	216	0.1400	30.24	216	0.1500	32.40	2.16
COIN DBP PARTIAL/ MIXED BAG - CV2	2	8.0000	16.00	2	6.7500	13.50	(2.50)
TREASURYNOW							
IMAGES VIEWED	15	-	-	15	0.1000	1.50	1.50
TREASURYNOW ACCT FEE	1	-	-	1	150.0000	150.00	150.00
TREASURYNOW ACCT FEE	4	-	-	4	-	-	-
PREV DAY DETAIL ITEMS	500	-	-	500	-	-	-
PREV DAY DETAIL ITEMS	408	-	-	408	0.1500	61.20	61.20
ARP SPBCIAL REPORTS	3	-	-	3	1.2500	3.75	3.75
STOP PAYMENT							
13 MONTH STOP (ONLINE)	2	15.0000	30.00	2	20.0000	40.00	10.00
MONEY TRANSFER							
DOMESTIC WIRE	3	15.0000	45.00	3	-	-	(45.00)
DOMESTIC WIRE	9	15.0000	135.00	9	15.0000	135.00	-
ACCT TRANSFER ITEMS	1	-	-	1	-	-	-
ACH SERVICES							
ACH TRANSACTIONS	1,332	0.1500	199.80	1,332	0.2000	266.40	66.60
REAL TIME PAYMENTS							
RTP CRBDIT IN	18	-	-	18	1.0000	18.00	18.00
F&M BANK SERVICES							
ONLINE BANKING CASH MANAGER	1	35.0000	35.00				
PAPER STATEMENT FEE <1>	-	3.0000	-	-			-
POSITIVE PAY							
CHECK POSITIVE PAY SERVICE PER MONTH PER ACCOUNT	-	25.0000	-				
CHECK POSITIVE PAY WITH PAYEE MATCH MONTHLY PER ACCOUNT	-	35.0000	-				
ACH POSITIVE PAY MONTHLY PER ACCOUNT	-	25.0000	-				
POSITIVE PAY BUNDLE MONTHLY PER ACCOUNT	-	50.0000	-				
CHECK IMAGE DEPOSIT							
MONTHLY(IF LESS THAN 2000 ITEMS PROCESSED PER MONTH)	-	100.0000	-				
TOTAL ACTIVITY CHARGES			985.63			2,367.59	1,361.96

AVG COLLECTED BALANCE REQUIRED FOR TOTAL SERVICES PROVIDED

1,289,444.79

3,097,390.00

<1> Paper Statement Fee applies unless enrolled in eStatements.

This estimate is based on a comparison of the specific accounts, balances and cash management services as detailed above and does not constitute a commitment for opening an account. The amount of your actual analysis fees and earnings credit may vary depending on factors such as the current earnings credit rate, products/services utilized, transaction volumes, and average monthly balances. These factors could result in cost savings that differ from what is estimated on this form. The earnings credit rate as well as bank services fees are subject to change without prior notice.



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: René Bobadilla, P.E., City Manager
BY: James Enriquez, P.E., Director of Public Works
SUBJECT: **AQUATIC CENTER IMPROVEMENTS PROJECT PHASE 1A – AWARD OF CONTRACT**
DATE: February 6, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Award a construction contract to California Commercial Pools, Inc. of Glendora, California in the amount of \$3,973,639.45 for the construction of the Aquatic Center Improvement Project Phase 1A; and
- 2) Take such additional, related action that may be desirable.

FISCAL IMPACT

The Capital Improvement Program budget for Fiscal Year 2023-24 includes \$6.6 million for the project. Additionally, State Senator Bob Archuleta assisted the City in obtaining a \$6.4 million State grant for the project making \$13 million in total funds available for the project.

The project is divided into two phases, Phases 1A and 1B. The total project cost for Phase 1A was estimated at \$6.2 million, \$5 million in construction cost and \$1.2 million in soft costs. The total project estimate for Phase 1A is reduced to \$5.2 million, \$4 million in construction and \$1.2 million in soft costs and contingency, with the low bid received. The Phase 1A budget is as follows:

<u>ITEM</u>		<u>BUDGET</u>
Construction	\$	4,000,000
Design	\$	100,000
Engineering	\$	275,000
Inspection	\$	275,000
Contingency	\$	550,000
Total Phase 1A Project Cost	\$	5,200,000

CITY COUNCIL AGENDA REPORT – MEETING OF FEBRUARY 6, 2024

Aquatic Center Improvements Project Phase 1A – Award of Contract

Page 2 of 3

The \$6.6 million allocated by the City Council in the CIP FY 2023-24 budget will cover the cost for Phase 1A, with the remainder made available to reprogram for Phase 1B. There is currently adequate funding in local city funds for Phase 1A and no budget appropriation is recommended at this time.

The State grant funding (\$6.4 million) is programmed for the Phase 1B project that is currently in the design phase and scheduled for construction after the summer 2024 swim season.

BACKGROUND

The Aquatic Center has shown signs of deterioration as described in previous council reports. Some of these issues deal with the pool deck cracking, dilapidated pool pumps, aging equipment, a dilapidated equipment room and surge pits. The City held several meetings including Council Study Sessions and Community Feedback Meetings concerning the poor condition of the aquatic center. The result of these meetings was direction to move forward with initial repair improvement (Phase 1A) to enable re-opening of the Aquatic Center in summer of 2024.

Phase 1B consists of additional amenities and features that will be completed off season, after the summer 2024 re-opening.

ANALYSIS

On November 21, 2023, the City Council authorized the advertisement of the Notice Inviting Bids for Phase 1A. The Notice Inviting Bids was advertised on December 14, 2023. On January 29, 2024, a total of one bid was received and publicly opened. City Staff reviewed the proposal and determined that the bid proposal complies with the project specifications. The low bidder for the project was California Commercial Pools, Inc., of Glendora, CA with a bid totaling \$3,973,639.45. The tabulated bid results are as follows:

Company Name	Publicly Read Bid Amount	Audited Bid Amount
1. California Commercial Pools, Inc.	\$3,973,600.00	\$3,973,639.45

The difference between the Publicly Read Bid amount and the Audited Bid Amount is due to mathematical round-off errors on the bid proposal. The bid proposal submitted by California Commercial Pools, Inc. in the amount of \$3,973,639.45, is approximately 20% below the Engineer's Estimate of \$5,000,000.00 and is acceptable.

The department of Public Works has reviewed the bids and determined the low bid submitted by California Commercial Pools, Inc. to be responsive and responsible.

The City Attorney's office has reviewed the contract and approved it as to form.

CITY COUNCIL AGENDA REPORT – MEETING OF FEBRUARY 6, 2024

Aquatic Center Improvements Project Phase 1A – Award of Contract

Page 3 of 3

ENVIRONMENTAL

N/A

DISCUSSION

N/A

SUMMARY/NEXT STEPS

The completion of the Aquatic Center Improvement Project Phase 1A will provide refreshing, relaxing and therapeutic aquatic activities to the community which promotes health and wellness while reducing chronic diseases.

Upon approval of the City Council of the recommended actions, City staff will coordinate with the Contractor on the delivery of the Phase 1A project with the goal of reopening the Aquatic Center for the summer 2024 swim season.

Additionally, staff will continue coordinating the design of Phase 1B. Construction of Phase 1B is currently scheduled to begin after the 2024 swim season, in December 2024.

ATTACHMENT:

A. Attachment A – Contract Agreement

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

**AGREEMENT FOR CONSTRUCTION
AQUATIC CENTER IMPROVEMENTS PHASE 1A**

CONTRACTOR’S NAME

This Agreement for Construction (“Agreement”) is entered into on this 6th day of February, 2024, by and between the CITY OF SANTA FE SPRINGS, a California municipal corporation (“City”) and California Commercial Pools, Inc., 2255 E. Auto Centre Drive, Glendora, CA 91740, State Contractor’s License No. 415172, (“Contractor”). Hereinafter, the City and the Contractor may be referred to collectively as the “Parties.” The Parties mutually agree as follows: Contractor shall furnish all labor, equipment and materials for, and perform the work of AQUATIC CENTER IMPROVEMENTS PHASE 1A which is covered in the Contractor’s Bid Proposal (the “Work”), in accordance with the provisions and requirements in the Contract Documents as defined by this Agreement.

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 **Definitions.** The meanings of all capitalized terms used herein and in the Contract Documents and not otherwise defined in this document shall be the same as those definitions set forth in the General and Standard Specifications and Special Provisions.

1.2 **Contract Documents.** The “Contract Documents,” except for Modifications issued after execution of this Agreement, consist of the following documents, all of which are either attached hereto as exhibits or are incorporated herein by this reference, are intended to be correlative and constitute Contractor’s performance obligations:

- a. Permits from the City’s Building, Planning, and Public Works Departments and similar Governmental Approvals for the Work required by applicable law.
- b. Change Orders and other Modifications issued after execution of the Agreement.
- c. This Agreement, as signed by the Parties, including the following exhibit, and Certificates of Insurance and Additional insured endorsements for Contractor:

Exhibit “A” – Workers Compensation Certification

Exhibit “B” – Performance and Payment Bonds

Exhibit “C” – Claims Procedure

- d. Addenda with later Addenda having priority over earlier Addenda issued in connection with the Notice Inviting Bids, as follows:

Addendum No. 4, issued January 23, 2024, 3 pages.

- e. Contractors Bid Proposal, for the above-referenced Bid No. 2023-10 (comprised of Notice Inviting Bids, Instructions to Bidders and attachments, Bid Schedule of Prices, List of Subcontractors, Proposal, Signature Certification/Authorization, Bid

Guaranty, and where applicable, Contractor Qualification Statement and/or Subcontractor Qualification Statement.

- f. Special Provisions, General Specifications and Standard Specifications.
- g. City and other agency's Standard Drawings.
- h. All documents, maps, texts and items referred to in the foregoing documents.

1.3 **Interpretation.** In the event of any conflict between any of the Contract Documents, the document highest in the order of precedent shall control. The order of precedent shall be the same as that set forth in the 2018 Edition of the Standard Specifications for Public Works Construction, unless otherwise revised in the Special Provisions.

1.4 **Entire Agreement.** This Agreement together with all other Contract Documents represents the entire and integrated agreement between City and Contractor and supersedes any prior written or oral agreements between them concerning the subject matter contained in the Contract Documents. There are no representations, agreements, arrangements or understandings, oral or written, between the Parties hereto, relating to the subject matter contained in the Contract Documents, which are not fully expressed herein.

ARTICLE 2 - SERVICES OF CONTRACTOR

2.1 **Scope of Services.** In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the Contract Documents, which services may be referred to herein as the "Services" or "Work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality, fit for the purpose intended. Further, Contractor represents that it is knowledgeable and experienced in constructing improvements that are compliant with all applicable accessibility requirements and warrants that all work performed under this agreement will comply with all applicable accessibility requirements.

2.2 **Compliance with Law.** All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental having jurisdiction in effect at the time service is rendered, including but not limited to, all applicable accessibility requirements.

2.3 **Licenses, Permits, Fees and Assessments.** Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement, including registration with the Department of Industrial Relations of the State of California as required by Labor Code Section 1725.5 before commencing performance under this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and

arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section 2.3.

2.4 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, including the requirement that the facilities being constructed must comply with all applicable accessibility requirements, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the City.

2.5 Standard of Performance. Contractor, its subcontractors and their employees, in the performance of Contractor's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Contractor's field. Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, shall be borne in total by the Contractor and not by the City. The failure of a project to achieve the performance goals and objectives stated in this Agreement is not a basis for requesting re-performance unless the work conducted by Contractor and/or its subcontractors is deemed by the City to have failed the foregoing standard of performance.

In the event Contractor fails to perform in accordance with the above standard:

2.5.1. Contractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of City. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Contractor shall work any overtime required to meet the deadline for the task at no additional cost to the City;

2.5.2. The City shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and

2.5.3. The City shall have the option to direct Contractor not to re-perform any task which was not performed to the reasonable satisfaction of the City Manager pursuant to application of subsections 1 and 2 above. In the event the City directs Contractor not to re-perform a task, the City shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the City's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the City may have under law.

2.6 **Care of Work.** Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

2.7 **Further Responsibilities of Parties.** Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other. Contractor shall require all subcontractors to comply with the provisions of this Agreement.

2.8 **Trenches or Excavations.** Pursuant to California Public Contract Code Section 7104, in the event the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply:

- a. Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) Subsurface or latent physical conditions at the site different from those indicated; or (3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.
- b. City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work shall issue a change order per Section 3.4 of this Agreement.
- c. That, in the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

2.9 **Utility Relocation.** City is responsible for removal, relocation, or protection of existing main or trunk line utilities to the extent such utilities were not identified in the invitation for bids or specifications. City shall reimburse contractor for any costs incurred in locating, repairing

damage not caused by contractor and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated damages for delay arising from the removal or relocation of such unidentified utility facilities.

ARTICLE 3 – CONTRACT PRICE AND PAYMENT

3.1 Contract Price. City shall pay Contractor the Contract Price of Three Million Nine Hundred Seventy-Three Thousand Six Hundred Thirty-Nine and Forty-Five Cents. (~~\$3,973,639.45~~) which includes all California sales or use tax and County and City taxes, in consideration for the Contractor's full, complete and timely performance of all of the Work required by the Contract Documents. The Contract Price includes any Alternative/Additive Bid Items which were awarded with the Contract.

Contractors agree to allocate the use tax derived from contracts or subcontracts of \$5 million or more directly to the job site location by obtaining a sub-permit of the Contractor's seller's permit for the jobsite and allocating the local tax to the jobsite address on the appropriate schedule of the applicable sales tax returns. Contractor shall provide City with proof of such filing prior to City's issuance of the Notice to Proceed.

3.2 Substitution of Securities. In accordance with Section 22300 of the California Public Contract Code, Contractor may substitute securities for any monies withheld by the City to ensure performance of the Contract. Such substitution shall be made at the request and expense of Contractor. Securities equivalent to the amount withheld may be deposited with the City or with a state or federally chartered bank as escrow agent. Securities eligible for substitution shall include those listed in Section 16430 of the Government Code, bank or saving and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by Contractor and City.

3.3 Changes to the Contract Price. Contractor shall not be compensated for any extra materials used or time expended over and above the Contract Price, unless prior written approval for the same has been granted by the City.

3.4 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum as set forth in Section 3.1, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of twenty-five percent (25%) or less of the Contract Sum, or in the time to perform of one hundred eighty (180) days or less may be approved by the Contract Officer. Any increases, taken either separately or cumulatively, that result in the Contract Sum exceeding \$50,000 must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of

Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefore.

3.5 Payment Procedures.

3.5.1 Progress Payments. All progress payments shall be made in accordance with Public Contract Code § 20104.50, as follows:

a. The City shall make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request. If the City fails to make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract the City shall pay interest to the Contractor equivalent to the legal rate set forth in subdivision (a) of § 685.010 of the Code of Civil Procedure.

b. Upon receipt of a payment request, the City shall act in accordance with both of the following:

(1) Each payment request shall be reviewed by the City as soon as practicable after receipt for the purpose of determining that the payment request is a proper payment request.

(2) Any payment request determined not to be a proper payment request suitable for payment shall be returned to the Contractor as soon as practicable, but not later than seven (7) days, after receipt. A request returned pursuant to this section shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

c. The number of days available to the City to make a payment without incurring interest pursuant to §20104.50 of the Public Contract Code shall be reduced by the number of days by which the City exceeds the seven-day return requirement set forth in paragraph (2) of subdivision (b) above.

d. A “progress payment” includes all payments due contractors, except that portion of the final payment designated by the contract as retention earnings.

e. A payment request shall be considered properly executed if funds are available for payment of the payment request, and payment is not delayed due to an audit inquiry by the financial officer of the local agency.

3.5.2 Retention. Within sixty (60) calendar days after City accepts final completion of the Work, City shall pay Contractor the amounts City deducted and retained from Contractor’s progress payments, except such sums which are required by applicable law or authorized by the Contract to be further retained. In the event of a dispute between City and Contractor concerning the amount of final payment due, the City may withhold from final payment, including Liquidated Damages provided forth in the Contract Documents, together with an amount not to exceed 150% of the disputed amounts.

ARTICLE 4 – TIME FOR PERFORMANCE

4.1 **Date of Commencement/Notice to Proceed.** The date of commencement of the Work shall be established in a written Notice to Proceed issued by the City. The City will not issue a Notice to Proceed to the Contractor until this Agreement, bonds and insurance documents have been executed by all parties and approved by the City.

4.2 **Contract Time.** Contractor shall perform the Work in a diligent manner and shall complete all of the Work of the Contract, excluding any Plant Establishment, if applicable, within Ninety (90) calendar days after the date specified to Contractor in the Notice to Proceed issued by then City.

ARTICLE 5 – LIQUIDATED DAMAGES AND INCENTIVE BONUS

5.1 **Amounts of Liquidated Damages.** Failure of Contractor to complete the Work within the time allowed will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. For each consecutive calendar day in excess of the time specified for the completion of Work, as adjusted in accordance with the Standard Specifications, Contractor shall pay to City, or have withheld from monies due Contractor, the sum of Three Thousand Five Hundred Dollars (\$3,500). Execution of this Agreement shall constitute agreement by City and Contractor that said sum is the minimum value of the costs and actual damage caused by the failure of Contractor to complete the Work within the allotted time. Such sum is liquidated damages and shall not be construed as a penalty, and may be deducted from payments due Contractor if such delay occurs.

5.2 **Incentive Bonus for Early Completion.** For each consecutive calendar day the Contractor completes the project prior to the time specified for the completion of Work, as adjusted in accordance with the Standard Specifications, City shall pay to the Contractor the sum of Three Thousand Five Hundred Dollars (\$3,500).

ARTICLE 6 – CLAIMS AND DISPUTES

6.1 **Claims Procedures.** Contractor shall comply with the claims procedure set forth in Public Contract Code Section 9204, a summary of which is attached to this agreement as **Exhibit “C.”**

6.2 **Government Code Claims Procedures.** Contractor further acknowledges that notwithstanding Contractor’s compliance with the claims procedures set forth herein, Contractor must also comply with the claims procedures set forth in Government Code sections 900 et seq. prior to filing a lawsuit against the City for any such claim. Failure to submit a Government Code claim or comply with the claims provision contained herein shall bar Contractor from bringing and maintaining a valid lawsuit against the City.

6.3 **Cooperation and Notification.** In the event any claim or action is brought against City relating to Contractor’s performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require. The City shall provide

notification to Contractor within ten (10) business days upon receipt of any third party claim relating to this Agreement.

ARTICLE 7 – LOCAL BUSINESS LICENSE, TAXES AND FEES

7.1 Business Tax Certificate and Governmental Approvals. As a condition of the Contract, Contractor and all subcontractors shall, during the term of this Agreement, secure and annually renew business tax certificates pursuant to Chapter 35.070, et seq. of the Santa Fe Springs Municipal Code to operate in the City, and shall also secure and maintain at all times during performance of the Work, any other licenses, fees, permits or similar Governmental Approvals required by Applicable law.

7.2 Offsets. Contractor acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which is owed, or which becomes owed, by Contractor to City, City reserves the right to withhold and offset said amounts from any payments, refunds or reimbursements owed by City to Contractor under the Contract. Notice of such withholding and offset shall promptly be given to Contractor by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

ARTICLE 8 – BONDS

8.1 Performance and Payment Bonds. Prior to City’s execution of this Agreement, Contractor shall furnish to the City two (2) duly executed surety bonds using the forms included within the Bidding Requirements, one (1) as security for the faithful performance of the Contract and one (1) as security for the payment of all persons performing labor and furnishing materials in connection with the Contract. Both bonds shall be in the amount of one hundred percent (100%) of the Contract Price and shall be subscribed by an Admitted Surety Insurer which is authorized to transact surety insurance business in the State of California with a policy holder’s rating of A- or higher and a Financial Class of VII or larger. Should any bond or surety become insufficient, Contractor shall furnish City a new bond within ten (10) days after receiving notice from City. No payments will be due or paid under the Contract until any and all bond deficiencies have been remedied. Contractor, by execution of this Agreement acknowledges that the bonds are not Contract Documents, but are separate obligations.

ARTICLE 9 – WORKERS’ COMPENSATION INSURANCE

9.1 Workers’ Compensation Insurance Certificate. By executing this Agreement, Contractor certifies that Contractor is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers’ compensation or to undertake self-insurance before commencing any of the Work. Contractor shall comply with Labor Code Section 1861 by signing and filing the workers’ compensation certification attached hereto as Exhibit “A” and incorporated herein by reference.

9.2 **Evidence of Coverage.** Prior to the City's execution of this agreement, Contractor shall file with the City either 1) a certificate of insurance or self-insurance evidencing that such insurance is in effect, or that Contractor is self-insured for such coverage; or 2) a certified statement that Contractor has no employees, and acknowledging that if Contractor does employ any person, the necessary certificate of insurance will immediately be filed with City. Any Certificate filed with the City shall provide that City shall be given ten (10) days prior written notice before modification or cancellation thereof.

9.3 **Carrier Rating.** Contractor's workers' compensation insurance carrier shall be authorized to transact insurance business in the State of California with a policy holder's rating of A- or higher and a Financial Class of VII or larger.

9.4 **Subcontractor Worker's Compensation Insurance.** Contractor shall require each of its Subcontractors to obtain and maintain for the duration of this Agreement, complete workers' compensation insurance, meeting or exceeding the coverage's and amounts that California law requires.

ARTICLE 10 – CONTRACTOR'S LIABILITY INSURANCE

10.1 **Minimum Scope.** Prior to City's execution of this Agreement and Contractor's commencement of Work, Contractor shall secure, submit proof of and shall thereafter maintain without interruption, until completion of and acceptance by the City of the Work, such commercial general and automobile liability insurance as shall protect Contractor, its Subcontractors and the Additional Insured's from any and all claims for damages for personal injury, including accidental death, as well as any and all claims for property damage which may arise from or which may concern operations under the Contract, whether such operations be by or on behalf of Contractor, any subcontractor or anyone directly or indirectly employed by, connected with or acting for or on behalf of any of them.

10.2 **Carrier Ratings.** All liability insurance shall be issued by an insurance company or companies authorized to transact liability insurance business in the State of California with a policy holder's rating of A- or higher and a Financial Class of VII or larger.

10.3 **Minimum Limits.** Contractor shall maintain minimum limits of insurance as follows:

10.3.1 **Commercial General Liability:** Contractor's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence, an aggregate limit for products/completed operations in the amount not less than \$2,000,000.

10.3.2 **Automobile Liability Insurance:** Contractor's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Contractor's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Contractor's performance of this Agreement, which vehicles shall include, but are not limited

to, Contractor owned vehicles, Contractor leased vehicles, Contractor's employee vehicles, non-Contractor-owned vehicles and hired vehicles.

10.3.3 Builder's Risk Insurance. Unless otherwise set forth in the special provisions, during the term of this contract, Contractor shall maintain in force, at its own expense, Builder's Risk insurance on all risks of direct physical loss basis, excluding damage caused by an act of God, pursuant to California Public Contract Code § 7105, for an amount equal to the full completed value of the covered structure or replacement value of alterations or additions. The policy shall include as loss payee, the City of Santa Fe Springs, the Contractor, and its sub-contractors as their interest may appear. The City shall not be responsible for the theft of any materials, equipment in the possession and control of Contractor.

10.3.4 Umbrella or excess liability insurance. Contractor shall obtain and maintain an umbrella or excess liability insurance policy that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall provide that the policy will respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason; have the same effective dates as the primary policies; pay on behalf of the insureds and not reimbursement; the policies shall "follow form" to the underlying primary policies; and the insureds, including the additional insureds shall be the same as the primary policies.

10.4 **Notice of Cancellation and Renewals**. The policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to City by certified or registered mail (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to City). Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

10.5 All Coverage's. The insurance policy or policies shall also comply with the following provisions:

- a. Policies shall include premises/operations, products completed operations, independent contractors, owners and contractors' protection, explosion, collapse, underground hazard, broad form contractual, personal injury with employment exclusion deleted, and broad form property damage.
- b. The policy shall be endorsed to waive any right of subrogation against the City and its subcontractors, employees, officers, agents and directors for work performed under this Agreement.
- c. If policies are written on a claims made basis, the certificate should so specify and the policy must continue in force for **ten (10) years** after completion of the Project. The retroactive date of the coverage must also be listed.

- d. The policy shall specify that the insurance provided by Contractor will be considered primary and not contributory to any other insurance available to the City of Santa Fe Springs. Contractor shall provide Form No. CG 20010413 to City.
- e. All policies of insurance shall name the City as an Additional Insured and shall contain the following language: “Solely with respect to work done by and on behalf of the name insured for the City of Santa Fe Springs, it is agreed that the City of Santa Fe Springs, and its officers, officials, employees and agents are added as additional insureds under this policy.”
- f. Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by the City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City’s own insurance or self-insurance shall be called upon to protect it as a named insured.

10.6 Certificates of Insurance, Additional Insured Endorsements and Deductibles. Prior to execution of the Agreement, and thereafter upon City’s request, Contractor shall furnish City with original certificates of insurance and additional insured endorsements setting forth evidence of all insurance coverage required by this Article. Each certificate and endorsement is to be signed by a person authorized by that insurer to bind coverage on its behalf.

10.7 Contractor’s Failure to Provide Required Insurance. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its discretion and sole option: (a) procure insurance with collection rights for premiums, attorneys’ fees and costs against Contractor by way of set-off or recoupment from sums due Contractor; (b) immediately terminate or suspend Contractor’s performance of the Contract; (c) pay Contractor’s premiums for renewal of Contractor’s coverage; or (d) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorneys’ fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due Contractor. Upon demand, Contractor shall repay City for all sums that City paid to obtain, renew, reinstate or replace the insurance, or City may offset the cost against any monies that the City may owe Contractor.

10.8 Verification of Coverage. City shall have the right to obtain complete and certified copies of Contractor’s and Subcontractors’ insurance policies (including, but not limited to, the declarations page, form list and riders), endorsements or certificates required under the Contractor Documents, upon request (including, but not limited to, the declarations page, form list and riders).

10.9 Reassessment of Insurance Requirements. At any time during the duration of this Contract, the City may require that Contractor obtain, pay for, and maintain more or less insurance depending on the City’s assessment of any one or more of the following factors: (1) the City’s risk of liability or exposure arising out of, or in any way connected with, Contractor’s services

under this Contract; (2) the nature or number of accidents, claims, or lawsuits arising out of, or in any way connected with, Contractor's services under this Contract; or (3) the availability, or affordability, or both, of increased liability insurance coverage.

10.10 Contractor's Insurance for Other Losses. The Contractor and its Subcontractors of every tier shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Contractor's (or Subcontractors') employee owned tools, machinery, equipment, or motor vehicles owned or rented by the Contractor, or the Contractor's agents, suppliers or Subcontractors as well as to any temporary structures, scaffolding and protective fences.

10.11 No Limitation. Contractor's maintenance of insurance as required by the Contract Documents shall not be construed to limit the liability of the Contractor or its Subcontractors of any tier to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

10.12 Subcontractors' Insurance. The Contractor shall include in all subcontracts a requirement that the Subcontractors of every tier shall obtain and maintain, at a minimum, all insurance required by Articles 9 and 19 of this Agreement except that the limits of liability and deductibles shall be in amounts determined by the Contractor, based on the degree of hazardous exposure according to the Work performed by each Subcontractor and the size of each subcontract.

Contractor shall ensure that any professional engineer retained on its behalf to provide supplemental plans and engineering calculations required in conjunction with the Work, maintains professional liability insurance during the entire term of this Agreement. Such insurance shall be in the minimum amount of \$1,000,000 to protect City from claims resulting from the engineer(s) activities. This minimum amount of coverage shall not constitute any limitation or cap on Contractor's indemnification obligations set forth herein.

The City reserves the right to request certificates of insurance from the Contractor for each Subcontractor. The Contractor acknowledges that regardless of insurance obtained by its Subcontractors, the Contractor will be responsible to the City for any and all acts of its Subcontractors.

ARTICLE 11 - INDEMNITY/DUTY TO DEFEND

11.1 Indemnity. Except as to the sole negligence, active negligence or willful misconduct of the City, Contractor assumes liability for and agrees, at Contractor's sole cost and expense, to promptly and fully indemnify and hold the City, its City Council, and all of its respective officials, officers, directors, employees, managers, commission members, representatives, agents, council members, ("Indemnitees"), harmless from and against any and all loss, damage, claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceedings, causes of action, demands, costs, judgments, liens, stop notices, penalties, damages, losses, anticipated losses of revenue, expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), costs, including attorneys' fees, or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from or is in any way (either directly or indirectly) related to, or is in any manner connected with, the performance of Work, the Project, activities, operations or duties of

Contractor, or anyone employed by or working under Contractor, and from all claims by anyone employed by or working under Contractor for services rendered to Contractor in the performance of this Agreement (“Indemnity Claims”), notwithstanding that the City may have benefited from their services. This indemnification provision shall apply to any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of Contractor or of anyone employed by or working under Contractor.

The parties expressly agree that any payment, attorneys’ fees, costs or expense that the City incurs or makes to or on behalf of an injured employee under the City’s self-administered workers’ compensation is included as a loss, expense or cost for the purposes of this Section, and that this Section shall survive the expiration or early termination of the Agreement.

11.2 Duty to Defend. Contractor agrees, at its sole cost and expense, to promptly defend the Indemnitees from all Indemnity Claims. The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor’s obligation to defend the Indemnitees shall be at Contractor’s sole expense, and not be excused because of Contractor’s inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively or concurrently negligent, or which otherwise assert that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. Contractor agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to the City.

11.3 Subcontractor Requirements. In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor’s Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such Subcontractors’ Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Article.

11.4 No Limitation or Waiver of Rights. Contractor’s obligations under this Article are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Contractor’s indemnification and defense obligations set forth in this Article are separate and independent from the insurance provisions set forth in the Agreement and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. City approval of the Insurance contracts required by this Agreement does not in any way relieve the Contractor from liability under this section. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be

liable, the obligations under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

11.5 Withholding to Secure Obligations. In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

11.6 Limitations. Notwithstanding the above provisions of section 11.1 and 11.2, Contractor 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.

11.7 Survival of Indemnity Obligations. Contractor's obligations under this Article are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

ARTICLE 12 – PREVAILING WAGES

12.1 Public Work Project. This Project is a public work as defined in California Labor Code Section 1720. By executing this Agreement, Contractor certifies that neither it, nor any of its subcontractors are ineligible under Labor Code Section 1777.1 or Section 1777.7 from bidding on, entering into a contract for, or performing the Work. Contractor and all Subcontractors of any tier are required to pay all workers employed in the execution of the Work not less than the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations ("DIR") under Section 1720 et seq. of the California Labor Code. The Director's determination of prevailing rates are on file with the City and are available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and are referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein.

12.2 California Labor Code. Contractor is aware of and stipulates that Contractor will also comply with the following sections of the California Labor Code:

- a. Section, 1771, Contractor and any subcontractors shall pay not less than the general prevailing rate per diem wages.
- b. Section 1775, Contractor and any subcontractor will forfeit to City as a penalty up to \$200 for each calendar day, or portion of a day, for each worker paid less than the applicable prevailing wage rate, in addition to paying each worker the difference between the applicable wage rate and the amount actually paid.

- c. Contractor and its subcontractors must maintain certified payroll records in compliance with Labor Code sections 1776 and 1812, and all implementing regulations promulgated by the DIR. For each payroll record, Contractor and its subcontractors must certify under penalty of perjury that the information in the record is true and correct, and that it has complied with the requirements of Labor Code sections 1771, 1811, and 1815. Contractor must electronically submit certified payroll records to the Labor Commissioner as required under California law and regulations.
- d. Section 1777.5 prescribes the terms and conditions for employing registered apprentices.
- e. Section 1810, eight hours of labor constitutes a legal day's work.
- f. Section 1813, Contractor will forfeit to the City as a penalty the sum of \$25 for each day during which a worker employed by Contractor or any subcontractor is required or permitted to work more than eight hours during any one calendar day, or more than 40 hours per calendar week, unless such workers are paid overtime wages under Labor Code section 1815.
- g. Sections 1725.5 and 1771.1 requires all general contractors and subcontractors to be registered with DIR.
- h. Contractor must also post all job site notices required by laws or regulations pursuant to Labor Code section 1771.4.

ARTICLE 13 – MISCELLANEOUS

13.1 **Non-Discrimination.** Except as provided in Section 12940 of the California Government Code, during Contractor's performance of the Agreement, Contractor shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, gender, gender identity, genetic information, gender expression, sex or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment. Contractor shall also comply with the requirements of the Americans with Disabilities Act in the performance of the Agreement.

13.2 **Notice.** Whenever any provision of the Contract Documents requires the giving of written notice, including notices, bills, invoices or other documents required or permitted under this Agreement, service shall be sufficient if sent by one party to the other by overnight courier, or by registered, certified or United States first class mail, postage prepaid and addressed as follows:

City

City of Santa Fe Springs
 Attn: James Enriquez, P.E.,
 Public Works Director
 11710 Telegraph Road
 Santa Fe Springs, CA 90670

Contractor

California Commercial Pools, Inc.
 Brett Smith, Vice President
 2255 E. Auto Centre Drive
 Glendora, CA 91740

13.3 Conflict of Interest. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor'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, Contractor and its officers, employees, associates and subcontractor shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

13.4 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

13.5 Rights and Remedies. Rights and Remedies are cumulative except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

13.6 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

13.7 Disputes. In the event either party fails to perform its obligations hereunder, the nondefaulting party shall provide the defaulting party written notice of such default. The defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, so long as the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the nondefaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the nondefaulting party shall have the right, in addition to any other rights the nondefaulting party may have at law or in equity, to terminate this Agreement. Compliance with the provisions of this Section 13.7 shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

13.8 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, after compliance with the provisions of Section 13.7, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

13.9 Force Majeure. The time period(s) specified in the Scope of Services for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the City in writing of the causes for the delay. The City shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the City such delay is justified. The City's determination shall be final and conclusive upon the parties to this Agreement.

13.10 City's Right to Access and Audit Contractor's Project Documents.

a. If the Contractor submits a claim to the City for additional compensation, the City shall have the right, as a condition to considering the claim, and as a basis for evaluation of the claim, and until the claim has been settled, to audit the Contractor's books to the extent they are relevant. This right shall include the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to discover and verify all direct and indirect costs of whatever nature claimed to have been incurred or anticipated to be incurred and for which the claim has been submitted. The right to audit shall include the right to inspect the Contractor's plant, or such parts thereof, as may be or have been engaged in the performance of the Work. The Contractor further agrees that the right to audit encompasses all subcontracts and is binding upon Subcontractors. The rights to examine and inspect herein provided for shall be exercisable through such representatives as the City deems desirable during the Contractor's normal business hours at the office of the Contractor. The Contractor shall make available to the City for auditing, all relevant accounting records and documents, and other financial data, and upon request, shall submit true copies of requested records to the City.

b. The City and/or its authorized auditors or representatives, (including the California State Auditor if so requested by the City pursuant to Government Code § 8546.7) shall have access to and the right to examine, audit, excerpt, transcribe, and reproduce any of the Contractor's records for a period of at least three (3) years after termination of the Agreement and/or Final Payment. Such records include without limitation, journals, ledgers, records of accounts payable and receivable, profit and loss statements, bank statements, invoices, receipts, subcontracts, agreements, notes, correspondence, memoranda, and any documents generated and received in Contractor's performance of this Contract. Upon written notice by the City, Contractor shall

promptly make all such records available to City and/or its authorized auditors or representatives and cooperate with the City and its authorized auditors or representatives in examining, auditing, excerpting, transcribing and reproducing the records.

13.11 Unfair Business Practices Claims. In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body renders final payment to the contractor without further acknowledgment by the parties. (Sec. 7103.5, California Public Contract Code).

13.12 Venue. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court in Los Angeles County, State of California.

13.13 Prohibition Against Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

13.14 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. The City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of the City and shall remain at all times as to the City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its subcontractors, agents or employees are agents or employees of the City. The City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

13.15 No Estoppel or Waiver by City. No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically provided in this Agreement or as may be otherwise agreed in writing. The waiver by the City of any breach or violation of any term, covenant or condition of this Agreement or of any

2023-10 Aquatic Center Improvements Phase 1A

provision, ordinance, or law shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, or law or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance, or law. The subsequent payment of any monies or fee by the City which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by Contractor or any term, covenant, condition of this Agreement or of any applicable law or ordinance.

13.16 Signature Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions hereof and thereof.

13.17 Severability. Each provision, term, condition, covenant and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement and the remainder of the Agreement shall continue in full force and effect.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

CITY OF SANTA FE SPRINGS

CALIFORNIA COMMERCIAL POOLS, INC.

By: _____
René Bobadilla, City Manager

By: _____
Signature

Attest: _____
Fernando Muñoz, Deputy City Clerk

[Printed Name and Title]

APPROVED AS TO FORM:

By: _____
Signature

By: _____
Ivy M. Tsai, City Attorney

[Printed Name and Title]



CITY OF SANTA FE SPRINGS

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members
FROM: René Bobadilla, P.E., City Manager
BY: James Enriquez, P.E., Director of Public Works
SUBJECT: REGIONAL AQUATIC CENTER RENOVATION PROJECT – ADOPTION OF RESOLUTION NO. 9895
DATE: February 6, 2024

RECOMMENDATION:

It is recommended that the City Council:

- 1) Adopt Resolution No. 9895 approving an application for specified grant funds from the State of California Budget Act of 2023 [19.561(b)(46)] for the Regional Aquatic Center Renovation Project; and
- 2) Take such additional, related action that may be desirable.

FISCAL IMPACT

The Capital Improvement Program Budget for Fiscal Year 2023-24 includes \$6.6 million for the project. Additionally, State Senator Bob Archuleta assisted the city in obtaining a \$6.4 million State grant for the project, making \$13 million in total funds available for the project.

The project is divided into two phases, Phases 1A and 1B. The total project cost for Phase 1A is estimated at \$6.2 million, \$5 million in construction cost and \$1.2 million in soft costs. Phase 1A has adequate funding in local city funds.

The Specified State Grant Fund in the amount of \$6.4 million is programmed for the Phase 1B project that is currently in the initial stages of design and scheduled for construction after the summer 2024 swim season.

BACKGROUND

This specified grant originated from State Senator Bob Archuleta as a line item in the State of California Budget for Fiscal Year 2023-24. The State Department of Parks and Recreation and the Office of Grants and Local Services (OGALS) will oversee the grant program and the administration of funds for the renovation of the Regional Aquatic Center. The grant performance period is July 1, 2023 – June 30, 2027, and requires a resolution, and an approved application packet before the approval of grant payments.

ANALYSIS

The Phase 1A scope of work consists of remediation/replacement of the cracked pool deck, repair and replacement of the pool plaster, upgrade pool lifts and pool main drain gates, replacing existing pool deck equipment, verification of code compliance for pool safety/maintenance equipment, upgrading underwater pool lights, remediation of the deteriorated pool equipment room surge tank slab, surge tank waterproofing, and replacing the pool mechanical equipment. Phase 1A construction would be completed in early summer of 2024.

Phase 1B consists of new amenities and is currently in the early stages of design. Planned amenities include a splash pad, new family restroom, Jacuzzi/spa area, new concession stand/cabana shaded areas, pool house refresh, renovation, and new deck shaded areas. Phase 1B is currently in the schematic design phase and the finalized estimated cost and schedule is to be determined. Current estimates show the cost to be within the range of \$8 to \$10 million. Phase 1B construction would start in the winter of 2024 and could take over 10 months to complete.

A portion of the funding from the allocated \$6.6 million CIP FY 2023-24 budget, will be used for the repair portions of Phase 1A, while being supplemented by a portion of the \$6.4 million Specified Grant, to be used towards the new amenities (Phase 1B).

The Public Works Department received construction bids for the Phase 1A project on January 29, 2024. The apparent low bid is in the amount of \$3.97 million.

ENVIRONMENTAL

N/A

DISCUSSION

None

SUMMARY/NEXT STEPS

Upon approval by the City Council of the recommended actions, City staff will send the approved resolution to OGALS before December 31, 2024, to proceed with the next steps in the grant process.

ATTACHMENTS:

A. Attachment A – Resolution No. 9895

<u>ITEM STATUS:</u>	
APPROVED:	<input type="checkbox"/>
DENIED:	<input type="checkbox"/>
TABLED:	<input type="checkbox"/>
DIRECTION GIVEN:	<input type="checkbox"/>

RESOLUTION NO. 9895**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS APPROVING AN APPLICATION FOR SPECIFIED GRANT FUNDS FROM THE BUDGET ACT OF 2023, 19.561(B)(46) FOR THE REGIONAL AQUATIC CENTER RENOVATION PROJECT.**

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of a grant to the City of Santa Fe Springs, setting up necessary procedures governing application(s); and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the applicant's Governing Body to certify by resolution the approval of project applications before submission of said applications to the State; and

WHEREAS, the applicant will enter into a contract with the State of California to complete projects;

NOW, THEREFORE, BE IT RESOLVED that the CITY OF SANTA FE SPRINGS hereby:

1. Approves the filing of project applications for specified grant project; and
2. Certifies that said applicant has or will have available, prior to commencement of project work utilizing specified grant funds, sufficient funds, including those provided by this grant, to complete the project; and
3. Certifies that the applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in this Procedural Guide; and
4. Delegates the authority to René Bobadilla, P.E., City Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the project scopes; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

APPROVED and ADOPTED this 6th day of February 2024.

I, the undersigned, hereby certify that the foregoing Resolution Number 9895 was duly adopted by the City of Santa Fe Springs City Council following a roll call vote:

AYES:

NOES:

ABSENT:

**APPROVED:
ITEM NO.:**

ABSTAIN:

Jay Sarno, Mayor

ATTEST:

Fernando Muñoz, Deputy City Clerk

Date