



## Finance Committee Agenda

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Tuesday, January 14, 2025, 8:30 AM  
1 Civic Center Circle  
Brea, CA 92821

**MEMBERS:** Council Member Marty Simonoff and Council Member Steve Vargas

**ALTERNATES:** Council Member Cecilia Hupp and Mayor Christine Marick

This agenda contains a brief general description of each item the Committee will consider. The Administrative Services Department has on file copies of written documentation relating to each item of business on this Agenda available for public inspection. Contact the Administrative Services Department Office at (714) 990-7684 or view the Agenda and related materials on the City's website at <https://www.ci.brea.ca.us/509/Meeting-Agendas-Minutes>. Materials related to an item on this agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the Administrative Services Department's Office at 1 Civic Center Circle, Brea, CA during normal business hours. Such documents may also be available on the City's website subject to staff's ability to post document before the meeting.

### **Procedures for addressing the Committee**

Members of the public may offer comment by phone or email or may observe the meeting by attending in person. All requests to offer comment must be submitted via phone by calling (714) 990-7684 or by emailing [debbied@cityofbrea.net](mailto:debbied@cityofbrea.net) by 12:00 p.m. on the Monday prior to the meeting.

### **Special Accommodations**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administrative Services Office at (714) 990-7684. Notification 48 hours prior to the meeting will enable City staff to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)

***PLEASE SILENCE ALL PAGERS, CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE THE COMMITTEE IS IN SESSION.***

### **1. CALL TO ORDER/ROLL CALL**

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- 1A. Attendees
- 1B. Matters from the Audience

### **2. CONSENT**

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- 2A. Approval of Minutes 11-26-2024

### **3. DISCUSSION**

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- 3A. Approve Grant-Funded Purchase of Two Drone Aircraft and Related Accessories
- 3B. Award Professional Services Agreements with CSG Consultants, Inc. and JAS Pacific for Building Plan Check and Inspection Services

3C. City of Brea Annual Comprehensive Financial Report and Related Audit Reports for the Fiscal Year Ended June 30, 2024

3D. Approve Grant-Funded Increase to December 2023 Agreement with Motorola Solutions, Inc.

#### 4. ADJOURNMENT

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Next Scheduled Meeting: Tuesday, January 28, 2025 at 8:30 a.m.

*Date Posted: January 10, 2025*



## City of Brea

### Finance Committee Communication

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#### Approval of Minutes 11-26-2024

Meeting	Agenda Group
Tuesday, January 14, 2025, 8:30 AM	CONSENT Item: 2A.
TO	FROM
Finance Committee Members	Kristin Griffith, Interim City Manager

Approval of Minutes for Finance Committee held on 11-26-2024

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#### **Attachments**

[Finance Committee-11-26-2024-minutesDraft.pdf](#)

**\*\* The following document is a draft of the minutes and the not the official approved minutes**

**\*\***

## **Minutes for the Finance Committee**

1 Civic Center Circle, Brea, CA 92821

November 26, 2024, 8:32 AM - 8:35 AM

### **1. CALL TO ORDER/ROLL CALL**

---

Council Member Simonoff called the meeting to order at 8:32 a.m.

#### **1A. Attendees-**

Council Member Simonoff, Council Member Vargas, Kristin Griffith, Jason Killebrew, Monica Lo, Sean Matlock, Ryan Chapman, Rudy Correa, Matt Matlock, Alicia Brenner, Wade Whitman, and Debbie Duff

#### **1B. Matters from the Audience-**

None.

### **2. CONSENT**

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#### **2A. Approval of Minutes 11-12-2024-**

Approved.

### **3. DISCUSSION**

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#### **3A. Lease and Maintenance of Black-and-White Digital Printing/Copying Equipment-**

The Finance Committee reviewed this item and recommended it for City Council action.

#### **3B. Award Contract with Stephen Doreck Equipment Rentals, Inc., in the amount of \$618,445.00 for the Waterline Improvements at the Intersection of Birch Street and Kraemer Boulevard Project, CIP No. 7329-**

The Finance Committee discussed this item and recommended it for City Council action.

#### **3C. Application Submittal to the Orange County Transportation Authority for Funding Under the Competitive M2 Regional Traffic Signal Synchronization Program-**

The Finance Committee reviewed this item and recommended it for City Council action.

#### **3D. Acceptance of Improvements and Release of Subdivision and Monument Bonds for Development Subdivision Improvement Agreement and Parcel Map No. 2017-125 for Brea Imperial Center-**

The Finance Committee reviewed this item and recommended it for City Council action.

#### **3E. Purchasing System Update - Approve Updated City Purchasing Policy Limits-**

The Finance Committee discussed this item and directed staff to include information regarding the bidding requirements for each of the three procurement methods: Open Market, Informal Solicitation and Formal



Solicitation. Recommended for City Council action.

#### **4. ADJOURNMENT**

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Council Member Simonoff adjourned the meeting at 8:35 a.m.



## Finance Committee Communication

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### A. Approve Grant-Funded Purchase of Two Drone Aircraft and Related Accessories

Meeting	Agenda Group
Tuesday, January 14, 2025, 8:30 AM	DISCUSSION Item: 3A.
TO	FROM
Finance Committee Members	Kristin Griffith, Interim City Manager

### **RECOMMENDATION**

Staff recommends that the Finance Committee recommend that the City Council:

Approve the Police Department's purchase of two DJI Matrice 350 drone aircraft and related accessories from Advexure Unmanned Systems for \$59,727.21.

### **BACKGROUND/DISCUSSION**

As part of the Police Department's Integrated Crime Center (ICC) project and BSCC Organized Retail Theft (ORT) Grant project plan, the Police Department plans to expand its current Unmanned Aerial System (UAS) program to a Drone as a First Responder (DFR) program sometime between January and May 2025. Expanding to a DFR program requires the acquisition of two larger UAS aircraft. The Police Department seeks to purchase two DJI Matrice 350 RTK Commercial Drone System aircraft for this purpose.

Due to its capabilities, this particular model of aircraft has become the standard aircraft for many DFR programs across the nation. To maximize each aircraft's effectiveness, the Police Department seeks to purchase - for each aircraft - a powerful camera, a spotlight, and a speaker, along with several spare batteries.

Having two aircraft will allow the Police Department to deploy more quickly, as a second drone can launch immediately after the first drone returns to the landing pad, for a battery swap or other maintenance, for example. Having a second aircraft will also allow the program to continue to function should one aircraft be taken out of service for maintenance or service.

The Police Department originally acquired its current UAS aircraft from Advexure and wishes to purchase additional aircraft and accessories from the same company. In addition to being a local business in Orange County, Advexure's quote is based on a Sourcwell Cooperative Purchasing Contract. As a result, this purchase is exempt from the usual bidding process and associated policies. Under Purchasing Code section 3.24, the City is permitted to make purchases through existing contracts. Sourcwell Cooperative Purchasing contracts have been competitively bid on a national level, providing the City with more favorable pricing due to the higher volumes of bids, which the City could not achieve independently.

### **SUMMARY/FISCAL IMPACT**

Approval of this purchase will cost \$59,727.21. The purchase has been pre-approved by the BSCC, and will be reimbursed by the BSCC Organized Retail Theft grant. It should be noted that future maintenance, support and subscription costs incurred starting in January 2027 will be appropriated as part of a future biennial budget process.

**RESPECTFULLY SUBMITTED**

Kristin Griffith, Interim City Manager  
Prepared By: Christopher Harvey, Lieutenant  
Concurrence: Adam Hawley, Chief of Police

**Attachments**

[D5370-Quote-M350,H30, Accessories-SW.pdf](#)

[Request to Purchase - BSCC - 12.04.24 \(Full-Sized DJI 350 Drone Aircraft and Accessories\).pdf](#)







[Approved Request to Purchase - BSCC - 12.04.24 \(Full-Sized DJI 350 Drone Aircraft and Accessories\).pdf](#)


BILLING
<b>Omar Brioso</b> Brea Police Department 1 Civic Center Circle Brea, CA 92821 United States

SHIPPING
<b>Omar Brioso</b> Brea Police Department 1 Civic Center Circle Brea, CA 92821 United States

SALES QUOTE

QUOTE #	D5370
ISSUED	10/31/2024
EXPIRES	11/31/2024
TERMS	Net 30

ITEM / DESCRIPTION	SKU	QTY	UNIT PRICE	AMOUNT
<div></div> <div><b>DJI Matrice 350 RTK Commercial Drone System</b> Combo Bundle Basic (1 Year) Includes: (1) Matrice 350 RTK Aircraft (1) DJI RC Plus Remote Controller (1) BS65 Battery Station (2) TB65 Intelligent Batteries (1) Landing Gear (2) 2110s Propeller (pair) (1) WB37 Intelligent Battery (4) Spare Gimbal Damper (1) Screws and Tools (1) Cleaning Tools (1) Rubber Port Cover (Set) (1) Carrying Case (1) Manuals</div>	DJI-M350-CB1	x2	\$ 11,729.00	\$ 23,458.00
<div></div> <div><b>DJI Zenmuse H30T Five-Module Camera (Wide, Zoom, Rangefinder, Thermal, NIR Aux. Light)</b> Basic (1) H30T Gimbal &amp; Camera (1) Lexar Professional 1066x UHS-I microSDXC Memory Card 64GB (1) Storage Case (1) Lens Cleaning Cloth</div>	DJI-ZH30TB	x2	\$ 9,460.00	\$ 18,920.00
<div></div> <div><b>DJI Matrice 350 Series TB65 Intelligent Flight Battery</b> High-capacity 5880 mAh battery for DJI M350</div>	DJI-TB65	x10	\$ 700.00	\$ 7,000.00
<div></div> <div><b>GL60 Plus Spotlight for Matrice 300/350</b></div>	CZI-GL60P	x2	\$ 2,250.00	\$ 4,500.00
<div></div> <div><b>CZI MP130 V2 Speaker for Matrice 300/350</b></div>	CZ-MP130V2	x2	\$ 2,250.00	\$ 4,500.00
<div></div> <div><b>Advexure Public Safety Fleet Services: Aircraft Setup, Prep, and Firmware Update Service</b> COMPLIMENTARY: Aircraft Setup, Prep, and Firmware Update Service. Aircraft will be fully setup, configured and tested prior to fulfillment. Complimentary full tech check by Advexure's manufacturer certified technicians prior to fulfillment which includes a complete airworthiness checkover, firmware updates, and ease of operation prep so your system is fully ready to fly upon arrival.</div>	ADV-ASPF	x1	\$ 0.00	\$ 0.00

ITEM / DESCRIPTION	SKU	QTY	UNIT PRICE	AMOUNT
<div>  <b>Advexure Sourcewell Cooperative Purchasing Contract #011223-ADX (Exp: 3/2027)</b>  Satisfy your legal procurement requirements with Advexure's Sourcewell government contract, providing a compliant, convenient and competitive procurement solution which can expedite your purchasing process. </div>		x1	\$ 0.00	\$ 0.00
<b>SUBTOTAL</b>				<b>\$ 58,378.00</b>
Sourcewell Contract - Account #18490				-\$ 2,918.90
SALES TAX				\$ 4,298.11
<b>TOTAL</b>				<b>\$ 59,757.21</b>



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# The City of Brea Police Department

1 CIVIC CENTER CIRCLE, BREA, CA 92821-5732

714-990-7625

[www.breapolice.net](http://www.breapolice.net)

November 19, 2024

Eddie Escobar, Field Representative  
Board of State and Community Corrections  
Planning and Programs Division  
2590 Venture Oaks Way  
Sacramento, CA 95833

Subject: Fixed Assets Request for the Organized Retail Theft Grant Program, Grant Agreement Number BSCC 1144-23

Dear Mr. Escobar,

The Brea Police Department Organized Retail Theft Grant Program grant project requests approval to expend grant funds from Board of State and Community Corrections (BSCC) for a fixed asset identified within our grant budget.

Our proposed budget allocates \$97,000 for, among other things, two full-sized drone aircraft, rooftop landing pads, and an Air Support Officer work station. These particular items were to be implemented in year 2, or approximately January 2025, to create a Drone as a First Responder (DFR) program.

We now request to purchase two (2) full-sized drone aircraft and related accessories (gimbal and camera, spare batteries, spotlights, and speakers). The requested items will be used for services directly associated with the Brea Police Department Grant Project, and are essential to the success of the project.

In accordance with our grant activities, we request approval to purchase the following:

Quantity	Cost Per Item	Equipment Description	Total Price
2	\$11,729	DJI Matrice 350 RTK Commercial Drone System Combo Bundles	\$23,458
2	\$9,460	H30T Gimbals & Cameras	\$18,920
10	\$700	DJI Matrice 350 Series Intelligent Flight Batteries	\$7,000

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## The City of Brea Police Department

1 CIVIC CENTER CIRCLE, BREA, CA 92821-5732

714-990-7625

[www.breapolice.net](http://www.breapolice.net)

2	\$2,250	GL60 Plus Spotlights for Matrice 300/350	\$4,500
2	\$2,250	CZI MP130 V2 Speakers for Matrice 300/350	\$4,500
1	-\$2,918.90	Sourcwell Contract Pricing Discount	-\$2918.90

Sub-Total	\$58,378.00
Sales Tax	\$4,298.11
<b>TOTAL</b>	<b>\$59,757.21</b>

This equipment will be used for the following project reasons:

To improve public safety for residents, visitors, and large and small retailers; to allow personnel to gain situational awareness at in-progress calls and to track suspects fleeing from crime scenes, leading to increased rates of identification, apprehension, and prosecution of criminal offenders; and to deter retail theft-related criminal activity through strong marketing of the existence and successes of the system.

Thank you for consideration of this request.

A handwritten signature in black ink, appearing to read "Adam Hawley".

ADAM HAWLEY, CHIEF OF POLICE  
BREA POLICE DEPARTMENT

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## BILLING







**Omar Brioso**  
Brea Police Department  
1 Civic Center Circle  
Brea, CA 92821  
United States

## SHIPPING


**Omar Brioso**  
Brea Police Department  
1 Civic Center Circle  
Brea, CA 92821  
United States

## SALES QUOTE

QUOTE #	D5370
ISSUED	10/31/2024
EXPIRES	11/31/2024
TERMS	Net 30

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 <b>Advexure Public Safety Fleet Services: Aircraft Setup, Prep, and Firmware Update Service</b> COMPLIMENTARY: Aircraft Setup, Prep, and Firmware Update Service. Aircraft will be fully setup, configured and tested prior to fulfillment. Complimentary full tech check by Advexure's manufacturer certified technicians prior to fulfillment which includes a complete airworthiness checkover, firmware updates, and ease of operation prep so your system is fully ready to fly upon arrival.	ADV-ASPF	x1	\$ 0.00	\$ 0.00



ITEM / DESCRIPTION	SKU	QTY	UNIT PRICE	AMOUNT
 <b>Advexure Sourcewell Cooperative Purchasing Contract #011223-ADX (Exp: 3/2027)</b> Satisfy your legal procurement requirements with Advexure's Sourcewell government contract, providing a compliant, convenient and competitive procurement solution which can expedite your purchasing process.		x1	\$ 0.00	\$ 0.00
<b>SUBTOTAL</b>				<b>\$ 58,378.00</b>
Sourcewell Contract - Account #18490				-\$ 2,918.90
SALES TAX				\$ 4,298.11
<b>TOTAL</b>				<b>\$ 59,757.21</b>



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**RE: Brea PD BSCC Grant Expenditure Request**

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**From** Escobar, Eddie@BSCC <Eddie.Escobar@bscc.ca.gov>

**Date** Wed 12/11/2024 3:39 PM

**To** Harvey, Chris <CHRISHA@ci.brea.ca.us>

**Cc** Brioso, Omar F. <OmarB@ci.brea.ca.us>; Martinez, Analisa <analysam@ci.brea.ca.us>; BSCC ORT <ORT@bscc.ca.gov>

 1 attachment (251 KB)

Request to Purchase - BSCC - 12.04.24 (Full-Sized DJI 350 Drone Aircraft and Accessories).pdf;

Hey Chris,

Yes, its been a minute. Hope you are all well!

Your Purchase Memo request is APPROVED. Please keep appropriate documentation and state the approval in the comment section of the Invoice. ("FR approved purchase on 12/11/2024")

Talk Soon.

**Eddie Escobar**

Field Representative, Corrections Planning and Grant Programs

BOARD OF STATE AND COMMUNITY CORRECTIONS

2590 Venture Oaks Way, Suite 200, Sacramento, CA 95833

<http://www.bscc.ca.gov>

cell 916.599.2125

email [eddie.escobar@bscc.ca.gov](mailto:eddie.escobar@bscc.ca.gov)

**LEADERSHIP ★ EXCELLENCE ★ SUPPORT**

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**From:** Harvey, Chris <CHRISHA@ci.brea.ca.us>

**Sent:** Wednesday, December 4, 2024 5:56 PM

**To:** Escobar, Eddie@BSCC <Eddie.Escobar@bscc.ca.gov>

**Cc:** Brioso, Omar F. <OmarB@ci.brea.ca.us>; Martinez, Analisa <analysam@ci.brea.ca.us>

**Subject:** Brea PD BSCC Grant Expenditure Request

Hello Eddie,

We haven't heard from you in a while. I hope you are well...

Please see the attached expenditure request letter.

# CHRIS HARVEY, ID #1457

## Police Lieutenant | South Area Commander

Brea Police Department

---

**P:** 714.990.7624 | **E:** [charvey@cityofbrea.net](mailto:charvey@cityofbrea.net) | **W:** [www.breapolice.net](http://www.breapolice.net)

**City of Brea** | 1 Civic Center Circle | Brea, California 92821



## Finance Committee Communication

---

### **B. Award Professional Services Agreements with CSG Consultants, Inc. and JAS Pacific for Building Plan Check and Inspection Services**

Meeting	Agenda Group
Tuesday, January 14, 2025, 8:30 AM	DISCUSSION Item: 3B.
TO	FROM
Finance Committee Members	Kristin Griffith, Interim City Manager

### **RECOMMENDATION**

Staff recommends that the Finance Committee recommend that the City Council take the following actions:

1. Approve a Professional Services Agreement between the City of Brea and CSG Consultants, Inc. for as-needed building and safety services in the amount not-to-exceed \$250,000.00 per agreement;
2. Approve a Professional Services Agreement between the City of Brea and JAS Pacific and for as-needed building and safety services in the amount not-to-exceed \$250,000.00 per agreement;
3. Authorize the City Manager or designee to execute the Professional Services Agreements; and
4. Authorize the City Manager to extend the term of the Professional Services Agreements for one additional one-year term.

### **BACKGROUND/DISCUSSION:**

The Community Development Department currently contracts with CSG Consultants, Inc. and 4Leaf, Inc. for building plan review and building inspections, as well as plumbing, mechanical, electrical, energy efficiency, civil, and structural engineering support for major commercial, industrial, and multi-family residential projects. Professional services agreements (PSAs) were previously awarded to these two (2) vendors to aid with reviewing the high volume of projects and development occurring within Brea.

The PSA with CSG Consultants, Inc. expired in late 2024, and the PSA with 4Leaf, Inc. is set to expire in early 2025. With the ongoing significant development in the City, staff foresees the need to retain the additional support provided by consultants. This support will aid the City in maintaining a high-level of service and maximize efficiency when reviewing plans and conducting field inspections. Based on previous efforts and the ongoing commercial and residential projects within the City, staff have identified the need to procure two (2) professional services agreements to effectively complete the full scope of building services. In order to do so, staff took the following actions:

- On September 19, 2024, City staff emailed a pre-solicitation notification to known building firms who might be interested in submitting a proposal, in anticipation of the PSAs' expiration.
- On September 26, 2024, a Request for Proposals (RFP) was issued via the City's eProcurement Portal to solicit building firms capable of meeting the City's needs. The RFP was available online for three weeks, and the City received nine (9) proposals from consulting firms specializing in building services.
- On October 21, 2024, staff reviewed and evaluated the submitted proposals, in accordance with City guidelines. Out of the nine (9) proposals received, three (3) firms were identified that best meet the needs of

the City: CSG Consultants, Inc.; JAS Pacific; and Willdan. Of these three (3) firms, CSG Consultants, Inc. emerged as the top candidate, while JAS Pacific and Willdan received comparable average scores.

- On November 11 and November 13, 2024, City staff conducted interviews with JAS Pacific and Willdan. These interviews were initiated in order to further assist staff with the selection process. While both firms were strong candidates, staff determined that JAS Pacific more effectively meets the City's specific requirements. Therefore, CSG Consultants, Inc. and JAS Pacific were ultimately the two (2) vendors selected for their qualifications, capacity to handle the City's needs, and cost-effectiveness.

CSG Consultants, Inc. is familiar with the City's internal functions, systems, and staff, as they have previously provided building plan check and inspection services to Brea. They have been a key consultant for the City for the past few years, providing their services for major residential, commercial, industrial, and multi-family residential projects.

JAS Pacific is backed by a team of experienced professionals skilled in managing all types of projects. Their commitment to the industry is demonstrated through their active involvement in community affairs and participation in national, state and local building conferences. JAS Pacific's proposed costs aligned more closely with the City's current fee structure, while still maintaining the high quality of services required.

Given their qualifications, staff recommend that the City Council approve two (2) PSAs, the first with CSG Consultants, Inc. and the second with JAS Pacific, both in the amount not-to-exceed \$250,000.00 per agreement.

### **SUMMARY/FISCAL IMPACT**

Funding for professional building services is allocated in the FY 23-25 biennial Operating Budget from the City's General Fund (110). However, because the vendors' services will be applied to building-related development projects, staff will primarily use the Development Fund (840) to fund the PSAs.

Staff recommends awarding both PSAs for as-needed services in the amount not-to-exceed \$250,000.00 per agreement. While it is likely that there will be a small impact to the General Fund (110), per the agreements, it shall not exceed a maximum annual amount of \$5,000 per agreement.

### **RESPECTFULLY SUBMITTED**

Kristin Griffith, Interim City Manager

Prepared by: Joselyn Magaña, Management Analyst

Concurrence: Jason Killebrew, Interim Assistant City Manager/Community Development Director & Christian Varela, Building Official

### **Attachments**

[JAS Pacific - Building & Safety Services Proposal](#)

[CSG Consultants, Inc. - Building and Safety Services Proposal](#)

[JAS Pacific - Revised Fee Schedule](#)

[JAS Pacific - PSA Agreement](#)

[CSG Consultants, Inc. - PSA Agreement](#)

# **CITY OF BREA**

Community Development Department



## Proposal For As-Needed Building Inspection, Plan Check and Permit Technician Services



Building Your Solutions

**SUBMITTED BY**

**JAS PACIFIC**

**201 N. Euclid Avenue, Suite A • Upland, CA 91786  
800.818.3677 • [jaspacific.com](http://jaspacific.com)**

**DATE: OCTOBER 17, 2024**

## **A. GENERAL**

## **B. INTRODUCTION**





**City of Brea**  
Community Development Department

**Proposal For**  
As-Needed Building Inspection,  
Plan Check, and Permit Technician Services  
RFP No. 2024.09.26.01

**Submitted By:**  
Jason Addison Smith inc, dba JAS Pacific  
201 North Euclid Avenue, Suite A  
Upland, California 91786  
800.818.3677 | jaspacific.com

**Submittal Date: October 17, 2024**

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October 17, 2024

**Ms. Carrie Hernandez**

Community Development Director   
City of Brea  
1 Civic Center Circle, Brea, CA 92821

**Subject: Letter of Transmittal**

**Proposal for As-Needed Building Inspection, Plan Check, and Permit Technician Services**

**Dear Ms. Hernandez,**

On behalf of JAS Pacific, I am pleased to submit our proposal in response to the City of Brea's Request for Proposal (RFP) for As-Needed Building Inspection, Plan Check, and Permit Technician Services. We have thoroughly reviewed the scope of work and understand the critical role we will play in ensuring the City's safety, compliance, and efficiency in managing and facilitating building permits and inspections.

**Our Understanding of the Work:**

We recognize that the City of Brea requires expert services in plan review, construction inspection, and permit technician support to maintain compliance with all applicable building codes and regulations. Specifically:

- Plan Check Services: Ensuring compliance with the City's building, green, access, energy, mechanical, electrical, plumbing codes, with an added focus on methane, seismic and fire safety.
- Inspection Services: Performing timely inspections of construction projects to ensure adherence to approved plans and applicable standards.
- Permit Technician Services: Providing seamless and efficient customer service, including permit issuance, data entry, and assistance with the City's Accela permitting software.

**Commitment to Timely Performance:**

JAS Pacific is committed to performing the required services within the timelines set forth by the City of Brea. Our team is prepared to allocate the necessary resources to meet or better all project deadlines, ensuring timely and efficient plan checks, inspections, and permit processing.

**Why We Are the Best Qualified Firm:**

We believe that JAS Pacific is uniquely qualified to provide these services for several key reasons:

- Extensive Experience: JAS Pacific has over 30 years of a proven history of delivering professional building and safety services to municipalities throughout Southern California. Our executive management team has over one hundred years of experience as Building Officials working for the public sector allowing us to proactively identify and resolve permitting challenges.
- Technical Expertise: Our plan checkers, inspectors, and permit technicians have in-depth knowledge of the latest codes and standards, including the California Building Standards Code and the City's local Ordinances. We are familiar with the City's specific requirements for methane protection, seismic structural strengthening, and enhanced fire safety. Our team has specialized expertise in the construction of large warehouses, mixed-use, affordable housing, and residential developments, such as those currently in the City of Brea Planning Review Process.

- Customer-Centric Approach: We pride ourselves on excellent customer service, providing transparent communication and efficient service to both City staff and stakeholders. Our in-house and outsource staff focus on creating a coordinated and timely approval path to facilitate success.

**Firm and Irrevocable Proposal:**

We hereby state that this proposal is firm and irrevocable for a period of 120 days from the submission date as described in the City's RFP.

We look forward to the opportunity to work with the City of Brea and contribute to the success of your development services. Should you require any additional information or clarification, please feel free to contact me at (626) 625-4233 or [raj@jaspacific.com](mailto:raj@jaspacific.com).

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Raj Patel". The signature is fluid and cursive, with the first name "Raj" and last name "Patel" clearly distinguishable.

**Rajesh Patel, P.E.**

President  
JAS Pacific  
201 N. Euclid Ave. Suite A Upland, CA 91786  
Office: 800.818.3677 • Mobile: 626.625.4233 • [raj@jaspacific.com](mailto:raj@jaspacific.com)

## **C. QUALIFICATIONS SECTION**



# BACKGROUND

- Jason Addison Smith, dba JAS Pacific
- Founded 1993, Incorporated California
- Jason Addison Smith, Owner and Signatory
- Raj Patel, President and Signatory
- 201 North Euclid Ave, Upland, California 91786 | [www.jaspacific.com](http://www.jaspacific.com)



JAS Pacific has been a leading provider of comprehensive municipal building and safety solutions to local and regional building and fire departments across California for over 30 years. Our firm offers hands-on administrative and technical expertise and is well-versed in adapting to various building processes and software systems used by clients.

Our management team brings over 100 years of combined jurisdictional and consultant experience, supported by a staff of nearly 60 professionals from diverse disciplines. We provide a variety of solutions, including temporary and long-term on-site staffing strategies and remote plan review, tailored to meet the unique needs of each jurisdiction.

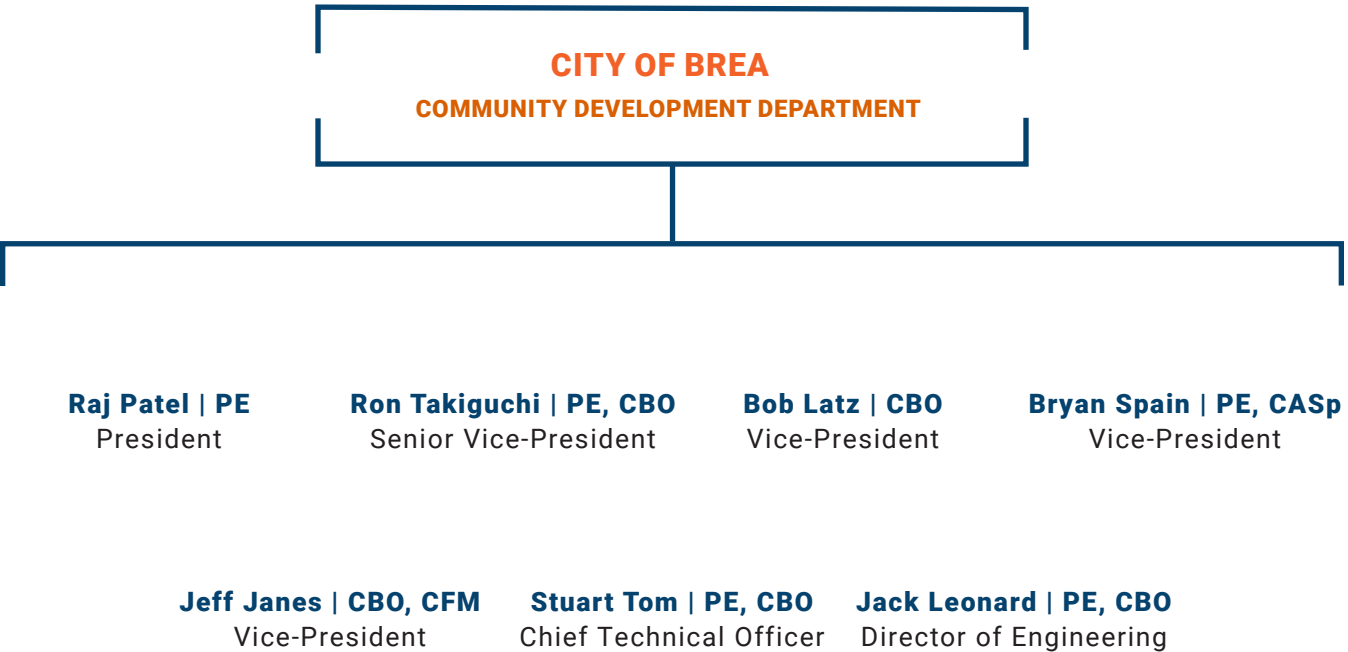
Our long-standing presence in California ensures efficient contract implementation and service delivery. We leverage our deep understanding of local governmental agencies and their challenges to offer stable, experienced, and technically proficient building and safety services, backed by proven methodologies and business practices.

# EXECUTIVE MANAGEMENT TEAM

Each executive team member has specific government experience and expertise providing the most relevant and current service.

Through the Project Manager, the City of Brea has direct access to our management team that is able to provide technical, administrative, and specialized building and safety services.

**In standard service to jurisdictions, support by the executive team is at no charge to the jurisdiction.**





# RAJ PATEL, PE – PRESIDENT

With over 35 years of public sector experience, Mr. Patel has thorough knowledge and expertise in all aspects of building services. As Building Official for the County of Los Angeles, he managed building and safety operations for the unincorporated city and seventeen incorporated contract cities. He also managed Public Works Services for the unincorporated city and thirty-eight cities. Mr. Patel also served as the Building Official for the City of Beverly Hills for five years.

Mr. Patel serves on local, state, and national committees and boards. He is currently Vice-Chair of the California Building Standards Commission and Vice-President of the California Building Officials. He has been recognized by the California Senate, ICC, IAPMO, IEEE, and CALBO, among others with many honors and awards, including most recently International Code Council's 2023 International Code Official of the Year.

## PROFESSIONAL EXPERIENCE

### JAS Pacific

President

### City of Beverly Hills, Building Department

Building Official & Assistant Director of Community Development

### County of Los Angeles, Building and Safety Division

Superintendent of Building

### County of Los Angeles, Building and Safety Division

Chief Plumbing & Mechanical Engineer & Inspector

## EDUCATION / PROFESSIONAL LICENSES

### UC Los Angeles

BS, Mechanical Engineering

### State of California

Licensed Mechanical Engineer

### California Building Standards Commission

Vice-Chair (Governor Appointment)  
Chair, Code Adoption Subcommittee

### California Building Officials

Past President (2015-2016)

Currently serving as Vice-President  
Building Official of the Year Award  
California Training Institute, Vice-Chair  
Course Development Merit Award

### California Fire Prevention Officers (CalChiefs)

Building Official of the Year Award

### International Code Council

International Code Official of the Year Award

# RON TAKIGUCHI, PE, CBO – SENIOR VICE PRESIDENT

With over 35 years of City and Municipal experience, Mr. Takiguchi is very experienced in management of building department operations, and residential and commercial property development. He is a California Registered Professional Engineer, and a Certified Building Official. Having served as Chief Building Official for three major Southern California cities, and Deputy Building Official for the County of Los Angeles, Mr. Takiguchi is familiar with local issues on a large scale and at the community level. His management duties included plan review, building inspection, permit counter activities, code enforcement, budget and contracts. In his tenure, he has developed programs for green building and resilience, seismic retrofit, and building electrification. He is well-versed in technical applications of the California Building Standards Code, construction procedures, and engineering principles.

He is the current chair of the California Building Standards Commission, Plumbing-Electrical-Mechanical-Energy Code Advisory Committee, and a long-standing member of the Green Building Code Advisory Committee. Mr. Takiguchi is an adjunct professor at the University of California Los Angeles Extension Program in the Civil and Environmental Engineering – Construction Management Program. He is a past president of California Building Officials, and the Los Angeles Basin Chapter of ICC.

## PROFESSIONAL EXPERIENCE

- JAS Pacific** Senior Vice President
- City of Pasadena** Building Official
- City of Burbank** Building Official
- City of Santa Monica** Building Official
- County of Los Angeles**  
Deputy Building Official
- District Engineer, City of Carson &  
Universal Studios

## EDUCATION / PROFESSIONAL LICENSES

- CSU Los Angeles** BS Electrical  
Engineering
- State of California** Licensed Electrical  
Engineer
- California Building Standards Commission**  
Code Advisory Committee - Plumbing/  
Electrical/ Mechanical/Energy, Chair
- California Building Officials**  
Past President (2016-2017)  
Building Official of the Year Award
- California Fire Chiefs Fire Prevention  
Officers**  
Building Official of the Year Award

## BOB LATZ, CBO – VICE PRESIDENT

Mr. Latz is well known within the industry providing over 30 years of experience in the municipal field with proven jurisdictional experience in providing technical resources for staff augmentation, coordination of expedited plan review and special projects, and education and training.

Mr. Latz has experience serving in both the public and private sector. He provides governmental management support for building administration, building inspection, plan review, fire services, code enforcement, public works, and planning. He served as President of the Board of Directors for the California Building Officials Association and continues to serve as the Chair and a valued instructor for the CALBO Training Institute. Mr. Latz was recognized as the 2014 California Fire Chiefs Association Fire Prevention Officers Building Official of the Year and was inducted into the CALBO Hall of fame.

### PROFESSIONAL EXPERIENCE

#### **JAS Pacific**

Vice President

#### **CSG Consultants**

Regional Manager / Building Official

#### **City of Sacramento**

Building Official (contract service)

#### **City of Stockton**

Building Official (contract service)

### EDUCATION / PROFESSIONAL LICENSES

#### **Butte College**

Building Technology

#### **International Code Council**

Certified Building Official

Certified Combination Inspector

(10) California Inspector Certifications

#### **California Building Officials**

Past President (2014-2015)

Chair, CALBO Training Institute

Instructor, CALBO Training Institute

CALBO Educator of the Year

CALBO Hall of Fame

#### **California Fire Prevention Officers (Cal Chiefs)**

Building Official of the Year

#### **Sacramento Valley Association of Building Officials**

Past President

#### **Western Pacific League of Building Officials**

Past President

# BRYAN SPAIN, PE, CASP – VICE PRESIDENT

Mr. Spain has more than 35 years of experience in a wide capacity as structural design engineer, Building Official for several municipalities, structural plan reviewer, and regional manager for private building & safety consulting firms. He is a registered Civil Engineer in the State of California and certified by the Division of the State Architect as a Certified Access Specialist (CASP). His experience and expertise in building codes and standards makes Mr. Spain a well-respected professional in code applications and solutions.

In his career, Mr. Spain has served as contract Building Official for the City of Solvang and as a regional manager to several jurisdictions. He is well-understanding of building code applications, plan check operations and the importance of serving the public and the community. Mr. Spain is well-adept in administering building department operations, permit systems and building code adoption. As a structural design engineer, Mr. Spain was involved in the seismic retrofit of the First Bank of Italy building in Lompoc, California. He also conducted the structural evaluation of the Old Powerhouse Building and remodel of the El Corral Bookstore on the campus of Cal-Poly San Luis Obispo.

## PROFESSIONAL EXPERIENCE

- JAS Pacific** Vice President
- CSG Consultants** Regional Manager /  
Senior Principal Engineer
- Bureau Veritas** Regional Manager /  
Principal Plan Review Engineer
- California Code Check** Vice President /  
Regional Manager
- City of Solvang** Building Official (contract  
service)
- City of Simi Valley** Associate Plan Check  
Engineer
- Fred Schott & Associates Structural  
Engineers** Project Engineer

## EDUCATION / PROFESSIONAL LICENSES

- Cal Poly San Luis Obispo**  
BS Architectural Engineering
- State of California**  
Licensed Civil Engineer
- CA Division of the State Architect**  
Certified Access Specialist (CASP)
- California Building Officials**  
Board of Directors (2017-2022)  
Structural Code Committee  
Emergency Preparedness Committee  
Access Committee
- International Code Council**  
Certified Building Plans Examiner  
Past President Central Coast Chapter
- County Building Officials Association of  
California** Past Board Member

# JEFF JANES, CBO, CFM – VICE PRESIDENT

Mr. Janes is a highly experienced ICC Certified Building Official with extensive building department administration and management experience. He is experienced in supervision and coordination of the activities, operations of jurisdictional building and safety divisions, including the University of California, Merced expansion project. In addition, Mr. Janes has served as a Regional Manager for the the Central Valley to the Central Coast. Specific skills include budget strategy, preparation and oversight, and implementation of best practices across multiple departments. Mr. Janes is knowledgeable in enforcing compliance and minimum standards to safeguard life, limb, health, property and public welfare.

Mr. Janes has also successfully guided department staff with inspection and plan review for all phases of complex construction projects. He is experienced utilizing building department permit tracking software and managing all common building department responsibilities, including plan review, multi-discipline inspections, plan review and inspection scheduling, field supervision, regulatory compliance, code interpretation, and project acceptance. Mr. Janes also makes a difference to our clients and those he works with through his skills in complaint resolution, problem solving, damage assessment and team building.

## PROFESSIONAL EXPERIENCE

- JAS Pacific** Vice President
- CSG Consultants** Regional Manager / Building Official
- Interwest Consulting Group** Regional Manager / Building Official
- University of Merced** Building Official / Project Manager
- City of Sonora** Building Official
- County of Fresno** Building Official
- County of Madera** Building Official

## EDUCATION / PROFESSIONAL LICENSES

- San Francisco Institute of Architecture**  
Bachelor of Science, Architecture
- Harvard University**  
Special Studies Design Program
- California Building Officials**  
Past President (2018-2019)  
Currently serving as President
- County Building Officials Association of California**  
Past President  
Building Official of the Year

# STUART TOM, PE, CBO – CHIEF TECHNICAL OFFICER

With over 30 years of public sector experience, Mr. Tom has thorough knowledge and expertise in various aspects of building and safety services along with fire services. As the State of California and Washington Licensed Civil Engineer, an ICC certified building official, and plans examiner, he has held positions including Chief Building Official, Fire Marshal, Engineering Bureau Training Officer, Staff Engineer, and Structural Engineer Specialist. As the building official, Mr. Tom was responsible for the oversight of engineering, inspection, and administrative activities for the third-largest city within Los Angeles City. He directed all activities within the Permit Services Center including the review of development plans to ensure compliance with zoning, building, fire, traffic, and grading standards. As a Fire Marshal, Mr. Tom was responsible for oversight of fire and life safety standards necessary to protect the general population along with the management of the Fire Engineering Division, which performs fire plan checks and inspections for all new construction throughout the City. The department also administered programs related to hazardous and industrial waste management critical to protecting the environment.

As a recognized expert in various fields of structural design and life-safety systems, including his expertise in fire protection where he was the major contributor to Chapter 7A in the California Building Code. Mr. Tom serves as the current President of the International Code Council. Mr. Tom is the recipient of several other awards, including the CALBO President's Award in 2010, and he was inducted as a Fellow into the Institute for the Advancement of Engineering.

## PROFESSIONAL EXPERIENCE

**JAS Pacific** Chief Technical Officer

**City of Glendale**, Fire Marshal, Building Official

**City of Los Angeles** Structural Engineering Specialist, Bureau Training Officer

**State of Washington**

Licensed Civil Engineer

**International Code Council**

2023-24 ICC President

**California Building Officials**

Fire Advisory Committee

Seismic Safety Committee

Building Official of the Year

President's Award

**California State Fire Marshal**

Core Advisory Committee

Height & Area Code Amendment

Committee WUI Committee

## EDUCATION / PROFESSIONAL LICENSES

**Cal Poly SLO** MS, Civil Engineering

**UC Berkeley** BS, Chemical Engineering

**State of California**

Licensed Civil Engineer

# JACK LEONARD, PE, CBO – DIRECTOR OF ENGINEERING

With over 30 years of experience, Mr. Leonard has a strong combination of both private and public sector expertise in building services. As a California licensed civil engineer and ICC certified building official, he has held positions such as Assistant Engineer, Design Engineer, Plan Review Engineer, Building Director, and Building Official. Mr. Leonard served as the Building Director for the City of Bakersfield from which he retired after over 16 years of service. Mr. Leonard’s lengthy experience includes expertise in building structural, building life safety, mechanical, plumbing, and electrical reviews. He was responsible for the development and implementation of department policy; managed, organized, and oversaw the acquisition of personnel; directed the development and implementation of annual budget.

Mr. Leonard also chaired and participated as a member of the Board of Zoning Adjustment; acted as the Public Hearing Officer for Code Enforcement Hearings and Animal Control Appeals Board; represented the Building Division at City Council meetings, Planning Commission meetings, Board of Building Appeals hearings, Accessible Appeals Board hearings, and at civil and criminal court proceedings. Another key area of responsibility was the interpretation and enforcement of California Building codes, laws, ordinances and regulations and the calculation and development of fee structures for building divisions. Having managed several types of building departments at different levels in the public sector, Mr. Leonard has acquired the ability of quickly and efficiently assessing service levels and needs. While with JAS Pacific, Mr. Leonard has served as the Building Official for the City of Hermosa Beach and as the Building and Safety Director for the City of Santa Monica.

## PROFESSIONAL EXPERIENCE

- JAS Pacific** Director of Engineering
- County of San Bernardino** Building Official
- City of Santa Monica** Building Director
- JT Leonard Engineering** Structural Engineering Consultant
- City of Bakersfield** Building Director/Plan Review Engineer

## EDUCATION / PROFESSIONAL LICENSES

- Minner & Davis Structural Engineering** Design Engineer
- CSU Fresno** BS, Civil Engineering
- State of California** Licensed Civil Engineer
- State of Arizona** Licensed Professional Civil Engineer



# JURISDICTIONAL EXPERIENCE

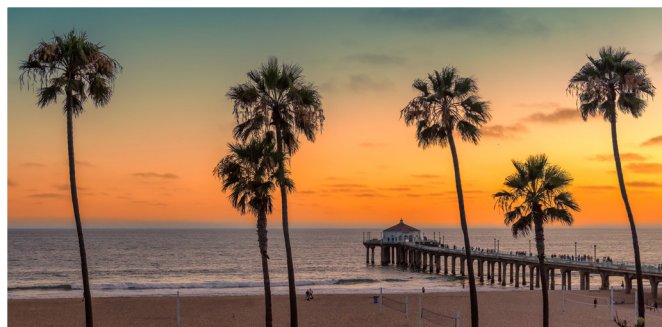
Below is a partial list of our clientele demonstrating our experience - including both long-term and new clients - for which we perform work as proposed for the City of Brea. We have a long-standing reputation for excellent customer service and accuracy in the completion of services with the entities we serve. The clients listed below highlight those with similar geography and project complexity that require an elevated level of expertise.

01

## CITY OF MANHATTAN BEACH, CALIFORNIA

COMMUNITY DEVELOPMENT DEPARTMENT  
BUILDING & SAFETY

1400 Highland Avenue | Manhattan Beach, CA 90266 | (310) 802-5525



### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance

### CONTRACT PERIOD

2022 to Present

JAS Pacific currently provides **Plan Check Services** for the Building, Public Works and Fire Department. Our team has reviewed numerous new single-family

residences within the California Coastal Zone which include the demolition of existing homes for the construction of multi-story homes with basements and subterranean garages. During these reviews, we have paid special attention to the unique code requirements due to the proximity to the ocean and hillside construction.



### PROJECT VERANDAS

The demolition of existing structures and the construction of a new, 96,217 square-foot, four-story multifamily residential structure, 37 to 50-feet in height, containing 79 rental dwelling units, six of which will be set aside for very low income households, with an attached 127-car, subterranean garage.



### MIXED-USE DEVELOPMENT

The new construction on a 1.5 acre lot of an L-shaped four-story structure containing 162 hotel rooms with parking for 152 vehicles. Plans also call for the construction of a separate two-story building featuring 9,455 square feet of office space and 6,893 square feet of ground-floor retail.



# 02

## CITY OF YORBA LINDA, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT BUILDING & SAFETY DIVISION

4845 Casa Loma Avenue | Yorba Linda, CA 92886 | (714) 961-7120



#### CONSULTANT SERVICES

Building Official, Plan Review, Inspection, Permit Issuance

#### CONTRACT PERIOD

2013 to Present

**Issuance, and Code Enforcement Services.** Project examples include the Yorba Linda Town Center, which features a 159,267-square-foot, four-story parking structure along with multiple mixed-use buildings. Another notable project is a 12,123-square-foot multi-purpose commercial facility, which houses a sanctuary/gymnasium, commercial kitchen, and office spaces.



# 03

## CITY OF ANAHEIM, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT BUILDING & SAFETY DIVISION

200 S Anaheim Blvd | Anaheim, CA | (714) 765-5153



#### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance

#### CONTRACT PERIOD

2014 to Present

**Check, Inspections, Permit Issuance, and Code Enforcement Services** have been provided on an on-call basis at various points in time when the City needed staff augmentation to ensure the standard of customer service expected by the community.

# 04

## COUNTY OF LOS ANGELES, CALIFORNIA

### PUBLIC WORKS DEPARTMENT BUILDING & SAFETY

900 S. Fremont Ave | Alhambra, CA 91803 | (626) 458-3164



Building Division. We have assisted the City with plan checks and inspections on various high-profile projects. We have assisted the city with Code Adoption, Department Manual Development, and staff augmentation.

#### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance, and Code Enforcement

#### CONTRACT PERIOD

1999 to Present

JAS Pacific currently provides **Plan Review, Permit Processing, Professional Development, Field Inspection, and Code Enforcement services** to the



#### PIER 44 MARKET PLACE

Renovation of 80,000 square feet., sea wall and restaurant, dry dock storage, boater's lounge, boat repair shop, sales offices, community room and promenade.



#### VETERANS COLLECTIVE

The renovation of historic and existing buildings, and new construction including, but not limited to, a new 3 & 4 story structure totaling 112 units. The project includes theater and picnic areas, a community room, office space and a fitness center.



#### WEST CARSON VILLAS

The new construction of a 4-story affordable housing complex consisting of 111 one, two, and three bedroom units. Onsite amenities include a common room, conference centers, a yoga room, a playground, and ground-floor parking for 83 vehicles.

05

## CITY OF PASADENA, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT DEVELOPMENT SERVICES DIVISION

100 North Garfield Ave | Pasadena, CA 91101 | (626) 744-7311



multi-story medical and apartment projects, tenant improvements, new single-family residences, and accessory dwelling units.

#### CONSULTANT SERVICES

Plan Check, Building Inspection, Clerical

#### CONTRACT PERIOD

2010 to Present

JAS Pacific currently provides **Plan Check and Building Official services** to the City. Our plan check services are provided to the Building, Fire and Public Works departments for various projects including

06

## CITY OF BEVERLY HILLS, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT BUILDING & SAFETY DIVISION

455 North Rexford Drive | Beverly Hills, CA 90210 | (310) 285-1154



commercial projects. Additionally, we have intermittently provided Inspection, Code Enforcement, and Permit Issuance services. Projects we have worked with the City on include multiple tenant improvements up and down Rodeo Drive, mega-mansions over 15,000 square feet (with subterranean parking, basements, and boiler rooms, and Cheval Blanc (250,000 square foot facility with a luxury hotel, multiple restaurants, private club member amenities, and lower-level retail along Rodeo Drive.)

#### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance

#### CONTRACT PERIOD

2017 to Present

JAS Pacific currently provides **Plan Check** for building, plumbing, mechanical, electrical, public works, and fire components of residential and



07

## CITY OF CULVER CITY, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT DEVELOPMENT SERVICES DIVISION

9770 Culver Blvd | Culver City, CA 90232 | (310) 253-5818



within their Community Development Department, Building and Safety and Fire Prevention Divisions. JAS Pacific has been responsible for the structural, plumbing, mechanical and electrical reviews of various high profile, complex projects including mixed-use, residential and commercial structures.

#### CONSULTANT SERVICES

Plan Check, Building Inspection, Building Official

#### CONTRACT PERIOD

2009 to Present

JAS Pacific is currently contracted to provide the City with **Plan Check, Building Inspection, Code Enforcement and Interim Building Official services**

08

## CITY OF BURBANK, CALIFORNIA

### COMMUNITY DEVELOPMENT DEPARTMENT BUILDING & SAFETY DIVISION

150 North 3rd Street | Burbank, CA 91502 | (818) 238-5220



broad range of projects for the city including high profile projects such as 8 story buildings to tenant improvements, studio renovations, and accessory dwelling units.

#### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance

#### CONTRACT PERIOD

2017 to Present

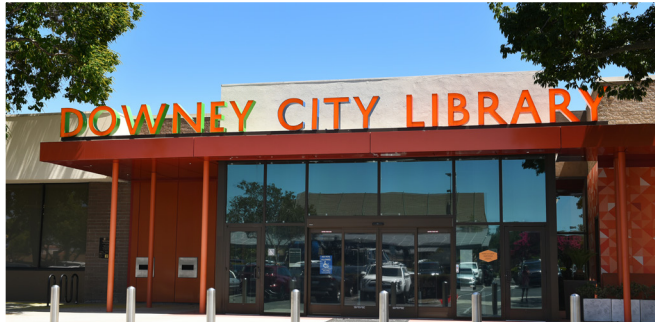
JAS Pacific is contracted to provide **Plan Check, Building Inspection, and Permit Issuance services** to the Building & Safety Division. We have reviewed a

09

## CITY OF DOWNEY, CALIFORNIA

COMMUNITY DEVELOPMENT DEPARTMENT  
BUILDING & SAFETY DIVISION

11111 Brookshire Avenue | Downey, CA 90241 | (562) 904-7142



industrial projects. Projects reviewed include single-family residences over 4000 square feet and with multiple accessory structures throughout the properties (agriculture worker facilities, cabanas, guest houses).

### CONSULTANT SERVICES

Plan Review

### CONTRACT PERIOD

2022 to Present

JAS Pacific provides **Plan Review** to the Building & Safety Division. We have performed reviews of single-family residences, mixed-use and multi-family projects, restaurants, retail, warehouses, and

10

## CITY OF LONG BEACH, CALIFORNIA

COMMUNITY DEVELOPMENT DEPARTMENT  
BUILDING & SAFETY DIVISION

330 West Ocean Blvd | Long Beach, CA 90802 | (562) 570-6921



all applicable building laws and providing expedited plan review services as needed. JAS Pacific has been contacted on numerous occasions to provide expert advice on various projects including the \$520,000,000 Civic Center Update.

### CONSULTANT SERVICES

Plan Check, Building Inspection, Permit Issuance, Code Enforcement

### CONTRACT PERIOD

2010 to Present

JAS Pacific currently provides **Plan Check and Inspection Services** to the City's Building and Safety Department including ensuring compliance with

# REFERENCES

CLIENT	CONTACT	SERVICES PROVIDED	PHONE NUMBER & MAILING ADDRESS
<b>CITY OF MANHATTAN BEACH</b> 2022 to Present	<b>Ryan Heise, PE</b> Building Official rheise@manhattanbeach.gov	<b>Plan Review</b>	<b>(310) 802-5544</b> 1400 Highland Ave Manhattan Beach, CA 90266
<b>CITY OF LONG BEACH</b> 2010 to Present	<b>Truong Huynh, PE, CBO</b> Deputy Director truong.huynh@longbeach.gov	<b>Plan Review</b> <b>Inspection</b>	<b>(562) 570-6593</b> 333 West Ocean Blvd. Long Beach, CA 90802
<b>COUNTY OF SANTA BARBARA</b> 1999 to Present	<b>Craig Johnson</b> Building Official johnsonc@countyofsb.org	<b>Plan Review</b> <b>Inspection</b> <b>Permit Issuance</b>	<b>(805) 568-3120</b> 123 East Anapamu St. Santa Barbara, CA 93101
<b>CITY OF PASADENA</b> 2010 to Present	<b>Jesse DeAnda</b> Building Official jdeanda@cityofpasadena.net	<b>Plan Review</b> <b>Inspection</b> <b>Code Adoption</b> <b>Permit Issuance</b>	<b>(323) 240-2758</b> 175 N. Garfield Ave. Pasadena, CA 91101
<b>CITY OF YORBA LINDA</b> 2013 to Present	<b>Jim Sowers</b> Building Official jsowers@yorbalindaca.gov	<b>Plan Review</b> <b>Inspection</b> <b>Code Adoption</b> <b>Permit Issuance</b>	<b>(714) 961-7120</b> 4845 Casa Loma Ave Yorba Linda, CA 92886

CLIENT	CONTACT	SERVICES PROVIDED	PHONE NUMBER & MAILING ADDRESS
<b>CITY OF SANTA MONICA</b> 2002 to Present	<b>Orville Sabado, PE</b> Supervising Plan Check Eng. orville.sabado@smgov.net	<b>Plan Review</b> <b>Building Official</b> <b>Inspection</b> <b>Code Enforcement</b> <b>Permit Issuance</b>	<b>(310) 458-6185</b> 1685 Main Street Santa Monica, CA 90401
<b>COUNTY OF LOS ANGELES</b> 1999 to Present	<b>Juan Madrigal, SE</b> Superintendent of Building juanmadrigal@dpw.lacounty.gov	<b>Plan Review</b> <b>Inspection</b> <b>Code Adoption</b> <b>Permit Issuance</b>	<b>(626) 458-6387</b> 900 S. Fremont Ave. Alhambra, CA 91803-1331
<b>CITY OF CULVER CITY</b> 2009 to Present	<b>Tim Koutsouros, PE, CBO</b> Building Official tim.koutsouros@culvercity.org	<b>Plan Review</b> <b>Inspection</b> <b>Building Official</b>	<b>(310) 253-5818</b> 9770 Culver Blvd. Culver City, CA 90232

# FINANCIAL RESPONSIBILITY



October 2, 2024

Carrie Hernandez  
Community Development Director, City of Brea  
1 Civic Center Circle,  
Brea, CA 92821

RE: JAS Pacific, Inc.

Dear Ms. Hernandez,

We are the accountants for Jason Addison Smith Consulting Services, Inc. d/b/a JAS Pacific, Inc. Management requested that we write to you with regards to the Company's financial stability.

As of December 31, 2023, JAS Pacific, Inc. has a net working capital in excess of \$2,500,000. In addition, during the last 3 years, JAS Pacific, Inc. had an average taxable income of approximately \$2,350,000. Based on that, in my professional judgment, I believe that JAS Pacific, Inc. is financially stable.

Please be advised that the figures above were not audited or reviewed by our firm. The working capital assessment is based on the financial information provided by management and the average taxable income is based on the tax returns prepared by our firm.

Should you have any questions, please feel free to call me at (714) 990-1040 ext. 178.

Sincerely,  
FRAZER, LLP

A handwritten signature in blue ink, appearing to read 'Ralph Lizardo', is written over a light blue horizontal line.

Ralph Lizardo  
Certified Public Accountant

cc: Jason Smith  
Rajesh Patel



## JAS PACIFIC DEMONSTRATED TECHNICAL ABILITY

JAS Pacific delivers all services in an adaptive, tailored, and responsive approach as clients' needs shape our service programs. Services are provided by trained, qualified, and experienced personnel from various disciplines including Registered Professional Engineers and Certified Plans Examiners. With a diverse team of in-house professionals, we provide a full breadth of experience in all levels of local government, our team possesses extensive accreditation and affiliation with numerous jurisdictions and industry-related organizations.

**OUR MISSION** is to ensure that the City of Brea will maintain its building standards throughout the community ensuring compliance and minimizing liability and risk factors. JAS Pacific will provide these services in a responsive, cost-effective manner, exceptional customer service to the City, its residents, businesses, and developers.

**ORGANIZATIONAL STRUCTURE** is strategically balanced with a diverse and select team. Our robust team of experts is led by licensed engineers who are held in the highest regard in the building and safety industry and their leadership is reflected in our team members.

## AFFILIATIONS

International Code Council  
California Building Officials  
International Association of  
Plumbing & Mechanical Officials  
International Association of  
Electrical Inspectors  
National Fire Protection Association  
Structural Engineers Association of California  
California Association of Code  
Enforcement Officers  
County Building Officials  
Association of California

- **Building Plan Review**
- **Fire Plan Review**
- **Inspection**
- **Permit Processing**
- **Code Adoption**
- **Building Official**
- **Accessibility-CASp**

# INNOVATIONS IN PLAN REVIEW AND INSPECTION SERVICES

In addition to our highly technical quality plan review services, JAS Pacific would like to share our suggestions for technical and procedural innovations which have been successful in engagement and implementation in other jurisdictions.

## SEISMIC RETROFIT

JAS Pacific staff have implemented and conducted seismic retrofit programs for jurisdictions in California. JAS Pacific President Mr. Raj Patel, during this tenure as Building Official for the City of Beverly Hills, initiated a Soft-Story Seismic Retrofit Program for the city's vulnerable soft-story apartment buildings. His development of the program included technical research, initiation of several community meetings, and close correspondence with the City Manager and City Council before successful passage of the ordinance, and a high completion rate of Soft-Story buildings in Beverly Hills.

JAS Pacific Senior Vice-President Mr. Ron Takiguchi initiated and implemented a comprehensive seismic retrofit program while he was Building Official for the City of Santa Monica. This included a mandatory seismic retrofit for all vulnerable building types including Soft-Story Buildings, Non-Ductile Concrete Buildings, and the Nation's First Mandatory Seismic Retrofit of Steel-Moment Frame Buildings. Related to this experience, Mr. Takiguchi authored a paper entitled "City of Santa Monica: Successful Implementation of Smaller Community Resilience" that was published and presented at the Earthquake Engineering Research Institute's 2018 - 11th U.S. National Conference on Earthquake Engineering Conference. JAS Pacific can work with staff at Brea to advise, develop and initiate such programs.

## REACH CODES / ZERO NET ENERGY

During his tenure as Building Official for the City of Santa Monica, Mr. Ron Takiguchi – while working with the Planning Department and Office of Sustainability and the Environment of Santa Monica developed a mandatory Zero Net Energy (ZNE) Code for new single-family dwellings – the third such ordinance to be implemented in the State of California. The basis for ZNE achievement was mandatory installation of a solar photovoltaic system and other measures – years prior to the California Energy Commission's requirement of solar augmentation. JAS Pacific can work with Brea's Department of Planning and Development for similarly related programs

## BUILDING ELECTRIFICATION

Prior to the ruling of the United States Supreme Court to restrict banning of natural gas in buildings, Ron Takiguchi, during his tenure as Building Official for the City of Pasadena developed a mandatory Building Electrification Program for new commercial and multi-family buildings. Pasadena's Building Electrification Program provided several exceptions to the mandate while seeking health and environmental benefits of reduced fossil fuels in buildings. JAS Pacific can develop similar programs for greater health in building occupancy, and greater benefit to the environment.

## ACCESSIBILITY ASSESSMENT

JAS Pacific can provide California Access Specialists (CASP) certified inspections and plan reviews with staff knowledgeable about the requirements of Accessibility requirements of the California Building Code for both commercial and residential facilities. Our staff can perform these duties and are available to City staff for further clarification on various issues that arise with implementation..

## GREEN BUILDING - SUSTAINABLE PRACTICES

The process of State Building Code adoption provides an advanced look at developing and proposing codes and standards. Included in this process are the Workgroups of various State Agencies and the Code Advisory Committees of the California Building Standards Commission. Ron Takiguchi, member of the Green Building Code Advisory Committee – since the inception of the CALGreen Code – has an advanced look of proposed standards that are publicly discussed and approved for the next building code cycle. Being at the development forefront, Ron Takiguchi and JAS Pacific can advise the City of Brea on measures in anticipation of development and building standards, and can advise on City amendments to the CALGreen Code – and California Energy Code.

## ADAPTIVE REUSE - BUILDING RE-OCCUPANCY

JAS Pacific's team of code experts, and team members that participate in code development at the national and state levels can advise the City of Brea on policies to allow Adaptive ReUse and Re-Occupancy of Buildings while maintaining safety and compliant occupancy. As housing needs become more critical, the need for application and understanding of code allowances become key factors in allowing commercial buildings in being converted to housing dwelling units. Mr. Bob Latz was involved in several Adaptive reuse projects during his tenure as contract Building Official for the City of Sacramento.

## TRAINING AND CERTIFICATION

JAS Pacific is committed to the continuous education of all staff through both in-house and external training. Mr. Raj Patel, Mr. Stuart Tom, and Mr. Ron Takiguchi are experienced instructors and have provided training to various clients on the building and other codes and regulations. Mr. Patel's area of instruction includes building administration, budget & finance, plumbing, mechanical, green building, energy, and residential fire-sprinkler systems topics. Mr. Tom's area of instruction includes the California Building, Residential and Fire Codes, emergency response, fire codes, and other related topics. Mr. Ron Takiguchi is an experienced trainer and lecturer on the California Electrical Code. He is an adjunct faculty member at UCLA's Extension Program where he instructs a course in Construction Management. These JAS Pacific Team Members are available for training at the City's request.

## BUILDING CODE ADOPTION

At the request of the City, JAS Pacific can perform research on the City's Municipal Code and provide draft documents for review by the City Attorney and other responsible departments for the adoption of the codes, along with any desired City amendments to these codes. Once these documents are approved, JAS Pacific can help schedule the required hearings before the City Council, testify before the City Council, and answer questions regarding proposed amendments. Each of JAS Pacific's Executive Team members have extensive experience in the area of code adoption and can assist the City in future local adoptions.

## **PRE-SUBMITTAL MEETINGS**

JAS Pacific can avail ourselves to Pre-Submittal Meetings with developers, design professionals and City staff prior to plan review. In such meetings, we can answer questions on building and fire code requirements and discuss project feasibility. Our Executive Management Team members have all initiated and participated in such Pre-Submittal Meetings leading to more streamlined reviews and better compliance with building and fire codes, as well as meeting development and entitlement conditions. We can conduct such meetings with City staff – starting with Planning & Zoning, or in an all-Departmental approach, prior and during meetings with the developer.

## **ORDINANCE DEVELOPMENT**

Similar to JAS Pacific's Executive Team's development of Building Electrification, Seismic Retrofit, and other City special programs – JAS Pacific can develop building and fire code related ordinances for the City of Brea. Our ordinance development would include discussion with City staff, the Department Director, research, drafting of an ordinance, meeting with City Attorney staff, drafting of the City Council Staff Report, and presentation of the ordinance to community groups, Commissions and the City Council.

# PROPOSED STAFF



**RON TAKIGUCHI PE, CBO**

Project Manager

**BRYAN SPAIN PE, CASP**

Plan Check Manager

## **\*BUILDING**

Scott Martini | PE  
Paul Christman | MCP, CBO  
Steve Ewing | PE  
Arsanious Hanna | PE  
Joshua Hussey | PE  
Randy Kina | PE  
Mike Lapraik | SE FPE CASp  
Marcell McElroy  
Jeff Nespor | PE CASp, CBO  
Ernesto Pedroza | EIT  
Frank Rojas  
Peter Tung | PE  
Mike Midstokke | CASp, CBO

## **\*SPECIALITY**

Elie Maalouf | PE  
Granaz Movahed | PE  
Henry Pio | PE

## **\*FIRE**

James Carver  
Mike LaPraik | FPE  
Foster McLean  
Mike Visnagra | FPE

## **\*GRADING**

Chris Chew | PE  
Joshua Hussey | PE  
Amy Milanes | PE

## **\*BUILDING INSPECTIONS**

Josh Elliot | Sr Building Inspector  
Rodney Parham | Sr Building Inspector  
Mike Butterfield | Building Inspector

## **\*PERMIT TECHNICIANS**

Linda Guzman | Sr Permit Technician  
Lara Alhaddad | Sr Permit Technician  
Melanie Kent | Virtual Permit Technician

# PROJECT MANAGER

JAS Pacific is ready to provide highly skilled staff for **Building Division Services** to the City of Brea, equipped to handle both current and future increased workloads. Our team offers an immediate, timely, and reliable workforce capable of serving the diverse communities throughout the City. With a unique blend of code expertise and exceptional customer service skills, JAS Pacific's team consistently exceeds service expectations throughout the duration of the contract. Each team member's registration or certification is precisely aligned with their primary job function, ensuring the City receives the best possible fit for its needs.

## **JAS PACIFIC PROPOSES TO ASSIGN **RON TAKIGUCHI** AS THE **PROJECT MANAGER** AND PRIMARY CONTACT TO THE CITY OF BREA.**

Mr. Takiguchi, Senior Vice-President of JAS Pacific, brings extensive experience in Building Division Services. Most recently, he served as Regional Manager for contractual jurisdictions in the southern California region. This includes his extensive years of service as Chief Building Official for the cities of Santa Monica, Burbank, and Pasadena. He is an expert in building codes and standards including engineering applications. Mr. Takiguchi is a Registered Electrical Engineer in California. He currently serves as the chair of the California Building Standards Commission's Plumbing, Electrical, Mechanical, and Energy Code Advisory Committee and is a long-standing member of the Green Building Code Advisory Committee. Mr. Takiguchi is an adjunct professor at the University of California Los Angeles Extension Program in the Civil and Environmental Engineering – Construction Management Program.

**Mr. Takiguchi's contact information is:**

**Ron Takiguchi, PE, CBO**  
**Sr. Vice-President**

201 N. Euclid Ave. Suite A  
Upland, CA 91786

Office: 800.818.3677

Cell: 310.844.5885

[ron.takiguchi@jaspacific.com](mailto:ron.takiguchi@jaspacific.com)

# UNDERSTANDING SCOPE OF WORK

JAS Pacific prides itself on the delivery of excellent Building and Safety Division Services. Our customer service strategy begins with having our Executive Team, Project Manager, and assigned staff conveniently available to City staff and customers. We are available to meet with design professionals prior to application submittal to address code compliance challenges, requests for alternate means and methods, and facilitate coordination between internal and external Public Agencies. Our experience as public sector building officials and knowledge of building department administration and the intent of the building codes, allow us to be proactive in identifying and resolving issues related to code compliance and constructability. Our goal is to deliver quality service and meet the timeliness goals of the city.

## ADDITIONAL AREAS OF EXPERTISE REQUIRED TO MEET SPECIALIZED LOCAL CONDITIONS IN THE CITY OF BREA:

- **SEISMIC HAZARDS** JAS Pacific has extensive experience in reviewing and inspecting construction for enhanced seismic safety. Our staff is well-versed in the seismic safety code provisions developed by the Structural Engineers Association of Southern California, which have been adopted by the City of Brea.
- **METHANE HAZARDS** JAS Pacific is knowledgeable in methane mitigation measures, including those outlined in the City's Combustible Soil Gas Guidelines. Our staff reviews and inspects methane mitigation efforts in various communities with oil field development, including Yorba Linda, Los Angeles County, and Long Beach.
- **HIGH HAZARD FIRE ZONE** JAS Pacific staff fully understands the State's Fuel Modification requirements and the additional scope of fire sprinkler ordinances adopted by the City of Brea.
- **PERMITTING SYSTEMS** JAS Pacific's Permit Technicians are familiar with multiple permitting systems, including Accela. This expertise allows them to efficiently read, interpret, and input permit data as needed.

## EXPERIENCE WITH PROJECTS PROPOSED FOR DEVELOPMENT IN THE CITY OF BREA:

- **WAREHOUSE FACILITIES** JAS Pacific has completed numerous reviews of large, automated warehouse facilities throughout the State. Our staff is able to assist the design team with complexities such as the new green building requirements for carbon reduction and Electric Vehicle charging for loading and parking areas.
- **RESIDENTIAL HOUSING** JAS has experience in fast-tracking of production housing, affordable housing developments, and adaptive reuse in the County of Los Angeles, County of Santa Barbara, and Culver City. We have extensive experience in reviewing midrise apartment/townhome projects in cities such as Pasadena, Burbank, and Manhattan Beach.
- **MIXED USE PROJECTS** JAS has reviewed a variety of mixed-use projects including mall expansions, new entertainment complexes, and redevelopment involving professional offices, restaurants, retail, and medical.

## **D. TECHNICAL SECTION**





# APPROACH

Acting on behalf of the City of Brea, JAS Pacific will provide superior levels of customer service, consistent code application, and develop seamless working relationships with City staff. Partnering with JAS Pacific will provide the City with a cost-effective alternative to a fully internally staffed department and allow the City to focus on other critical municipal matters. JAS Pacific will perform applicable functions as an extension of City staff and will follow all City procedures and directives. JAS Pacific understands the importance of excellent customer service not only to the City but to the clients we serve. JAS Pacific will support the City in attaining its goal of providing timely, efficient, and effective services.



## PERSONNEL

Superior Level of Service



## EXPERTISE

Consistent Code Application



## STAFFING RESOURCES

Flexibility to Meet Various Levels of Demand



## CONTRACT COSTS

Expenses are Consistent with Revenues

**ASSIGNED PERSONNEL WILL PROVIDE BUILDING DIVISION SUPPORT SERVICES ENSURING COMPLIANCE WITH THE CITY'S MOST RECENT ADOPTED BUILDING STANDARDS, ENERGY EFFICIENCY STANDARDS, ACCESSIBILITY AND LOCAL ORDINANCES, INCLUDING:**

- California Building Code
- California Residential Code
- California Electrical Code
- California Mechanical Code
- California Plumbing Code
- California Energy Code
- California Fire Code
- California Existing Building Code
- California Historical Building Code
- California Green Building Standards Code
- City of Brea Municipal Code

# COMMUNICATION

JAS Pacific believes that effective communication at all levels is a key component of our partnership with the City. Our staff is trained to understand the importance of establishing and maintaining professional working relationships with the City. Staff can attend meetings and respond to inquiries by the City, applicants, or other stakeholders typically within 24 hours. Our general approach to ensuring this includes:

- **PROJECT MANAGER** The Project Manager oversees Plan Review & related services provided to the City, maintaining close liaison with City staff and our assigned team. This ensures overall satisfaction and a clear understanding of outstanding assignments. The Project Manager also manages the assignment of all projects to ensure a balanced and manageable workload.
- **ASSIGNED STAFF** All assigned staff possess the interpersonal skills needed for successful and productive working relationships. They maintain open and ongoing communication with City staff, applicants, officials, and other stakeholders collaborating to ensure customer satisfaction. Staff report to the Project Manager regularly to ensure all expectations and deadlines are met.
- **MANAGEMENT** Our management team is available to provide the City with all the necessary support to meet staffing, reporting, and accounting needs.

## AVAILABILITY TO THE PUBLIC | MEETINGS

JAS Pacific can be available to City staff and applicants to ensure an efficient plan review process is achieved and to maintain communication. Meetings – At the request of the City, JAS Pacific can be present for necessary meetings, including but not limited to, project pre-submittal, during the plan review process, and after permit issuance. These meetings may take place at City facilities, via teleconference (Zoom or Teams) or phone calls/emails.

## REPORTING

JAS Pacific will provide detailed reports at the frequency desired by the City. The software systems we utilize allow for custom reports to be prepared with as much or as little detail, including but not limited to, projects reviewed within a defined timeframe along with the status, assigned plan review engineer, contact information, date received, and date returned. These reports can be prepared in an Excel or PDF format and provided as frequently as needed.

# PLAN REVIEW

JAS Pacific shall provide the City with plan review services by utilizing Registered Engineers and certified Plans Examiners as needed. All assigned personnel shall meet all required qualifications, education, and certification/licensing as applicable for the field they will be working in. Additionally, all assigned personnel possess the requisite skills and experience required to perform multi-disciplinary plan checks as detailed below.

## PROJECT FILE CREATED

A project file is created in our cloud-based Workflow system with all of the appropriate project information including address, permit number, date the project was received, completion due date, and the assigned team members.

## PROJECT ASSIGNMENT

Once a project is received, it is evaluated to determine complexity based on type (residential/commercial/industrial), square footage, number of stories, type of construction, etc. Then, the project is assigned to a plan check engineer and the review begins. The project will remain with the assigned plan check team for the duration of the project.



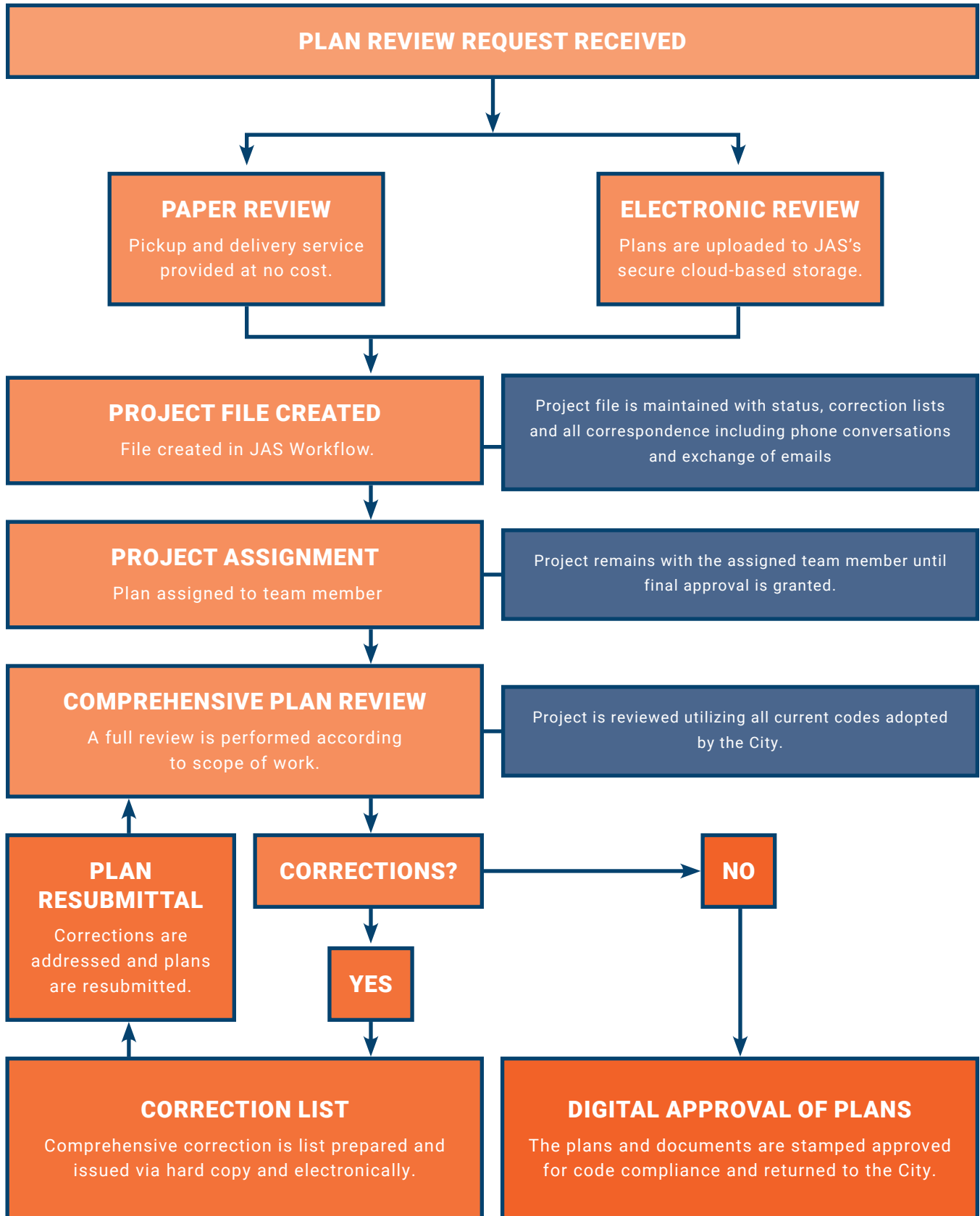
## COMPREHENSIVE REVIEW (CORRECTIONS & APPROVALS)

A review is conducted by our qualified plan check team, a correction list is prepared to identify the items that need correction and this list is provided to the City in a digital format. If/when a third review is necessary, JAS Pacific plan review team members will reach out to the applicant to clarify any potential outstanding corrections. To ensure new plan check corrections are not generated on supplemental reviews, the project will be reviewed by the team member originally assigned to the project. In the event supplemental comments are necessary JAS Pacific will notify the City and the applicant immediately.

## DIGITAL APPROVAL OF PLANS

Once plans are found to be acceptable and upon direction by the City of Brea, JAS Pacific can stamp "APPROVED" upon each sheet of the digital plan files and the cover sheets of related documents for use and permit issuance by the city.

# PLAN REVIEW FLOWCHART



## SERVICE GOALS

TYPE	1ST REVIEW	SUBSEQUENT REVIEWS
<b>Residential</b>		
Residential Addition/Remodel	10 Working Days	5 Working Days
Accessory Dwelling Unit	7 Working Days	5 Working Days
New Single Family Dwelling	10 Working Days	5 Working Days
New Duplex Dwelling	10 Working Days	5 Working Days
New Multifamily Dwelling	15 Working Days	10 Working Days
<b>Non-Residential</b>		
New Multi-Occupancy	10 Working Days	5 Working Days
Structural Tenant Improvements	10 Working Days	5 Working Days
Minor Tenant Improvement	10 Working Days	5 Working Days
New Commercial/Industrial	20 Working Days	15 Working Days
<b>Miscellaneous</b>		
Seismic Retrofit	10 Working Days	5 Working Days
Telecommunication Facilities	5 Working Days	3 Working Days
Shoring	10 Working Days	5 Working Days
Sign	5 Working Days	3 Working Days
MEP (separate submittal)	10 Working Days	5 Working Days
Grading (separate submittal)	10 Working Days	5 Working Days
Walls, Decks, Misc. Structures	10 Working Days	5 Working Days

### FOOTNOTES/NOTES:

Above time frames are for most average projects; larger/complex projects may take longer and will be negotiated with the Building Official. Expedite plan check services are available upon the City's request, reducing the timeframe by up to 50% for an additional fee, while maintaining the same quality review.

# PROPOSED SCHEDULE UPON AWARD

JAS Pacific is committed to a smooth transition for the City, staff, and the clients we serve. Below our approach to the transition is mapped out and can be modified to best meet the City’s needs. We find the most important step in the transition is the Kick-Off Meeting. It is here that all expectations are exceeded, and questions are clarified.

<b>EXECUTION OF SERVICE AGREEMENTS</b>	JAS and the City of Brea agree to terms, service agreements are approved by the City and fully executed.
<b>KICK-OFF MEETING</b>	A meeting is held to identify any special requirements within the City’s ordinances, allow the City to demonstrate service expectations and hold administrative staff introductions.
<b>CITY APPROVES STAFF</b>	The City will have full discretion over all JAS team members providing Building & Safety services. Our staff can be present for an interview.
<b>SERVICES COMMENCE</b>	JAS Pacific will start providing quality Building Division Services that we expect will exceed the expectations of the City.
<b>REPORT CARD</b>	JAS will initiate follow ups with the City to ensure services provided are exceeding expectations.

## **E. COST SECTION**

# PRICING

DESCRIPTION OF SERVICE	HOURLY RATE (*UNLESS NOTED AS PERCENTAGE)	
Complete Building Plan Review	60% of Total Plan Check Fees	
Structural Plan Review Only	35% of Total Plan Check Fees	
Principal Engineer	\$185.00 / Hour	
Certified Building Official	\$160.00 / Hour	
Licensed Structural Engineer (Building Plan Check)	\$165.00 / Hour	
Licensed Professional Engineer (Civil, Electrical, & Mechanical)	\$150.00 / Hour	
Plans Examiner (Building, Electrical, Mechanical, & Grading Plan Check)	\$130.00 / Hour	
Licensed Civil Engineer (Grading Plan Check)	\$160.00 / Hour	
Licensed Geotechnical Engineer (Grading Foundation Plan Check)	\$170.00 / Hour	
Certified Access Specialist (Speciality CASp Plan Check)	\$160.00 / Hour	
Senior Building Inspector (Commercial, Large Res) (Building Inspection )	\$125.00 / Hour	
Combination Building Inspector (Building Inspection)	\$115.00 / Hour	
Speciality Inspector (Mech, Elect, Plumbing) (Building Inspection)	\$125.00 / Hour	



DESCRIPTION OF SERVICE	HOURLY RATE (*UNLESS NOTED AS PERCENTAGE)
<b>On-Site Certified Permit Technician</b>	\$95.00 / Hour
<b>Remote Certified Permit Technician</b>	\$80.00 / Hour
<b>Admin / Permit Specialist</b>	\$75.00 / Hour
<b>Fire Protection Engineer</b>	\$180.00 / Hour
<b>Fire Marshal</b>	\$140.00 / Hour
<b>Certified Fire Plans Examiner</b>	\$130.00 / Hour
<b>Senior Fire Inspector</b>	\$140.00 / Hour

## COST FOOTNOTES/NOTES:

\*All Building/Discipline Plan Check Services may be expedited subject to mutually acceptable terms with the City or City Customer for a minimum **cost of 1.5 times the specified rate.**



All percentage/hourly rates specified include (non-prevailing wage) salaries, insurance, benefits, local commute, normal administration assistance for transporting/logging/tracking/returning plans and documents, and standard office expenses (not including Certified Access Specialist - CASp expenses if required).

Should additional Administrative Services be requested which exceed the normal plan processing tasks, JAS may charge additional hourly Admin rates subject to approval by the City Building Official / Community Development Director.

Services rendered outside normal business hours Monday through Friday 8:00am - 5:00pm, including weekend and holidays will be billed at either 1.5x or 2x the hourly rate as applicable.

Payment Terms are 30 days from receipt of Invoice, unless previously agreed upon.

Specified JAS rates are **subject to increase each subsequent fiscal year on July 1st, based upon the Consumer Price Index (CPI) as applicable for this region.**

## **F. FORMS SECTION**



**REQUEST FOR PROPOSALS**  
As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

**STANDARD FORM A**

**NON-COLLUSION AFFIDAVIT FORM**

Note: To be executed by Proposer and submitted with Proposal.

State of California  
(the State of the place of business)  
County of San Bernardino County  
(the County of the place of business)  
Rajesh Patel, being first duly sworn, deposes and  
(name of the person signing this form)  
says that he/she is President of  
(title of the person signing this form)  
Jason Addison Smith Consulting dba JAS Pacific, the party making the foregoing  
proposal (name of proposing company)

that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the PROPOSER has not directly or indirectly induced or solicited any other proposer to put in a false or sham proposal; that the PROPOSER has not directly or indirectly colluded, conspired, connived, or agreed with any proposer or anyone else to put in a sham proposal, or to refrain from proposing; that the PROPOSER has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the PROPOSER or any other proposer, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other proposer; that all statements contained in the proposal are true; and, the PROPOSER has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, depository, or to any member or agent thereof, to effectuate a collusive or sham proposal, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a PROPOSER that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that they have full power to execute, and does execute, this declaration on behalf of the PROPOSER.

I declare under penalty of perjury under the Laws of the State of California that the foregoing is true and correct and that this declaration is executed as set forth.

Signature:   
Name/Title Date: Rajesh Patel | President | 10/17/24

Notary is not required for this proposal.

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM B REFERENCES FORM

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

Provide current business references for whom your company has provided similar services.  
Provide very brief description of the Project services your company provided to the reference.  
**Any unsatisfactory references or past unsatisfactory work performance with City may eliminate Proposer from further consideration (Brea City Code Sec. 3.24.020.M)**

1. Company Name		County of Los Angeles
Address, City, State, Zip		900 S. Fremont Ave. Alhambra, CA 91803
Contact's Name & Title		Juan Madrigal I Superintendent of Building
Contact's Phone #		(626) 458-6387
Contact's Email		juanmadrigal@dpw.lacounty.gov
Project		Plan Check, On-Call Inspection, Permit Tech & Related Services
Completion Date & Value		November 2026, \$18,750,000
2. Company Name		City of Manhattan Beach
Address, City, State, Zip		1400 Highland Ave. Manhattan Beach, CA 90266
Contact's Name & Title		Ryan Heise I Building Official
Contact's Phone #		(310) 802-5544
Contact's Email		rheise@manhattanbeach.gov
Project		Building & Safety Services
Completion Date & Value		July 2026, \$650,000
3. Company Name		City of Long Beach
Address, City, State, Zip		333 West Ocean Blvd. Long Beach, CA 90802
Contact's Name & Title		Truong Huynh I Building Official
Contact's Phone #		(562) 570-6593
Contact's Email		truong.huynh@longbeach.gov
Project		As-Needed Plan Review and Inspection
Completion Date & Value		October 2026, \$ 1,185,000
4. Company Name		City of Pasadena
Address, City, State, Zip		175 N. Garfield Ave. Pasadena, CA 91101
Contact's Name & Title		Jessie DeAnda I Building Official
Contact's Phone #		(323) 240-2758
Contact's Email		jdeanda@cityofpasadena.net
Project		Building Plan Review / Inspection Services
Completion Date & Value		May 2025, \$450,000

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM C SUBCONTRACTORS LIST-STANDARD FORM

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

Provide the information requested below. Duplicate this form as necessary to complete list.

☒ Check this box, *if no subcontractors* are to be used for any of the proposed work.

1. Company Name		
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		
2. Company		
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		
3. Company		
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM D

#### STATEMENT OF COMPLIANCE OR EXCEPTIONS FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation.

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

**Select one:**

☒ **No Exceptions**

By checking the above box, Proposer declares their Proposal was prepared in strict compliance with the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement.

☐ **With Exceptions**

By checking the above box, Proposer declares their Proposal was prepared in consideration of but with exceptions to one or more of the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement, in which case **Proposer must provide a detailed list for all such exceptions in the following format.**

Section Page #	Term, Condition, Specification	Exception & Benefit to City	City A or D
-------------------	--------------------------------	-----------------------------	----------------

Proposer acknowledges that City may accept or reject any or all of Proposer's listed exceptions or reject the Proposer's entire Proposal that contain any exceptions.

Signature:



Name/Title Date:

Rajesh Patel | President | 10/17/24

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM E

#### STATUS OF PAST AND PRESENT CONTRACTS FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation. As used in this form, "Proposer" means Proposer or any 10% or greater owner of the proposing company; "Contract Termination" means termination for cause by any other party to a contract with the Proposer; "Settlement" means settlement of any claim or lawsuit brought against Proposer in connection with Proposer's services; and, "Legal Action" means any lawsuit alleging fraud, breach or any other misconduct by, or filed against, Proposer.

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)



**No Contract Terminations, Settlements, or Legal Actions**

By checking the above box, Proposer declares that the Proposer has not had any Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder and currently does not have any pending Contract Terminations, Settlements, or Legal Actions.



**One or More Contract Terminations, Settlements, or Legal Actions**

By checking the above box, Proposer declares that the Proposer has had either one or more Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder in which case, **Proposer must provide a list for all such contracts** and include: Contract Title, Contract Value, Termination Date, Company Name, Contact Name, Phone Number, and Reasons for and descriptions of the Terminations, Settlements, or Legal Actions.

The Proposer acknowledges that City may: reject any declarations that are not accompanied with the required documentation as described above; or reject any Proposals wherein Proposer has had any Terminations, Settlements, or Legal Actions that City in its sole discretion deems unacceptable.

Signature:



Name/Title Date:

Rajesh Patel | President | 10/17/24

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM F

#### INSURANCE COMMITMENT FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation.

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

***Proposer acknowledges that:***

City reserves the right to modify the insurance requirements as set for in the Insurance Requirements section of the Agreement including limits, based on nature of the risk, prior experience, insurer, coverage, or other special circumstances.

City's acceptance and/or approval of the proposer's insurance documents does not and shall not be construed to relieve proposer of any obligations, responsibilities or liabilities under any resultant Contract.

Proposer's failure to comply with the required insurance as set forth in the Insurance Requirements of the Agreement is a breach of contract, which may result in one or more of the following: suspension of work, suspension or termination of contract, remuneration of procurement costs for obtaining a replacement contractor, and suspension from submitting future proposal based on proposer's default.

***Proposer, at Proposer's sole cost and expense, hereby promises and agrees to:***

Acquire required insurance set forth in the Insurance Requirements of the Agreement.

Provide policies of insurance from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California prior to commencing any work and allowing any subcontractor to commence work on any subcontract until it has secured all required insurance unless otherwise permitted or waived in writing by City's Risk Manager.

Maintain in force at all times during the term of any Contract, insurance policies as set forth in the Insurance Requirements of the Agreement; replace any policies whose carrier's rating falls below A VII with policies that meet or better the required A VII rating no later than the renewal date of the policy; amend, supplement, or endorse existing insurance policies that do not meet the insurance requirements set forth in the Insurance Requirements.

Proposer certifies, represents, and commits to all the Insurance Requirements of the Agreement.

Signature:



Name/Title Date:

Rajesh Patel | President | 10/17/24



## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM G PROPOSER QUALIFICATIONS RESPONSE FORM

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

Proposers must have demonstrated trustworthiness, as well as the necessary quality, fitness, capacity, and experience to satisfactorily provide the requirements specified in this Solicitation based on prior experience with city, references, and other available information.

Provide the information requested below. Do not omit or renumber any sections. All items listed must be submitted and checked off to ensure qualification responsiveness.

#### 1. Background.

Please provide the following information about your company:

- ☒ Your company's full legal name, address, phone, fax, email, website.
- ☒ Prior company names (if any) and years in business; mergers, buyouts, etc.
- ☒ Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).
- ☒ Names and titles of the principal owner(s).
- ☒ Person(s) authorized to make commitments for your company.
- ☒ Special recognition or awards.

#### 2. Experience.

Provide the following information relative to required services:

- ☒ Summary of Experience with similar kinds of work.
- ☒ Familiarity with state and federal procedures.
- ☒ Experience working with public agencies.
- ☒ Narrative of the working relationship with current business references for information not already included in the References Form.

#### 3. Qualifications.

Provide the following information relative to required services:

- ☒ Financial responsibility.
- ☒ Demonstrated Technical Ability.
- ☒ Capability of developing innovative or advanced techniques.
- ☒ Special qualifications, training, credentials.
- ☒ Staff names, titles, role, qualifications, and experience assigned to this Project.

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

☒ Designated project manager assigned to this Project.

#### 4. Understanding.

Provide the following information relative to required services:

- ☒ Understanding of the work to be done based on this Solicitation.
- ☒ Include issues that you believe will require special consideration for this Project.
- ☒ Identify unique approaches or strengths your company has relative to required services.

#### 5. Approach.

Provide the following information relative to required services:

- ☒ Understanding of the work to be done.
- ☒ Adequacy of labor and resources to satisfactorily perform the requested services and meet the City's needs.
- ☒ Names and titles of key management personnel.
- ☒ Team to be assigned for these services.

Submitted by:

Signature:



Name/Title Date:

Rajesh Patel | President | 10/17/24

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM H FIRM PROPOSAL FORM

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

#### FIRM PROPOSAL made by Proposer to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Proposal on behalf of and to bind the principals who I represent, to all the requirements of the City of Brea's Terms and Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in the Proposal Form.

Further, I understand that no contract exists unless City accepts this Proposal by executing the attached Agreement.

Business Name: Jason Addison Smith Consulting dba JAS Pacific

Business Address: 201 North Euclid Ave. Upland, CA 91786

Federal ID#: 330604465

If any Work is a Public Works Contractor Lic#: \_\_\_\_\_ DIR#: \_\_\_\_\_

Business Type: 3  
(Proposer enter a number)

1. Individual/Sole Proprietor or Single-Member LLC; 2. C Corporation;  
3. Corporation; 4. Partnership; 5. Trust/Estate; 6. Limited Liability Co.

By: 

Name: **Rajesh Patel**

Title: **President**

Email: **raj@jaspacific.com**

Date Signed: **October 17, 2024**

CORPs: Chairperson, President, Vice President

LLCs Manager

By: \_\_\_\_\_

Name:

Title:

Email:

Date Signed: \_\_\_\_\_

CORPs: Secretary, Assist. Secretary, Chief Finance

Officer, Assist. Treasurer

LLCs: Manager

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

[Pursuant to California Corporations Code Section 17703.01(d), for limited liability companies, both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM I PRICE FORM

Jason Addison Smith Consulting dba JAS Pacific

(Proposer's Company Name)

Separate and describe your tasks, and associated costs, for the Scope of Services requirements. Attach additional pages if necessary.

Please note that pricing Must Be All-Inclusive. ***EACH PROPOSAL MUST BE INCLUSIVE OF ALL COSTS TO PERFORM THE REQUIRED SERVICES.*** Any and all costs of labor, transportation, materials, software, equipment, proprietary licenses, and any and all other fees, costs, taxes, insurance, and expenses necessary to comply with the requirements of this RFP and to provide the Services, must be included in the proposal price.

Tasks	Description	Rate
1	Complete Building Plan Review	\$ 60% of Total Plan Check Fees
2	Structural Plan Review Only	\$ 60% of Total Plan Check Fees
3	Principal Engineer	\$ 185.00 / Hour
4	Certified Building Official	\$ 160.00 / Hour
5	Licensed Structural Engineer (Building Plan Check)	\$ 165.00 / Hour
6	Licensed Professional Engineer (Civil, Electrical, & Mechanical)	\$ 150.00 / Hour
7	Plans Examiner (Building, Electrical, Mechanical, & Grading Plan Check)	\$ 130.00 / Hour
8	Licensed Civil Engineer (Grading Plan Check)	\$ 160.00 / Hour
9	Licensed Geotechnical Engineer (Grading Foundation Plan Check)	\$ 170.00 / Hour
10	Certified Access Specialist (Speciality CASp Plan Check)	\$ 160.00 / Hour
	Proposal Total Costs (add above lines)	\$

Additional comments/remarks:

Senior Building Inspector (Commercial, Large Res) (Building Inspection)	\$125.00 / Hour
Combination Building Inspector (Building Inspection)	\$115.00 / Hour
Speciality Inspector (Mech, Elect, Plumbing) (Building Inspection)	\$125.00 / Hour
On-Site Certified Permit Technician	\$95.00 / Hour
Remote Certified Permit Technician	\$85.00 / Hour
Admin / Permit Specialist	\$75.00 / Hour
Fire Protection Engineer	\$180.00 / Hour
Fire Marshal	\$140.00 / Hour
Certified Fire Plans Examiner	\$130.00 / Hour
Senior Fire Inspector	\$140.00 / Hour



Building Your Solutions

**JAS PACIFIC**

201 N. Euclid Avenue, Suite A • Upland, CA 91786

800.818.3677 • [jaspacific.com](http://jaspacific.com)



PROPOSAL TO THE

# City of Brea

FOR

## AS-NEEDED BUILDING INSPECTION, PLAN CHECK AND PERMIT TECHNICIAN SERVICES

RFP NO. 2024.09.26.01

October 17, 2024



3707 W. Garden Grove Blvd. # 100  
Orange, CA 92868

714.568.1010 phone  
714.568.1028 fax

[www.csgegr.com](http://www.csgegr.com)



Employee-Owned

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# Letter of Transmittal

SECTION

iii

October 17, 2024

Jason Killebrew  
Community Development Director  
1 Civic Center Circle  
Brea, CA 92821

**Subject: RFP 24.09.26.01 As-Needed Building Inspection, Plan Check and Permit Technician Services**

Dear Mr. Killebrew,

**CSG Consultants, Inc. (CSG)** would like to thank you for opportunity to submit our proposal for RFP 24.09.26.01 As-Needed Building Inspection, Plan Check and Permit Technician Services to the City of Brea (City). Having served the City currently, CSG looks forward to the prospect of renewing this successful relationship. We have assembled a talented and experienced team that possesses both the technical expertise and customer service skills to support the City's Building Division. To this work, our firm will bring:

- *a large and experienced on-call team committed to delivering thorough, accurate, and timely services;*
- *proven electronic plan submission, distribution, and plan review services as well as web-based status reporting;*
- *available on-site and off-site plan review services as-needed;*
- *specialized permit technician expertise; and*
- *available on-site and virtual inspection services*

CSG's building and safety staff are registered engineers and/or ICC certified, with additional qualifications including LEED, DSA, and CASp experience and certification. Our plan reviewers, building inspectors and permit technicians have a wide range of project experience, and many are cross-trained in multiple service levels, providing the City with efficient services and the ability to respond to its fluctuating needs.

For more than 33 years, CSG has worked solely for public agencies, providing a wide range of municipal services to over 250 public agencies across California. We serve as a seamless extension of municipal staff in delivery of our building department administration, plan review, inspection, code enforcement, planning, public works, and a host of additional services.

Our regional office is in Orange and we can be available for meetings at the City's offices when requested. I will serve as the primary contact for this contract, and my contact information is as follows:

**Khoa Duong, PE** | Vice President, Building Department  
3707 W. Garden Grove Boulevard, Suite 100, Orange, CA 92868  
714.568.1010 *phone* | 714.568.1028 *fax* | [khoa@csgengr.com](mailto:khoa@csgengr.com) *email*

Please feel free to contact me with any questions or comments you may have regarding our proposal. I have the authority to bind our company. This proposal is a firm and irrevocable proposal. We did receive Addendum No. 1. We look forward to the opportunity to continue to provide As-Needed Building Inspection, Plan Check and Permit Technician Services to the City of Brea.

Sincerely,



Khoa Duong, PE, Vice President  
Building Department





# Background

SECTION

1

## FIRM OVERVIEW

**CSG Consultants, Inc.** (CSG) is an employee-owned California company with its local office in Orange and headquarters in Foster City, CA. Additional support is available from our other offices in Sacramento, Pleasanton, San Jose, Newman, and Fresno. Founded in 1991, **CSG performs work solely for public agencies**, eliminating the potential for conflicts of interest between developers and agencies. In this way, we can focus exclusively on the specific needs of our municipal clients.

**COMPANY NAME:** CSG Consultants, Inc.

**ADDRESS, PHONE, FAX,** 3707 W. Garden Grove Boulevard, Suite 100, **Orange**, CA 92868 *address*

**EMAIL, WEBSITE:** (714) 568-1010 *phone* • (714) 568-1028 *fax*  
[csgstaff@csgengr.com](mailto:csgstaff@csgengr.com) *email* • [www.csgengr.com](http://www.csgengr.com) *website*

**YEARS IN BUSINESS:** No Prior Company Names, Mergers or Buyouts •  
33 Years in Business (since 1991)

**ORGANIZATIONAL STRUCTURE:** California Corporation • Incorporated June 15, 2000 • Federal ID: 91-2053749

**OWNERSHIP:** Employee-Owned by more than 350 employees

**AUTHORIZED PERSON:** Khoa Duong, PE | Vice President, Building Department  
(714) 568-1010 *office* • (714) 568-1028 *fax* • [khoa@csgengr.com](mailto:khoa@csgengr.com)

**HEADQUARTERS:** 550 Pilgrim Drive, **Foster City**, CA 94404  
(650) 522-2500 *phone* • (650) 522-2599 *fax*

**REGIONAL OFFICES:** 1303 J Street, #270, **Sacramento**, CA 95814  
(916) 492-2275 *phone* • (916) 492-2276 *fax*  
3875 Hopyard Road, Suite 141, **Pleasanton**, CA 94588  
(925) 931-0370 *phone* • (925) 931-0388 *fax*  
3150 Almaden Expressway, Suite 255, **San Jose**, CA 95118  
(408) 618-8300 *phone* • (408) 618-8310 *fax*  
930 Fresno Street, **Newman**, CA 95360  
(209) 862-9511 *phone* • (209) 862-1079 *fax*  
5151 N. Palm Avenue, Suite 530, **Fresno**, CA 93704  
(559) 819-8725 *phone* • (650) 522-2599 *fax*  
806 9th Street, Ste 2A, **Paso Robles**, CA 93446  
(805) 693-2670 *phone* • (650) 522-2599 *fax*

## STAFF COMPOSITION

The majority of the 350+ individuals within our firm have provided public agency services throughout their entire careers. Our talented personnel, having held positions within communities facing similar development concerns as the City, bring a wealth of ideas, experience, and solutions. Depending upon the needs of our clients, we can serve in either a project-specific or on-call staff augmentation capacity. CSG maintains the breadth and depth of experienced and licensed/certified staff necessary to support the City's needs. No subconsultants will be utilized for this contract.

Our multi-disciplined municipal services staff consists of the following types of professionals:

- ▶ *Building Plan Reviewers & Inspectors*
- ▶ *Fire Plan Reviewers & Inspectors*
- ▶ *Structural Engineers*
- ▶ *Plan Review Engineers*
- ▶ *Fire Protection Engineers*
- ▶ *Building Officials*
- ▶ *CASp Professionals*
- ▶ *Permit Technicians*
- ▶ *Planning Professionals*
- ▶ *Code Enforcement Officers*
- ▶ *Grading Improvement Plan Reviewers & Inspectors*
- ▶ *Civil Engineers*
- ▶ *Construction Managers*
- ▶ *Construction Inspectors*
- ▶ *Information Technology and GIS Professionals*
- ▶ *Sustainability Professionals*

## COMPREHENSIVE MUNICIPAL SERVICES

CSG provides a wide range of services to community development and public works departments, often seamlessly serving as an extension of agency staff. We are customer-centric and organized into the lines of business outlined below, each managed by highly experienced industry experts. Many of CSG's personnel serve more than one line of business, which improves the quality of customer service and results in high employee retention.



### PLANNING, ENVIRONMENTAL, AND SUSTAINABILITY

Staff Augmentation for Current and Advance Planning • Project Management Including Plan Amendments • CEQA Environmental Review • Energy Efficiency, Water Conservation, Solid Waste Program Development • AB32 Compliance/Climate Action Plan Development and Implementation • Greenhouse Gas Reduction Strategies • Grant Writing and Grant Management



### BUILDING AND FIRE LIFE SAFETY

Building Department Administration • Building Plan Review and Inspection • Fire Plan Review and Inspection • Structural Plan Review • OSHPD3 Review • CASp Assessment and Inspection • Public Facilities Assessment • LEED/Green Building Services • Code Compliance/Enforcement • Staff Augmentation



### PUBLIC WORKS ENGINEERING AND DESIGN

Capital Improvement Project Design: Transportation/Roadway, Water and Sewer Utilities, Traffic Engineering • Development Review/Plan Check • Surveying and Mapping • Stormwater Program Compliance (NPDES, QSP/QSD)



### CIP PROJECT AND PROGRAM MANAGEMENT

Capital Improvement Program Development and Implementation • Federal and State Grant Administration • Rule 20A Undergrounding • Staff Augmentation Including: Design Consultant Coordination, Projects Scoping, RFP Preparation



### CONSTRUCTION MANAGEMENT AND INSPECTION

Contract Administration Including: Resident Engineer Oversight, Inspection, and Construction Management • Constructibility/Bidability Reviews • Cost and Schedule Control • Claims Avoidance



### INFORMATION TECHNOLOGY

GreenVue Permitting Software • Digital Plan Review • Electronic Archiving • Web-Based Construction Management and Asset Management • Project Management • GIS and IT Support

## LITIGATION HISTORY

The following are the legal issues relevant to the City's requested services which have occurred in the past five years:

### **City of Half Moon Bay v. CSG Consultants, Inc. et al**

The City of Half Moon Bay filed this case against the City's contractor, the Contractor's bonding company, and CSG. This case arose out of faulty construction by a contractor who had gone bankrupt. The contractor was hired for construction of a segment of bike trail in Half Moon Bay, and the City alleged that there were defects in the construction of a walking trail. The case was settled with the City in April 2019 for \$200,000.

### **Stephen Estrella v. City of South San Francisco Code Enforcement, a Public Entity, et al**

A CSG employee was driving his personal vehicle and allegedly drove over Stephen Estrella's foot while the CSG employee was working for the City of South San Francisco. A claim was made against the CSG employee's auto insurance, and damages were paid. On November 24, 2020, a lawsuit was filed against the City of South San Francisco and CSG for the same incident. The case was settled for \$300,000 and closed on February 23, 2024.

## TERMINATION OF CONTRACT

During the past five years, CSG Consultants, Inc. has had no contracts that have ended or that are anticipated to end in a termination, settlement or legal action, as a result of default or failure to perform.

# Experience

SECTION

2

## SUMMARY OF EXPERIENCE

The following is a small sampling of projects for which members of CSG's proposed building team have provided Building and Safety services.

### Hilton Waterfront Beach Resort Expansion | City of Huntington Beach, CA

CSG's staff provided Building Plan Review and Inspection services for the expansion of the Hilton Waterfront Beach Resort. The expansion included a nine-story tower providing a total of 156 new guestrooms with appurtenant facilities. It also includes approximately 13,700 sq. ft. of meeting space, full-service business center, casual dining restaurant, combined grocery/gift store, secondary retail/recreational services store, children's club providing supervised play, health spa, and a fitness facility.

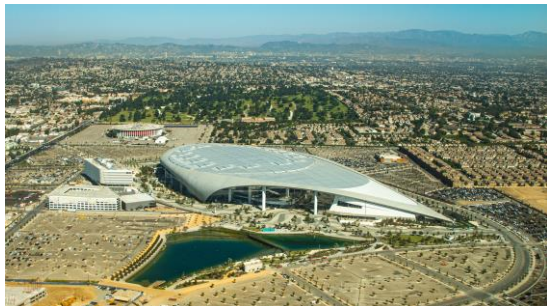


### Pacific City | City of Huntington Beach, CA

CSG performed building plan review and inspection for the Pacific City development in Huntington Beach. Pacific City rests on a 31-acre piece of land fronting Pacific Coast Highway across from the Huntington Beach Pier. The project includes: Paséa, a luxury oceanfront hotel & spa; The Residences at Pacific City, a 516 "beach-luxe" apartment home complex; a 191,000 sq. ft. area with outdoor shopping, a fitness/spa facility, and restaurants; and an underground parking structure for visitors, and above-ground parking structure for the residents. The plan check and inspection process involved numerous permits, including new construction, tenant improvements, and others.



### SoFi Stadium & YouTube Theater | City of Inglewood, CA



The Los Angeles (NFL) Stadium at Hollywood Park located in the City of Inglewood has 70,000 fixed seats and has the flexibility to accommodate up to 100,000 seats. CSG performed review for on-site improvements including grading, drainage and roadways. CSG also performed general building plan review including architectural, accessibility/ADA review, energy plan review, and CALGreen review. Plan review tasks were performed according to the latest Federal, State, and local codes and regulations. In

collaboration with the City of Inglewood, the program management team, the architect, and CSG participated in meetings prior to plan submittal to address major code interpretation issues to provide for a seamless process during the review periods. CSG's team approach with the stakeholders has provided and continues to facilitate timely turnaround.

### **Hollywood Park Casino and Parking Structure | City of Inglewood, CA**



CSG provided complete plan review for the new Hollywood Park Casino and associated parking structure. The plan review included: all interior walls and finishes, floor finishes, millworks and ceiling components; all MEP equipment; interior and exterior site lighting fixtures; under-slab and in-slab utilities, and slab on grade at food service areas, and telecommunication system. The casino component of the Hollywood Park redevelopment project consists of a new casino building and dedicated parking structure on a 10.6-acre parcel. The casino building includes an enclosed 110,000 sq. ft. single

story tilt-up concrete structure approximately thirty-seven feet tall. The grand entry is a 33-foot-tall curtain wall fronted by a 10,000 sq. ft. porte-cochere. Several partially enclosed exterior verandas are also incorporated into the design. The adjacent parking structure provides approximately 1,430 parking spaces in four levels in addition to the approximately two hundred spaces of new surface parking. The project also included deferred submittals for the fire sprinkler system, fire alarm system, exterior monument signage, seismic MEP supports, low voltage and surveillance systems, stair, exterior curtain wall system, fences over 6'-0", exterior verandas, MEP components bracing, and interior architectural components bracing.

### **Inglewood Basketball & Entertainment Center – Intuit Dome | City of Inglewood, CA**

CSG is providing building plan review for the Inglewood Basketball and Entertainment Center, a 915,000 square foot arena that will be the future home of the Los Angeles Clippers. The arena features an 85,000 square foot team training facility, 71,000 square feet of office space and an outdoor plaza with 80,000 square feet of space. CSG's services consisted of Building Plan Review for structural components that included vertical openings in the bowl design, pedestrian bridges, parking garages, VIP lobbies and plaza buildings that feature a green roof.

### **Avion Business Park | City of Burbank, CA**

CSG performed structural review for the Avion project in Burbank. The project is a business park on approximately 60 acres of vacant land adjacent to the Burbank Bob Hope Airport consisting of the following components:

- ▶ Six, two-story buildings for industrial/warehouse uses totaling 1,014,887 sq. ft.;
- ▶ Nine, two-story buildings for creative office uses totaling 142,250 sq. ft.;
- ▶ Two, one-story buildings for retail/restaurant uses totaling approximately 15,154 sq. ft.;
- ▶ One hotel with 166 rooms

### **Various Plan Review and Inspection | City of Glendora, CA**

CSG performed building plan review and inspection services for City of Glendora projects which include the following:

- ▶ Residential Plan Review and Inspection 5,226 square foot, 2-story new single-family residence, including 1,503 square foot of garage and storage; a 763 square foot patio and 521 square foot balcony/deck. Accessory structure; 875 square foot garage/workshop and 60 square foot balcony. Site retaining walls
- ▶ Commercial Plan Review and Inspection for 9,546 square foot 2-story medical facility - trash enclosure & 6' wall, including demolition of existing building under separate permit

### **Plan Review and Inspection | City of Beverly Hills, CA**

CSG performed Plan Review and Inspection for Residential and Commercial Properties:

- ▶ Residential Plan Review and Inspection for a new 2-story single family residence with basement
- ▶ Plan Review and Inspection for unit 1128/1130 – tenant improvements for a Medical conversion under 2020 medical ordinance - suites being combined (total floor area approx. 2,173 sf)
- ▶ Plan Review and Inspection for a new 3-story commercial building with automatic parking system

# Qualifications

SECTION

3

## FINANCIAL RESONSIBILITY

CSG formed in the early 1990's and is an employee-owned, multi-disciplinary engineering firm. CSG has a very stable economic base and workforce as a result of its two primary and complementary service lines, building/fire department services and engineering. CSG has grown steadily in both revenue and staff size, and now has over 350 employees serving customers throughout California and Nevada. The company's compensation and benefit plans are some of the most generous in the industry, which helps CSG maintain very low staff turnover. CSG is debt-free and has a commercial bank line of credit that is available to use. CSG has no pending litigation relevant to the services requested by the City. In addition, we have had no contract defaults, bankruptcies, or mergers; and we have no impending mergers. CSG opened a new office in Fresno in 2021 and in Paso Robles in 2022. The Company is well-positioned to service the City of Citrus Heights



## CAPABILITY OF DEVELOPING INNOVATIVE TECHNIQUES

### Our People

Our clients benefit from the expertise of our team members who hold a wide variety of project experiences and are motivated to achieve the highest level of technical proficiency and certification. Knowing technical excellence is vital to successful service to our clients and to meeting their jurisdictions' level of safety and code compliance, our team members are ICC certified, include registered engineers, and possess additional required professional certifications. They routinely update their knowledge and skills through attendance of specialized training classes and continuing certification seminars in the most current building codes and standards as well as approved and modern methods, materials, tools and safety practices used in the industry. In addition, we understand that integrity, responsive customer service, and excellent communication and interpersonal skills are critical to on-the-job success, and we actively seek these qualities in our team members.

We also support our team members in their participation in and contributions to the many important associations and organizations within our industry. Many of our team members hold or have held key positions within the organizations listed below and have served as in-demand instructors and trainers.

*League of California Cities*  
*International Code Council*  
*California Building Officials*  
*County Building Officials Association of California*  
*ICC Chapters of Napa-Solano, Peninsula, East Bay, Monterey, Sacramento Valley, Yosemite, Shasta Cascade, Central Coast, Redwood Empire, Los Angeles Basin, Orange Empire, Foothill, Coachella*  
*Certified Access Specialist Institute (CASI)*  
*California Fire Chiefs Association*  
*Northern California Fire Prevention Officers*  
*Southern California Fire Prevention Officers*  
*National Fire Protection Association*  
*California Automatic Fire Alarm Association*  
*American Fire Sprinkler Association*  
*National Fire Sprinkler Association*  
*American Public Works Association*  
*American Society of Safety Engineers (ASSE)*  
*Institute of Transportation Engineers*  
*Structural Engineers Association of Northern California*  
*Structural Engineers Association of Southern California*

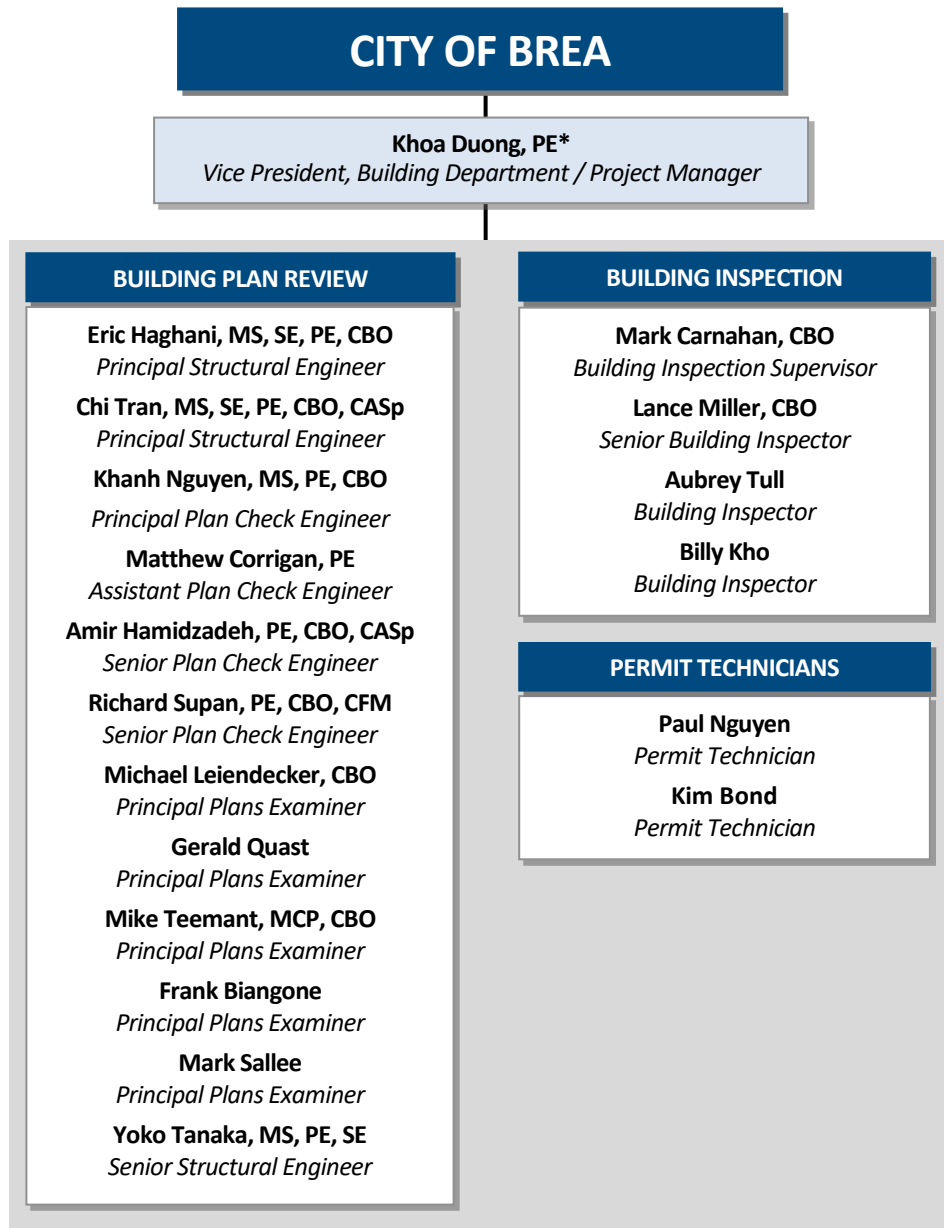


### Quality Assurance

Key to our approach to quality assurance is that it must occur throughout the entirety of the project and with the right people involved every step of the way. Our team's unwavering integrity and commitment are combined with our internal processes and leading-edge digital technology to consistently produce quality work products and maintain highly satisfied clients. At project outset, CSG's project manager assigns the most technically specialized team members who, through their experience and training, best understand the needs of our client. Our quality control processes include verifying procedures and code requirements, defining and applying standards used in code applications, and assessing work products to ensure that jurisdictional requirements and expectations are met.

## TEAM ORGANIZATIONAL CHART

CSG proposes the following staff and organizational structure, including staff names and titles, for requested services for this contract. **Khoa Duong, PE, will serve as the Project Manager and point of contact for the City.** All proposed staff are assigned to our local office in Orange, CA. Work will be performed in our Orange office. Key Personnel marked with an asterisk (\*) are not currently vaccinated for Covid-19. Resumes with detailed qualifications of proposed key staff are provided in the Appendix: Resumes. **No subconsultants will be used on this contract.**





## QUALIFICATIONS TRAINING AND CREDENTIALS

CSG takes pride in providing building department staff who have a variety of project experiences, who are motivated to achieve the highest level of certification, and who have the code expertise and customer service skills that are crucial to on-the-job success. Proposed staff are registered and/or certified and possess additional required certifications. We work hard to match your jurisdiction's level of safety and code compliance. The table below illustrates the breadth and depth of staff available for this contract. ***Resumes with detailed qualifications of proposed key staff are provided in the Appendix.***

NAME AND TITLE	BUILDING QUALIFICATIONS	LICENSE / CERTIFICATION #
<b>Khoa Duong, PE</b> <i>Vice President, Building Department</i>	Professional Civil Engineer, State of California Professional Civil Engineer, State of Nevada Certified Plans Examiner, ICC Certified Safety Assessment Program, SAPC	43901 013620 ICC 0840436 72868
<b>Eric Haghani, MS, SE, PE, CBO</b> <i>Building Official / Principal Structural Engineer</i>	Professional Structural Engineer, State of California Professional Civil Engineer, State of California Certified Building Official, ICC Certified Certified Plans Examiner, ICC Certified	S4079 C42200 ICC 253530
<b>Chi Tran, MS, SE, PE, CBO, CASp</b> <i>Building Official / Principal Structural Engineer</i>	Professional Structural Engineer, State of California Professional Civil Engineer, State of California Certified Building Official, ICC Certified Certified Plans Examiner, ICC Certified	2728 33643 ICC 1061872-CB ICC 1061872-B3
<b>Khanh Nguyen, MS, PE, CBO</b> <i>Building Official/ Principal Plan Check Engineer</i>	Professional Civil Engineer, State of California Certified Building Plans Examiner, ICC Certified Certified Building Official, ICC Certified	C51737 ICC 879847
<b>Matthew Corrigan, PE</b> <i>Assistant Plan Check Engineer</i>	Professional Civil Engineer, State of California Residential Plans Examiner, ICC Certified	95707 ICC 9610336
<b>Amir Hamidzadeh, PE, CBO, CASp</b> <i>Senior Plan Check Engineer</i>	Registered Professional Engineer, State of California Certified Plans Examiner, ICC Certified Certified Building Official, ICC Certified Certified Access Specialist (CASp)	68216 ICC 1041666-CB ICC 1041666-CB 093
<b>Richard Supan, PE, CBO, CFM</b> <i>Senior Plan Check Engineer</i>	Licensed Civil Engineer, State of California Certified Building Official Certified Fire Marshal Certified Building Plans Examiner Certified Residential Plans Examiner Certified Commercial Plans Examiner Certified Building Inspector Certified Residential Building Inspector Certified Building Code Specialist	88934 8326066
<b>Michael Leiendecker, CBO</b> <i>Principal Plans Examiner</i>	Certified Building Official Plans Examiner Building Inspector Plumbing Inspector	ICC (Confidential)
<b>Gerald Quast</b> <i>Principal Plans Examiner</i>	Certified Energy Plans Examiner Non-Residential California Energy Commission Certified Energy Plans Examiner Residential, California Energy Commission IAPMO Certified Mechanical Inspector IAPMO Certified Plumbing Inspector	NRE-98-1001 RES-93-1016

NAME AND TITLE	BUILDING QUALIFICATIONS	LICENSE / CERTIFICATION #
<b>Mike Teemant, MCP, CBO</b> <i>Principal Plans Examiner</i>	Master Code Professional (MCP) Certified Building Official Certified Building Code Official Certified Plumbing Code Official Combination Inspector Commercial Combination Inspector Commercial Energy Inspector Commercial Energy Plans Examiner Residential Energy Inspector/Plans Examiner Fire Inspector II Residential Fire Sprinkler Inspector/Plans Examiner Building Plans Examiner Plumbing Plans Examiner Commercial Building Inspector Commercial Electrical Inspector Commercial Plumbing Inspector Accessibility Inspector/Plans Examiner Residential Building Inspector Residential Electrical Inspector Residential Mechanical Inspector Residential Plumbing Inspector	ICC (Confidential)
<b>Frank Biangone</b> <i>Principal Plans Examiner</i>	Residential Building Inspector Commercial Building Inspector	ICC 860170
<b>Mark Sallee</b> <i>Principal Plans Examiner</i>	Building Inspector Electrical Inspector Plumbing Inspector	ICC 1026285
<b>Yoko Tanaka, MS, PE, SE</b> <i>Senior Structural Engineer</i>	Licensed Structural Engineer, California Licensed Professional Civil Engineer, California ICC Building Plans Examiner ICC Commercial Building Inspector ICC Residential Fire Sprinkler Inspector/Plans Examiner	S 6089 C 74864
<b>Mark Carnahan, CBO</b> <i>Building Official / Building Inspection Supervisor</i>	B-General Building Contractor (inactive) Certified Building Official Combination Inspector Commercial Building Inspector Commercial Electrical Inspector Commercial Plumbing Inspector Commercial Mechanical Inspector Residential Building Inspector Residential Electrical Inspector Residential Plumbing Inspector Residential Mechanical Inspector Combination Inspector Plans Examiner	746154 ICC 1110134-J4
<b>Lance Miller, CBO</b> <i>Senior Building Inspector</i>	Certified Building Official Combination Commercial Inspector Certified Building Inspector Certified Fire Inspector I Certified Commercial Electrical Inspector Certified Commercial Plumbing Inspector Certified Commercial Mechanical Inspector Certified Residential Mechanical Inspector Certified Accessibility Inspector/Plans Examiner	ICC (Confidential)

# Understanding

SECTION

4

## PROJECT UNDERSTANDING

CSG understands that the City of Brea is seeking qualified firms to provide As Needed Building & Safety Services, including Plan Checking, Permit Technician, and Building Inspection. CSG can assist the Building Official in managing the day-to day building needs of the City and its citizens and provide services including, but not limited to:

1. CSG to provide hourly rates per position for work, including: Building Inspector Contractor, Permit Technician Contractor, and Plans Examiner and/or Plan Checker Contractor.
2. CSG to provide hourly rates per position for work for expedited work, including: Building Inspector Contractor, Permit Technician Contractor, and Plans Examiner and/or Plan Checker Contractor.
3. CSG shall provide fully-trained employees that are deemed acceptable by City to perform the Services. Fully-trained employees could mean the requirement for specific certifications in order to conduct specific tasks.
4. City will refuse to permit any employee of Contractor considered by City in its sole discretion to be unacceptable to perform services.
5. CSG shall provide everything necessary to perform services including but not limited to all services, management, supervision, labor, handling, analysis, reports, supplies, equipment, transportation, insurances, and related items and services.
6. CSG shall provide transportation from their place of business to the City for building inspection services, plan review, and permit and/or planning technician services.
7. Plan reviewers, inspectors, code enforcement officers, planning and permit technicians, shall work from City hall offices upon request by Department Director or Building Official.
8. Upon the request of the City, CSG shall return plans to the City for the first check no later than within 10 working days, resubmittals shall be returned to the City no later than 5 working days.
9. Expedited plan check shall be 5 working days for the first check and 3 days for any re-submittals.

### Building Inspector Services

1. Conduct a variety of field inspection duties including specialized construction inspections. Prepared and maintains reports related to field inspections.
2. Review plans and specifications, inspect construction sites in conformance with plans, specifications, pre-submittals, and regulations and attends pre-construction conferences as needed.
3. Investigate complaints regarding existing buildings or new construction to determine if code violations or unsafe conditions exists (i.e., "Code Enforcement")
4. On-call services to review damaged buildings or structures for safe occupancy after fires, earthquakes, or other disasters and occurrences.

5. Prepare and issue correspondence, including stop work and correction notices pursuant to job site field inspections; prepare reports of inspections and work completed.
6. Prepare daily activity reports, code enforcement documentation, correction notices or field change orders.
7. Investigate suspected violations of health, safety, zoning, public nuisance, or other code violations and take follow-up actions as necessary to assure compliance.
8. Enforce and administer City ordinances with regards to such activities as land use, parking, signs, etc.
9. Assist at the public counter dispensing general and technical information.
10. CSG shall maintain, at minimum, current national certifications from the International Code Council in Commercial and Residential Building Inspection services.

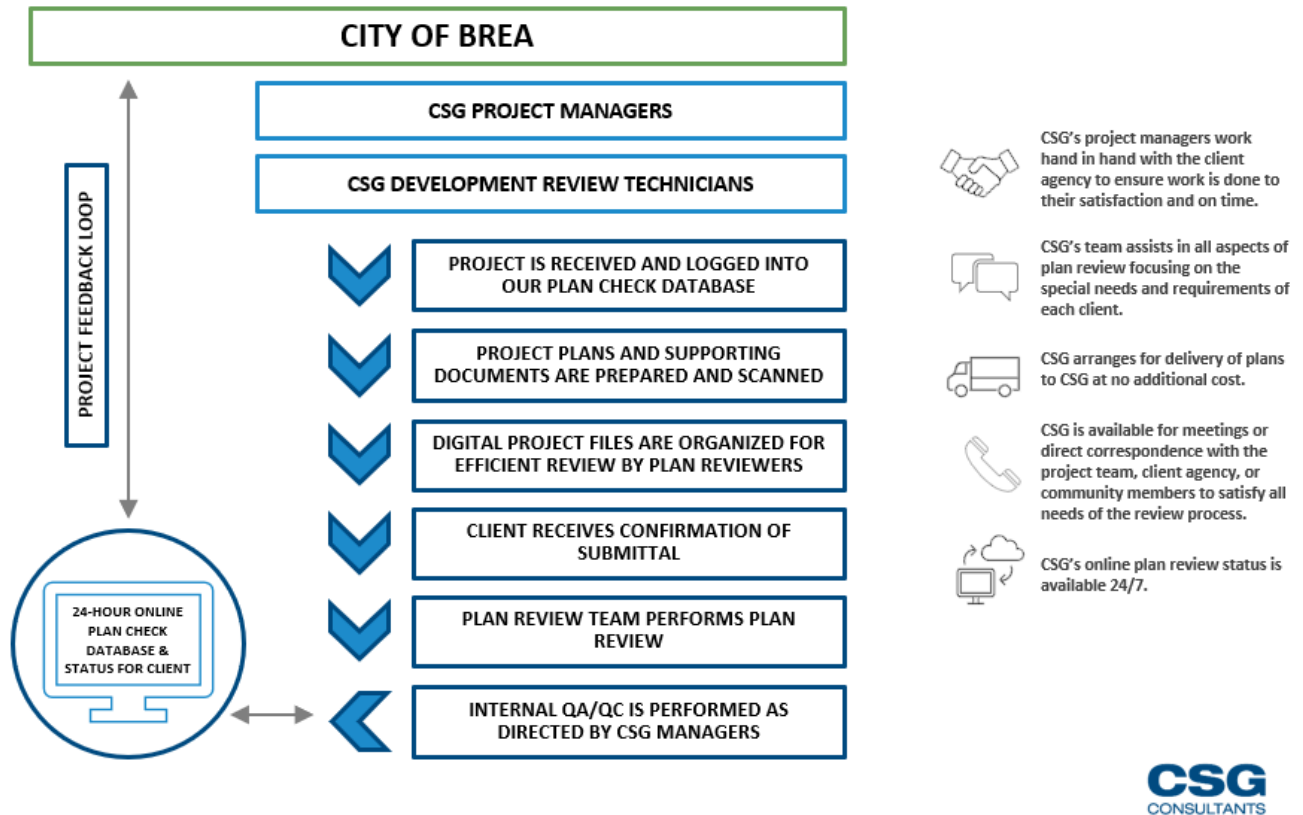
#### **Permit Technician Services**

1. Permit technicians shall assist and provide the public with appropriate forms and handouts; process permit applicants and issue permits using the City's software; prepare documents and reports; provide permit record materials requested from the public; and compile documents for compliance with Public Records Act (PRA) requests.
2. Permit and planning technicians shall work during City Hall business hours upon request by Department Director or Building Official. City Hall business hours are Monday to Friday, 8 AM to 5 PM.
3. CSG to assist at the public counter dispensing general and technical information.

#### **Plans Examiner Services**

1. Perform plan reviews to ensure that plans submitted with applications for building permits conform with appropriate building codes.
2. Electronic plan reviews shall be done using Bluebeam Revu.
3. Plan reviewers shall be familiar and capable to collaborate with City staff, design teams, developers, and contractors via BlueBeam sessions.
4. CSG to assist at the public counter dispensing general and technical information.
5. Perform document control, ensure file integrity, and maintain status of plans and documents during the permitting and inspection process.

## PROVEN PLAN REVIEW PROCESS



# Approach

SECTION

5

## APPROACH TO SCOPE

CSG's proposed team has been selected to best support the specific needs of the City and will deliver exceptional service through its application of technical expertise, knowledge of municipal processes and procedures, efficient and effective customer care, and application of code compliance combined with innovative and helpful alternatives. Our extensive experience in furnishing comprehensive building and fire life safety services to jurisdictions provides a consistent, strong technical foundation to all projects. From providing leading-edge digital plan review and online plan check status reporting to delivering faster-than-scheduled turnaround times and code interpretations, CSG will deliver the highest quality services to the City. CSG's approach to work includes the following methodologies and key benefits:

- ▶ **A wealth of fully committed and qualified personnel.** *We maintain staff that is fully licensed and certified at the highest level of industry standards. To keep our personnel on the industry's leading edge, many serve as instructors and lecturers and sit on boards and committees for organizations developing and implementing important code regulations. We also keep current with the latest in procedures and use of products by attending regional, state and national training opportunities and industry provided product/materials training.*
- ▶ **Customized, responsive services.** *We are skilled at assessing time commitments, developing accurate work plans and applying dedicated, professional personnel with the skills and experience best-suited for the project. We can quickly fine-tune staffing levels to match or adjust to changes in plan review, inspection, and front counter activity and ensure responsiveness to customers. With our digital plan review capabilities, we are able to utilize plan review resources from any of our regional offices. In addition, we excel at coordinating with all agency departments as well as outside agencies.*
- ▶ **Rapid turnarounds and expedited services.** *With extensive experience in both code application and the digital plan review process, our staff excels at performing expeditious turnarounds while delivering thorough and accurate reviews. We easily match and more often beat any required review turnaround deadlines.*
- ▶ **Leading-edge, cost-saving technology and methods.** *CSG delivers a suite of digital options—speedy digital plan reviews and electronic versions of plan comments; an easy-to-use online application for plan submittal, tracking and approval of digital plans; and available full scanning and archiving services. In addition, through knowledge gained from service to over 200 public agencies, we are constantly improving and adapting to provide our clients with the most cost-effective services.*
- ▶ **Environmentally friendly practices.** *Our corporate policy on sustainability supports a healthy environment, reduces our carbon footprint and promotes environmental stewardship through environmentally preferable purchasing and other actions including use of a digital plan review system that bypasses paper consumption, and use of duplexing and recycled, post-consumer content paper when printing is necessary.*

## BUILDING AND FIRE PLAN REVIEW SERVICES

Our team of professionals is ready to assist in all aspects of plan review and to focus on the special needs and requirements of each of our clients. We pledge thorough and accurate reviews and prompt turnaround times, and offer proven digital plan review services and comprehensive online status reports. CSG serves as an active partner, working as a seamless extension of our public agency clients in performing the requested services and working closely with the development community and public as directed.

### Compliance Standards

Our engineers and plan reviewers carefully review all plans and documents for compliance with building codes, fire codes, energy conservation standards, and accessibility regulations adopted by the State of California, and all local policies and ordinances including but not limited to:

- ▶ *California Building Code, Volumes 1 and 2*
- ▶ *California Residential Code*
- ▶ *California Electrical Code*
- ▶ *California Plumbing Code*
- ▶ *California Mechanical Code*
- ▶ *California Fire Code*
- ▶ *California Energy Code*
- ▶ *California Green Building Standards Code (CALGreen)*
- ▶ *California Existing Building Code*
- ▶ *California Health and Safety Code*
- ▶ *National Fire Protection Association (NFPA) Standards as adopted and referenced by the State of California (California Code of Regulations, Title-19)*
- ▶ *State Historical Building Code*
- ▶ *NPDES/WQMP/SWPPP Compliance*
- ▶ *Local adopted ordinances and amendments relative to building, fire and municipal codes, including project Conditions of Approval from other agency departments, divisions, and regulating agencies*



### On-Site Plan Review Services

Drawing from a large team of experienced plan reviewers, CSG has the ability to provide the City with temporary, as-needed, on-site plan review staffing during periods in which City staff is on vacation, ill or otherwise not able to perform services.

### Digital Plan Review



CSG has been providing digital plan review services for over 20 years, leading the consultant field with this ground-breaking service. All paper plans submitted to CSG for building and fire plan review are immediately scanned into digital files and stored on CSG's servers for quick and easy access by both our clients and our plan reviewers.

**Leading the field in digital plan review services for more than 20 years.**

Our plan reviewers furnish electronic versions of their plan comments conforming to each client's established correction list templates. Any additional forms utilized by the agency will be incorporated into the correction comments and returned with the appropriate recommendations.



Plan check comments can be delivered electronically by email or other agency-approved means, enabling staff to immediately modify CSG's checklist for incorporation with other department comments. We provide convenient, environmentally friendly digital storage of all construction-related documents, and on request, can provide clients with a set of digitally scanned plans at no additional cost.

In addition, for jurisdictions requesting a pure digital plan review workflow, we can enable an applicant to submit digital files—**with no size limitations**—directly to CSG via our web-based application. Our application includes an online portal for the applicant/jurisdiction to retrieve comments and marked-up digital plans including redlines. Importantly, this service tracks the status of all submittals and re-submittals until the plans have been approved.

Key features of our digital plan review service include:

- ▶ **Efficient.** Plans are pushed to plan review staff the same day they are received.
- ▶ **User-friendly.** CSG developed its own online portal specifically to manage the electronic file submittal process. Through use of this interface, the applicant is no longer faced with size restrictions on email attachments or required to learn complex file transfer settings.
- ▶ **Proven.** We have provided a digital plan review option to our clients for over 20 years.
- ▶ **Non-Proprietary.** CSG's electronic review process is 100% PDF-based with no additional software required to view redlines.



All paper plans submitted to CSG are immediately scanned into digital files for quick and easy access by our clients and plan reviewers.



### Online Plan Check Status

CSG offers a convenient service allowing clients to check plan review status and comments online. By accessing our secure Plan Check Status website, agency staff as well as authorized applicants can view their project documents and plans and communicate with the specific plan checker via e-mail. Staff and authorized applicants can download

comments upon completion of the plan check. ***There is no additional cost for this service.***

### Plans Pickup and Delivery

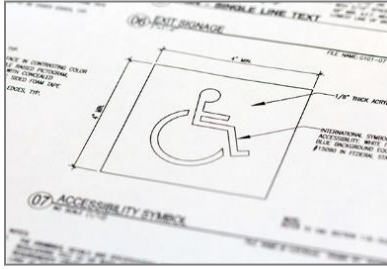
CSG will coordinate pickup and delivery of plans and other materials from/to the agency via CSG personnel or an approved alternative service.

### Green Building and LEED Accreditation

Our Building Division team is experienced in plan review and inspection for compliance with CALGreen and local green building ordinances and includes LEED Accredited Professionals. In addition, CSG Consultants has the qualifications necessary to assist with both the development of policy and the implementation of green and sustainable building practices. CSG's Sustainability Programs division can assist, for example, with construction and demolition debris recycling programs and public outreach to the building industry.



## CASp Review Services



We understand California Building Departments are required to have CASp certified staff in place and available for technical questions and interpretations. Our CASp certified team members are knowledgeable of state and federal accessibility laws and regulations and possess the expertise necessary to promote access to facilities for persons with disabilities. In accordance with current regulations, CSG can provide CASp certified professionals to review plans for accessibility and to facilitate compliance with regulations when requested.

## BUILDING INSPECTION SERVICES



CSG provides fully integrated, multi-disciplined building inspection services for residential, commercial, and industrial projects. Our inspection personnel have an outstanding mixture of technical expertise and experience in all construction types. We provide experienced, ICC certified inspectors

who work with a team approach to ensure compliance with applicable codes and requirements and provide solutions to mitigate potential risks and safety hazards. Using well-honed customer service and communication skills our inspectors excel at educating stakeholders to keep projects moving forward. Our inspectors also utilize current technologies and equipment to view plans and documents, research related code requirements, document field conditions and progress, and share that information with stakeholders while in the field.

Key services include but are not limited to the following:

- ▶ *Providing inspection services to ensure project compliance with State adopted codes and local amendments including building, electrical, mechanical and plumbing codes*
- ▶ *Offering code interpretation and education*
- ▶ *Seamlessly integrating into client organizations and consistently enforcing policies and procedures*
- ▶ *Addressing and resolving inquiries*
- ▶ *Maintaining records and files*
- ▶ *Providing all vehicles, fuel, maintenance and other equipment necessary for inspectors to carry out duties.*

## CASp Inspection Services

To facilitate the City's compliance with current rules and regulations, CSG will provide a CASp certified professional for technical questions and interpretations and to perform accessibility compliance inspections upon request.

**CSG offers virtual inspections utilizing Google Duo, FaceTime, Skype, MS Teams or other agency-preferred platform.**

**CSG provides all vehicles, fuel, maintenance, and other equipment necessary for inspectors to carry out duties, with no additional charges.**

## PERMIT TECHNICIAN SERVICES

CSG has highly qualified staff available to provide Permit Technician services. These frontline, first-response services are vital to the success of the entire building and safety permit process as they often set the tone for the applicant whether a homeowner, contractor, or design professional. CSG handpicks exceptionally qualified personnel who can function as seamless extensions of the agency's team, understand the importance of exemplary customer service, and have knowledge of the inner workings of building departments and thorough familiarity with the building application and permit process.

CSG's permit processing staff is trained in customer service and helping to facilitate and expedite the permit process. Our staff members can perform quick assessments of each customer's needs and ensure that they are served appropriately. They are familiar with State Contractors License Law and ensure that permits are issued to properly licensed contractors. CSG's permit technicians are also familiar with multiple permit software systems and will quickly gain proficiency with the software that has been customized for the City.



Our staff is knowledgeable and experienced with permit processing functions including:

- Providing the public with appropriate forms and handouts
- Processing permit applications and issuing permits using the City's software
- Accepting plans, documents, structural calculations and energy reports for permit processing
- Routing plans to building and other departments and agencies
- Performing document control, ensuring permit file integrity, and maintaining status of plans and documents during the permit process.
- Preparing plan check letters to be sent to applicants
- Assisting the public with completing applications and other required forms
- Preparing documents and reports; providing permit record materials requested from the public; researching and compiling documents for compliance with Public Records Act (PRA) requests.

## ADDITIONAL SERVICES: FIRE PREVENTION SERVICES

Since 1991, CSG has had a solutions-oriented approach to our work, leveraging our team's depth of experience and technical expertise to address code compliance challenges for our clients. The proposed fire staff for the City brings over 140 years of experience in the field of Fire Prevention. All of the proposed CSG Fire Staff come from the public sector. Each has worked in positions within established fire prevention divisions as Fire Prevention Officers, Fire Plans Examiners, Fire Protection Engineers and Fire Marshals. They understand the roles and responsibilities of the Fire Prevention Division in ensuring accurate, code compliant submittals are provided for the overall safety of the community and responding personnel. CSG's Fire Services staff are all certified fire prevention officers through the California State Fire Marshal's office with at least three years of experience working in full time Fire Prevention Bureaus.

The extensive and ever-evolving regulations affecting the design and construction of today's complex buildings require specialized code training, education, and experience—while tight schedules and budgets require movement of plans through the permit process quickly and efficiently— yet thoroughly examined and inspected. CSG employs a team of professionally certified fire plan reviewers, fire inspectors, fire protection engineers, and fire marshals to support fire prevention services, review plans, and inspect structures for code compliance.

CSG's expertise is multi-faceted, gained from extensive experience in plan review, code enforcement, code development, code instruction as well as fire suppression. Members of our Fire Prevention Division are recognized for their service on local, state and national code (ICC and NFPA) development committees and advisory groups.

Our fire prevention services team delivers:

- *Expeditious code analysis with innovative, expert solutions that meet code requirements—protecting occupants, property and emergency personnel while serving the needs of communities, developers and businesses through reductions in costly redesigns.*
- *Collaboration between our Fire Prevention plan review and Fire Protection Engineering staff, providing complete review of alternative means and methods, fire protection systems, and other complex and diverse fire prevention situations.*
- *Seamless integration with client agencies—consistently implementing their policies and procedures in an effort to deliver continuous services to their customers.*
- *Fire inspection for all phases of construction and all types of fire protection systems, with expertise to analyze options if deficiencies exist.*
- *Rapid inspection response via centralized inspection request scheduling and our personnel's online access to digital project records.*

Our extensive experience in furnishing comprehensive fire prevention services to jurisdictions provides a consistent, strong technical foundation to all projects. We have expertise in a wide range of project types:

- *Single family and multi-family developments*
- *High-rise commercial & residential*
- *Agricultural Facilities*
- *Cannabis Cultivation & Retail Facilities*
- *Manufacturing plants*
- *Petrochemical*
- *Specialized technology/industrial*
- *High-pile/rack storage*
- *Refrigerated storage*



## Proposed Schedule


SECTION

6

### PLAN CHECK TURNAROUND TIMES

CSG strives to provide the highest quality and most timely service in the industry. We take pride in maintaining the requested plan review times for all our clients—even delivering faster than our own deadlines. Our goal is to approve code-complying projects and to move work quickly and successfully through jurisdictional processes. CSG will ensure that all building and safety duties and follow-up actions will be performed in a timely and responsive manner.

The following are CSG’s proposed plan check turnaround times:

TYPE OF REVIEW	INITIAL REVIEW (BUSINESS DAYS OR LESS) <sup>2</sup>	RE-CHECK (BUSINESS DAYS OR LESS) <sup>2</sup>
Residential New Construction	10	5
Residential Additions	10	5
Small Residential Remodels	10	5
Commercial New Construction & Large/Complex Projects <sup>1</sup>	10	5
Commercial Additions	10	5
Small Commercial Remodels/Tenant Improvements	10	5
Expedited	5	 5

<sup>1</sup>Turnaround time may vary with the complexity and magnitude of the project. If a review is anticipated to take longer than the maximum turnaround time, CSG will notify the City’s representative and negotiate additional time required to ensure an appropriate level of review.

<sup>2</sup> The number of working days associated with the plan check turnaround time is based on time of project submittal. *The first working day will be the day the project is received by CSG if submitted by 3:00 PM. For a project that is received by CSG after 3:00 PM, the first working day will be the next business day.*

#### Expedited Plan Check Services

At the City’s request, we can perform plan check services on an accelerated schedule with associated fees negotiated between the City and CSG.

### AVAILABILITY

We clearly understand the importance of our role in the success of the City and commit to providing project stakeholders and City staff with the highest level of service while functioning as a seamless extension of the City. We believe effective communication, responsiveness and an intense focus on customer service are essential to developing and continuing a successful working relationship between City staff, project stakeholders and CSG’s team members.

#### Office Hours and Meeting Availability

##### Plan Review

CSG plan checkers are available for inquiries anytime during normal business hours via phone or email, Monday through Friday. Our plan checkers can typically respond to the City for all questions or requests generated during any plan review on the same day, but no later than the following day a request is received.

We recognize the value of pre-design consultation and are available to provide this important service.

To assist the City, we can also meet in-person with City staff and project stakeholders or can utilize video conferencing with all parties involved. We recognize the value of pre-design consultation with prospective applicants and are available to provide this service as well. Our designated Project Manager and/or technical staff will be available in-person for consultation and meetings with a reasonable lead time.

**Inspection**

CSG inspectors can be ready to provide services upon request to CSG's designated project manager. We are flexible and can alter our hours to meet the City's needs. Evening and weekend inspections for special construction needs can be accommodated with sufficient notice. CSG staff can typically respond to the City for all questions or requests generated during field inspections on the same day, but no later than the following day a request is received.

**Permit Technician**

CSG Permit Technician(s) are available remotely or on-call, as needed.



## Cost Section/Pricing

SECTION

7

### CSG FEE SCHEDULE FOR BUILDING AND SAFETY SERVICES

CSG's fee schedule for proposed work is provided below. If plans are not submitted electronically, CSG will coordinate the pickup and return of all plans to CSG via CSG staff or a licensed courier service. Plan review is based on a percentage of the agency's plan check fees and includes the initial plan review and all subsequent reviews. Deferred submittals, revisions, and RFIs will be charged at the appropriate hourly rate below. RFIs for large developments will be performed at an hourly rate, and turnaround times will be agreed upon in advance with the agency.

PERSONNEL / REVIEW TYPE	ALL INCLUSIVE FEE / HOURLY RATE
<b>Off-Site Building Plan Review by Percentage</b>	
Full Building Plan Review by Percentage	65% of Agency's Building Plan Check Fees
Mechanical, Electrical & Plumbing Plan Review by Percentage	40% of Agency's Building Plan Check Fees <u>or</u> 65% of Agency's M/E/P Plan Check Fees
Structural Only Plan Review by Percentage	40% of Agency's Building Plan Check Fees
Expedited Plan Review by Percentage	95% of Agency's Building Plan Check Fees
<b>Off-Site Building Plan Review (Hourly Rates)</b>	
Building Plan Review	\$150
Principal M/E/P – Certified Plans Examiner	\$150
Building Plan Review – Structural Engineer	\$160
CASp Plan Review/Consultation	\$160
Expedited Plan Review (Hourly)	1.5 x Hourly Rate
<b>Building Department Services</b>	
Permit Technician	\$90
Senior Permit Technician	\$95
CASp Inspection	\$160
Building Inspector	\$110
Combination Building Inspector	\$120
Administration/Plan Processing	\$80

*All hourly rates include salaries, benefits, workers compensation insurance, local travel, and miscellaneous office expenses. Should the scope of work change, or circumstances develop which necessitate special handling, CSG will notify the Agency prior to proceeding. Overtime services and services provided outside of normal business hours will be billed at 1.5x the applicable hourly rate. Depending on project size and scope, CSG's percentage-based expedited plan review rate may be adjusted if mutually agreed upon between the Agency and CSG. Administration/Plan Processing includes coordinating the pick-up and return of plans, performing scanning, collating, and tracking, and providing plan review status updates to the Agency. Hourly rates for publicly funded projects will be based on current prevailing wage rates. On July 1 of each year following the contract start year, CSG will initiate an hourly rate increase based on change in CPI for the applicable region. CSG will mail/email an invoice every month for services rendered during the previous month. Unless otherwise agreed, payment terms are 30 days from receipt of invoice. This fee proposal is valid for a period of 90 days from date of submittal.*

## Forms Section

SECTION

8

### STANDARD FORMS

Per the RFP, the completed required forms are on the following pages for the City's review.

- a. Non-Collusion Affidavit Form
- b. References Form
- c. Subcontractors List-Standard Form
- d. Statement of Compliance or Exceptions Form
- e. Status of Past and Present Contracts Form
- f. Insurance Commitment Form
- g. Proposer Qualification Response Form
- h. Firm Proposal Form
- i. Price Form

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

# NON-COLLUSION AFFIDAVIT FORM

State of            California

County of Orange

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Khóa Duong, PE

says that he/she is \_\_\_\_\_ Vice President, Building Services \_\_\_\_\_ of

\_\_\_\_\_, the party making the foregoing

proposal (name of proposing company)

Signature:

Name/Title Date:

Khoa Duong, PE, Vice President, Building Services

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## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM B REFERENCES FORM

CSG Consultants, Inc.

(Proposer's Company Name)

Provide current business references for whom your company has provided similar services.  
Provide very brief description of the Project services your company provided to the reference.  
**Any unsatisfactory references or past unsatisfactory work performance with City may eliminate Proposer from further consideration (Brea City Code Sec. 3.24.020.M)**

1. Company Name	City of Huntington Beach
Address, City, State, Zip	2000 Main Street, Huntington Beach, CA 92648
Contact's Name & Title	Jasmine Daley, Building Official
Contact's Phone #	(714) 375-5147
Contact's Email	jasmine.daley@surfcity-hb.org
Project	Building Plan Review and Inspection Counter Technician Services
Completion Date & Value	2001-Ongoing
2. Company Name	City of Westminster
Address, City, State, Zip	8200 Westminster Blvd. Westminster, CA 92683
Contact's Name & Title	Justin Nguyen, Building Official
Contact's Phone #	(714) 548-3475
Contact's Email	jvnguyen@westminster-ca.gov
Project	Building and Fire Plan Review and Inspection
Completion Date & Value	2018-Ongoing
3. Company Name	City of Fullerton
Address, City, State, Zip	303 W. Commonwealth Avenue, Fullerton, CA 92832
Contact's Name & Title	Timothy Tran, Building Official
Contact's Phone #	(714) 738-6878
Contact's Email	tim.tran@cityoffullerton.com
Project	Building and Fire Plan Review, Inspection & Code Enforcement
Completion Date & Value	1999-Ongoing
4. Company Name	City of Yorba Linda
Address, City, State, Zip	4845 Casa Loma Avenue, Yorba Linda, CA 92886
Contact's Name & Title	Jim Sowers, Building Official
Contact's Phone #	(714) 961-7120
Contact's Email	jsowers@yorbalindaca.gov
Project	Building Plan Check and Inspection Services
Completion Date & Value	2018-Ongoing

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM C SUBCONTRACTORS LIST-STANDARD FORM

N/A

(Proposer's Company Name)

Provide the information requested below. Duplicate this form as necessary to complete list.

☒ Check this box, *if no subcontractors* are to be used for any of the proposed work.

1. Company Name	N/A	
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		
2. Company		
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		
3. Company		
Address, City, State, Zip		
Contact's Name & Title		
Contact's Phone #		
Contact's Email		
Proposed work & amounts		
License #s & Class		
DIR # & Exp Date		

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM D

#### STATEMENT OF COMPLIANCE OR EXCEPTIONS FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation.

CSG Consultants, Inc.

(Proposer's Company Name)

#### Select one:

☒ **No Exceptions**

By checking the above box, Proposer declares their Proposal was prepared in strict compliance with the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement.

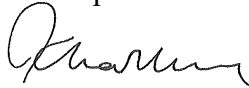
☐ **With Exceptions**

By checking the above box, Proposer declares their Proposal was prepared in consideration of but with exceptions to one or more of the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement, in which case **Proposer must provide a detailed list for all such exceptions in the following format.**

Section Page #	Term, Condition, Specification	Exception & Benefit to City	City A or D
-------------------	--------------------------------	-----------------------------	----------------

Proposer acknowledges that City may accept or reject any or all of Proposer's listed exceptions or reject the Proposer's entire Proposal that contain any exceptions.

Signature:



Name/Title Date:

Khoa Duong, PE, Vice President, Building Services

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM E

#### STATUS OF PAST AND PRESENT CONTRACTS FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation. As used in this form, “Proposer” means Proposer or any 10% or greater owner of the proposing company; “Contract Termination” means termination for cause by any other party to a contract with the Proposer; “Settlement” means settlement of any claim or lawsuit brought against Proposer in connection with Proposer’s services; and, “Legal Action” means any lawsuit alleging fraud, breach or any other misconduct by, or filed against, Proposer.

CSG Consultants, Inc.

(Proposer’s Company Name)

☒ **No Contract Terminations, Settlements, or Legal Actions**

By checking the above box, Proposer declares that the Proposer has not had any Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder and currently does not have any pending Contract Terminations, Settlements, or Legal Actions.

☐ **One or More Contract Terminations, Settlements, or Legal Actions**

By checking the above box, Proposer declares that the Proposer has had either one or more Contract Terminations, Settlements, or Legal Actions within the past five years of the date signed hereunder in which case, **Proposer must provide a list for all such contracts** and include: Contract Title, Contract Value, Termination Date, Company Name, Contact Name, Phone Number, and Reasons for and descriptions of the Terminations, Settlements, or Legal Actions.

The Proposer acknowledges that City may: reject any declarations that are not accompanied with the required documentation as described above; or reject any Proposals wherein Proposer has had any Terminations, Settlements, or Legal Actions that City in its sole discretion deems unacceptable.

Signature:



Name/Title Date:

Khoa Duong, PE, Vice President, Building Services

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM F

### INSURANCE COMMITMENT FORM

Each Proposal must be accompanied by this form. Failure to provide this form will cause the Proposal to be deemed non-responsive and that Proposal will not be considered for further evaluation.

CSG Consultants, Inc.

(Proposer's Company Name)

***Proposer acknowledges that:***

City reserves the right to modify the insurance requirements as set for in the Insurance Requirements section of the Agreement including limits, based on nature of the risk, prior experience, insurer, coverage, or other special circumstances.

City's acceptance and/or approval of the proposer's insurance documents does not and shall not be construed to relieve proposer of any obligations, responsibilities or liabilities under any resultant Contract.

Proposer's failure to comply with the required insurance as set forth in the Insurance Requirements of the Agreement is a breach of contract, which may result in one or more of the following: suspension of work, suspension or termination of contract, remuneration of procurement costs for obtaining a replacement contractor, and suspension from submitting future proposal based on proposer's default.

***Proposer, at Proposer's sole cost and expense, hereby promises and agrees to:***

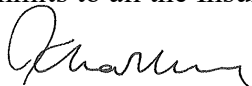
Acquire required insurance set forth in the Insurance Requirements of the Agreement.

Provide policies of insurance from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California prior to commencing any work and allowing any subcontractor to commence work on any subcontract until it has secured all required insurance unless otherwise permitted or waived in writing by City's Risk Manager.

Maintain in force at all times during the term of any Contract, insurance policies as set forth in the Insurance Requirements of the Agreement; replace any policies whose carrier's rating falls below A VII with policies that meet or better the required A VII rating no later than the renewal date of the policy; amend, supplement, or endorse existing insurance policies that do not meet the insurance requirements set forth in the Insurance Requirements.

Proposer certifies, represents, and commits to all the Insurance Requirements of the Agreement.

Signature:



Name/Title Date:

Khoa Duong, PE, Vice President, Building Services

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM G PROPOSER QUALIFICATIONS RESPONSE FORM

CSG Consultants, Inc.

(Proposer's Company Name)

Proposers must have demonstrated trustworthiness, as well as the necessary quality, fitness, capacity, and experience to satisfactorily provide the requirements specified in this Solicitation based on prior experience with city, references, and other available information.

Provide the information requested below. Do not omit or renumber any sections. All items listed must be submitted and checked off to ensure qualification responsiveness.

#### 1. Background.

Please provide the following information about your company:

- ☒ Your company's full legal name, address, phone, fax, email, website.
- ☒ Prior company names (if any) and years in business; mergers, buyouts, etc.
- ☒ Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).
- ☒ Names and titles of the principal owner(s).
- ☒ Person(s) authorized to make commitments for your company.
- ☒ Special recognition or awards. N/A

#### 2. Experience.

Provide the following information relative to required services:

- ☒ Summary of Experience with similar kinds of work.
- ☒ Familiarity with state and federal procedures.
- ☒ Experience working with public agencies.
- ☒ Narrative of the working relationship with current business references for information not already included in the References Form.

#### 3. Qualifications.

Provide the following information relative to required services:

- ☒ Financial responsibility.
- ☒ Demonstrated Technical Ability.
- ☒ Capability of developing innovative or advanced techniques.
- ☒ Special qualifications, training, credentials.
- ☒ Staff names, titles, role, qualifications, and experience assigned to this Project.

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

- ☒ Designated project manager assigned to this Project.

### 4. Understanding.

Provide the following information relative to required services:

- ☒ Understanding of the work to be done based on this Solicitation.
- ☒ Include issues that you believe will require special consideration for this Project.
- ☒ Identify unique approaches or strengths your company has relative to required services.

### 5. Approach.

Provide the following information relative to required services:

- ☒ Understanding of the work to be done.
- ☒ Adequacy of labor and resources to satisfactorily perform the requested services and meet the City's needs.
- ☒ Names and titles of key management personnel.
- ☒ Team to be assigned for these services. Please see Understanding section.

**Submitted by:**

Signature:



Name/Title Date:

Khoa Duong, PE, Vice President, Building Services

## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM H FIRM PROPOSAL FORM

CSG Consultants, Inc.

(Proposer's Company Name)

#### FIRM PROPOSAL made by Proposer to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Proposal on behalf of and to bind the principals who I represent, to all the requirements of the City of Brea's Terms and Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in the Proposal Form.

Further, I understand that no contract exists unless City accepts this Proposal by executing the attached Agreement.

Business Name: CSG Consultants, Inc.

Business Address: 3707 W. Garden Grove Blvd, Ste 100, Orange, CA 92868

Federal ID#: 91-2053749

If any Work is a Public Works

Contractor Lic#: \_\_\_\_\_ DIR#: \_\_\_\_\_

Business Type: 2  
(Proposer enter a number)

1. Individual/Sole Proprietor or Single-Member LLC; 2. C Corporation;  
3. Corporation; 4. Partnership; 5. Trust/Estate; 6. Limited Liability Co.

By: 

Name: Khoa Duong, PE

Title: Vice President, Building Services

Email: khoa@csgengr.com

Date Signed: 10/17/2024

CORPs: Chairperson, President, Vice President  
LLCs Manager

By: 

Name: Cyrus Kianpour, PE, PLS

Title: President

Email: cyrus@csgengr.com

Date Signed: 10/17/2024

CORPs: Secretary, Assist. Secretary, Chief Finance  
Officer, Assist. Treasurer  
LLCs: Manager

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

[Pursuant to California Corporations Code Section 17703.01(d), for limited liability companies, both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]



## REQUEST FOR PROPOSALS

As-Needed Building Inspection, Plan Check and Permit Technician Services  
2024.09.26.01

### STANDARD FORM I PRICE FORM

CSG Consultants, Inc.

(Proposer's Company Name)

Separate and describe your tasks, and associated costs, for the Scope of Services requirements. Attach additional pages if necessary.

Please note that pricing Must Be All-Inclusive. ***EACH PROPOSAL MUST BE INCLUSIVE OF ALL COSTS TO PERFORM THE REQUIRED SERVICES.*** Any and all costs of labor, transportation, materials, software, equipment, proprietary licenses, and any and all other fees, costs, taxes, insurance, and expenses necessary to comply with the requirements of this RFP and to provide the Services, must be included in the proposal price.

Tasks	Description	Rate
1	Building Plan Review	\$ 150
2	Principal M/E/P – Certified Plans Examiner	\$ 150
3	Building Plan Review – Structural Engineer	\$ 160
4	CASp Plan Review/Consultation	\$ 160
5	Permit Technician	\$ 90
6	Senior Permit Technician	\$ 95
7	CASp Inspection	\$ 160
8	Building Inspector	\$ 110
9	Combination Building Inspector	\$ 120
10	Administration/Plan Processing	\$ 80
	Proposal Total Costs (add above lines)	\$ N/A

Additional comments/remarks:

Please refer to Section 7 Cost/Pricing for more details.

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## Appendix

SECTION

9

### RESUMES

Resumes for CSG's proposed key personnel are provided on the following pages for the City's review.

# Khoa Duong PE



## Vice President, Building Services

### LICENSES & CERTIFICATIONS

Professional Engineer,  
State of California  
| 43901

Professional Engineer,  
State of Nevada  
| 013620

Certified Plans Examiner  
| ICC 0840436-B3

Professional Engineer,  
State of Washington  
| 27237

### EDUCATION

Bachelor of Science, Civil Engineering  
California Polytechnic State University  
| Pomona, CA

Mr. Duong serves as CSG's Building Services Manager in Southern California and performs the key role of plan review quality control. With more than 36 years of experience in building plan review, including onsite plan check engineer services, Mr. Duong ensures that CSG's clients receive the highest quality plan review services. Prior to joining CSG, Mr. Duong worked in both the public and private sectors.

Mr. Duong's expertise includes review of complex commercial, industrial and residential structures for compliance with applicable building codes and ordinances, engineering standards and specifications, supplemental energy requirements, and ADA regulations.

### RELEVANT EXPERIENCE

#### Building Services Manager and Plan Check Engineer | Multiple CSG Client Agencies

Mr. Duong manages CSG's Southern California plan review team and provides on and off-site Plan Review Engineer services for numerous jurisdictions throughout California. Mr. Duong performed structural plan check and non-structural MEP, energy, as well as ADA reviews for commercial, industrial, and residential structures.

#### Supervising Plan Review Engineer | Willdan

Mr. Duong was responsible for the day-to-day operations of the plan review section in the San Bernardino office and served as plan review engineer for numerous cities and counties throughout California and Nevada.

#### Vice President in charge of Plan Review | Berryman & Henigar

Mr. Duong managed the plan review team for over 10 years.

#### Plan Review Engineer | City of San Diego, CA

### NOTABLE PROJECT EXPERIENCE

Pacific City | City of Huntington Beach, CA

Inglewood Market Gateway | City of Inglewood, CA

Bolsa Row | City of Westminster, CA

Sofi Stadium & Performance Venue | City of Inglewood, CA

Town & Country Manor | City of Santa Ana, CA

Ganahl Lumber | City of San Juan Capistrano, CA

Hollywood Park Casino & Parking Structure | City of Inglewood, CA

Waterfront Hilton Hotel – Expansion | City of Huntington Beach, CA

Paséa Hotel & Spa | City of Huntington Beach, CA

Jackson Rancheria Casino | The Jackson Rancheria Band of Miwuk Indians, CA



# Eric Haghani MS, SE, PE, CBO

## Building Official / Principal Structural Engineer

### LICENSES & CERTIFICATIONS

Professional Structural Engineering  
| S4079

Professional Civil Engineering  
| C42200

Certified Building Official  
Certified Plans Examiner  
| ICC 253530

### EDUCATION

Master of Engineering, Civil Engineering  
California State Polytechnic University  
| Pomona, CA

Bachelor of Science, Civil Engineering  
California State Polytechnic University  
| Pomona, CA

### PROFESSIONAL AFFILIATIONS

Structural Engineer Association of  
Southern California (SEAOSC)  
International Code Council (ICC)

### AWARDS | HONORS

Mayor's Award for obtaining \$3,000,000  
FEMA Grant for Huntington Beach City  
Hall's Seismic Retrofit  
| City of Huntington Beach, CA  
Mayor's *Employee of the Month* Award  
| City of Dana Point

Mr. Haghani provides plan review, structural plan review and Building Official services on behalf of CSG. He is a highly skilled professional who has a proven ability to work effectively with others under a broad range of conditions and varying environments. His significant experience, sound educational background and positive personal qualities provide excellent qualifications as a Building Official. Mr. Haghani's skills include being quality-conscious and dedicated to producing quality results; excellent communication, interpersonal & problem-solving skills; and customer service.

### RELEVANT EXPERIENCE

#### Building Division Manager | City of Huntington Beach, CA

Mr. Haghani's duties included: Overseeing the operations, services, and activities of the Building Division within the Community Development Department and serving as the City's Building Official; developing and implementing division goals and objectives, administering the division budget, monitoring expenditures, and directing the plan review of complex buildings and structures to determine compliance with pertinent codes, requirements, and standards.

#### Building Official & Senior Structural Engineer | City of Dana Point, CA

Mr. Haghani's duties included: Overall management of the Building Division as the Building Official and the Sr. Structural Engineer; handling architectural and structural plan evaluation; monitoring inspection and permit staffs; assigning and scheduling workflow/projects; and mentoring, training, supervising, and evaluating staff members.

#### Plan Check Engineer | City of Huntington Beach, CA

Mr. Haghani's duties included: Providing comprehensive technical review of plans, specifications and calculations for life-safety, structural integrity, disabled access, and applicable code compliance; and supervising Permit and Plan Check Services Division of the Building and Safety Department in the absence of the Division Head and Manager.

#### Plan Check Engineer | City of Santa Monica, CA

Mr. Haghani's reviewed complex architectural and structural drawings, structural calculations, and engineering reports for compliance with construction codes, local ordinances, and state laws.

#### Structural Project Engineer | Various Private Companies

Mr. Haghani executed daily operations of various commercial & residential projects, including hiring, supervision, and mentoring of junior staff engineers.

## Building Official / Principal Structural Engineer

### LICENSES & CERTIFICATIONS

Structural Engineer  
State of CA | 2728  
Civil Engineer  
State of CA | 33643  
Civil Engineer  
State of NV | 22985  
Certified Building Official  
Certified Building Plans Examiner  
| 1061872  
Certified Access Specialist

### EDUCATION

Master of Science, Civil Engineering  
| California Polytechnic University  
Bachelor of Science, Civil Engineering  
| California Polytechnic University  
Master's in business administration  
| California Polytechnic University

### PROFESSIONAL AFFILIATIONS

California Building Officials Association  
(CALBO)  
International Code Council

Mr. Tran provides professional structural engineering and Building Official services for CSG Consultants and its clients. He brings over 30 years of experience in the building industry, in-depth knowledge of both the California and International Building Code, and experience in all forms of structural construction, including steel, concrete, masonry, timber, and light-gauge steel materials. Mr. Tran has worked for the County of Orange in various capacities including plan check supervisor, project engineer and Building Official. Through his experience in these roles, Mr. Tran developed a thorough working knowledge of the functions of the Building Department. Mr. Tran's expertise includes review of complex commercial, industrial and residential structures for compliance with applicable building codes and ordinances, engineering standards and specifications, supplemental energy requirements, and ADA regulations.

### RELEVANT EXPERIENCE

#### Plan Check Manager | City of Anaheim, CA

Mr. Tran's responsibilities included: assigning plans to plan check engineers and follow-up to meet turnaround time; working with permit applicants, architects/engineers and plan check engineers to resolve code compliance issues; reviewing alternatives and making recommendations for approval on code modification requests; and providing inspectors, permit applicants, architects/engineers information on code requirements.

#### Senior Plan Check Engineer | City of Yorba Linda, CA

As a senior plan check engineer for the City, Mr. Tran reviewed building plans for code compliance, reviewed alternatives and made recommendations for approval on code modification requests, and provided inspectors, permit applicants, architects/engineers information on code requirements.

#### Building Official | City of Fullerton, CA

As a building official, Mr. Tran provided the following services: Working with permit applicants, architects/engineers and plan check engineers to resolve code compliance issues; issuing code interpretations/policies and approving code modifications; and performing site visits with building inspection staff to make final determination on construction problems for code compliance.

#### Building Official | City of Dana Point, CA

As a building official, Mr. Tran provided the following services: Working with permit applicants, architects/engineers and plan check engineers to resolve code compliance issues; issuing code interpretations/policies and approving code modifications; and performing site visits with building inspection staff to make final determination on construction problems for code compliance.

#### County Building Official, Plan Check Engineer & Project Engineer | County of Orange, CA

Mr. Tran worked as a County employee with increasing responsibilities and promotions for over 33 years. He was the County Building Official during his last 10 years.

### NOTABLE PROJECT EXPERIENCE

#### Sofi Stadium & Performance Venue | City of Inglewood, CA

#### Hollywood Park Casino & Parking Structure | City of Inglewood, CA

#### Self-Storage Facility | City of Inglewood, CA

#### Ritz Carlton Resort and Hotel | City of Laguna Niguel, CA

#### Pelican Hill Resort and Hotel | City of Newport Beach, CA

#### 7-Story Coldwell Bank Office Building | City of Lake Forest, CA

#### John Wayne Airport Terminal Building and Parking Structures | City of Santa Ana, CA

#### 7-Story Orange County Juvenile Court Building | City of Orange, CA

#### Theo Lacy Jail and Juvenile Hall | City of Orange, CA

# Khanh Nguyen MS, PE, CBO



## Building Official / Principal Structural Engineer

### LICENSES & CERTIFICATIONS

Professional Civil Engineer,  
State of California  
C51737

Certified Building Official  
Certified Building Plans Examiner  
ICC 879847

### EDUCATION

Master of Science, Structural Engineering  
California State University  
of Los Angeles  
Los Angeles, CA  
Bachelor of Science,  
Civil Engineering  
San Diego State University  
San Diego, CA

### PROFESSIONAL AFFILIATIONS

Code Adoption Committee  
Chairperson (2022 & 2019) Orange  
Empire Chapter of ICC  
Code Development Committee  
Chairperson (2021 & 2020) Orange  
Empire Chapter of ICC  
Code Adoption Committee (2016,  
2013, 2010, 2007, 2004) | Orange  
Empire Chapter of ICC  
Chapter President (2006) Orange  
Empire Chapter of ICC  
Honorary Lifetime Member of the  
Orange Empire Chapter of ICC |  
Inducted in 2016  
2009 Environmental Hero Award  
(Southern California) Southern  
California Edison  
2008 Code Official of the Year Award  
(National), 1<sup>st</sup> from California | ICC  
2007 Building Department of the Year  
Award (State) California Building  
Officials Association

Mr. Nguyen offers CSG's clients expertise gained from over 30 years of professional experience in the building industry. Mr. Nguyen has an in-depth knowledge of the California Building Standards Codes and extensive experience with local building and safety regulations.

### RELEVANT EXPERIENCE

#### Principal Plan Check Engineer | Various Cities, CA

Mr. Nguyen served as the Interim Building Official for the City of Stanton, City of Fullerton, City of Norwalk, City of El Segundo, City of La Habra, and City of Hawaiian Gardens in recent years and assisted those jurisdictions in recruiting for a permanent Building Official.

Mr. Nguyen performed both residential and non-residential plan review projects. His most notable residential project was a 3-story, 66-unit public housing complex, and his most notable and high profile non-residential project was the new Star Wars theme park for Disneyland in Anaheim.

#### Building Official/Acting Assistant Director/Interim Director | City of Costa Mesa, CA

Mr. Nguyen implemented combination permits for efficiency in permit issuance and consistency in inspection. He administered and implemented four consecutive Fall Residential Remodeling Incentive Programs and two consecutive Build Green Incentive Programs.

Mr. Nguyen served in a supervisory role where he managed and oversaw 35 professional and technical employees in advance and current planning, permit processing center, building plan check, inspection, and code enforcement. He also served as the lead person on all automation issues and chaired the City Green Building Committee where he developed the City Council policy on Sustainability which includes the greenest standard for new municipal buildings in the country.

#### Building Official | City of Tustin, CA

Mr. Nguyen provided building plan review of the division budget of \$1.3 million. He also administered the FEMA flood program for the City and implemented several stormwater inspection programs to comply with the 3<sup>rd</sup> term NPDES permit. As a Building Official, Mr. Nguyen managed and oversaw 11 professional and technical employees in permit processing, building plan check, inspection, and code enforcement.

#### Permit and Plan Check Manager | City of Huntington Beach, CA

Mr. Nguyen's expertise included review calculations and designs of complex projects with applicable building codes and ordinances, engineering standards and specifications. He administered and enforced the City's Unreinforced Masonry Building ordinance, as well as designed and implemented the Plan Check Log and Interactive Voice Response system.

# Matthew Corrigan PE

Assistant Plan Check Engineer



## LICENSES & CERTIFICATIONS

Professional Civil Engineer,  
State of California  
95707

Residential Plans Examiner  
ICC 9610336

## EDUCATION

B.S. in Civil & Environmental  
Engineering

Mr. Corrigan provides building plan review and permit technician services on behalf of CSG and its clients. He is a results-oriented, highly motivated professional. Mr. Corrigan is skilled in communicating with team members, self-motivating, and consistently completes thorough and accurate plan review projects under tight deadlines.

## RELEVANT EXPERIENCE

### Assistant Plan Check Engineer | Multiple CSG Client Agencies

Mr. Corrigan performs building plan reviews for residential projects for multiple jurisdictions in Southern California.

### Production Scheduler | The Walt Disney Company

As a production scheduler, Mr. Corrigan would: liaise with area leaders on a daily basis ensuring labor needs are consistently met; produce the weekly work schedule for approximately 500 employees according to business needs and taking into account seniority rules, union regulations, and employee schedule preferences whenever possible; and train and educate new workers, set performance goals, standards and expectations, communicate and explain operational decisions.

### Stage Scheduler | The Walt Disney Company

Mr. Corrigan's responsibilities included: receiving communication from cast members regarding potential absences from work and ensuring area leaders are notified of any changes or adjustments to their staffing; attempting to call in additional cast members for shifts as needed to backfill any potential labor shortages due to absences; and continuously communicate with area leaders in order to ensure locations are properly staffed with labor for their daily operations.

# Amir Hamidzadeh PE, CBO, CASp



## Senior Plan Check Engineer

### LICENSES & CERTIFICATIONS

Registered Professional Engineer (PE)  
| 68216

Certified Plans Examiner  
Certified Building Official  
| ICC 1041666-CB

Certified Access Specialist (CASp)  
| 093

Certified Residential and Non-Residential Energy Analyst (CEA)

Licensed Real Estate Broker, (Realtor)

### EDUCATION

Associate of Arts, Architecture, Pierce Community College, Pierce Community College | Los Angeles CA

Bachelor of Science, City and Regional Planning and Architecture, California Polytechnic University San Luis Obispo | San Luis Obispo, CA

### PROFESSIONAL AFFILIATIONS

International Code Council | Member

Ventura Regional Chapter of ICC |  
Former President

Coachella Valley Chapter of ICC |  
Former President

Los Angeles Basin Chapter of ICC |  
Committee Member

California Building Officials (CALBO) |  
Committee Member

Certified Access Specialists Institute (CASI) | Founding Member

California Association of Building Energy Consultants | Member

California Real Estate Inspection Association (CREIA) | Member, Trainer

Office of Emergency Services (OES) |  
Safety Assessment Evaluator &  
Coordinator

Mr. Hamidzadeh is an accomplished senior plan check engineer for CSG and brings over 33 years of experience in the building industry. He has experience serving as a plan check engineer, a building official, a building department director, an associate engineer, and as a planning aide for the Cities of Simi Valley, Palm Desert, and Agoura Hills, California. Mr. Hamidzadeh also has extensive leadership experience having served as the former president for the Ventura Regional Chapter and the Coachella Valley Chapter of ICC and as one of the founding members of the Certified Access Specialist Institute.

### RELEVANT EXPERIENCE

#### Owner | Development Solution, Westlake Village, CA

Mr. Hamidzadeh operates his own private business, Development Solution. His responsibilities include meeting clients, contract preparation, design, engineering, plan review, inspection, report preparation, and budgeting.

#### Building Official | City of Agoura Hills, CA

Mr. Hamidzadeh managed and directed the operation of the Building and Safety Department, including budget, plan review, permit issuance, inspections, and creating and enforcing policies and procedures. He also oversaw multiple contracts.

#### Director of Building and Safety Department | City of Palm Desert, CA

Mr. Hamidzadeh oversaw the Building and Safety Department and its four divisions: Plan Review, Permit Issuance, Inspection and Code Enforcement. He managed multiple contracts and consulting programs including Animal Control and consultant plan review and inspection services. He was also responsible for the department's budget.

#### Plan Check Engineer / Associate Engineer / Planning Aide | City of Simi Valley, CA

Mr. Hamidzadeh served in various roles for 3 different departments during his time with the City of Simi Valley. He served as a planning aide for the Planning and Community Development Department, an associate engineer for the Public Works Department, and as a Plan Check Engineer for the Building and Safety Department. His responsibilities included preparing and presenting ordinances to the City Council, managing an \$11M Storm Water Detention Facility, and plan checking and inspecting a variety of commercial and residential plans for code compliance.

#### Designer | Zuni Engineering Design, Chatsworth, CA

Mr. Hamidzadeh designed and engineered multiple buildings and roadways with the assistance of the Senior Engineer.



# Richard Supan, PE, CBO, CFM

Senior Plan Check Engineer



## LICENSES & CERTIFICATIONS

Licensed Civil Engineer  
State of CA | 88934  
Certified Building Official  
Certified Fire Marshal  
Certified Building Plans Examiner  
Certified Residential Plans Examiner  
Certified Commercial Plans Examiner  
Certified Building Inspector  
Certified Residential Building Inspector  
Certified Building Code Specialist  
| 8326066

## EDUCATION

Master of Science, Civil Engineering,  
California Polytechnic University, Pomona  
| Pomona, CA  
Bachelor of Science, Civil Engineering  
University of California, Irvine  
| Irvine, CA  
Leadership Development for Public  
Agencies, California State University,  
Fullerton | Fullerton, CA

## PROFESSIONAL AFFILIATIONS

California Building Officials Association  
(CALBO)  
International Code Council (ICC)  
Orange Empire Chapter  
Chapter Board Secretary 2021  
Municipal Management Association of  
Southern California (MMASC)

Mr. Supan provides building official and structural engineering services for CSG Consultants and its clients. He brings over 8 years of experience in the building industry and has served in managerial positions for the Cities of Los Angeles, Fullerton, and Anaheim. To this role, Mr. Supan brings expertise of complex commercial, industrial and residential structures in compliance with applicable building codes and ordinances, engineering standards and specifications, supplemental energy requirements, and ADA regulations.

## RELEVANT EXPERIENCE

### Plan Check Manager | City of Anaheim, CA

Mr. Supan provided code interpretations to the public, staff, and interdepartmental City employees. He reviewed various construction plans, reports, and engineering calculations to determine if plans were in compliance with building codes and other construction regulations. He also monitored the plan review for all major projects and attended preliminary plan check meetings with architects.

Mr. Supan supervised the plan check team consisting of 4 Plan Check Engineers in the review of plans, specifications, and calculations on a variety of projects in the issuance of building permits for construction. He supervised, assigned, and reviewed the work of the staff and consultants to ensure work quality and the adherence to established policies and procedures.

### Building and Safety Manager / Building Official | City of Fullerton, CA

Mr. Supan managed the operations of the Building and Safety division of the Community Development Department which included permitting, plan checking, and building inspection staff in the application and enforcement of codes related to the construction, alteration, and occupancy of residential, commercial, and industrial buildings. He created new policies and standards in the implementation of changing state and local laws and conducted weekly division meetings with staff for discussion and training. He was also responsible for the management of the Building Division budget and prepared draft ordinances and reports for legal and City Council review.

### Structural Engineering Associate III | City of Los Angeles, CA

Mr. Supan performed plan check on the design, plans, specifications, and calculations on a variety of projects including new multi-story commercial buildings, mixed-use buildings, high-rise buildings, multi-story apartments, single-family dwellings, retaining walls, shoring, and other miscellaneous building structures for the issuance of building permits. He provided managerial and analytical support for a variety of complex and confidential administrative matters including critical and or/sensitive development projects. He also acted as the Building and Safety Department Liaison and communicated with the 15 City of Los Angeles Council District Offices and reviewed and prepared responses to proposed local building and zoning code draft ordinances presented by the City Attorney's Office.

Notable projects that Mr. Supan was involved in while with the City of Los Angeles include:

- Managing emergency homeless shelter projects
- Participating as the Building Code liaison for Re: Code LA, which was the largest City of Los Angeles Planning Department initiative to create a new Zooming Code for Los Angeles.

### Project Engineer | Plump Engineering, Inc. Anaheim, CA

Mr. Supan prepared complete design plans consisting of calculations and drawings in AutoCAD for commercial and residential projects including new construction, tenant improvements, and plan check corrections. He also performed calculations for commercial and residential projects involving gravity and lateral loadings for steel, concrete, and timber members.

# Michael Leindecker CBO

## Principal Plans Examiner



### LICENSES & CERTIFICATES

Certified Building Official  
Plans Examiner  
Building Inspector  
Plumbing Inspector

### EDUCATION

B.S. in Engineering  
Fullerton College  
Fullerton, CA  
  
B.S. in Business Administration  
Barrington University  
Mobile, Alabama

### AFFILIATIONS

Society of Fire Protection Engineers  
International Code Council  
Administrative Code Development  
Committee  
International Conference of Building  
Officials  
General Code Development Committee  
International Conference of Building  
Officials  
Code Development Committee  
Orange Empire Chapter ICBO  
Urban Wildland Interface Committee  
Orange Empire Chapter ICBO

Mr. Leindecker uses a high standard of leadership and professional excellence to provide jurisdictions plan review services and other assistance during the permitting process. His over 25 years of experience in both the private and public sector has equipped him with the skills needed to provide clients and applicants excellent service.

### RELEVANT EXPERIENCE

#### Plan Check Supervisor | City of Anaheim

Mr. Leindecker provided direct assistance to the Building Official while evaluating alternate methods/materials and unreasonable hardship requests, providing oversight and guidance for sensitive projects, and assigning projects to plan check staff and consultants. He also collaborated with Building Inspection Supervisors to validate plan review consistency.

#### Plans Examiner | City of Anaheim

For the City, Mr. Leindecker provided plan check services by working with other departments, elected officials and outside agencies to effectively give customers responsive plan review and permit service. He coordinated the review of building development projects for 2 billion dollar Anaheim Resort and Disney's California Adventure.

#### Plan Checker | City of Anaheim

Mr. Leindecker performed comprehensive design review of residential, commercial and industrial projects. He was able to establish and maintain working relationships with design professionals, contractors and building owners. Michael also provided counter services and technical interpretations on area development projects.

#### Building Inspection Supervisor | City of Anaheim

As a building inspection supervisor, Mr. Leindecker coordinated the staffing and operational activities for inspection services. He learned how to supervise, motivate and provide leadership to achieve department goals and objectives.

#### Building Inspector | City of Anaheim

Mr. Leindecker performed field inspection of commercial, industrial and residential structures to determine compliance with adopted codes and approved construction documents.

#### Systems Designer/Estimator | C.W. Taylor, Chino, CA

Mr. Leindecker designed mechanical systems using accepted engineering principles, adopted codes and job specifications. He also formulated job specific analysis and cost breakdowns.

# Gerald Quast



## Principal Plans Examiner

### LICENSES & CERTIFICATIONS

Certified Energy Plans Examiner,  
Non-Residential  
California Energy Commission  
| NRE-98-1001

Certified Energy Plans Examiner,  
Residential  
California Energy Commission  
| RES-93-1016

IAPMO Certified Mechanical Inspector

IAPMO Certified Plumbing Inspector

### EDUCATION

Associate of Arts Degree  
Coastline Community College  
| Fountain Valley, CA

Mr. Quast joins CSG as a plans examiner and provides plumbing and mechanical plan review for our public agency clients. He brings with him over 30 years of Public Agency experience providing inspection and plan check services for the City of Anaheim.

### RELEVANT EXPERIENCE

#### Plumbing / Mechanical Plans Examiner | City of Anaheim, CA

Mr. Quast most recently served as the plumbing/mechanical plans examiner for the City of Anaheim. Beginning his Public Agency career as a combination building inspector, he transitioned to the Plan Check Section, and while providing plans examiner services to the City, Mr. Quast was also the staff training coordinator for eight years. During his time at Anaheim, he provided plumbing and mechanical plan check services for such projects as the Anaheim Arena, the Anaheim Stadium Expansion, several Anaheim Convention Center Expansions, the downtown ice hockey rinks, and numerous redevelopment projects. He has also reviewed plans for numerous Hotel/Motel and high-density residential developments, office buildings, parking structures, tenant improvements and warehouse projects, and numerous Resort District and amusement park expansions.

#### Construction & Building Codes Instructor | Fullerton Community College & Coastline Community College

Mr. Quast brings over 28 years of experience as a community college instructor, delivering construction and building code courses for Fullerton and Coastline Community Colleges. While teaching plumbing, mechanical, and building codes, Title 24 Accessibility/Energy, basic code enforcement, and blueprint reading, he has also delivered training seminars for CALBO, ICC, and IAPMO Chapters.

#### Plumbing Apprenticeship/Journeyman Training | Plumbing Contracting

Mr. Quast previously worked with a residential and commercial plumbing company for 15 years. After completing a 5-year California State plumbing apprenticeship program, he worked as journeyman and foreman, as well as in labor-supervision, estimation, purchasing, and as a corporate officer before becoming a plumbing contractor.

### NOTABLE PROJECT EXPERIENCE

#### Sofi Stadium | City of Inglewood, CA

#### Commercial Cannabis Business Odor Management Systems | City of Santa Ana, CA

#### Multiple Residential Projects | City of Beverly Hills, CA

#### Projects while working with the City of Anaheim, CA

- Numerous Projects within the Disneyland Resort District and Amusement Parks
- The Anaheim Arena
- The Anaheim Stadium Expansion
- Several Anaheim Convention Center Expansions
- Multiple Downtown Ice Hockey Rinks
- Numerous Redevelopment Projects
- Numerous Hotels/Motels
- Numerous High-Density Residential Developments, Office Buildings, Parking Structures, Tenant Improvements, and Warehouse Projects

# Mike Teemant MCP, CBO



## Principal Plans Examiner

### LICENSES & CERTIFICATIONS

Master Code Professional (MCP)  
Certified Building Official  
Certified Building Code Official  
Certified Plumbing Code Official  
Combination Inspector  
Commercial Combination Inspector  
Commercial Energy Inspector  
Commercial Energy Plans Examiner  
Residential Energy Inspector/Plans Examiner  
Fire Inspector II  
Residential Fire Sprinkler Inspector/Plans Examiner  
Building Plans Examiner  
Plumbing Plans Examiner  
Commercial Building Inspector  
Commercial Electrical Inspector  
Commercial Plumbing Inspector  
Accessibility Inspector/Plans Examiner  
Residential Building Inspector  
Residential Electrical Inspector  
Residential Mechanical Inspector  
Residential Plumbing Inspector

### EDUCATION

Associates of Applied Sciences: Building Technologies; Building Inspection  
College of Southern Nevada, Las Vegas, NV  
Chemical Engineering  
University of South Alabama, Mobile, AL  
Chemical Engineering

### PROFESSIONAL AFFILIATIONS

Member, International Code Council (ICC)—Region I Board  
Member, International Code Council (ICC)—Northern Nevada Chapter  
Member, International Code Council (ICC)—Nevada Organization of Building Officials  
Member, International Code Council (ICC)—Southern Nevada Chapter  
Member, Board of Directors—1st Vice President 2014–2015  
Member, Board of Directors—2nd Vice President 2013–2014  
Awarded & Honored, “2013 Government Person of the Year” 2013  
Member, International Association of Plumbing and Mechanical Officials (IAPMO) 2012–Present  
Southern Nevada Chapter Board 2014–2015  
Member, Southern Nevada Building Officials (SNBO) 2012  
International Building Code Committee—Mechanical and Plumbing Code Amendments Committee  
City of Las Vegas 2003  
International Residential Code—Amending Ordinance Committee

Mr. Teemant, an experienced Master Code Professional (MCP), serves as building plan reviewer and inspector for CSG and its clients. He has over 40 years in the construction industry, with 24 years of experience in enforcing code compliance, making him especially capable in working with municipal governments on all aspects of plan review and building code enforcement.

Mr. Teemant is a highly proficient Building and Electrical Plans Examiner having conducted plan reviews on a wide array of projects. Similarly, he has extensive experience in performing inspections for compliance with international Codes and referenced standards.

He also holds experience in supervising Building, Plumbing, Mechanical, and Electrical Inspectors and support staff, as well as serving as an accomplished instructor for building plan review, provisions of the International Plumbing Code, and International Residential Code.

## RELEVANT EXPERIENCE

### Code Inspections | City of Boulder City, NV

Mr. Teemant provides code inspection services for the City of Boulder City. Projects includes both residential and commercial. Mr. Teemant also oversees three CSG inspectors who provide services for the Techren Solar Plant and assists with inspections when one of them calls out sick or is on vacation.

### Building Official | City of Fernley, NV

As a building official for the City of Fernley, Mr. Teemant reviewed plans for compliance with adopted municipal building codes and supervised field inspections for construction and municipal code compliance. Within the Building and Safety Department, he supervised the permit technician and animal control officer. He was also instrumental in the review of policies and procedures, and the development of procedures to improve the City’s workflow management system. In addition, Mr. Teemant prepared documents and presentations for city council review and approval.

### Plans Examiner | City of Las Vegas, NV

Mr. Teemant reviewed plans for compliance with the adopted municipal building codes as well as interacted with design professionals and the public to explain the intent of the building codes. In his role as a plans examiner, he granted approval of plans that were compliant with codes and noted code requirements on the plans for common problems encountered in the field. as a plans examiner for the City of Las Vegas, some major projects on which he worked include the examination of high rise and large projects such as the Smith’s Center, Las Vegas Outlet mall, World Market Center, Lou Ruvo Brain Center, Zappos corporate offices, Las Vegas Development center, City of Las Vegas City Hall, Soho lofts, and many hotel construction and major remodels.

### Code Inspector | Clark County School District, NV

### Code Instructor | City of Las Vegas Plans Exam Division, College of Southern Nevada, Las Vegas, NV

### Supervisor/Foreman | Maverick Construction, Las Vegas, NV

## NOTABLE PROJECT EXPERIENCE

### Sofi Stadium | City of Inglewood, CA

### Techren Solar Park (Techren II) | City of Boulder City, NV

### UNLV College of Engineering, Academic and Research Building | State of Nevada

### Projects Prior to Joining CSG for the City of Las Vegas, NV

City of Las Vegas City Hall  
Lou Ruvo Brain Center  
The Smith’s Center  
Las Vegas Outlet Mall  
World Market Center

Zappos Corporate offices  
Las Vegas Development Center  
Soho Lofts  
And many hotels and major remodels

# Frank Biangone

Principal Plans Examiner



## LICENSES & CERTIFICATIONS

Residential Building Inspector  
Commercial Building Inspector  
| ICC 860170

## EDUCATION

Advanced Construction Technology  
Courses  
| Coastline Community College, Chico, CA

## PROFESSIONAL AFFILIATIONS

International Association of Plumbing and  
Mechanical Officials Member

Frank Biangone serves as a Senior Plans Examiner for CSG and its clients. With over 30 years of experience, Mr. Biangone is a highly knowledgeable code professional with expertise gained through extensive experience performing building plan review and inspection services for the City of Huntington Beach, CA.

## RELEVANT EXPERIENCE

### Senior Commercial and Residential Combination Inspector | City of Huntington Beach, CA

Mr. Biangone served the City of Huntington Beach for more than 30 years, including 5 years as Senior Commercial and Residential Combination inspector and 25 years as Principal Plumbing and Mechanical Plan Checker/Inspector performing both paper and electronic plan review.

His responsibilities included performing all commercial and residential plumbing and mechanical plan check for all projects throughout the City of Huntington Beach, assisting the Fire Department with water metering and backflow applications for water sourced fire suppression systems along with plan check of fan-assisted smoke evacuation systems, assisting the Public Works Department with onsite sewer and water plan checks, and working in conjunction with Huntington Beach Code Enforcement to assist with plumbing and mechanical code enforcement issues. Mr. Biangone also attended pre-construction meetings with contractors, designers, architects and engineers on high profile, large scale projects. Other duties included, writing numerous plumbing and mechanical policies for the City, assisting in the redesign of plumbing and mechanical permit forms and plumbing and mechanical plan check correction logs, and designing and performing weekly plumbing and mechanical training activities for field inspectors and managers.

Notable nonresidential plumbing and mechanical plan check projects successfully performed for the City of Huntington Beach include:

- The Strand with the Shore Break Hotel
- Hyatt Regency Resort
- Pacific City Commercial and Retail
- Bella Terra mall
- C&D Aerospace
- Hilton Waterfront Resort
- Quicksilver
- Rainbow Environmental Services Recycle Plant
- Huntington Beach Senior Center
- Hoag Health Medical Center
- Memorial Health Center
- Brethren Christian School
- OSHPOD 3 Plumbing and Mechanical Reviews

Notable multi-family residential projects reviewed include:

- The Lofts
- Boardwalk
- Village at Bella Terra
- Elan
- Luxe

# Mark Sallee

Principal Plans Examiner



## LICENSES & CERTIFICATIONS

Building Inspector  
Electrical Inspector  
Plumbing Inspector  
| ICC 1026285

State of California Contractor's  
License C-10 | 387649

Mark Sallee serves as a Senior Plans Examiner for CSG and its clients. He has over 40 years of experience in the construction industry, 21 of which were as a City of Anaheim employee performing building inspection and plans examiner services. Mr. Sallee's thorough knowledge of the code and plan review and inspection processes allow him to provide the highest quality of services to our clients.

## RELEVANT EXPERIENCE

### Plans Examiner II | City of Anaheim, CA

As a Plans Examiner II, Mr. Sallee performed the following duties: Reviewing commercial, residential, hotel and institutional electrical plans for conformance to current building codes; reviewing residential and commercial photovoltaic and fuel cell systems; and reviewing residential and commercial demolition plans, swimming pools, signs and residential ADU's.

### Building Inspector II & III | City of Anaheim, CA

As a Building Inspector II & III, Mr. Sallee performed some of the more complex building inspections, including inspections during the construction of Disney's California Adventure, and major retrofits at Disneyland Park, the Anaheim Convention Center, Angle Stadium, Arrowhead Pond, and Boeing Industries, among others.

Mr. Sallee also performed combination-building inspections, electrical plan check, and acted in the capacity of supervisor as needed to support Management.

### National Electrical Code Instructor | Coastline Community College, Fountain Valley, CA

Mr. Sallee taught the NEC in a community college format.

### Electrical Instrumentation Inspector | Koury Inspection, Carson, CA

Mr. Sallee worked primarily in a Class I division I and division II hazardous location and conducted inspections on heavy industrial electrical installations as a third party inspector for the ARCO Refinery in Carson Ca. This work included inspecting electrical sub stations to 69 KV, services to 4,000 amps, and motors to 3,000 horsepower, sub panels transformers, lighting, receptacles and general electrical equipment.

### Electrical Contractor | Sallee Electric Co., Westminster, CA

Mr. Sallee performed work on residential, commercial and light industrial projects. His duties included electrical engineering, drafting, plan preparation, lighting design, payroll, estimating, and job site supervisor, as well as electrician and troubleshooter.



# Yoko Tanaka MS, PE, SE

## Senior Structural Engineer



### LICENSES & CERTIFICATIONS

Licensed Structural Engineer, California  
(No. S 6089)  
Licensed Professional Civil Engineer,  
California (No. C 74864)  
ICC Building Plans Examiner  
ICC Commercial Building Inspector  
ICC Residential Fire Sprinkler  
Inspector/Plans Examiner

### EDUCATION

Master of Science, Civil Engineering  
(Structural/Earthquake Engineering)  
University of California, Los Angeles

Bachelor of Science, Civil Engineering  
University of California, Los Angeles

### PROFESSIONAL AFFILIATIONS

International Code Council (ICC)  
ICC Orange Empire Chapter

Ms. Tanaka is a professional structural engineer providing building plan review services for CSG Consultants and its clients. She brings over 16 years of experience in the building industry, in-depth knowledge of the California Building Code, CRC, Cal Energy Code and disabled access requirements. Additionally she has expertise in analysis and design of steel, reinforced concrete, CMU, and wood structures; seismic evaluation and upgrades of existing buildings; and working knowledge of ASCE7, ASCE41, ASCE31, AISC, AISI, ACI, and NDS.

### RELEVANT EXPERIENCE

#### Senior Structural Engineer | CSG Consultants, Inc.

Ms. Tanaka performs plan review for residential, commercial, and mixed-use buildings, and other structures to ensure compliance with building, mechanical, electrical, plumbing, energy, Calgreen codes, disabled access requirements, local ordinances, and State and Federal law, including the review of structural drawings and calculations. She covers Building counter service at local jurisdictions for over-the-counter plan reviews and customer services as needed.

#### Senior Civil Engineer – Plan Check | City of Newport Beach, CA

For over four years, Ms. Tanaka performed plan review for commercial, residential, and mixed-use buildings for compliance with City of Newport Beach Municipal Code, California Codes, and associated standards, including structural drawings and calculations. Review Grading/Drainage Plan for residential projects in compliance with City Grading Ordinance and CBC. She provided over-the-counter plan reviews and customer services at City Permit Counter. She communicated with architects, engineers, contractors, and property owners to assist with code requirements and design standards, and response to questions on plan check comments, and coordinated with other City departments as required during plan check review.

#### Structural Engineer / Project Manager | Private Companies

Ms. Tanaka lead structural analysis and computations of various buildings and structures. She prepares drawings, specifications, reports, and other project deliverables while working with structural team members and other disciplines within the project team to coordinate structural design and address plan check comments. Ms. Tanaka conducted structural observation, reviewed submittals, and responded to RFIs. She interfaced with local government agencies and entities to obtain project permits. She guided and managed junior engineers and review their work.

### NOTABLE PROJECT EXPERIENCE

#### Plan Review:

- 5-Story 346-Unit Apartment Building and 5-Story Parking Structure | City of Huntington Beach, CA
- Tenant Improvement for Medical Oncology Clinics (OSHPD-3) | City of Huntington Beach, CA
- 7-Story Mixed-use Apartment Building and 4 new buildings, Brea Mall | City of Brea, CA
- Tenant Improvement for High School Building | San Juan Capistrano, CA
- 5-Story Mixed-use Condominium, Uptown Newport | City of Newport Beach, CA
- 3-Story Mixed-use Apartment | City of Newport Beach, CA

# Mark Carnahan CBO

Building Official / Building Inspection Supervisor



## LICENSES & CERTIFICATIONS

Certified Building Official  
Combination Inspector  
CA Commercial Building Inspector  
CA Commercial Electrical Inspector  
CA Commercial Plumbing Inspector  
CA Commercial Mechanical Inspector  
CA Residential Building Inspector  
CA Residential Electrical Inspector  
CA Residential Plumbing Inspector  
CA Residential Mechanical Inspector  
CA Combination Inspector  
CA Plans Examiner  
| ICC 1110134-J4  
B-General Building Contractor (inactive)  
| 746154

## EDUCATION

Light Construction and Development  
Management Certificate Program  
University of California, Irvine  
Liberal Studies  
California State University | Fullerton, CA

Mr. Carnahan serves as a building official and inspection manager for CSG Consultants. He has over 37 years of experience in the building industry, 20 of which were in the public sector with progressive responsibility at the City of Huntington Beach. He has a sound knowledge of construction methods and materials, principals of structural design, engineering and building inspection. As part of managing CSG's Southern California inspection staff, Mr. Carnahan developed an inspection program to train and develop the skills of new and experienced inspectors.

## RELEVANT EXPERIENCE

### Building Manager/Building Official | City of Huntington Beach, CA

The City of Huntington Beach created the Building Manager position for Mr. Carnahan which he performed for eight years. While managing the Building Department, he directed staff, ensured that professional work standards are met, and emphasized the importance of quality customer service. Mr. Carnahan attained pertinent knowledge and understanding of federal, state and local laws, codes and regulations including the ADA, OSHA, CALOSHA, California Codes, and the City of Huntington Beach Municipal Codes, including enforcement of zoning requirements and ordinances. He was also: a combination inspector assigned to single and multifamily housing, the Hyatt Regency Resort, and numerous commercial and industrial projects; the supervising inspector for the Strand development; and managed the plan check and inspection process from entitlement to issuance of certificate of occupancy on numerous complicated projects (Costco at Bella Terra, The Village at Bella Terra Apartments, Beach Promenade, and Edinger Plaza). He worked with the Director of Community Development and Senior Administrative Analyst to develop, modify and administer the Building Division budget and monitor expenditures. While managing the building department, Mr. Carnahan completed two cycles of the code adoption process from: writing legislative drafts, requests for legal services (RLS), request for council action (RCA's), council readings and finished the adoption process by sending the approved municipal codes to the California Building Standards Commission for filing.

### Inspection Supervisor | City of Huntington Beach, CA

As an inspection supervisor, Mr. Carnahan: coordinated inspection activities with other city departments, contractors and developers; established and maintained a cooperative working relationship with those contacted in the course of work; communicated effectively both verbally and in writing; participated in professional and public meetings as required; and worked with others to analyze problems, identify alternative solutions, and accurately project consequences of proposed actions for daily issues, large or small, including monitoring work flow. When working with the City Council, he prepared and reviewed correspondence, studies, reports, and requests for council action.

### Inspector I, II, & III | City of Huntington Beach, CA

#### Building Construction

## NOTABLE PROJECT EXPERIENCE

### Projects Prior to Joining CSG

- Pacific City Huntington Beach | City of Huntington Beach, CA
- Huntington Beach Senior Center | City of Huntington Beach, CA
- Hardin Hyundai | City of Huntington Beach, CA



# Lance A. Miller CBO

## Senior Building Inspector



### LICENSES & CERTIFICATIONS

Certified Building Official  
Accessibility Inspector / Plans Examiner  
Plumbing Inspector  
Combination Inspector  
Mechanical Inspector  
Building Inspector  
Electrical Inspector  
| ICC 5067873  
Plumbing Inspector UPC  
Combination Inspector - Legacy  
Mechanical Inspector UMC

### EDUCATION

Associate of Science, Building Inspection/  
Energy Management

Mr. Miller is a senior building inspector with over 17 years of field inspection experience for residential, commercial, and industrial projects. In his work, he combines inspection and code expertise with superior customer service. Prior to joining CSG, Mr. Miller served as a contract building official and building inspector for multiple public agencies in California.

### RELEVANT EXPERIENCE

#### CSG Building Inspector | City of La Habra, CA

As a CSG Building Inspector, Mr. Miller has provided inspections of both commercial and residential projects during various stages of construction and remodeling to ensure compliance with applicable codes and regulations.

#### Contract Building Inspector | Multiple Public Agencies

As a contract building inspector, Mr. Miller performed the gamut of inspection functions and gained experience working with varied agency processes. He prioritized daily inspection routes, scheduled assignments, and reviewed submitted plans and other documents for inspections to be performed. He conducted building and construction job-site inspections of structures and facilities to determine compliance with governing codes and performed periodic and systematic inspections during various phases of construction from grading and foundation through final construction approval. His inspection work included examining job site grading, NPDES practices, and quality and grade of lumber, cement, wiring and plumbing.

Mr. Miller reviewed approved construction plans, interpreted detailed codes and regulations and explained required inspection and construction requirements when necessary. In the office, he utilized permit tracking systems to record inspection findings and maintained inspection and permit records to develop notices, forms and reports.

Clients served include:

- City of Stanton
- City of Fountain Valley
- City of Mission Viejo
- City of Cypress
- City of Seal Beach
- City of Los Alamitos
- City of Norwalk
- Camp Pendleton USMC Base

# Aubrey Tull



## Building Inspector

### LICENSES & CERTIFICATIONS

B1 IRC Residential  
OSHA 30 Hour Construction Safety  
ACI Concrete Field-Testing Technician  
PROCORE: Project Manager, Field  
Productivity, Quality & Safety  
ISO 14001 Cert of Awareness  
FAA Part 107 Drone Pilot  
Fine Woodworking

### EDUCATION

A.S. Building Science & Sustainable Tech  
Cape Fear, Wilmington, NC

Mr. Tull is a Building Inspector for CSG and their clients. In addition to his inspection experience, he has five years of experience in building/construction and eight years in customer service and sales. He has a degree in Building Science and Sustainability. He has also studied residential and construction safety.

### RELEVANT EXPERIENCE

#### CSG Building Inspector | City of Brea

Mr. Tull has been providing Building Inspection services for the City of Brea. He performs a variety of functions within the City's Building Department. Mr. Tull has performed the following duties:

- Make field inspections of residential buildings during various stages of construction and remodeling to assure compliance with applicable codes and regulations of City, State and Federal agencies;
- Perform inspection duties in trade specialties such as plumbing, electrical and mechanical, structural and finish trade areas;
- Issue permits for work to be performed;
- Inspect foundation, cement, framing, plastering, plumbing, heating, and electrical installations, and a large variety of other complex and routine building system elements;
- Check stud, joist, rafter spacing and other structural member factors;
- Examine grade, quality, and treatment of lumber, cement, lath, wire and composition;
- Ensure proper and safe installation of routine and complex building systems;
- Coordinate inspection activities with other City departments and divisions;
- Make field review of plans and specifications;
- Ascertain conformance to California Building Code, Residential, Green, Energy, Plumbing, Mechanical, and Electrical Codes, and pertinent provisions of State and County health and environmental ordinances;
- Confer with architects, contractors, builders and the general public in the field and office;
- Explain and interpret requirements and restriction

#### CSG Building Inspector Trainee | CSG Consultants, Inc., Orange, CA

Mr. Tull's training includes performing scheduling daily inspections, phone calls and performing minor inspections with one of CSG's Senior Building Inspectors. Mr. Tull has been trained on inspections for the following CSG client agencies:

- City of Tustin
- City of Stanton
- City of Brea
- City of Placentia

#### Jobsite Supervisor | Coastal Exteriors LLC, Taylors Island, MD

Mr. Tull consulted with the project manager and owners to identify problems, create strategic plans, and implement short (daily). He also helped groups to complete objectives efficiently, safely, and ahead of schedule, while maintaining a safe, productive, efficient, and fun environment.

# Billy Kho

Senior Fire Services Inspector  
Building Inspector



## LICENSES & CERTIFICATIONS

Residential Building Inspector  
Residential Plumbing Inspector  
Residential Mechanical Inspector  
CSFM Firefighter 1 & 2  
| #027364  
CSFM Fire Inspector  
CSFM Fire Inspector 1A, 1B, 1C,  
1D, 2A, 2B  
CSFM Fire Plans Examiner 1A, 1B, 1C  
CSFM Hazardous Materials  
Technician/Specialist 1A, 1B, 1C,  
1D, 1F, 1G  
CSFM Certified Rescue Systems 1  
CSFM Confined Space Rescue  
Technician  
Certified Weapons of Mass Destruction  
Hazmat Technician  
CAAFA Basic Firm Alarm Certification  
Emergency Medical Technician  
| E078274  
CSFM Auto Extraction Certification  
Certified Scott SCBA Repair Technician  
Scott SBA Respirator Annual Fit Testing  
Technician  
OSHA General Health & Safety  
Certification

## EDUCATION

B.S., Business Administration,  
California State University, Long Beach  
| Long Beach, CA  
A.S., Public Fire Service – 89<sup>th</sup> Basic Fire  
Academy, Santa Ana College  
| Santa Ana, CA  
Recruit Training Academy,  
Torrance Fire Department  
| Torrance, CA

Mr. Kho brings over 26 years of operation of public and private sector safety experience and over 20 years of municipal fire experience. He has served in a variety of fire prevention and safety capacities, held positions of increasing responsibility, and is highly knowledgeable of current codes and procedures. He is adept at identifying safety hazards and recommending corrective measures – applying the knowledge developed through her extensive experience. Mr. Kho is also a certified Building, Plumbing and Mechanical Residential Inspector.

## RELEVANT EXPERIENCE

### Building Inspector | City of Brea, CA

Mr. Kho was responsible for Building Inspections for the City of Brea.

### Contract Fire Inspector | Bureau Veritas, CA

Mr. Kho was responsible for Fire Life Safety and Operation Permit Inspections for all occupancy classifications for the City of Huntington Beach Fire Department. He performed inspections for NFPA 13 and 13D Residential Sprinklers, NFPA 72 Fire Alarm, Hazardous Materials CUPA, Underground fire lines, Methane barrier systems, Emergency Response Radio (BDA Systems), and all State mandated 3-5 Unit Apartment inspections. He also assisted with the Huntington Beach Oil well inspections and has experience with the City's and Firehouse's database for record keeping. Mr. Kho also performed fire plan review services for fire sprinklers, fire alarms, hood suppression systems, underground fire lines, methane barrier systems, and fire life safety.

### New Construction Health & Safety Coordinator | Baker Rescue Services, CA

Mr. Kho was responsible for supervising and managing over 100 permit required confined space rescue operations. He safely managed contractors during confined space, hot work, and cold work activities during refinery turnarounds/shutdowns. He verified and implemented positive proves isolations using effective gas tests and establishing proper lockout/ tag out procedures.

### Firefighter / HAZMAT Technician/Specialist | City of Torrance Fire Department, CA

Mr. Kho was accountable for emergency call responses including fire suppression, truck company operations, emergency medical aid and basic life support, as well as hazardous materials and confined space incidents. His responsibilities also included performing commercial and residential hazardous materials and fire prevention inspections. He also served as a move-up engineer and provided training and educational classes to fire personnel, business, and schools.

# Paul Nguyen

## Permit Technician



### EDUCATION

B.S.E.E.  
California State University  
| Los Angeles, CA

Mr. Nguyen provides permit technician services on behalf of CSG. He has over 35 years of customer service experience where he has developed strong customer service, project management and team building skills.

### RELEVANT EXPERIENCE

#### Permit Technician Trainee | CSG Consultants, Inc., Orange, CA

Under direct supervision of the Supervising Permit Technician, Mr. Nguyen's responsibilities includes: Assisting other Building Safety staff members as directed; learning time management, planning and organizing skills to properly carry out assigned duties; developing effective oral and written communication skills to effectively perform the job; developing skills to positively relate to others in sensitive situations, be assertive when needed, and to maintain a calm demeanor under stressful situations; learning to handle several tasks simultaneously while maintaining accuracy and attention to detail in an environment of frequent interruptions; developing interpersonal skills to work well with home owners, architects, engineers, contractors and other municipal employees; and performing other related duties as required.

Mr. Nguyen is currently training in the City of Norwalk.

#### Lotus Notes and Microsoft Office 365 System Engineer | American Honda Motor Company, Inc., Torrance, CA

Mr. Nguyen's duties included: Handling second and third level support calls for Office 365, Azure and Windows Server Active Directory, Lotus Notes, Spam filtering, Skype and AT&T Connect Web Conferencing, Outlook Client and Microsoft Teams; acting as a liaison between Honda and the IT Outsource Company; working as a liaison between AHFC Business Analyst and Vendor for SOX-related testing of email encryption; participating as a core team member in a migration project from Domino 6.5.2 to 8.5.2; performing TRR and PDR to ensure a successful migration and roll out; consolidating all remote servers to a central data center on ESX4.0 and roll out VDI wherever possible; implementing all new Domino 8.5.2 features such as policies, Data Compression, DAOS, clustering, ID Vault and managed replica; participating in migrating users and data from Lotus Notes to Outlooks; and troubleshooting Outlook/Domino mail routing issue, AD new and returning users account in a coexisting environment.

#### Lotus Notes System Engineer | Aerospace Corporation, El Segundo, CA

Mr. Nguyen successfully completed a project to migrate 2000 users from legacy servers running Window 2000 Domino 8.5.0 to a Window 2000 and Linux Red Hat Domino 8.5.1 clustered and DAOS enabled all mail files in two months. Saved company money by decommissioning six old servers, eliminating software licenses, back up time and assisting the Messaging team in accomplishing one of their year-end goal.

#### Lotus Notes System Administrator | The Capital Group Companies, Inc., Irvine, CA

Mr. Nguyen managed the Enterprise email infrastructure. Performed daily Lotus Notes Administration tasks. Conducted second and third level support for escalated helpdesk tickets. Provided 24x7 on-call support for Mail, Applications, Hubs, Gateways, LEI, Blackberry and Sametime server infrastructure. He also updated servers to latest software release and trained new administrator and desktop support person in troubleshooting issues.

# Kim Bond

Permit Technician



## LICENSES & CERTIFICATIONS

ICC Permit Technician Certificate

## EDUCATION

Inspector Class  
Santiago College  
Orange, CA  
Paralegal  
Santa Ana College  
Santa Ana, CA

Kim Bond serves as a Permit Technician for CSG and its clients. He has extensive experience in general construction and job site management and over ten years of residential and commercial real estate inspection experience. Mr. Bond is dependable, organized, and an effective decision maker and communicator with clients, property owners, and real estate professionals.

## RELEVANT EXPERIENCE

### CSG Permit Technician | Multiple Clients

As a CSG Permit Technician, Mr. Bond performs a variety of functions within the City's Building Department, including the tasks listed below.

### Building Permit Technician | City of Tustin, Tustin, CA

As a Permit Technician, Mr. Bond

- Compiles data and prepares statistical reports for management and other public agencies.
- Provides coverage for Planning counter, as necessary.
- Assists customers to appropriate planning, inspection, plan check and engineering staff as necessary for matters that require detailed technical review and explanation.
- Varieties of Administrative support tasks, prepares correspondence audit permits.
- Review applications, fees and plans to determine whether project complete and stamped correctly, ensure appropriate information prior to issuance of permits.
- Determine type of project and coordinates permit application for Building, Planning, Public Works and the Fire Department.
- Received, research and complies documents for response to the public information request.
- Calculates and determines variety of fees for plan check, permit issuance, inspections.
- Schedules inspection for customers in person, via telephone and online requests.
- Files permits and plans; prepares permits and plans for archival scanning assembles files and other requested information for public records requests.
- Verifies final inspection clearance with all city inspection, planning, and engineering requirements and issues Certificate of Occupancy.

### Information Specialist | City of Irvine, Irvine, CA

Mr. Bond participated in the development of responses and gathering of records for litigation-related requests for public records, reviewed researched retention schedules on changes in public records laws. He assisted with preparation of City Council Agendas and occasion copies Agendas Packets for Council Meeting.



*Employee-Owned*

## OFFICES THROUGHOUT CALIFORNIA

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### SAN FRANCISCO BAY AREA

• Foster City • San Jose • Pleasanton •

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### SACRAMENTO REGION

• Sacramento •

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### CENTRAL VALLEY

• Newman • Fresno •

---

### CENTRAL COAST

• Paso Robles •

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### SOUTHERN CALIFORNIA

• Orange •

WWW.CSGENGR.COM

888.794.2016

# Request for Taxpayer Identification Number and Certification

Give Form to the  
requester. Do not  
send to the IRS.

► Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>CSG Consultants, Inc.</b>	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ►	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) See instructions. <b>550 Pilgrim Dr</b>	Requester's name and address (optional)
	6 City, state, and ZIP code <b>Foster City, CA 94404</b>	
	7 List account number(s) here (optional)	

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number											
				-				-			
or											
Employer identification number											
9	1		-	2	0	5	3	7	4	9	

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► January 1, 2024
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



## JAS PACIFIC – MUNICIPAL SERVICES CONSULTING FIRM

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*Building Your Solutions*

November 12, 2024

Jason Killebrew  
Community Development Director - Deputy City Manager  
City of Brea  
1 Civic Center Circle  
Brea, CA 92821

**REVISED RATE SCHEDULE  
BUILDING & SAFETY CONSULTING SERVICES**

Dear Director/Deputy City Manager Killebrew,

JAS Pacific is pleased to be considered as a consultant for contractual Building & Safety Services to the City of Brea Community Development Department, Building & Safety Division. This communication is a submission of our revised service rates as provided on the following pages. The revised pages replace our previous Pricing provided on Sheets E-1 and E-2 in our Proposal.

It is our sincere desire that the revised rates will be amenable to the City of Brea to allow further consideration for JAS Pacific to be a consultant to Brea's Building & Safety Division. In meeting with your Building Official Mr. Christian Varela, we feel that the goals, and the projects in the City of Brea are consistent with JAS Pacific's experience and our track record of excellent municipal and community service.

Should you have any questions, please feel free to contact me directly at (626) 625-4233. We look forward to hearing from you.

Respectfully,

Rajesh Patel, P.E.  
President  
JAS Pacific  
201 N. Euclid Avenue, Suite A, Upland, CA 91786  
Office: 800.844.5885 • Mobile: 626.625.4233  
[raj@jaspacific.com](mailto:raj@jaspacific.com)





**JAS PACIFIC**

**SERVICE RATES - REVISED NOVEMBER 12, 2024**

Description of Service	Hourly Rate – Unless Noted as Percentage
Complete Building Plan Review <sup>1,2</sup>	60% of Total Plan Check Fees
Structural Plan Review Only <sup>1,2</sup>	35% of Total Plan Check Fees
Certified Building Official	<del>\$150.00 / Hour</del> <del>\$160.00 / Hour</del>
Licensed Structural Engineer (Building Plan Check)	<del>\$155.00 / Hour</del> <del>\$165.00 / Hour</del>
Licensed Professional Engineer (Civil, Electrical, & Mechanical)	<del>\$140.00 / Hour</del> <del>\$150.00 / Hour</del>
Plans Examiner (Building, Electrical, Mechanical, & Grading Plan Check)	<del>\$120.00 / Hour</del> <del>\$130.00 / Hour</del>
Licensed Civil Engineer (Grading Plan Check)	<del>\$150.00 / Hour</del> <del>\$160.00 / Hour</del>
Licensed Geotechnical Engineer (Grading Foundation Plan Check)	<del>\$160.00 / Hour</del> <del>\$170.00 / Hour</del>
Certified Access Specialist (Specialty CASp Plan Check)	<del>\$150.00 / Hour</del> <del>\$160.00 / Hour</del>
Senior Building Inspector (Commercial, Large Res Building Inspection)	<del>\$120.00 / Hour</del> <del>\$125.00 / Hour</del>
Combination Building Inspector (Building Inspection)	<del>\$110.00 / Hour</del> <del>\$115.00 / Hour</del>
Specialty Inspector (Mech, Elect, Plumbing Inspector)	<del>\$120.00 / Hour</del> <del>\$125.00 / Hour</del>
On-Site Certified Permit Technician	<del>\$90.00 / Hour</del> <del>\$95.00 / Hour</del>
Remote Certified Permit Technician	<del>\$85.00 / Hour</del> <del>\$80.00 / Hour</del>
Admin / Permit Specialist	<del>\$70.00 / Hour</del> <del>\$75.00 / Hour</del>

Fire Protection Engineer	<del>\$180.00 / Hour</del> <b><u>\$170.00 / Hour</u></b>
Fire Marshal	<del>\$140.00 / Hour</del> <b><u>\$130.00 / Hour</u></b>
Certified Fire Plans Examiner	<del>\$130.00 / Hour</del> <b><u>\$120.00 / Hour</u></b>
Senior Fire Inspector	<del>\$140.00 / Hour</del> <b><u>\$130.00 / Hour</u></b>

**COST FOOTNOTES/NOTES:**

<sup>1</sup> All Building/Discipline Plan Check Services may be expedited subject to mutually acceptable terms with the City or City Customer for a minimum cost of 1.5 times the specified rate.

All percentage/hourly rates specified include (non-prevailing wage) salaries, insurance, benefits, local commute, normal administration assistance for transporting/logging/tracking/returning plans and documents, and standard office expenses (not including Certified Access Specialist - CASp expenses if required).

Should additional Administrative Services be requested which exceed the normal plan processing tasks, JAS may charge additional hourly Admin rates subject to approval by the City Building Official / Community Development Director.

Services rendered outside normal business hours Monday through Friday 8:00am - 5:00pm, including weekend and holidays will be billed at either 1.5x or 2x the hourly rate as applicable.

Payment Terms are 30 days from receipt of Invoice, unless previously agreed upon.

Specified JAS rates are subject to increase each subsequent fiscal year on July 1<sup>st</sup>, based upon the Consumer Price Index (**CPI**) as applicable for this region.

**Agreement No. 2025.01.06.146**  
**Professional Services Agreement**

This **Professional Services Agreement** ("Agreement") is dated **Tuesday, January 21, 2025** for reference purposes and is executed by the City of Brea, a California municipal corporation ("City"), and **JAS Pacific a Consultant** ("Consultant").

**RECITALS**

A. City desires to retain Consultant as an independent contractor to provide the following **Professional Services: Building & Safety Plan Check and Inspection Services** for **Community Development**.

B. Contractor represents that it is duly licensed, fully authorized by law, and has the necessary experience and qualifications, to provide such services.

**NOW, THEREFORE**, the parties agree as follows:

**AGREEMENT**

**1. Scope of Services.**

**Consultant** shall perform the services referenced in the Recitals and more specifically described in the Scope of Services set forth in the attached Exhibit A, and as otherwise required by this Agreement, all to City's satisfaction (collectively, "Services").

**2. Compensation**

A. City shall pay for the Services satisfactorily performed, in accordance with the Fee Schedule set forth in the attached **Exhibit A**.

B. In no event shall the total amount paid for the Services exceed the all-inclusive **lump sum of \$ 250,000.00** ("Contract Amount") **of which only \$5,000.00 shall be funded from the City's General Fund (110). Majority of work shall be charged to developer-funded accounts.** This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by **Consultant** in performing the Services. **Consultant** shall be deemed to have made all inquiries and site inspections deemed necessary by **Consultant** prior to execution of this Agreement.

C. Unless the Fee Schedule calls for payment of a one-time flat fee, periodic payments for undisputed work shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. **Consultant's** invoices shall indicate the amount of time spent on each task and the applicable rate.

D. Unless the Fee Schedule calls for payment on a different schedule, **Consultant** shall invoice City on a monthly basis.

**3. Additional Work.**

**This Agreement does not include any contingency or additional work. Any additional work performed by Contractor without a written amendment or approval of the City shall be deemed to be work included within the Services.**

#### **4. Term.**

A. The term of this Agreement shall commence **Tuesday, January 21, 2025** (“Effective Date”). Unless extended or earlier terminated as provided herein, **this Agreement shall expire on: Thursday, January 21, 2027**

**City may extend the term of this Agreement by giving written notice to Contractor within 30 days prior to the then-scheduled expiration date for up to one (1) additional one-year term which will be in the sole discretion of the: City Manager, or designee.**

#### **5. Time of Performance.**

A. **Consultant shall commence the Services on the above Effective Date, timely complete all performance milestones, if any, and shall complete the Services within the term of this agreement.**

B. Force Majeure. Neither party shall be considered in default of this Agreement for delays in performance caused by a force majeure event. As used in this Agreement, the term “force majeure event” means circumstances beyond the reasonable control of the non-performing party and includes the following: abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; or judicial restraint. **Consultant’s** lack of financial capability, shall not constitute a force majeure event unless directly attributable to any of the foregoing events.

C. Should a force majeure event occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

#### **6. Maintenance of Records.**

Books, documents, papers, accounting records, and other evidence pertaining to the Services, including costs incurred, shall be maintained by **Consultant** and made available for review by City at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by City.

#### **7. Standard of Care.**

**Contractor’s Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions in southern California. Contractor shall maintain all professional licenses and certifications required to lawfully perform the Services.**

#### **8. Compliance with Law.**

A. **Consultant** shall comply with all applicable laws including Cal/OSHA requirements.

B. **Consultant** shall obtain a City of Brea business license.

C. **Consultant** shall comply with all applicable provisions included in the attached Special Provisions Section.

#### **9. Assignment and Subcontracting.**

A. **Consultant** shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of City, which may be withheld for any reason. City shall be deemed to have approved **Consultant's** utilization of subcontractors identified in **Consultant's** proposal for the Services.

B. Any attempt to so assign, transfer, or subcontract without City's prior written consent shall be void and shall constitute grounds for City's termination of this Agreement. Authorized subcontracts shall contain a provision making the subcontractor subject to all requirements of this Agreement otherwise applicable to the **Consultant**.

C. If use of a subcontractor is approved, then City may withhold 5% of each monthly payment to **Consultant**. Such retention shall be released upon City's receipt of an unconditional release of all claims signed by any such subcontractor, as to work performed to date.

#### **10. Independent Contractor.**

A. **Consultant** is retained as an independent contractor and is not an employee of City. No employee or agent of **Consultant** is or shall become an employee of City.

B. **Consultant** will determine the means, methods, and details by which **Consultant's** personnel will perform the Services. **Consultant** shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

C. **Consultant's** personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City. **Consultant's** personnel shall not use any City e-mail address or City telephone number in the performance of the Services. **Consultant** shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as **Consultant's** personnel require to perform the Services. **Consultant** shall perform the Services off of City premises at locations of **Consultant's** choice, except as otherwise may from time to time be necessary in order for **Consultant's** personnel to receive projects from City, review plans on file at City, pick up or deliver any work product, or as may be necessary to inspect or visit City locations. City may make a computer available to **Consultant** from time to time for **Consultant's** personnel to obtain information about or to check on the status of projects pertaining to the Services.

D. **Consultant** shall be responsible for and pay all wages, salaries, benefits and other amounts due to **Consultant's** personnel in connection with the Services. **Consultant** shall be responsible for all reports and obligations respecting such additional personnel, including Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. **Consultant** and its officers, employees, agents, and subcontractors shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of City, and entitlement to any contribution to be paid by City for employer

contributions or employee contributions for PERS benefits or any other retirement benefits.

## **11. CalPERS Compliance.**

The parties acknowledge that City is a local agency member of CalPERS, and as such has certain pension reporting and contribution obligations to CalPERS on behalf of qualifying employees.

**Consultant** agrees that, in providing its employees and any other personnel to City to perform the Services, **Consultant** shall assure compliance with the Public Employees' Retirement Law (Government Code Section 20000 et seq.), the regulations of CalPERS, and the Public Employees' Pension Reform Act of 2013 (Government Code Section 7522 et seq.). Without limitation to the foregoing, **Consultant** shall assure compliance with regard to personnel who have active or inactive membership in CalPERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

## **12. Insurance.**

Unless otherwise permitted or waived in writing by City's Risk Manager **Consultant** shall not commence work until it has secured all insurance required under this section and provided evidence thereof that is acceptable to City. In addition, **Consultant** shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

### **A. Commercial General Liability**

i. **Consultant** shall take out and maintain, in amounts not less than specified herein,

Commercial General Liability Insurance, in a form and with insurance companies acceptable to City.

ii. Coverage for Commercial General Liability insurance shall be at least as broad as the following:

a. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

iii. Commercial General Liability Insurance must include coverage for the following:

- a. Bodily Injury and Property Damage
- b. Personal Injury/Advertising Injury
- c. Premises/Operations Liability
- d. Products/Completed Operations Liability
- e. Aggregate Limits that Apply per Project
- f. Contractual Liability with respect to this Agreement
- g. Broad Form Property Damage
- h. Independent **Consultant's** Coverage

iv. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to this Agreement.

v. The policy shall be endorsed to name City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsement forms providing the exact same coverage.

vi. The general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, only if approved by City's Risk Manager in writing, and further provided that such deductibles shall not apply to coverage of the additional insureds

#### B. Automobile Liability

**Automobile Liability Insurance is required for this Agreement as follows: i. Contractor shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to City. ii. Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto). iii. The policy shall be endorsed to name City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds. iv. Subject to City's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the additional insureds.**

#### C. Workers' Compensation/Employer's Liability

**Workers' Compensation and Employer's Liability Insurance is required for this Agreement as follows: i. Contractor certifies that Contractor is aware of the provisions of Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she/it will comply with such provisions before commencing work under this Agreement. ii. Contractor shall maintain full compensation insurance for its employees in accordance with the Workers' Compensation and Insurance Act (Labor Code Section 3200 et seq.) and Employer's Liability Coverage in amounts indicated herein. Contractor shall require all subcontractors to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.**

#### D. Professional Liability (Errors and Omissions)

**\$2,000,000 per claim and aggregate (errors and omissions)**

**Retroactive date is not required for this Agreement.**

#### E. Cyber Liability

**Cyber Liability Insurance is not required for this Agreement.**

#### F. Minimum Policy Limits Required

##### i. A.M. Best's Rating

Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

##### ii. The following insurance limits are required for this Agreement:

##### a. Commercial General Liability

**\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage**

b. Automobile Liability

**\$2,000,000 per occurrence (any auto) for bodily injury and property damage**

c. Worker's Compensation and Employers Liability

**In the amount required by California law for Workers' Compensation Limit.  
\$1,000,000 per occurrence for Employer's Liability**

d. Professional Liability

**\$2,000,000 per claim and aggregate (errors and omissions)**

Retroactive date is not required for this Agreement.

e. Cyber Liability

**Cyber Liability Insurance is not required for this Agreement.**

ii. Defense costs shall be payable in addition to the limits.

iii. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as additional insured pursuant to this Agreement.

#### G. Proof of Insurance

Within five days of execution of this Agreement, but prior to commencement of the Services, **Consultant** shall file with City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required original endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

#### H. Policy Provisions Required

i. The required policies of insurance shall require that the City be provided at least 30 days prior written notice of cancellation of any policy required by this Agreement, except that the policies shall provide at least 10 days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, **Consultant** shall deliver renewal certificate(s) including the required endorsement(s) to City at least 10 days prior to the effective date of cancellation or expiration.

ii. The Commercial General Liability Policy and Automobile Liability Policy shall each contain a



provision stating that **Consultant's** policy is primary insurance and that any insurance, self-insurance or other coverage maintained by City or any additional insureds shall not be called upon to contribute to any loss.

iii. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three years.

iv. All required insurance coverages, except for the professional and cyber liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials ("City Parties"), or shall specifically require **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 Parties, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

v. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve **Consultant** from liability in excess of such coverage, nor shall it limit **Consultant's** indemnification obligations to City or preclude City from taking such other actions available to City under other provisions of this Agreement or law.

#### I. Additional Insurance Provisions

i. The foregoing requirements as to the types and limits of insurance coverage to be maintained by **Consultant**, and any approval of such insurance by City, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by **Consultant** pursuant to this Agreement, including the provisions concerning indemnification.

ii. If at any time during the term of this Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by **Consultant** or City will withhold amounts sufficient to pay premium from **Consultant** payments. In the alternative, City may terminate this Agreement for cause.

iii. City may require **Consultant** to provide for inspection by City, complete copies of all insurance policies in effect for the duration of the Agreement.

iv. No City official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

v. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to **Consultant**; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of **Consultant** under this Agreement.

#### J. Subcontractor Insurance Requirements

**Consultant** shall not allow any subcontractor to commence work on any subcontract until it has

provided evidence satisfactory to City that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials as additional insureds, using ISO form CG 20 38 04 13 or an endorsement providing the same coverage. If requested by **Consultant**, City may approve different scopes or minimum limits of insurance for particular subcontractors.

### **13. Indemnification.**

**A. Other than in the performance of professional services, and to the fullest extent permitted by law, Contractor shall defend (with counsel reasonably approved by City), indemnify and hold City, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively “Indemnitees”) free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, liens, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, and destruction, or unauthorized access to, disclosure, use, and/or theft of electronic data (collectively, “Claims”) in any manner and to the extent arising out of, pertaining to, or incidental to any act, error, omission, or willful misconduct of Contractor, its owners, officials, officers, employees, subcontractors, contractors or agents (and/or any entity or individual for whom Contractor shall bear legal liability) in connection with the performance of the Services including the payment of all damages, expert witness fees and attorney’s fees and other related costs and expenses actually incurred in connection with such defense. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor, or by City or any of the other Indemnitees. Contractor shall have no liability hereunder for claims and liabilities arising out of the sole, active negligence of any of the Indemnitees.**

**B. Professional Services.** To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees, from and against any and all Claims, whether actual, alleged or threatened, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of Contractor, and/or its officers, agents, employees, subcontractors, contractors or their officers, agents, servants or employees (and/or any entity or individual for whom Contractor shall bear legal liability) in the performance of professional services under this Agreement. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs, actually incurred in connection with such defense.

**C. Contractor’s obligations under this Section shall survive the expiration or termination of this Agreement.**

### **14. Laws and Venue.**

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California without regard for change of venue laws. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court of the County of Orange, or in the U.S. District Court, Central District,, State of California. **Consultant** must comply with the claim

procedures set forth in the Government Claims act (Government Code Section 810 et seq.) prior to filing any lawsuit against City.

## **15. Termination.**

A. City may terminate any portion or all of the Services or this Agreement with or without cause by giving 10 days' prior, written notice to **Consultant**. In such event, City shall be immediately given title to and possession of all Work Product (as defined below) and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided **Consultant** is not then in breach, City shall pay **Consultant** for any portion of the Services satisfactorily completed prior to termination. If termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount agreed to by the parties. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. **Consultant** shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation resulting from such termination.

B. **Consultant** may terminate this Agreement only for cause and by serving written notice of termination to City, provided **Consultant** has first served City with a written notice of default and demand to cure, and City has failed to cure such default within 30 days of receipt of such notice.

## **16. Ownership of Work Product.**

A. All draft and final reports, documents, and other written material, and any and all images, reports, writings, ideas, concepts, designs including website designs, source code, object code, electronic data and files, and/or other media whatsoever created or developed by Contractor in the performance of this Agreement (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of City. All Work Product and any and all intellectual property rights arising from their creation, including all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City upon final payment being made, provided that any such use shall be at City's sole risk. Contractor shall not obtain or attempt to obtain copyright protection as to any of the Work Product. Contractor agrees that the compensation set forth in Section 2 of this Agreement includes conveyance to City of ownership of all Work Product, including intellectual property rights, as provided in this Section 16. "Work Product" shall not include intellectual property, or any thing or idea protected by intellectual property rights, lawfully owned or possessed by [contractor] prior to the effective date of this Agreement.

B. Contractor hereby assigns to City all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights, that are not otherwise vested in City pursuant to subsection A above.

C. Contractor warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Contractor's default, City shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Contractor shall defend, indemnify and hold City, and the other Indemnitees harmless from any and all losses, claims or liabilities in any way related to a claim that City's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual

property rights and/or interests in products, ideas or inventions. Contractor shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by City is held to constitute an infringement and the use of any of the same is enjoined, Contractor, at its expense, shall: (a) secure for City the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for City; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement; or (c) provide the City with a full and complete refund of all sums paid under this Agreement. Contractor's obligations under this Section shall survive the expiration or termination of this Agreement.

#### **17. Data Security.**

#### **18. Party Representatives.**

City hereby designates **Jason Killebrew**, or such person's designee, as the City Representative for this Agreement.

**Consultant** hereby designates **Ron Takiguchi**, or such person's designee, as **Consultant's** Representative for this Agreement, unless and until written notice of a new representative acceptable to City is provided to City.

The foregoing representatives shall be authorized to provide consent where required herein, and to make other administrative decisions that will be binding on their respective party, except as otherwise specifically required herein.

#### **19. Notices.**

Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, certified mail with return receipt requested and postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

##### **City**

**City of Brea**

**1 Civic Center Circle**

**Brea, CA 92821**

**United States**

**Chris Varela**

**ChrisV@CityofBrea.net**

**(714) 9907765**

##### **Consultant**

**JAS Pacific**

**201 N Euclid Ave Suite A**

**Upland, CA 91786**

**USA**

**Ron Takiguchi**

**ron.takiguchi@jaspacific.com**

**(310) 8445885**

#### **20. Third Party Rights.**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and **Consultant**.

## **21. Conflicts of Interest.**

A. **Consultant** covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services. **Consultant** certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of City.

B. **Consultant** further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services shall be employed. **Consultant** has provided City with a list of all City-approved subcontractors and the key personnel for such subcontractors that are retained or to be retained by **Consultant** in connection with the performance of the Services, to assist City in affirming compliance with this Section.

C. **Consultant** maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for **Consultant**, to solicit or secure this Agreement. Further, **Consultant** warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for **Consultant**, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, **Consultant** further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City Clerk as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to terminate this Agreement without liability. No director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

## **22. Severability.**

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

## **23. Successors and Assigns.**

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of the parties.

## **24. Non-Waiver.**

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

## **25. Time of Essence.**

Time is of the essence in each and every provision of this Agreement.

## **26. City's Right to Employ Other Consultant's.**

City reserves its right to employ other **Consultant's** to provide the Services or similar services.

**27. Exhibits.**

The attached **Exhibits A and B** are incorporated herein by reference. In the event of any conflict or inconsistency between the provisions of this Agreement and any Exhibit, the provisions of this Agreement shall govern.

**28. Entire Agreement.**

This Agreement represents the entire understanding of the parties as to the Services, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both parties. This is an integrated agreement.

**[SIGNATURES ON FOLLOWING PAGE]**

**TO EXECUTE THIS AGREEMENT**, the Parties have caused their authorized representatives to sign below. Digital Signatures are acceptable if they conform to all requirements of California Government Code Section 16.5.

**JAS Pacific**

By: \_\_\_\_\_

**Rajesh Patel**

**President**

**raj@jaspacific.com**

By: \_\_\_\_\_

**Ron Takiguchi**

**ron.takiguchi@jaspacific.com**

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

[Corporation: pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line. Limited liability company: Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

**City of Brea**

Attest (if over \$50,000)

By: \_\_\_\_\_

**Kristin Griffith**

**Interim City Manager**

**KristinG@CityofBrea.net**

By: \_\_\_\_\_

**Lillian Harris-Neal**

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**SPECIAL PROVISIONS**

**No Special Provisions required for this Agreement.**



**EXHIBIT A**  
**SCOPE OF SERVICES AND FEE SCHEDULE**  
**(Consultant's proposal attached)**

**Agreement No. 2025.01.06.145**  
**Professional Services Agreement**

This **Professional Services Agreement** ("Agreement") is dated **Tuesday, January 21, 2025** for reference purposes and is executed by the City of Brea, a California municipal corporation ("City"), and **CSG Consultants, Inc.** a **Consultant** ("Consultant").

**RECITALS**

A. City desires to retain Consultant as an independent contractor to provide the following **Professional Services: Building & Safety Plan Check and Inspection Services** for **Community Development**.

B. Contractor represents that it is duly licensed, fully authorized by law, and has the necessary experience and qualifications, to provide such services.

**NOW, THEREFORE**, the parties agree as follows:

**AGREEMENT**

**1. Scope of Services.**

**Consultant** shall perform the services referenced in the Recitals and more specifically described in the Scope of Services set forth in the attached Exhibit A, and as otherwise required by this Agreement, all to City's satisfaction (collectively, "Services").

**2. Compensation**

A. City shall pay for the Services satisfactorily performed, in accordance with the Fee Schedule set forth in the attached **Exhibit A**.

B. In no event shall the total amount paid for the Services exceed the all-inclusive **lump sum** of **\$ 250,000.00** ("Contract Amount") of which only **\$5,000.00** shall be funded from the City's General Fund (110). Majority of work shall be charged to developer-funded accounts. This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by **Consultant** in performing the Services. **Consultant** shall be deemed to have made all inquiries and site inspections deemed necessary by **Consultant** prior to execution of this Agreement.

C. Unless the Fee Schedule calls for payment of a one-time flat fee, periodic payments for undisputed work shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. **Consultant's** invoices shall indicate the amount of time spent on each task and the applicable rate.

D. Unless the Fee Schedule calls for payment on a different schedule, **Consultant** shall invoice City on a monthly basis.

**3. Additional Work.**

**This Agreement does not include any contingency or additional work. Any additional work performed by Contractor without a written amendment or approval of the City shall be deemed to be work included within the Services.**

#### **4. Term.**

A. The term of this Agreement shall commence **Tuesday, January 21, 2025** (“Effective Date”). Unless extended or earlier terminated as provided herein, **this Agreement shall expire on: Thursday, January 21, 2027**

**City may extend the term of this Agreement by giving written notice to Contractor within 30 days prior to the then-scheduled expiration date for up to one (1) additional one-year term which will be in the sole discretion of the: City Manager, or designee.**

#### **5. Time of Performance.**

A. **Consultant shall commence the Services on the above Effective Date, timely complete all performance milestones, if any, and shall complete the Services within the term of this agreement.**

B. Force Majeure. Neither party shall be considered in default of this Agreement for delays in performance caused by a force majeure event. As used in this Agreement, the term “force majeure event” means circumstances beyond the reasonable control of the non-performing party and includes the following: abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; or judicial restraint. **Consultant’s** lack of financial capability, shall not constitute a force majeure event unless directly attributable to any of the foregoing events.

C. Should a force majeure event occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

#### **6. Maintenance of Records.**

Books, documents, papers, accounting records, and other evidence pertaining to the Services, including costs incurred, shall be maintained by **Consultant** and made available for review by City at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by City.

#### **7. Standard of Care.**

**Contractor’s Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions in southern California. Contractor shall maintain all professional licenses and certifications required to lawfully perform the Services.**

#### **8. Compliance with Law.**

A. **Consultant** shall comply with all applicable laws including Cal/OSHA requirements.

B. **Consultant** shall obtain a City of Brea business license.

C. **Consultant** shall comply with all applicable provisions included in the attached Special Provisions Section.

#### **9. Assignment and Subcontracting.**

A. **Consultant** shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of City, which may be withheld for any reason. City shall be deemed to have approved **Consultant's** utilization of subcontractors identified in **Consultant's** proposal for the Services.

B. Any attempt to so assign, transfer, or subcontract without City's prior written consent shall be void and shall constitute grounds for City's termination of this Agreement. Authorized subcontracts shall contain a provision making the subcontractor subject to all requirements of this Agreement otherwise applicable to the **Consultant**.

C. If use of a subcontractor is approved, then City may withhold 5% of each monthly payment to **Consultant**. Such retention shall be released upon City's receipt of an unconditional release of all claims signed by any such subcontractor, as to work performed to date.

#### **10. Independent Contractor.**

A. **Consultant** is retained as an independent contractor and is not an employee of City. No employee or agent of **Consultant** is or shall become an employee of City.

B. **Consultant** will determine the means, methods, and details by which **Consultant's** personnel will perform the Services. **Consultant** shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

C. **Consultant's** personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City. **Consultant's** personnel shall not use any City e-mail address or City telephone number in the performance of the Services. **Consultant** shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as **Consultant's** personnel require to perform the Services. **Consultant** shall perform the Services off of City premises at locations of **Consultant's** choice, except as otherwise may from time to time be necessary in order for **Consultant's** personnel to receive projects from City, review plans on file at City, pick up or deliver any work product, or as may be necessary to inspect or visit City locations. City may make a computer available to **Consultant** from time to time for **Consultant's** personnel to obtain information about or to check on the status of projects pertaining to the Services.

D. **Consultant** shall be responsible for and pay all wages, salaries, benefits and other amounts due to **Consultant's** personnel in connection with the Services. **Consultant** shall be responsible for all reports and obligations respecting such additional personnel, including Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. **Consultant** and its officers, employees, agents, and subcontractors shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of City, and entitlement to any contribution to be paid by City for employer

contributions or employee contributions for PERS benefits or any other retirement benefits.

## **11. CalPERS Compliance.**

The parties acknowledge that City is a local agency member of CalPERS, and as such has certain pension reporting and contribution obligations to CalPERS on behalf of qualifying employees.

**Consultant** agrees that, in providing its employees and any other personnel to City to perform the Services, **Consultant** shall assure compliance with the Public Employees' Retirement Law (Government Code Section 20000 et seq.), the regulations of CalPERS, and the Public Employees' Pension Reform Act of 2013 (Government Code Section 7522 et seq.). Without limitation to the foregoing, **Consultant** shall assure compliance with regard to personnel who have active or inactive membership in CalPERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

## **12. Insurance.**

Unless otherwise permitted or waived in writing by City's Risk Manager **Consultant** shall not commence work until it has secured all insurance required under this section and provided evidence thereof that is acceptable to City. In addition, **Consultant** shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

### **A. Commercial General Liability**

i. **Consultant** shall take out and maintain, in amounts not less than specified herein,

Commercial General Liability Insurance, in a form and with insurance companies acceptable to City.

ii. Coverage for Commercial General Liability insurance shall be at least as broad as the following:

a. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

iii. Commercial General Liability Insurance must include coverage for the following:

- a. Bodily Injury and Property Damage
- b. Personal Injury/Advertising Injury
- c. Premises/Operations Liability
- d. Products/Completed Operations Liability
- e. Aggregate Limits that Apply per Project
- f. Contractual Liability with respect to this Agreement
- g. Broad Form Property Damage
- h. Independent **Consultant's** Coverage

iv. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to this Agreement.

v. The policy shall be endorsed to name City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsement forms providing the exact same coverage.

vi. The general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, only if approved by City's Risk Manager in writing, and further provided that such deductibles shall not apply to coverage of the additional insureds

#### B. Automobile Liability

**Automobile Liability Insurance is required for this Agreement as follows: i. Contractor shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to City. ii. Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto). iii. The policy shall be endorsed to name City, its officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials, as additional insureds. iv. Subject to City's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the additional insureds.**

#### C. Workers' Compensation/Employer's Liability

**Workers' Compensation and Employer's Liability Insurance is required for this Agreement as follows: i. Contractor certifies that Contractor is aware of the provisions of Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she/it will comply with such provisions before commencing work under this Agreement. ii. Contractor shall maintain full compensation insurance for its employees in accordance with the Workers' Compensation and Insurance Act (Labor Code Section 3200 et seq.) and Employer's Liability Coverage in amounts indicated herein. Contractor shall require all subcontractors to obtain and maintain workers' compensation coverage of the same type and limits as specified in this section.**

#### D. Professional Liability (Errors and Omissions)

**\$2,000,000 per claim and aggregate (errors and omissions)**

**Retroactive date is not required for this Agreement.**

#### E. Cyber Liability

**Cyber Liability Insurance is not required for this Agreement.**

#### F. Minimum Policy Limits Required

##### i. A.M. Best's Rating

Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

##### ii. The following insurance limits are required for this Agreement:

##### a. Commercial General Liability

**\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage**

b. Automobile Liability

**\$2,000,000 per occurrence (any auto) for bodily injury and property damage**

c. Worker's Compensation and Employers Liability

**In the amount required by California law for Workers' Compensation Limit.  
\$1,000,000 per occurrence for Employer's Liability**

d. Professional Liability

**\$2,000,000 per claim and aggregate (errors and omissions)**

Retroactive date is not required for this Agreement.

e. Cyber Liability

**Cyber Liability Insurance is not required for this Agreement.**

ii. Defense costs shall be payable in addition to the limits.

iii. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as additional insured pursuant to this Agreement.

#### G. Proof of Insurance

Within five days of execution of this Agreement, but prior to commencement of the Services, **Consultant** shall file with City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required original endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

#### H. Policy Provisions Required

i. The required policies of insurance shall require that the City be provided at least 30 days prior written notice of cancellation of any policy required by this Agreement, except that the policies shall provide at least 10 days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, **Consultant** shall deliver renewal certificate(s) including the required endorsement(s) to City at least 10 days prior to the effective date of cancellation or expiration.

ii. The Commercial General Liability Policy and Automobile Liability Policy shall each contain a

provision stating that **Consultant's** policy is primary insurance and that any insurance, self-insurance or other coverage maintained by City or any additional insureds shall not be called upon to contribute to any loss.

iii. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three years.

iv. All required insurance coverages, except for the professional and cyber liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials ("City Parties"), or shall specifically require **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 Parties, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

v. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve **Consultant** from liability in excess of such coverage, nor shall it limit **Consultant's** indemnification obligations to City or preclude City from taking such other actions available to City under other provisions of this Agreement or law.

#### I. Additional Insurance Provisions

i. The foregoing requirements as to the types and limits of insurance coverage to be maintained by **Consultant**, and any approval of such insurance by City, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by **Consultant** pursuant to this Agreement, including the provisions concerning indemnification.

ii. If at any time during the term of this Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by **Consultant** or City will withhold amounts sufficient to pay premium from **Consultant** payments. In the alternative, City may terminate this Agreement for cause.

iii. City may require **Consultant** to provide for inspection by City, complete copies of all insurance policies in effect for the duration of the Agreement.

iv. No City official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

v. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to **Consultant**; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of **Consultant** under this Agreement.

#### J. Subcontractor Insurance Requirements

**Consultant** shall not allow any subcontractor to commence work on any subcontract until it has



provided evidence satisfactory to City that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name City, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of City officials as additional insureds, using ISO form CG 20 38 04 13 or an endorsement providing the same coverage. If requested by **Consultant**, City may approve different scopes or minimum limits of insurance for particular subcontractors.

### **13. Indemnification.**

**A. Other than in the performance of professional services, and to the fullest extent permitted by law, Contractor shall defend (with counsel reasonably approved by City), indemnify and hold City, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively “Indemnitees”) free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, liens, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, and destruction, or unauthorized access to, disclosure, use, and/or theft of electronic data (collectively, “Claims”) in any manner and to the extent arising out of, pertaining to, or incidental to any act, error, omission, or willful misconduct of Contractor, its owners, officials, officers, employees, subcontractors, contractors or agents (and/or any entity or individual for whom Contractor shall bear legal liability) in connection with the performance of the Services including the payment of all damages, expert witness fees and attorney’s fees and other related costs and expenses actually incurred in connection with such defense. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Contractor, or by City or any of the other Indemnitees. Contractor shall have no liability hereunder for claims and liabilities arising out of the sole, active negligence of any of the Indemnitees.**

**B. Professional Services. To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees, from and against any and all Claims, whether actual, alleged or threatened, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of Contractor, and/or its officers, agents, employees, subcontractors, contractors or their officers, agents, servants or employees (and/or any entity or individual for whom Contractor shall bear legal liability) in the performance of professional services under this Agreement. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees’ choice, and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs, actually incurred in connection with such defense.**

**C. Contractor’s obligations under this Section shall survive the expiration or termination of this Agreement.**

### **14. Laws and Venue.**

This Agreement shall be governed by and interpreted in accordance with the laws of the State of California without regard for change of venue laws. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in the Superior Court of the County of Orange, or in the U.S. District Court, Central District,, State of California. **Consultant** must comply with the claim

procedures set forth in the Government Claims act (Government Code Section 810 et seq.) prior to filing any lawsuit against City.

## **15. Termination.**

A. City may terminate any portion or all of the Services or this Agreement with or without cause by giving 10 days' prior, written notice to **Consultant**. In such event, City shall be immediately given title to and possession of all Work Product (as defined below) and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided **Consultant** is not then in breach, City shall pay **Consultant** for any portion of the Services satisfactorily completed prior to termination. If termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount agreed to by the parties. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. **Consultant** shall not be entitled to payment for unperformed Services, and shall not be entitled to damages or compensation resulting from such termination.

B. **Consultant** may terminate this Agreement only for cause and by serving written notice of termination to City, provided **Consultant** has first served City with a written notice of default and demand to cure, and City has failed to cure such default within 30 days of receipt of such notice.

## **16. Ownership of Work Product.**

A. All draft and final reports, documents, and other written material, and any and all images, reports, writings, ideas, concepts, designs including website designs, source code, object code, electronic data and files, and/or other media whatsoever created or developed by Contractor in the performance of this Agreement (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of City. All Work Product and any and all intellectual property rights arising from their creation, including all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City upon final payment being made, provided that any such use shall be at City's sole risk. Contractor shall not obtain or attempt to obtain copyright protection as to any of the Work Product. Contractor agrees that the compensation set forth in Section 2 of this Agreement includes conveyance to City of ownership of all Work Product, including intellectual property rights, as provided in this Section 16. "Work Product" shall not include intellectual property, or any thing or idea protected by intellectual property rights, lawfully owned or possessed by [contractor] prior to the effective date of this Agreement.

B. Contractor hereby assigns to City all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights, that are not otherwise vested in City pursuant to subsection A above.

C. Contractor warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Contractor's default, City shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Contractor shall defend, indemnify and hold City, and the other Indemnitees harmless from any and all losses, claims or liabilities in any way related to a claim that City's use of any of the Work Product violates federal, state or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual

property rights and/or interests in products, ideas or inventions. Contractor shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by City is held to constitute an infringement and the use of any of the same is enjoined, Contractor, at its expense, shall: (a) secure for City the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for City; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement; or (c) provide the City with a full and complete refund of all sums paid under this Agreement. Contractor's obligations under this Section shall survive the expiration or termination of this Agreement.

#### **17. Data Security.**

#### **18. Party Representatives.**

City hereby designates **Jason Killebrew**, or such person's designee, as the City Representative for this Agreement.

**Consultant** hereby designates **Cyrus Kianpour**, or such person's designee, as **Consultant's** Representative for this Agreement, unless and until written notice of a new representative acceptable to City is provided to City.

The foregoing representatives shall be authorized to provide consent where required herein, and to make other administrative decisions that will be binding on their respective party, except as otherwise specifically required herein.

#### **19. Notices.**

Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, certified mail with return receipt requested and postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from time to time, designate in writing.

##### **City**

**City of Brea**

**1 Civic Center Circle**

**Brea, CA 92821**

**United States**

**Chris Varela**

**ChrisV@CityofBrea.net**

**(714) 9907765**

##### **Consultant**

**CSG Consultants, Inc.**

**3707 W Garden Grove Blvd, Suite 100**

**Orange, CA 92868**

**USA**

**Khoa Duong**

**Khoa@CSGENGR.com**

**(714) 5681010**

#### **20. Third Party Rights.**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than City and **Consultant**.

## **21. Conflicts of Interest.**

A. **Consultant** covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services. **Consultant** certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of City.

B. **Consultant** further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services shall be employed. **Consultant** has provided City with a list of all City-approved subcontractors and the key personnel for such subcontractors that are retained or to be retained by **Consultant** in connection with the performance of the Services, to assist City in affirming compliance with this Section.

C. **Consultant** maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for **Consultant**, to solicit or secure this Agreement. Further, **Consultant** warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for **Consultant**, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, **Consultant** further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the City Clerk as required under state law in the performance of the Services. For breach or violation of this warranty, City shall have the right to terminate this Agreement without liability. No director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

## **22. Severability.**

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

## **23. Successors and Assigns.**

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of the parties.

## **24. Non-Waiver.**

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

## **25. Time of Essence.**

Time is of the essence in each and every provision of this Agreement.

## **26. City's Right to Employ Other Consultant's.**

City reserves its right to employ other **Consultant's** to provide the Services or similar services.

**27. Exhibits.**

The attached **Exhibit A** is incorporated herein by reference. In the event of any conflict or inconsistency between the provisions of this Agreement and any Exhibit, the provisions of this Agreement shall govern.

**28. Entire Agreement.**

This Agreement represents the entire understanding of the parties as to the Services, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both parties. This is an integrated agreement.

**[SIGNATURES ON FOLLOWING PAGE]**

**TO EXECUTE THIS AGREEMENT**, the Parties have caused their authorized representatives to sign below. Digital Signatures are acceptable if they conform to all requirements of California Government Code Section 16.5.

**CSG Consultants, Inc.**

By: \_\_\_\_\_

**Cyrus Kianpour**

**President**

**cyrus@csgengr.com**

By: \_\_\_\_\_

**Nourdin Khayata**

**Secretary**

**Nourdin@csgengr.com**

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

[Corporation: pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line. Limited liability company: Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

**City of Brea**

**Attest (if over \$50,000)**

By: \_\_\_\_\_

**Kristin Griffith**

**Interim City Manager**

**KristinG@CityofBrea.net**

By: \_\_\_\_\_

**Lillian Harris-Neal**

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

**SPECIAL PROVISIONS**

**No Special Provisions required for this Agreement.**

**EXHIBIT A**  
**SCOPE OF SERVICES AND FEE SCHEDULE**  
**(Consultant's proposal attached)**





## Finance Committee Communication

### C. City of Brea Annual Comprehensive Financial Report and Related Audit Reports for the Fiscal Year Ended June 30, 2024

Meeting	Agenda Group
Tuesday, January 14, 2025, 8:30 AM	DISCUSSION Item: 3C.
TO	FROM
Finance Committee Members	Kristin Griffith, Interim City Manager

### **RECOMMENDATION**

Staff recommends that the Finance recommend to the City Council to:

Receive and file the City's Annual Comprehensive Financial Report (ACFR) and Related Audit Reports for the Fiscal Year ended June 30, 2024.

### **BACKGROUND/DISCUSSION**

Each year the City of Brea issues an Annual Comprehensive Financial Report (ACFR) (attached). The ACFR summarizes the financial transactions of the agency for the year in accordance with the financial presentation requirements prescribed by governmental accounting standards.

On February 20, 2024, the City Council approved awarding the contract for auditing services to Lance, Soll & Lunghard, LLP (LSL) for a five-year period from 2023-24 through 2027-28.

The City's independent auditor, LSL, has completed its audit of the City's ACFR for fiscal year ended June 30, 2024. LSL has issued an unmodified or 'clean' opinion on the City's ACFR in accordance with Generally Accepted Accounting Principles (GAAP), stating that it fairly presents both the financial position and the results of operations for the year ended June 30, 2024.

### **Financial Highlights**

The City's overall net position decreased by \$15.6 million, from \$360.4 million to \$344.7 million as of June 30, 2024. The decrease in the governmental activities' net position was primarily due to the increase of net pension liability, while the business-type activities saw an increase related to the Water Utility fund revenues exceeding expenditures.

The City's capital assets increased by \$6.5 million, primarily due to construction in progress for projects such as the Arovista Park Modernization Project, the Integrated Crime Center (ICC), and various other water projects currently in different phases of construction throughout the City. The City's long-term liabilities include \$188.4 million in net pension and other post-employment benefit liabilities, in addition to \$51.9 million of outstanding bonds, leases and other long-term liabilities.

As of June 30, 2024, the General Fund's ending fund balance included a reserve of \$9.2 million deposited in the City's pension rate stabilization program with Public Agency Retirement Services (PARS). There was an adjustment to the financial statements that included the restatement of the Affordable Housing Fund, which was previously reported as a nonmajor governmental fund during the prior fiscal year. Due to the significant increase in assets of the fund during the year, it met the requirements of being presented as a Major Fund, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34. This restatement was a result of implementing the new accounting standard, GASB Statement No. 100, during the fiscal year ended June 30, 2024.

### **Related Audit Reports**

#### **Audit Communication Letter (Statement on Auditing Standards (SAS) 114 Report**

The Statement on Auditing Standards (SAS) 114 was issued by the American Institute of Certified Public Accountants (AICPA) to establish a two-way communication between the independent auditors and those charged with governance (i.e. City Council). SAS 114 requires that the City's auditor communicate, either orally or in writing, certain information to an audit committee or another designated party that performs oversight on the financial reporting and auditing process.

The City's Finance Committee has been identified by the City Council to receive and review the report on the annual audit from the City's independent auditor and to review and make recommendations to the City Council to receive and file the report. The Audit Communication Letter dated December 20, 2024 (attached), and issued as part of the annual audit, did not identify any significant difficulties or disagreements with management that arose during the course of the audit, nor identified any uncorrected misstatements. This letter indicates a 'clean report' for the fiscal year ended June 30, 2024.

In addition, prior to the start of the audit, the auditors met with members of the City's Finance Committee to discuss the planning of audit.

#### **Article XIII-B Limit on Appropriations Calculation Report (Appropriations Limit Report)**

This report (attached) communicates the results of the audit firm's testing of the City's computation of the statutory appropriation limitation. No exceptions were noted in this report, and the City is well within the constraints of the statutory limit provided by state law.

#### **Single Audit Report**

The City was required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's 2 CFR Part 200 Uniform Guidance, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The City continually seeks federal assistance whenever possible and for the fiscal year ending June 30, 2024, received more than \$750,000 in grant revenues and was required to issue the Single Audit Report for FY 2023-24. For FY 2023-24, the City received \$1.5 million in federal awards. Information related to this single audit, including a schedule of expenditures of federal awards assistance and the independent auditors' reports on the internal controls and compliance with applicable laws and regulations is available in the City of Brea's separately issued Single Audit Report (attached).

### **SUMMARY/FISCAL IMPACT**

The City's annual audit for the fiscal year ended June 30, 2024 (FY 2023-24), has been completed. The City's independent auditor has issued an unmodified opinion on the City's ACFR, which is the highest level of assurance an entity can receive from its independent auditors (a 'clean audit'). There were no findings or questioned costs as a result of their audit for FY 2023-24. The total cost of audit services for the FY 2023-24 is \$85,210 and had been appropriated during the budget process.

### **RESPECTFULLY SUBMITTED**

Kristin Griffith, Interim City Manager

Prepared by: Monica Lo, Deputy Director of Administrative Services

Concurrence: Kristin Griffith, Interim City Manager

**Attachments**

[City of Brea Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2024](#)

[City of Brea Single Audit Report](#)

[City of Brea FY 2023-24 Gann Limit AUP Report](#)

[City of Brea Audit Communication Letter](#)



FISCAL YEAR ENDING  
**JUNE 30, 2024**

# Annual Comprehensive Financial Report

Brea, California

CITY OF BREA, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

Prepared By:  
Administrative Services Department

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CITY OF BREA, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

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## Introductory Section

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December 20, 2024

Honorable Mayor, Members of the City Council, and Citizens of the City of Brea:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Brea, a California City, for the Fiscal Year ended June 30, 2024. This report has been prepared in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Brea. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Brea has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that financial statements will be free from material misstatement.

As management, we assert that, to the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Brea. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants, has audited the City of Brea's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Brea for the Fiscal Year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Brea's financial statements for the Fiscal Year ended June 30, 2024, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The City of Brea is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget's 2 CFR Part 200 Uniform Guidance, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. The City continually seeks federal assistance whenever possible and for Fiscal Year ending June 30, 2024 received more than \$750,000 in grant revenues and is required to issue the Single Audit Report for FY 2023-24. For FY 2023-24, the City received approximately \$1.5 million in federal awards. Information related to this single audit, including a schedule of expenditures of federal awards assistance and the independent auditors' reports on the internal controls and compliance with applicable laws and regulations is available in the City of Brea's separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Brea's MD&A can be found immediately following the report of the independent auditors.



## **CITY OF BREA PROFILE**

The City of Brea, a diverse residential and business community is located at the most northern tip of Orange County at the juncture of three counties with access to major airports, popular regional attractions, beaches, deserts and mountains. Nestled among the hillsides, just 25 miles southeast of Los Angeles, Brea is home to more than 47,725 residents and hosts a daytime working population of more than 125,000.

The City is a major retail center featuring one of the county's largest shopping centers, the Brea Mall; the Brea Union Plaza; and a host of other retail and service businesses. Brea is also a center for big businesses such as ViewSonic Corporation, NCH Management Systems Inc., EVGA Corporation, Beckman-Coulter, American Financial Network, Inc., California Roadside Service, Kirkhill Aircraft Part Co. and Flexfit LLC. Several companies' corporate headquarters are located within Brea, including Beckman-Coulter, and Suzuki Motor of America.

Although Brea is a major retail and business hub, it maintains a balance with nature, preserving its hillside and canyon areas, which also contribute to Brea's quality of life. Brea is home to one of the nation's largest outdoor sculpture collections, with currently 191 pieces of sculpture created to date, an art gallery and a performing arts theatre. Brea has long been recognized for its vision and innovation. It possesses a focused economic development strategy, designed to ensure a well-balanced, economically viable community which includes a wide range of housing, beautiful parks and excellent schools.

Brea provides an excellent portfolio of responsive municipal services. The City operates as a "full service city," providing a full range of services including police and fire protection, water and sanitation services, construction and maintenance of streets and infrastructure, as well as recreational and cultural services. Besides serving its own residential and business customers, Brea has a tradition of entrepreneurial ventures providing services to numerous other public agencies such as information technology and printing services.

The City of Brea operates under the Council-Manager form of government, and is governed by a five-member City Council elected at large, serving staggered four-year terms. Council elections are held in November of even-numbered years in conjunction with statewide general elections.

The budget serves as the foundation for the City of Brea's financial planning and control. The budget is adopted on a biennial basis by the City Council in June of each odd year. The budget team, with the approval of the City Manager, develops budget guidelines in January. The various City departments then submit revenue estimates and expenditure appropriation requests for the period that begins July 1 of each odd year. Budget meetings are held with each department, which leads to the development of the proposed budget. The City Manager then presents the proposed budget document to the City Council, which is discussed with the City Council in public workshops in mid-May. Formal public hearings are held in early June with final approval by City Council on or before June 30 of each odd year. At the conclusion of the first year, the budget team prepares a report on the progress of the first half of the biennial budget cycle. The City Manager formally reviews the report with the City Council. The City Council adopts budget adjustments as needed. The level of budgetary control is established at the fund level for all funds.

## **LOCAL ECONOMIC FACTORS**

Brea encompasses about 8,300 acres or 13 square miles of land. The City's land use is distributed as follows:



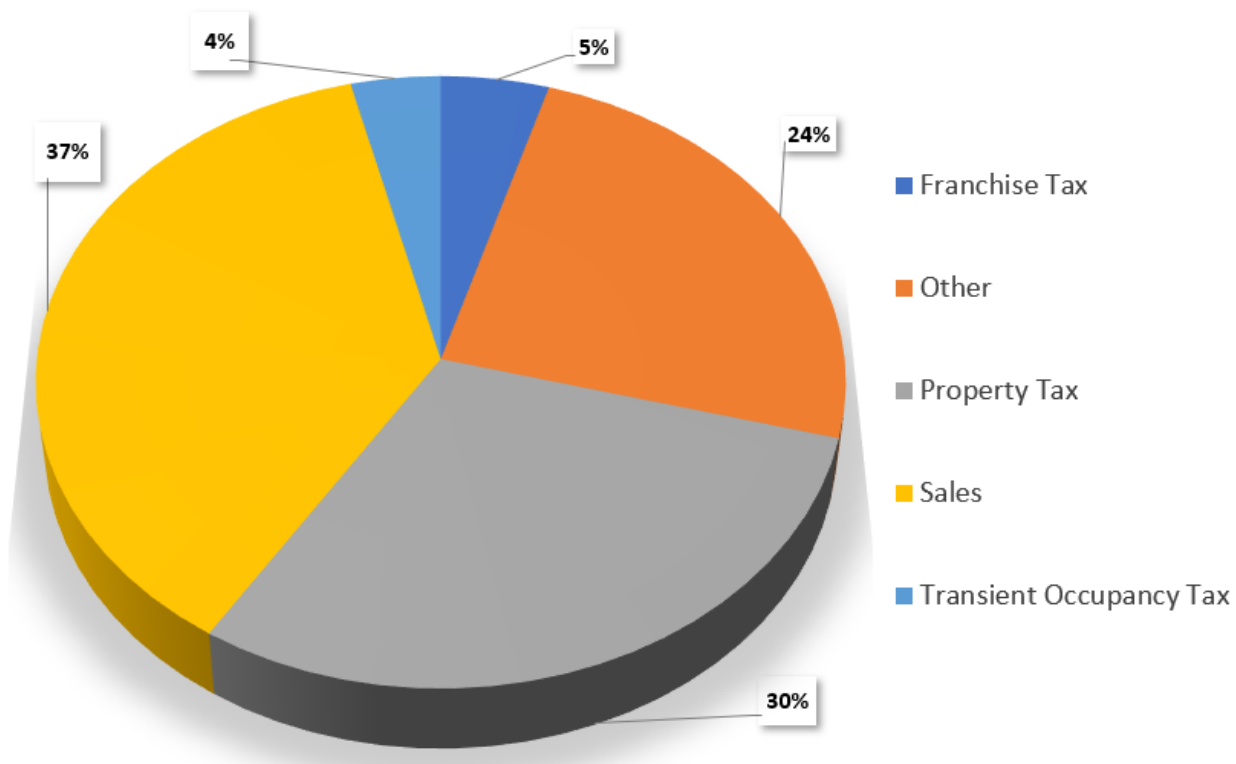
## Land Use Distribution

<u>Land Use</u>	<u>Percent</u>
Residential (single-family, multi-family, and mobile homes)	45.3%
Commercial and Office	4.0%
Industrial	11.6%
Parks and Open Space	18.2%
Public Facilities (City facilities, schools, drainage channels, and fire stations)	2.6%
Mixed Use	3.7%
Cemetery	0.3%
Other (streets)	14.3%
<b>Total</b>	<b><u>100.0%</u></b>

Source: City of Brea General Plan (2003, and subsequent updates 2008, 2014, 2021)

The current land use mix produces General Fund revenues of approximately \$77.4 million. Sales taxes, property taxes and franchise taxes account for the top three revenue sources. These revenue sources account for 62.8% of the total amount of General Fund revenues. The remaining revenues account for 37.2% of the total and are represented by a broad range of sources.

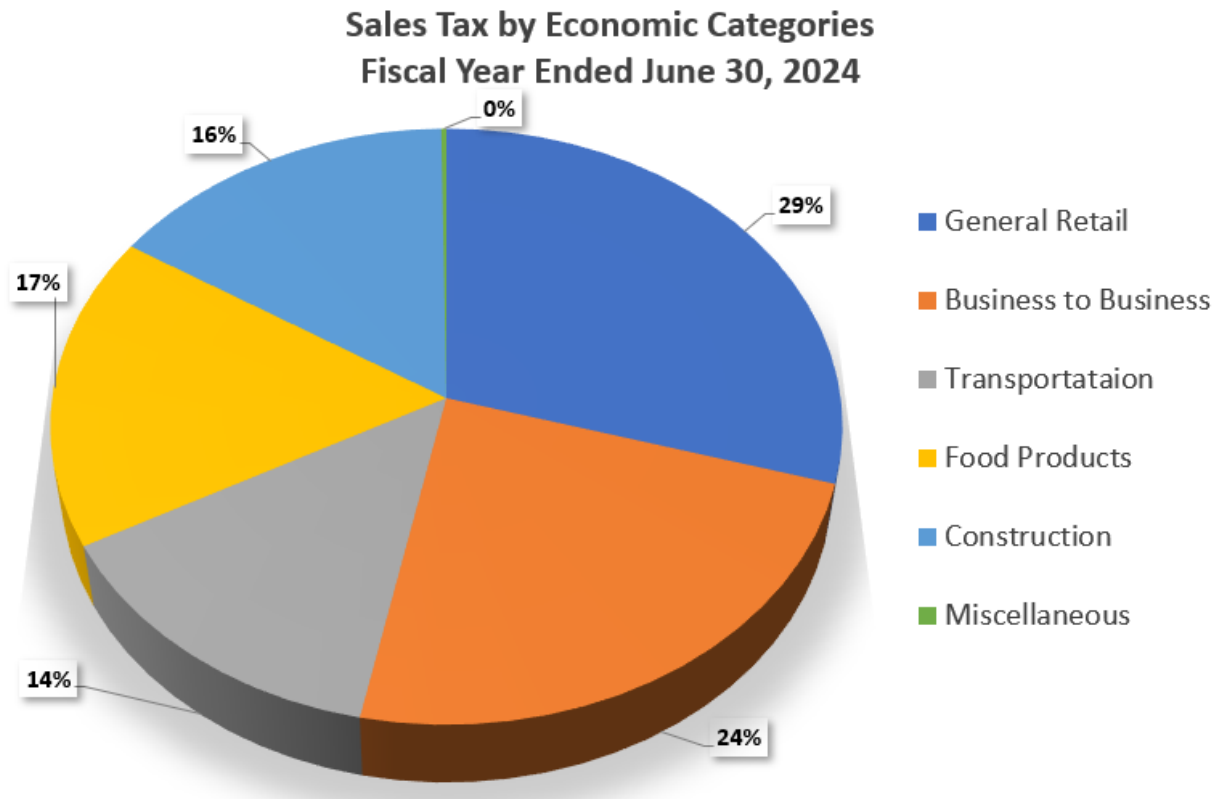
## General Fund Revenues by Revenue Source Fiscal Year Ended June 30, 2024





### Sales Tax

Sales tax represents the single largest source of General Fund revenue at \$25.2 million. It is derived from six major economic categories as listed in the following chart. The retail category, including department stores, apparel stores and general merchandise, makes up 29% of the total sales tax generated. This sector includes the regional Brea Mall, which is one of the largest malls in Orange County. The second largest economic sector being business to business. Overall, Brea's sales tax on a per capita basis consistently outperforms other municipalities, a strong indicator that the City imports sales tax dollars from surrounding communities.



### Property Taxes

Brea is a very diverse community as previously indicated in the land use chart. General Fund property taxes represent \$20.3 million or 30% of General Fund revenues. Assessed valuation of all property (including the former Brea Redevelopment Agency) in Brea is \$13.2 billion, an increase of 6.3% over the prior fiscal year. The valuation is split between residential at 60%, commercial/industrial at 36%, and the remaining 3% for other miscellaneous uses. Of the City's 18,711 dwelling units, 62% are single-family units, 33% are multi-family units and 5% are mobile homes. Housing costs in Brea continue to rank among the highest in North Orange County. Brea, like other cities in Orange County, is experiencing an increase in housing prices. The median price of a single-family home increased to \$1,040,000, up from \$975,000, which is a 6.7% rise compared to the previous fiscal year.

### Vehicle License Fees (VLF)

When a vehicle is registered in California, a license fee is charged by the State of California. This fee includes a small administrative fee and a property tax in-lieu fee. The in-lieu fee is based on depreciated value of the vehicle and declines over the useful life of the vehicle. The in-lieu fee, while collected by the State Department of Motor Vehicles, belongs to local government (cities and counties). It is allocated based on a per capita basis.





Beginning in January 2005, the Vehicle License Fee was permanently reduced to 0.65% from 2.0% of the vehicle's fair market value. Any loss to cities by this rate reduction at that time was made up, dollar for dollar, with an allocation from the County's Educational Revenue Augmentation Fund (ERAF) property tax account with two payments, due on or before January 31<sup>st</sup> and May 1<sup>st</sup> of each year. This allocation will grow with any corresponding growth in the City's secured property tax valuation.

#### Franchise Taxes

The franchise revenue received by the City is based on adopted City ordinances and contractual agreements. Public utilities (electric and gas) account for 39.8% of the \$2.8 million in annual franchise tax revenue. The remaining 60.2% of this revenue includes franchise fees for oil pipelines, cable television, and other non-city utilities.

#### **Franchise Taxes Fiscal Year Ended June 30, 2024**

	<b>Annual Revenue</b>	<b>Percent of Total</b>
Public Utilities	\$ 1,128,139	35.8%
All Others	2,020,906	64.2%
Totals	<u>\$ 3,149,045</u>	<u>100.0%</u>

#### **ECONOMIC OUTLOOK**

Development within Brea continues to remain active and there are many projects in different phases throughout the City. Development within Brea continues and remains active with large scale projects underway including the Brea Mall Mixed Use Project which will redevelop a 15.5-acre portion of the current Brea Mall providing new retail, restaurants, residential and commercial opportunities for the community including a Lifetime Fitness. Demolition started and construction of various buildings have begun including a new mall entrance. Once the current phases are further along, construction on the landscaping and outdoor plaza will begin. The residential and Lifetime Fitness buildings are next to start construction. This project is a multi-phased effort and is anticipated new retail and restaurants will be available to the public Spring/Summer 2025.

Brea Plaza, a vibrant shopping center located along Imperial Highway, between the 57 Freeway and Associated Road, is also undergoing a remodel that will modernize the area located northwest corner of the shopping center. This project will demolish the existing theatre building and add additional ground floor retail spaces and second-floor office spaces with outdoor balcony areas to two of the existing buildings. Construction has started and is anticipated to be completed by late 2025.

Development improvements are also being made to the Gaslight Square site located on Imperial Highway west of State Route 57 which is a mixed-use site that will demolish a portion of the project site to add a new 2,000 square food-drive through restaurant with an outdoor seating area and a 6,000 square foot commercial building consisting of 2,400 square feet of restaurant and 3,600 square feet of medical or retail space. Construction is currently underway.

New development within the City provides an opportunity to generate additional revenue that will assist the City in tempering the increasing cost of goods and services that have remained constant these past few years following the COVID-19 pandemic. Though the organization has been able to pivot and think strategically when navigating a rapidly changing economic environment, the organization continues to maintain and enhance core service levels to



the community. This has been especially difficult as the organization repositions itself as work capacity attributed to employee attrition (“Great Resignation”) which continued through this post-pandemic environment. To allow flexibility and responsiveness within the organization, the City Manager’s authority as it relates to the budget appropriation carryovers is recommended to be expanded to allow the ability to carryover available appropriation from one year to another year for a new expenditure so long as the total appropriation per expenditure does not exceed the City Manager’s authority limit of \$50,000. This will provide the organization the ability to respond and adapt quicker.

Fortunately, through the guidance of the City Council, the organization has positioned itself with healthy General Fund reserves, above the current policy level of 25%. The excess reserves above the 25% policy limit may help the organization maintain and expand current service levels as the organization adapts to economic pressures in the current and upcoming fiscal years. Staff will also continue to closely monitor actual versus projected revenues and opportunities for vacancy savings that will assist in providing more firm estimates as we navigate the next two fiscal years. Staff commits to providing budget updates to the City Council as the financial picture changes.

Overall it is important to note that Brea is paying all of its obligations on time; is setting aside funding for ongoing capital facility and equipment replacement; and is funding a robust Capital Improvement Program (CIP) to adequately maintain City infrastructure systems. The City Council also took the opportunity as part of this budget process to refine the organization’s Fiscal Policies Statement to provide additional guidance regarding capital replacement reserve policies and the inclusion of the City’s Reserve Fund Transparency Ordinance.

The organization will make every effort to continue to build prudent reserves and strategic savings programs to be able to insulate the City from a downturn in the economy and minimize organizational disruption. The City Council is also committed to pension modifications and plans to continue setting aside money in an irrevocable trust fund, administered through the Public Agency Retirement Services (PARS), that is specifically designed to help stabilize pension costs. This, combined with continued efforts to promote pension modifications at the legislation front, are steps in the right direction.

The entire organization continues to work hard to preserve core City services. Staff will continue to be diligent in monitoring long-term economic uncertainties that could impact Brea’s budget picture. These include:

- ♦ The effects of the pandemic and the likelihood of a resurgence;
- ♦ Increases in the cost-of-living (inflation);
- ♦ Uncertainty in the State’s budget; and
- ♦ CalPERS projected rate increases

City staff uses a variety of tools, such as looking strategically at vacancies and consolidation of functions to structurally close the budget gap when needed. Staff continues to research new and innovative ways of doing business.

## **LONG-TERM FINANCIAL PLANNING**

### **Brea Forward Strategy Team**

Representatives from all City departments meet to discuss strategic planning issues. Over 40 City staff members work collaboratively on an ongoing basis to focus on identifying and evaluating changing City needs. As needed, this group is also instrumental in tackling economic impacts on the City’s Budget. Brea Forward meets as needed to address changes to the organization that may be necessary to financially sustain the City over the course of the next several fiscal years and beyond.



### Capital Improvement Program (CIP) Budget

The goal of the seven-year CIP is to enhance the quality of life in the community, ensure a safe environment and to promote transportation improvement in the City. The CIP budget for Fiscal Year 2023-25 reflects the City Council's commitment to this goal by enhancing existing infrastructure and providing new infrastructure to aid in service delivery to the community. The remaining six years of the CIP are not a commitment of actual funds, but rather a long-range planning tool for subsequent investments in the City's infrastructure. The CIP is divided into six categories: streets, traffic safety, water, storm drain, sewer, and facility improvements.

### Community Center Reserves

Funds are set aside annually for the future replacement of the Community Center facility and equipment. Ongoing review of facility and equipment needs allows the City to manage and plan for expenditures in a more proactive manner. The balance in Community Center Reserves at June 30, 2024 was \$1,053,819.

### Capital Asset Replacement Reserves

Funds are set aside annually for the replacement of City-owned infrastructure, facilities and capital assets. In addition to a fixed annual contribution, an assessment is made at the end of each fiscal year to determine whether an additional contribution can be made based upon a review of General Fund excess revenues over expenditures. The balance in Capital Asset Replacement Reserves at June 30, 2024 was \$4,406,226.

### Pension Rate Stabilization Program

On November 17, 2015, the City of Brea established a pension rate stabilization program with Public Agency Retirement Services (PARS) to reduce the future unfunded pension liability for current and future retirement costs for both safety and non-safety employees. The City's initial contribution of \$6,000,000 from the General Fund was made during FY 2015-16. During FY 2018-19, the City's Enterprise Funds contributed an additional \$756,800 for a total contribution of \$6,756,800. The balance as of June 30, 2024 including interest earned to date was \$10,592,454.

## **MAJOR INITIATIVES**

### State Route 57/Lambert Road Interchange Improvements

Starting in August 2019, the City in conjunction with Caltrans began construction on a new eastbound to northbound loop on-ramp and modify the spacing between the existing SR-57 on and off ramps to improve traffic flow on Lambert Road. The project budget is \$100 million with more than 90% of the funding from grants; federal funding of \$74 million and \$18 million from the Orange County Transportation Authority (OCTA). The remainder is funded by the City with Traffic Impact Fees. Caltrans is the lead agency for environmental and implementation while the City of Brea is the lead for the Right-of-Way and Design.

### Arovista Park Modernization Project

The City embarked on the modernization of a 30+ year old park in its historic south Brea neighborhood. With key pedestrian connections to the downtown via the Tracks at Brea trail system, and adjacency to the Brea Senior Center, Brea Creek Golf Course and local schools, this 14-acre site serves as a primary location for multi-generational recreational uses for the community. The City is also adding the first all-accessible playground in North Orange County which will provide an opportunity for children and adults of all ages and all abilities to have a safe space to play and enjoy the outdoors. The construction of Arovista Park East (Phase One) began in May 2024 and is anticipated to be completed in Fall of 2025 with a project budget of \$24.1 million.



### In-House Ambulance Program

In order to enhance service to the Brea community, the Brea Fire Department is developing an in-house ambulance program. Rather than contracting with a private ambulance company, the fire department will own and operate the ambulances, and the ambulance operators/Emergency Medical Technicians (EMTs) on the ambulances will be City employees. The in-house ambulance program is anticipated to be fully implemented by January 2025. As part of the development of this program, the City has entered into a contract with third party ambulance billing provider. As of July 1, 2024, the City has taken over the billing component of ambulance transportation. Brea's current contracted private ambulance provider, Emergency Ambulance Services (EAS) Inc., will continue providing transport services in Brea until January 2025, at which time, all services will be transferred over to the Brea Fire Department.

### Integrated Crime Center (ICC)

The ICC at the Brea Police Department is a modern, technology-based system that is designed to change the paradigm in crime prevention, management, and resolution. Equipped with advanced tools such as video management systems, video analytics, Automated License Plate Readers (LPR), Unmanned Aerial Systems (UAS), and a Drone as a First Responder Program (DFR), the ICC provides first responders with real-time, critical information while generating investigative leads. To further extend the system, the City of Brea has hired a company that will design the fiber network required for a citywide camera system. This will be used as the foundation for construction bids to be solicited in January 2025, expanding ICC's reach and effectiveness and enhancing public safety and community engagement.

### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Brea for its Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023. This was the 34<sup>th</sup> consecutive year that the City of Brea has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### **ACKNOWLEDGMENTS**

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of Monica Lo, Deputy Director of Administrative Services, Ana Conrique, Senior Accountant and the entire staff of the Administrative Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

We also would like to thank our independent auditing firm, Lance, Soll & Lunghard, LLP for their expertise and advice in the preparation of this year's financial report.

In closing, without the leadership and support of the City Council of the City of Brea, preparation of this report would not have been possible.

Sincerely,

Kristin Griffith  
Interim City Manager

# City Council



**Christine Marick**  
*Mayor*



**Blair Stewart**  
*Mayor Pro Tem*



**Cecilia Hupp**  
*Council Member*



**Marty Simonoff**  
*Council Member*



**Steve Vargas**  
*Council Member*

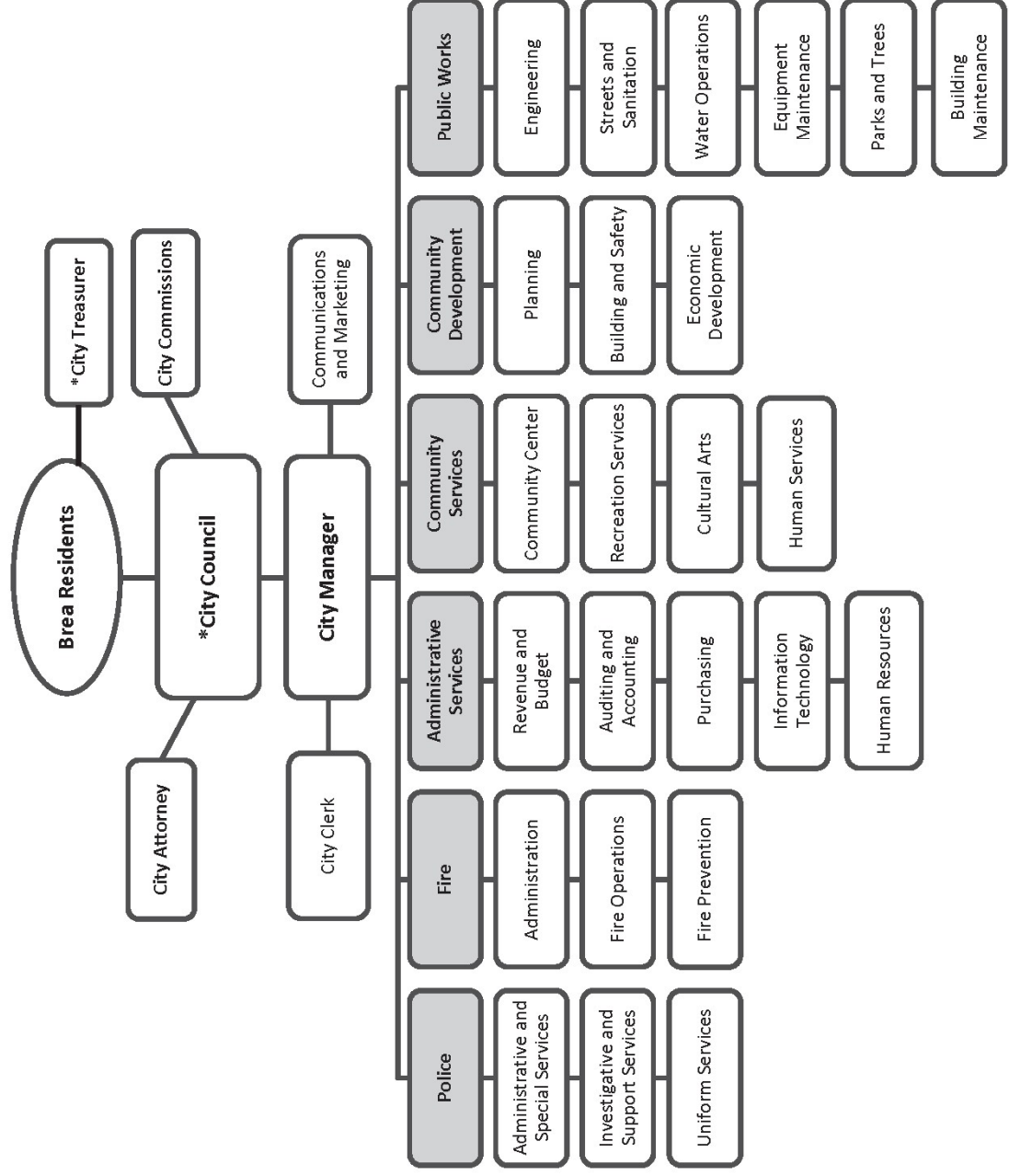
## Elected Official

*Treasurer*      Denise Eby

## Administrative Personnel

<i>City Manager</i>	Bill Gallardo
<i>Deputy City Manager/ Administrative Services Director</i>	Kristin Griffith
<i>Deputy City Manager/ Community Development Director</i>	Jason Killebrew
<i>Chief of Police</i>	Adam Hawley
<i>City Clerk</i>	Lillian Harris-Neal
<i>Community Services Director</i>	Carrie Hernandez
<i>Public Works Director</i>	Michael Ho
<i>Fire Chief</i>	Mark Terrill
<i>City Attorney</i>	Terence Boga

# CITY ORGANIZATION CHART



\*Elected



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Brea  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## Financial Section

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Brea, 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 Brea, California (the "City"), as of and for the year ended June 30, 2024, 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, 2024, 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 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 Auditor's 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.

#### ***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.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

### ***Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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, budgetary comparison information for the general fund and major special revenue funds, and required pension and other postemployment benefits schedules, as listed on the table of contents, 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 auditing standards generally accepted in the United States of America, 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.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

### ***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 accompanying combining and individual fund financial statements and schedules ("supplementary information") 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 auditor's 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 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 the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll &amp; Lughard, LLP". The signature is written in a cursive, flowing style.

Irvine, California  
December 20, 2024

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## **Management's Discussion and Analysis**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Brea's Annual Comprehensive Financial Report (ACFR) presents management's discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2024. This analysis should be read in conjunction with the Transmittal Letter at the front of this report and the accompanying Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

**Long-Term Economic Resource (Government-wide) Focus** – Economic resources are differentiated from financial resources in that the economic measurement focus measures changes in net position as soon as the event occurs regardless of the timing of related cash flows. Therefore, this measurement focus includes both current spendable resources and fixed non-spendable assets, and long-term claims against these assets. The resulting net position utilizing this measurement focus provides one measure of the City's overall long-term financial condition.

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year resulting in a net position of \$344.4 million.
- The City's total net position decreased overall by \$15.9 million, of which \$21.0 million is related to a decrease in governmental activities, while \$5.1 million is related to an increase in business-type activities. The decrease in net position is primarily related to pension expense as discussed further in this document. Of the \$5.1 million increase in business-type activities, \$2.6 million is related to the Water Utility fund revenues exceeding expenses, \$1.4 million is related to the Sewer Utility fund revenues exceeding expenses and \$1.2 million relating to activities in Non-major Enterprise Funds.
- The City's noncurrent liabilities of \$240.4 million primarily includes \$166.6 million in net pension liabilities, \$22 million in other post-employment (OPEB) liabilities and \$51.9 million of outstanding bonded debt, leases, subscription IT liabilities, compensated absences and claims. Total capital assets, net of depreciation, represents \$355.9 million of the \$545.3 million in total assets. A significant portion of the capital assets have been funded through bond financing from the former Brea Redevelopment Agency.

**Short-Term Financial Resource (Fund) Focus** – The financial resources focus measures inflows of current spendable assets. The resulting net difference between current financial assets and current financial liabilities, otherwise known as fund balance (or net working capital in the private sector), is to measure the City's ability to finance activities in the near term.

- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$100 million, an increase of \$1.9 million, which is largely due to an overall increase in investment income for fiscal year ended June 30, 2024. Of the total combined fund balance of \$100 million for governmental funds, \$58.3 million was restricted, \$13 million was assigned, \$1.5 million committed and \$27.1 million was unassigned.
- The General Fund reported an increase of \$1.9 million primarily due to an increase in investment income resulting in a total ending fund balance of \$55 million. Of the total ending fund balance, \$13 million was assigned, \$12.3 million was restricted, \$1.5 million was committed and \$28.1 million was unassigned. The unassigned balance is available for future appropriations.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The *Basic Financial Statements* are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements* and 3) *Notes to the Financial Statements*. The Management's Discussion and Analysis is intended to be an introduction to the Basic Financial Statements. Required supplementary information is included in addition to the basic financial statements.

## BASIC FINANCIAL STATEMENTS

**Government-wide Financial Statements** – The Government-wide Financial Statements are intended to provide a “Big Picture” view of the City as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City’s assets (including non-spendable assets like streets and roads) and any deferred outflows, liabilities (including long-term liabilities that may be paid over twenty or more years) and any deferred inflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Government-wide Financial Statements report the City’s net position and how they have changed. Net position – the difference between the City’s assets and deferred outflows of resources vs. its liabilities and deferred inflows of resources– is one way to measure the City’s financial health, or position. Over time, increases or decreases in the City’s net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, one should also consider additional non-financial factors such as changes in the City’s property tax base and the condition of the City’s roads.

The City’s Government-wide Financial Statements are divided into two categories:

- 1. Governmental Activities** – This statement depicts the extent to which programs are self-supporting and the net amount provided by property taxes and other general revenues. Most of the City’s basic services are included in this category, such as public safety, community development, community services, public works, and general administration. Taxes and charges for services finance most of these activities.
- 2. Business-type Activities** – The City’s business enterprises include water utility, sewer utility, urban runoff, sanitation, information technology external support to public agencies and golf course activities. The City charges fees to customers to recover the cost of providing these services.

**Fund Financial Statements** – Funds are accounting devices that the City uses to track and control resources intended for specific purposes. The Fund Financial Statements provide more detailed information about the City’s most significant funds (major funds) but not the City as a whole. Some funds are required by State and Federal law or by bond covenants. Other funds are utilized simply to control and manage resources intended for particular purposes.

The City utilizes three broad categories of funds:

**Governmental Funds** – Governmental Funds are used to account for essentially the same functions reported as Government Activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements utilize the financial resources measurement focus and thus concentrate on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the Governmental Fund Financial Statements provide a detailed short-term view that helps a reader determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs.

**Proprietary Funds** – Services for which the City charges customers a fee is generally reported in Proprietary Funds (Enterprise Funds and Internal Service Funds). Like the Government-wide Financial Statements, these funds provide both long and short-term financial information utilizing the economic resources measurement focus. The City’s Enterprise Funds (urban runoff, water, utility, sewer utility, sanitation, information technology external support to public agencies and golf course activities) are individual funds represented in the combined presentation of Business-type Activities in the Government-wide Financial Statements. The individual fund presentation provides more detailed information about each business segment, its operating statements, and statements of cash flow. The City also uses Internal Service Funds that are utilized to report and allocate the cost of certain centrally managed and operated activities (risk management, equipment replacement, and building occupancy). Because the Internal Service Funds primarily serve the government, they are reported with Governmental Activities rather than the Business-type Activities in the Government-wide Financial Statements.

**Fiduciary Funds** – The City utilizes Fiduciary Funds to account for assets held by the City in a trustee capacity, or as an agent for other governmental entities, private organizations, or individuals. All of the City’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position.

These activities are excluded from the City's Government-wide Financial Statements because the City cannot use these assets to finance its operations.

**Notes to the Financial Statements** – The financial statements also include the Notes to the Financial Statements that provide important narrative details about the information contained in the financial statements. Information contained in the Notes to the Basic Financial Statements is critical to a reader's full understanding of the Government-wide and Fund Financial Statements.

**Supplementary Information** – In addition to the required elements of the Basic Financial Statements, we have also included a Supplementary Information section, which includes budgetary and combining schedules that provide additional details about the City's non-major Governmental Funds, Enterprise Funds, Internal Service Funds, and Fiduciary Funds.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. Our analysis focuses on the net position (Table 1) and changes in net position and changes in net position (Table 2) of the City's governmental activities. The government-wide statements also include the City's water and sewer activities as business-type activities.

**Net Position** – Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position for the year ended June 30, 2024 was \$344.4 million of which \$313.2 million was the net investment in capital assets such as construction in progress, equipment, buildings and infrastructure. Of the remaining total, \$57.4 million was restricted to specific law, contracts or other agreements such as affordable housing, public safety, capital projects and debt service. The remaining \$26 million deficit was unrestricted.

**Table 1**  
**Net Position**  
**June 30, 2024**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Activities</b>	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 111,866	\$ 106,206	\$ 29,925	\$ 25,127	\$ 141,791	131,333
Capital assets	217,462	211,095	138,415	138,329	355,877	349,424
Noncurrent assets	30,761	31,285	17,189	17,463	47,950	48,748
<b>Total assets</b>	<b>360,089</b>	<b>348,586</b>	<b>185,529</b>	<b>180,919</b>	<b>545,618</b>	<b>529,505</b>
Deferred charge on refunding	-	-	907	1,003	907	1,003
Deferred pension/OPEB related items	75,278	99,539	2,846	3,233	78,124	102,772
<b>Total Deferred Outflows of Resources</b>	<b>75,278</b>	<b>99,539</b>	<b>3,753</b>	<b>4,236</b>	<b>79,031</b>	<b>103,775</b>
Noncurrent liabilities	186,553	177,046	51,982	53,721	238,535	230,767
Other liabilities	17,108	16,379	7,367	7,216	24,475	23,595
<b>Total liabilities</b>	<b>203,661</b>	<b>193,425</b>	<b>59,349</b>	<b>60,937</b>	<b>263,010</b>	<b>254,362</b>
Deferred Pension/OPEB/Lease related	16,121	17,688	800	870	16,921	18,558
<b>Total Deferred Inflows of Resources</b>	<b>16,121</b>	<b>17,688</b>	<b>800</b>	<b>870</b>	<b>16,921</b>	<b>18,558</b>
Net Investment in Capital Assets	214,585	208,081	98,595	96,874	313,180	304,955
Restricted	54,760	45,252	2,684	2,213	57,444	47,465
Unrestricted	(53,760)	(16,321)	27,854	24,261	(25,906)	7,940
<b>Total net position</b>	<b>\$ 215,585</b>	<b>\$ 237,012</b>	<b>\$ 129,133</b>	<b>\$ 123,348</b>	<b>\$ 344,718</b>	<b>\$ 360,360</b>

**Net Investment of Capital Assets** – The largest component of the \$545.3 million in total assets is the City’s investment in capital assets (e.g., land, buildings, infrastructure, and equipment), representing \$356 million or 65.3% of total assets.

**Noncurrent Liabilities** –Of the \$240.4 million in long-term (non-current) liabilities, \$51.9 million represents outstanding bonded debt, leases, subscriptions, compensated absences, and claims payable, \$166.6 million represents net pension liability, and \$22 million represents the City’s total OPEB liability. During the fiscal year ended June 30, 2024, noncurrent liabilities increased \$7.8 million. This increase includes an 8.9% rise in net pension liabilities, a 2.9% decrease in OPEB liability, and a 2.4% decrease related to principal payments on bonds, leases, SBITA, claims and compensated absences. Please refer to Notes 9 through 12 to the basic financial statements for additional information.

The following table indicates the changes in net position for governmental and business-type activities:

**Table 2**  
**Changes in Net Position**  
**Fiscal Year Ended June 30, 2024**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 7,983	\$ 6,686	\$ 34,968	\$ 32,624	\$ 42,951	\$ 39,310
Operating grants and contributions	6,906	10,788	145	11	7,051	10,799
Capital grants and contributions	3,864	1,815	-	-	3,864	1,815
General Revenues:						
Taxes:						
Property taxes	24,080	27,008	-	-	24,080	27,008
Sales taxes	27,128	28,812	-	-	27,128	28,812
Transient occupancy taxes	2,617	2,230	-	-	2,617	2,230
Franchise taxes	3,149	2,833	-	-	3,149	2,833
Other taxes	5,570	1,475	-	-	5,570	1,475
Unrestricted grants and contributions	2,906	-	-	-	2,906	-
Use of money and property	5,113	3,911	1,132	237	6,245	4,148
Other	4,398	3,735	-	-	4,398	3,735
Gain on sale of capital asset	183	274	52	69	235	343
<b>Total Revenues</b>	<b>93,897</b>	<b>89,567</b>	<b>36,297</b>	<b>32,941</b>	<b>130,194</b>	<b>122,508</b>
Expenses:						
General government	13,215	9,467	-	-	13,215	9,467
Public safety	72,585	45,981	-	-	72,585	45,981
Community development	10,402	2,889	-	-	10,402	2,889
Community services	9,701	10,309	-	-	9,701	10,309
Public works	10,200	16,514	-	-	10,200	16,514
Interest on long-term debt	96	27	-	-	96	27
Water utility	-	-	17,759	16,848	17,759	16,848
Sewer utility	-	-	2,668	2,646	2,668	2,646
Urban runoff	-	-	790	621	790	621
Sanitation	-	-	4,256	4,008	4,256	4,008
Information Technology External Support	-	-	1,097	953	1,097	953
Golf Course	-	-	3,765	3,579	3,765	3,579
<b>Total Expenses</b>	<b>116,199</b>	<b>85,187</b>	<b>30,335</b>	<b>28,655</b>	<b>146,534</b>	<b>113,842</b>
Change in net position before transfers	(22,302)	4,380	5,962	4,286	(16,340)	8,666
Transfers	875	1,725	(875)	(1,725)	-	-
Change in net position	(21,427)	6,105	5,087	2,561	(16,340)	8,666
Net position at beginning of year, as restated	237,012	230,907	124,046	120,787	361,058	351,694
Net position at end of year	\$ 215,585	\$ 237,012	\$ 129,133	\$ 123,348	\$ 344,718	\$ 360,360

The City's total revenues for the fiscal year ended June 30, 2024 were \$130.2 million. Of the City's total revenues, \$43 million (33%) were derived from fees charged for services, and \$62.5 million (48%) were received in taxes. Overall, revenues for the fiscal year ended June 30, 2024 increased by \$7.7 million, a 6.3% increase from the prior year.

- Charges for services increased \$3.6 million, primarily due to the recent cost recovery from the enterprise funds, such as water and sewer utility user fees.

- Operating grants and contributions decreased \$3.7 million, partly due to the final receipt in the amount of \$5.2 million of the City's share of the American Rescue Plan Act (ARPA) received in the prior fiscal year.
- Total taxes increased \$185,178 mainly attributable to franchise and transient occupancy taxes.
- Use of money and property increased \$2.1 million (1.7%) mainly due to the increase in investment income as a result of favorable market rates.
- The City's total expenses were \$146.1 million, comprising of \$72.1 million (49.3%) for public safety, \$10.4 million (7%) for public works, \$9.6 million (6.6%) for community services and \$30.3 million (20.8%) for business-type activities. Total expenses increased \$32.3 million from the prior year. Of the total increase, \$26.1 million was attributable to increased expenses for public safety. Please refer to Note 10 to the financial statements and the required supplementary information for additional information on the City's pension expense.

Brea is a full-service city providing residents, businesses and visitors with the following functional services:

General Government is comprised of two departments (City Council/City Manager and Administrative Services) providing general governance, executive management, legal services, communication and marketing, human resources, records management, information technology, accounting, budget, treasury, utility billing, purchasing and reprographics.

Public Safety is comprised of two departments (Police Services and Fire Services) providing general law enforcement, public safety dispatch, fire suppression, fire prevention, paramedic services and emergency preparedness.

Community Development is comprised of two divisions (Planning & Building Services and Economic Development Services) providing planning, zoning and building services, redevelopment services, economic development and housing services.

Community Services is overseen by one department and includes recreation, arts and human services, and the community center.

Public Works is overseen by one department and includes engineering and construction of public facilities, parks, streets and related infrastructure, traffic engineering as well as the maintenance of all public facilities, parks, streets and related infrastructure.

Business-type activities is comprised of two departments (Public Works and Administrative Services) providing five activities to residential and business customers (urban runoff, water utility, sewer utility, sanitation services, information technology external support to public agencies and golf course activities).

**Governmental Activities** – Table 3 presents the cost of each of the City's five largest programs – general government, public safety, community development, community services and public works. Each programs' *net* cost (total cost less revenues generated by the activities) is also presented below. The net cost shows the extent to which the City's general taxes support each of the City's programs.

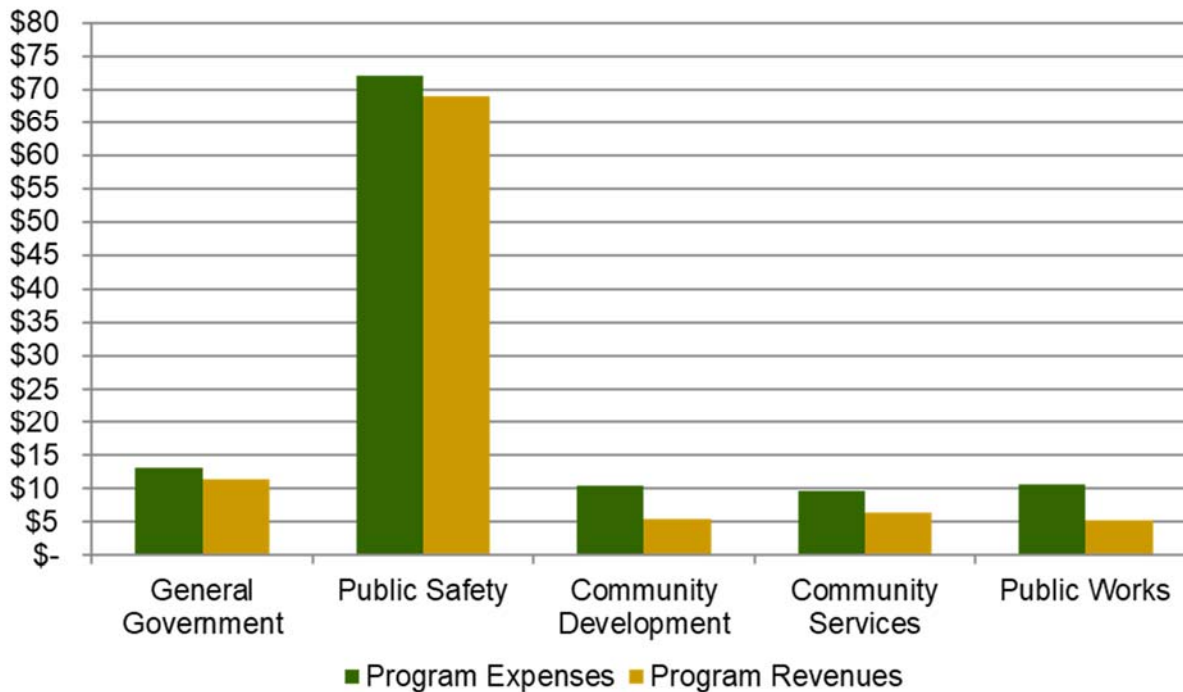
**Table 3**  
**Governmental Activities**  
**(in thousands)**

	Program Expenses		Net Cost (revenue) of Services	
	2024	2023	2024	2023
General government	\$ 13,126	\$ 9,467	\$ 11,243	\$ 6,960
Public safety	72,064	45,981	68,959	39,439
Community development	10,417	2,889	5,335	2,041
Community services	9,619	10,309	6,264	7,606
Public works	10,484	16,514	5,156	9,826
Totals	\$ 115,710	\$ 85,160	\$ 96,957	\$ 65,872

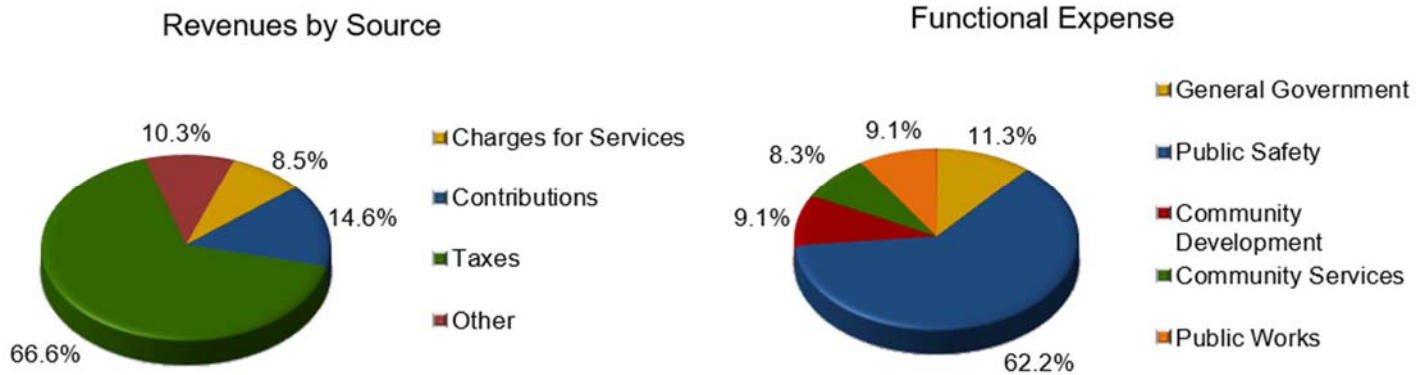
The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. See the Statement of Activities for further detail on program revenues and general revenues.

Overall program expenses have increased from prior year by \$30.6 million and an increase in net cost of services by \$31.1 million due to the significant increase in pension expense as previously discussed. Please refer to Note 10 to the financial statements and the required supplementary information for additional information on the City's pension expense.

**Table 4**  
**Program Expenses and Revenues - Governmental Activities**  
**Fiscal Year Ended June 30, 2024**  
**(in millions)**



**Table 5**  
**Governmental Activities**  
**Fiscal Year Ended June 30, 2024**



Major Governmental Activities in the current fiscal year included the following:

*Revenues*

- The City's total governmental activities included program and general revenues of \$93.9 million. Charges for services was \$8 million (8.5%), both operating and capital grants and contributions were \$13.7 million (14.6%), taxes were \$62.5 million (66.6%) and other revenues were \$9.7 million (10.3%).
- Of the \$94.8 million in total governmental revenues and transfers, 22.9% represents program revenues (both charges for services and contributions), 66% represents taxes and 11.1% represents other.

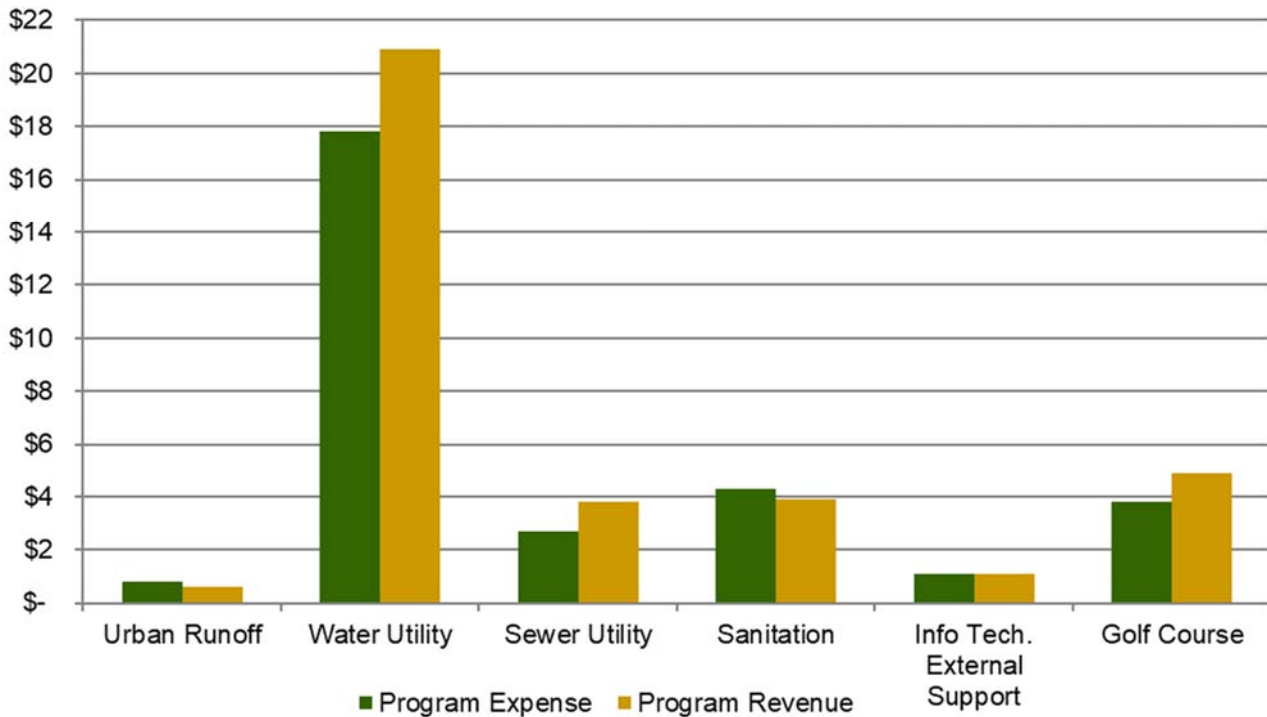
*Expenses*

- In the current year, expenses for all Governmental Activities totaled \$115.8 million. Of this amount, 11.3% was spent on general government, 62.2% on public safety (including both police and fire), 9.0% on community development, 8.3% on community services, and 9.1% on public works.

**Business-type Activities** – Business-type Activities increased the City's net position by \$5.1 million, primarily due to the changes in the net position of the water utility, sewer utility, urban runoff, sanitation, information technology external support to public agencies and golf course activities. These activities are financed mainly by fees charged to external parties for goods and services.



**Table 6**  
**Program Expense & Revenue – Business-type Activities**  
**Fiscal Year Ended June 30, 2024**  
**(in millions)**



Business-type Activities in the current fiscal year included the following:

The Water Utility experienced an increase in net position of \$2.6 million. This increase was primarily due to operating income of \$4.7 million, offset by \$870,408 in non-operating expenses. Of the \$16.1 million in water related expenses, 46.0% was for the purchase of water, 19% was for maintenance and other operating expenses, 18.1% was related to depreciation expense, and (16.9%) for personnel costs. Water rates were adjusted in June 2023, with subsequent CPI increases, to fund ongoing operations, recapture the bond coverage ratio, and provide funding for planned capital improvements to the water utility system.

The Sewer Utility had an increase in net position of \$1.4 million. The increase in net position was primarily due to operating income of \$1.2 million which was mainly due to increased rates.

The Urban Runoff had a decrease in net position of \$187,505. Operating expenses, which included maintenance and operation costs of \$322,172 and personnel costs of \$462,409, totaled \$784,581, depreciation expense totaled \$1,750, while revenues totaled \$598,826.

The Sanitation Utility had an increase in net position of \$80,402. The increase in net position was due to revenues and transfers of \$4.3 million exceeding operating expenses of \$4.2 million.

The Information Technology External Support had an increase in net position of \$26,659, primarily due to an increase in contract services.

The Golf Course had an increase in net position of \$1.3 million. The increase in net position was primarily due to operating income and interest of \$5 million over operating expenses of \$3.7 million.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to highlight available financial resources and to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – Utilizing the financial resources measurement focus, the City’s Governmental Funds provide information on near-term inflows and outflows, and balances of spendable resources. This information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the City’s governmental funds reported a total combined ending fund balance of \$100 million, an increase of \$1.9 million from the prior year. Approximately 58.3% of the City’s governmental funds ending fund balances, or \$58.3 million was restricted fund balance and is legally restricted by external parties. The remaining \$41.7 million is *committed, assigned and unassigned fund balance*, which is available for spending at the government’s discretion. Please refer to Note 13 to financial statements for additional details on fund balance classifications.

The General Fund ended the fiscal year with a fund balance of \$55 million, which is a net increase of \$1.9 million, which is mainly due to increase in investment income. The General Fund’s unassigned fund balance of \$28.1 million is available for future appropriations.

The Affordable Housing Fund ended the fiscal year with a fund balance of \$3.9 million, all of which is restricted for affordable housing activities.

The Low and Moderate Income Housing Asset Fund ended the fiscal year with a fund balance of \$19.6 million all of which is restricted for low and moderate income housing activities.

The City’s Capital Projects Fund ended the fiscal year with a fund balance of \$6 million, a decrease of \$200,738. This decrease was primarily due to expenditures on capital projects and improvements. The \$6 million fund balance is restricted for future capital projects.

**Proprietary Funds** – The City’s Proprietary Funds (Enterprise and Internal Service Funds) presented in the Fund Financial Statements section basically provide the same type of information in the Government-wide Financial Statements, but include individual segment information.

The Water Utility Fund ended the fiscal year with a net position of \$92.7 million, an increase of \$2.6 million from the prior year. The increase in net position was primarily due to revenues over expenditures of \$2.6 million. Of the \$92.7 million in net position, \$69 million is net investment in capital assets, \$2.7 million is restricted for debt service and \$21 million is unrestricted. Amounts have been allocated or encumbered for capital projects currently under construction. Please refer to the Capital Asset Table 7 below for additional discussion.

The Sewer Utility Fund ended the fiscal year with \$24.6 million in net position, an increase of \$1.4 million. The increase in net position was primarily due the increase in charges for services. Of the \$24.6 million in net position \$19.5 million is net investment in capital assets and \$5.1 million is unrestricted. Amounts have been allocated or encumbered for capital projects currently under construction. Please refer to the Capital Asset Table 7 below for additional discussion.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

### Variances to Original Budget

Differences between the General Fund original budget revenues and the final amended budget were decreased by \$251,931 and are briefly summarized as follows:

- Overall decrease in taxes of \$883,658 were primarily due the reduction in sales tax revenue projections as a result of lower sales receipt for transportation and general retail business sectors. This reduction also includes a correction of prior misallocation that also attributed to the reduced sales tax receipts.
- Overall increase in intergovernmental revenues of \$493,808 were related to additional grants received during the year. Of the total, \$282,677 were revenues received from in-county Olinda landfill host fees received from the County of Orange.
- Rental income of \$137,919 was increased for additional revenue as a result of a new agreement with Brea Olinda Unified School District (BOUSD) for leased space at the Brea Civic & Cultural Center.

Differences between the General Fund original budget expenditures for other financing sources (uses) and the final amended budget were increased by \$4,936,015 and was mainly attributed to funding various equipment and capital improvement projects including the purchase of three (3) ambulance vehicles and equipment for the new in-house Ambulance Services Program in the Fire Services Department.

#### Variances with Final Budget

Differences between the General Fund final budget revenues and actual resources were \$129,135 more than anticipated. The major variance was attributed to taxes being lower than projected and investment income being higher than anticipated.

Differences between the General Fund final budget expenditures and actual expenditures were \$671,948 more than anticipated. The variance is primarily attributed to salary and benefit savings as well as continuation of projects including the General Plan Update effort and the new in-house Ambulance Services Program in the Fire Services Department.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The City's investment in capital assets for governmental and business-type activities as of June 30, 2024, amounts to \$355.9 million (net of accumulated depreciation and amortization). This investment includes a broad range of capital assets such as land, structures and improvements, furniture, machinery and equipment, park facilities, roads, sidewalks, water system, storm drains, sound walls, and bridges. The total net increase (including additions and deletions) of \$6.4 represents a 1.8% increase from the previous fiscal year.

**Table 7**  
**Capital Assets (net of depreciation and amortization)**  
**Fiscal Year Ended June 30, 2024**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 62,093	\$ 62,093	\$ 11,629	\$ 11,629	\$ 73,722	\$ 73,722
Water rights	-	-	32,375	32,375	32,375	32,375
Structures and improvements	59,795	61,776	4,086	4,145	63,881	65,921
Equipment	6,929	7,358	371	283	7,300	7,641
Infrastructure	65,333	66,894	85,172	79,575	150,505	146,469
Construction in progress	23,081	12,590	4,775	10,322	27,856	22,912
Right-to-use assets	231	384	7	-	238	384
Totals	<u>\$ 217,462</u>	<u>\$ 211,095</u>	<u>\$ 138,415</u>	<u>\$ 138,329</u>	<u>\$ 355,877</u>	<u>\$ 349,424</u>

Construction-in-progress (CIP) had a net increase of \$10.5 million for Governmental Activities due to various capital improvement projects that have started this year. CIP for Business-Type Activities decreased \$5.5 million as various projects have been completed and have been placed into service as noted above. The increase of \$6.4 million for governmental activities was due to the addition of \$10.5 million of various projects to CIP and remaining reduction due to accumulated depreciation to various pavement, traffic and street improvement projects. The \$86,328 increase in Business-Type Activities is due to continuous water infrastructure improvement projects that are ongoing throughout the City.

Additional information on the City's capital assets can be found in Note 8 to the basic financial statements.

## Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt outstanding for bonds, leases of \$50.6 million for all governmental and business-type activities.

**Table 8**  
**Bonds and Leases**  
**Fiscal Year Ended June 30, 2024**  
**(in thousands)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2024	2023	2024	2023	2024	2023
Lease revenue bonds	\$ 2,220	\$ 2,220	\$ -	\$ -	\$ 2,220	\$ 2,220
Water revenue bonds	-	-	37,675	39,205	37,675	39,205
Totals	\$ 2,220	\$ 2,220	\$ 37,675	\$ 39,205	\$ 39,895	\$ 41,425

Additional information on the City's long-term debt can be found in Note 9 to financial statements.

## FACTORS AFFECTING NEXT YEAR'S BUDGET

The Fiscal Year 2023-25 biennial General Fund budgeted revenues are \$75.0 million for fiscal year 2024-25 and budgeted expenditures are \$72.9 million.

A brief summary of the factors considered when preparing year two of the Fiscal Year 2023-25 budget are summarized as follows:

- Sales tax represents the single largest source of General Fund revenue, budgeted at \$26.6 million and represents 35 percent of the City's General Fund budget. Sales tax projections are assumed to decline in major business segments including General Retail, Transportation and Food Products based upon sales through the holiday quarter ending December 2023. Sales tax projections also take into consideration reduced sales tax revenue as a result of a major business moving outside of City limits. The cumulative decline in sales tax revenues is projected to be significant in FY 2024-25. Staff continues to monitor sales tax receipts and provide routine updates to management and City Council as more information becomes available. It is also important to note that these projections do not include any increased sales tax revenue as a result of development activity currently underway including the Brea Mall Mixed Use Project. As development projects get closer to completion, sales tax projections will be updated to reflect conservative revenue estimates.
- General Fund property taxes are also projected to increase as more information becomes available regarding development projects. Currently property taxes represent 20.6 percent of the City's General Fund budget. This is a 4.5 percent increase in comparison to FY 2023-24 actuals.
- The FY 2024-25 General Fund Operating Budget also takes into consideration the recent negotiation with the County of Orange regarding the Olinda Landfill Host Fee revenue with a projected one-time amount of \$6.5 million to the City's General Fund. This one-time funding will be used to fund the Arovista Park Modernization Project (CIP 7978) in lieu of using General Fund revenues over expenditures from prior fiscal year that was previously appropriated by City Council on March 19, 2024.

The current budget expands service levels to the community and represents a 10.7 percent increase in budgeted expenditures in FY 2024-25 in comparison to FY 2023-24 actuals.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the City's Administrative Services Department, 1 Civic Center Circle, Brea, California 92821, at (714) 990-7676.

## **Basic Financial Statements**

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**CITY OF BREA, CALIFORNIA**  
**Statement of Net Position**  
**June 30, 2024**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 97,595,177	\$ 25,707,445	\$ 123,302,622
Receivables (net of uncollectibles):			
Accounts	3,527,978	4,176,081	7,704,059
Taxes	273,228	-	273,228
Accrued interest	3,788,797	-	3,788,797
Due from other governments	5,413,465	168,983	5,582,448
Notes and loans	16,209,848	-	16,209,848
Leases	5,359,646	-	5,359,646
Internal balances	432,420	(432,420)	-
Restricted assets:			
Cash and investments	9,190,563	967,000	10,157,563
Cash and investments with fiscal agent	1,152	2,266,810	2,267,962
Land held for resale	800,000	-	800,000
Prepaid items	33,977	-	33,977
Capital assets (not being depreciated/amortized)	85,174,200	48,779,153	133,953,353
Capital assets (net of accumulated depreciation/amortization)	132,288,257	89,636,284	221,924,541
Equity in California Domestic Water Company	-	13,955,007	13,955,007
<b>Total assets</b>	<b>360,088,708</b>	<b>185,224,343</b>	<b>545,313,051</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amount on refunding	-	907,806	907,806
Pension-related	72,246,192	2,390,587	74,636,779
OPEB-related	3,032,185	455,279	3,487,464
<b>Total deferred outflows of resources</b>	<b>75,278,377</b>	<b>3,753,672</b>	<b>79,032,049</b>
<b>LIABILITIES</b>			
Accounts payable	4,305,530	4,450,784	8,756,314
Due to other governments	1,414,872	-	1,414,872
Accrued liabilities	1,813,146	120,712	1,933,858
Accrued interest	27,079	650,031	677,110
Deposits payable	418,095	289,413	707,508
Unearned revenue	9,129,216	-	9,129,216
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, and compensated absences	4,154,310	1,856,702	6,011,012
Current OPEB liability	1,266,000	-	1,266,000
Due in more than one year:			
Net pension liability	156,856,171	9,691,084	166,547,255
Total OPEB liability	17,578,426	3,106,785	20,685,211
Bonds, notes, leases, SBITA, claims, and compensated absences	6,698,082	39,183,973	45,882,055
<b>Total liabilities</b>	<b>203,660,927</b>	<b>59,349,484</b>	<b>263,010,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension-related	4,416,975	65,653	4,482,628
OPEB-related	6,513,452	734,546	7,247,998
Lease-related	5,190,959	-	5,190,959
<b>Total deferred inflows of resources</b>	<b>16,121,386</b>	<b>800,199</b>	<b>16,921,585</b>
<b>NET POSITION</b>			
Net investment in capital assets	214,584,554	98,594,995	313,179,549
Restricted:			
General government	9,520,804	-	9,520,804
Public safety	6,892,163	-	6,892,163
Community development	32,685,660	-	32,685,660
Public works	5,661,733	-	5,661,733
Debt service	-	2,683,786	2,683,786
Unrestricted	(53,760,142)	27,549,551	(26,210,591)
<b>Total net position</b>	<b>\$ 215,584,772</b>	<b>\$ 128,828,332</b>	<b>\$ 344,413,104</b>

See Notes to Financial Statements.

CITY OF BREA, CALIFORNIA  
Statement of Activities  
For the Year Ended June 30, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs:</b>				
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 13,215,066	\$ 758,043	\$ 1,125,498	\$ -
Public safety	72,585,447	690,935	2,413,872	-
Community Development	10,401,804	3,296,657	1,599,115	185,256
Community services	9,701,427	2,911,229	443,965	-
Public works	10,200,064	326,692	1,323,262	3,678,409
Interest on long-term debt	95,744	-	-	-
<b>Total governmental activities</b>	<b>116,199,552</b>	<b>7,983,556</b>	<b>6,905,712</b>	<b>3,863,665</b>
<b>Business-type activities:</b>				
Water utility	17,670,941	20,862,952	-	-
Sewer utility	2,531,646	3,795,600	-	-
Urban runoff	722,543	573,854	-	-
Sanitation	4,153,979	3,794,989	145,260	-
Information technology	1,097,096	1,064,274	-	-
Golf course	3,765,271	4,876,038	-	-
<b>Total business-type activities</b>	<b>29,941,476</b>	<b>34,967,707</b>	<b>145,260</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 146,141,028</b>	<b>\$ 42,951,263</b>	<b>\$ 7,050,972</b>	<b>\$ 3,863,665</b>
<b>General revenues and transfers:</b>				
General revenues:				
Property taxes				
Sales taxes				
Transient occupancy taxes				
Franchise taxes				
Other taxes				
Rental income				
Use of money and property				
Other				
Gain on sale of capital asset				
Transfers				
<b>Total general revenues and transfers</b>				
<b>Change in net position</b>				
Net position-beginning				
<b>Net position-ending</b>				



**Net (Expenses) Revenues and  
Changes in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (11,331,525)	\$ -	\$ (11,331,525)
(69,480,640)	-	(69,480,640)
(5,320,776)	-	(5,320,776)
(6,346,233)	-	(6,346,233)
(4,871,701)	-	(4,871,701)
(95,744)	-	(95,744)
<b>(97,446,619)</b>	<b>-</b>	<b>(97,446,619)</b>
-	3,192,011	3,192,011
-	1,263,954	1,263,954
-	(148,689)	(148,689)
-	(213,730)	(213,730)
-	(32,822)	(32,822)
-	1,110,767	1,110,767
-	<b>5,171,491</b>	<b>5,171,491</b>
<b>(97,446,619)</b>	<b>5,171,491</b>	<b>(92,275,128)</b>
24,080,019	-	24,080,019
27,128,012	-	27,128,012
2,616,587	-	2,616,587
3,149,045	-	3,149,045
5,570,495	-	5,570,495
2,906,180	-	2,906,180
5,112,695	1,131,751	6,244,446
4,397,869	-	4,397,869
183,149	52,493	235,642
875,245	(875,245)	-
<b>76,019,296</b>	<b>308,999</b>	<b>76,328,295</b>
<b>(21,427,323)</b>	<b>5,480,490</b>	<b>(15,946,833)</b>
237,012,095	123,347,842	360,359,937
<b>\$ 215,584,772</b>	<b>\$ 128,828,332</b>	<b>\$ 344,413,104</b>

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## **Major Governmental Funds**

### General Fund

The General fund is used to account for resources which are dedicated to governmental operations of the City, and not required to be accounted for in another fund.

### Low & Moderate Income Housing Asset Fund

The Low & Moderate Income Housing Asset Fund is used to account for revenues received and expenditures made for affordable housing. The primary sources of revenue are from loan repayments generated from the use of the former Brea Redevelopment Agency's Low- and Moderate-Income Housing Funds.

### Affordable Housing Fund

This fund is used to account for revenues received and expenditures made for the development of low to moderate income housing. The primary source of revenue is fees collected from developers.

### Capital Improvements Fund

The Capital Improvements Fund is used to account for the costs of constructing street improvements, parks and other public improvements not normally included within the other capital projects funds. Financing is provided by Federal and State Grant Revenues and interfund transfers from non-major special revenue funds and General Fund.

### Non – Major Governmental Fund

Non-major governmental funds are those governmental funds which do not meet the criteria of a major fund. For reporting purposes in this section, they are combined together as non-major governmental funds.

**CITY OF BREA, CALIFORNIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

		<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>
	<u>General</u>	<u>Affordable Housing</u>	<u>Housing Successor</u>	<u>Capital Improvements</u>
<b>ASSETS</b>				
Cash and investments	\$ 42,239,623	\$ 9,824,021	\$ 4,956,193	\$ 10,353,052
Receivables (net of allowance for uncollectible):				
Accounts	3,312,439	-	7,067	-
Taxes	244,640	-	-	-
Interest	717,270	-	3,071,527	-
Notes and loans	-	104,000	14,692,388	-
Leases	5,359,646	-	-	-
Due from other funds	915,777	-	-	-
Prepaid items	29,357	-	-	-
Land held for resale	-	-	800,000	-
Due from other governments	3,372,785	-	-	859,212
Restricted assets:				
Cash and investments	9,190,563	-	-	-
Cash and investments with fiscal agent	1,152	-	-	-
<b>Total assets</b>	<b>\$ 65,383,252</b>	<b>\$ 9,928,021</b>	<b>\$ 23,527,175</b>	<b>\$ 11,212,264</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,118,865	\$ -	\$ 21,242	\$ 2,783,735
Accrued liabilities	1,690,232	-	4,401	4,325
Unearned revenues	-	6,028,492	-	1,565,544
Deposits payable	417,178	-	917	-
Due to other governments	1,412	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,227,687</b>	<b>6,028,492</b>	<b>26,560</b>	<b>4,353,604</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to leases	5,190,959	-	-	-
Unavailable revenues	2,003,093	-	3,919,541	848,507
<b>Total deferred inflows of resources</b>	<b>7,194,052</b>	<b>-</b>	<b>3,919,541</b>	<b>848,507</b>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	29,357	-	-	-
Restricted	12,329,512	3,899,529	19,581,074	6,010,153
Committed	1,540,335	-	-	-
Assigned	13,010,810	-	-	-
Unassigned	28,051,499	-	-	-
<b>Total fund balances (deficits)</b>	<b>54,961,513</b>	<b>3,899,529</b>	<b>19,581,074</b>	<b>6,010,153</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 65,383,252</b>	<b>\$ 9,928,021</b>	<b>\$ 23,527,175</b>	<b>\$ 11,212,264</b>

**CITY OF BREA, CALIFORNIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<b>Total Non-major Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 17,709,205	\$ 85,082,094
Receivables (net of allowance for uncollectible):		
Accounts	-	3,319,506
Taxes	28,588	273,228
Interest	-	3,788,797
Notes and loans	1,413,460	16,209,848
Leases	-	5,359,646
Due from other funds	-	915,777
Prepaid items	-	29,357
Land held for resale	-	800,000
Due from other governments	1,181,468	5,413,465
Restricted assets:		
Cash and investments	-	9,190,563
Cash and investments with fiscal agent	-	1,152
<b>Total assets</b>	<b>\$ 20,332,721</b>	<b>\$ 130,383,433</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 134,999	\$ 4,058,841
Accrued liabilities	23,995	1,722,953
Unearned revenues	1,535,180	9,129,216
Deposits payable	-	418,095
Due to other governments	1,413,460	1,414,872
Due to other funds	915,777	915,777
<b>Total liabilities</b>	<b>4,023,411</b>	<b>17,659,754</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to leases	-	5,190,959
Unavailable revenues	725,688	7,496,829
<b>Total deferred inflows of resources</b>	<b>725,688</b>	<b>12,687,788</b>
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	-	29,357
Restricted	16,489,968	58,310,236
Committed	-	1,540,335
Assigned	-	13,010,810
Unassigned	(906,346)	27,145,153
<b>Total fund balances (deficits)</b>	<b>15,583,622</b>	<b>100,035,891</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 20,332,721</b>	<b>\$ 130,383,433</b>

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**CITY OF BREA, CALIFORNIA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2024**

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Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		\$ 100,035,891
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		210,096,977
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 70,551,570	
Deferred outflows-OPEB related	2,736,518	
Deferred inflows-pension related	(4,370,437)	
Deferred inflows-OPEB related	<u>(6,034,436)</u>	
Total deferred outflows and inflows related to postemployment benefits		62,883,215
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	<u>7,496,829</u>	
Total other long-term assets		7,496,829
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		8,005,810
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Lease revenue bonds	(2,220,000)	
Leases and SBITA payable	(177,441)	
Compensated absences	(3,024,352)	
Accrued interest payable on long-term debt	(27,079)	
Net pension liability	(149,986,429)	
Net OPEB liability	<u>(17,034,413)</u>	
Total long-term liabilities		(172,469,714)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Bond premiums	<u>(464,236)</u>	
Total premiums, discounts, and deferred items		<u>(464,236)</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 215,584,772</u></u></b>

**CITY OF BREA, CALIFORNIA**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>			<b>Capital Projects Fund</b>
	<i>Formerly Non-major Fund</i>			
	<b>General</b>	<b>Affordable Housing</b>	<b>Housing Successor</b>	<b>Capital Improvements</b>
<b>REVENUES</b>				
Taxes	\$ 53,979,543	\$ -	\$ -	\$ -
Licenses and permits	287,697	-	-	-
Intergovernmental	10,171,867	-	-	2,677,737
Charges for services	3,898,624	-	-	283,772
Investment income, net	3,073,878	362,622	206,617	351,416
Fines and forfeitures	325,010	-	-	-
Rental income	2,906,180	-	-	-
Other revenues	2,738,884	195,052	17,015	28,711
<b>Total revenues</b>	<b>77,381,683</b>	<b>557,674</b>	<b>223,632</b>	<b>3,341,636</b>
<b>EXPENDITURES</b>				
Current:				
General government	8,600,765	13,267	8,907	(100,450)
Public safety	46,272,277	-	-	-
Community services	9,488,694	-	-	-
Community development	3,010,068	21,082	740,868	-
Public works	6,860,689	-	-	2,909
Capital outlay	1,087,593	-	-	9,385,261
Debt service:	-	-	-	-
Principal	156,186	-	-	-
Interest and fiscal charges	91,456	-	-	-
<b>Total expenditures</b>	<b>75,567,728</b>	<b>34,349</b>	<b>749,775</b>	<b>9,287,720</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,813,955</b>	<b>523,325</b>	<b>(526,143)</b>	<b>(5,946,084)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,283,072	-	-	5,745,346
Transfers out	(1,200,463)	-	-	-
Proceeds from sale of capital assets	7,853	-	-	-
<b>Total other financing sources (uses)</b>	<b>90,462</b>	<b>-</b>	<b>-</b>	<b>5,745,346</b>
<b>Net change in fund balances</b>	<b>1,904,417</b>	<b>523,325</b>	<b>(526,143)</b>	<b>(200,738)</b>
Fund balances-beginning	53,057,096	-	20,107,217	6,210,891
Restatement - Change in Reporting Entity	-	3,376,204	-	-
Fund balances (deficit)-beginning, as restated	53,057,096	3,376,204	20,107,217	6,210,891
<b>Fund balances (deficit)-ending</b>	<b>\$ 54,961,513</b>	<b>\$ 3,899,529</b>	<b>\$ 19,581,074</b>	<b>\$ 6,010,153</b>



**CITY OF BREA, CALIFORNIA**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Total Non-major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>		
Taxes	\$ 2,994,120	\$ 56,973,663
Licenses and permits	-	287,697
Intergovernmental	3,786,001	16,635,605
Charges for services	-	4,182,396
Investment income, net	610,414	4,604,947
Fines and forfeitures	22,525	347,535
Rental income	-	2,906,180
Other revenues	2,662,977	5,642,639
<b>Total revenues</b>	<b>10,076,037</b>	<b>91,580,662</b>
<b>EXPENDITURES</b>		
Current:		
General government	189,226	8,711,715
Public safety	842,134	47,114,411
Community services	-	9,488,694
Community development	176,809	3,948,827
Public works	2,775,733	9,639,331
Capital outlay	1,660,550	12,133,404
Debt service:		
Principal	-	156,186
Interest and fiscal charges	-	91,456
<b>Total expenditures</b>	<b>5,644,452</b>	<b>91,284,024</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,431,585</b>	<b>296,638</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	60,428	7,088,846
Transfers out	(4,291,600)	(5,492,063)
Proceeds from sale of capital assets	3,200	11,053
<b>Total other financing sources (uses)</b>	<b>(4,227,972)</b>	<b>1,607,836</b>
<b>Net change in fund balances</b>	<b>203,613</b>	<b>1,904,474</b>
Fund balances-beginning	18,756,213	98,131,417
Restatement - Change in Reporting Entity	(3,376,204)	-
Fund balances (deficit)-beginning, as restated	15,380,009	98,131,417
<b>Fund balances (deficit)-ending</b>	<b>\$ 15,583,622</b>	<b>\$ 100,035,891</b>

**CITY OF BREA, CALIFORNIA****Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024**

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Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds: \$ 1,904,474

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 12,159,208	
Depreciation/amortization expense	<u>(7,817,755)</u>	
Total adjustment		4,341,453

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable grant revenues	<u>1,625,425</u>	
Total adjustment		1,625,425

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Subscriptions issued	(15,816)	
Amortization of bond premiums and discounts	(4,288)	
Principal payments	<u>141,221</u>	
Total adjustment		121,117

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

(169,887)

Some 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.

Compensated absences	(294,285)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(29,971,911)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>1,016,291</u>	
Total adjustment		<u>(29,249,905)</u>

**Change in net position of governmental activities**

**\$ (21,427,323)**

## **Major Enterprise Funds**

### Water Utility Fund

The Water Utility Fund is a major fund used to account for the operations of the City's water utility, which are operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

### Sewer Utility Fund

The Sewer Utility Fund is a major fund used to account for the operations of the City's sewer distribution lines, which are operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

### **Non – Major Enterprise Funds**

Non-major proprietary funds are those proprietary funds which do not meet the criteria of a major fund. For reporting purposes in this section, they are combined together as non-major enterprise funds.

### **Governmental Activities**

#### Internal Services Funds

The Internal Services Funds are used to allocate the cost of providing goods and services by one department to another department on a cost reimbursement basis.

CITY OF BREA, CALIFORNIA  
Statement of Net Position  
Proprietary Funds  
June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 13,576,430	\$ 6,453,521	\$ 5,677,494	\$ 25,707,445	\$ 12,513,083
Receivables (net of uncollectibles):					
Accounts receivable, net	3,082,207	454,975	638,899	4,176,081	208,472
Due from other governments	-	-	168,983	168,983	-
Prepaid expenses	-	-	-	-	4,620
Restricted:					
Restricted cash and investments	485,532	177,757	303,711	967,000	-
Restricted cash and investments with fiscal agent	2,266,810	-	-	2,266,810	-
Total current assets	19,410,979	7,086,253	6,789,087	33,286,319	12,726,175
Noncurrent:					
Capital assets, net of depreciation and amortization	108,792,571	19,504,889	10,117,977	138,415,437	7,365,480
Equity in California Domestic Water Company	13,955,007	-	-	13,955,007	-
Total noncurrent assets	122,747,578	19,504,889	10,117,977	152,370,444	7,365,480
<b>Total assets</b>	<b>142,158,557</b>	<b>26,591,142</b>	<b>16,907,064</b>	<b>185,656,763</b>	<b>20,091,655</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	907,806	-	-	907,806	-
Deferred pension related items	1,174,285	437,313	778,989	2,390,587	1,694,622
Deferred OPEB related items	215,884	78,331	161,064	455,279	295,667
<b>Total deferred outflows of resources</b>	<b>2,297,975</b>	<b>515,644</b>	<b>940,053</b>	<b>3,753,672</b>	<b>1,990,289</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	3,449,284	28,776	972,724	4,450,784	246,689
Accrued liabilities	57,986	24,542	38,184	120,712	90,193
Accrued interest	650,031	-	-	650,031	-
Deposits payable	289,413	-	-	289,413	-
Claims and judgments, due within one year	-	-	-	-	1,639,804
Compensated absences, due within one year	120,164	44,348	69,809	234,321	89,496
Bonds, notes, leases, and SBITAs, due within one year	1,615,000	-	7,381	1,622,381	24,083
Total current liabilities	6,181,878	97,666	1,088,098	7,367,642	2,090,265
Noncurrent liabilities:					
Claims and judgments, due in more than one year	-	-	-	-	3,183,148
Compensated absences, due in more than one year	40,054	14,782	23,270	78,106	29,832
Bonds, notes, leases, and SBITAs, due in more than one year	39,105,867	-	-	39,105,867	-
Net pension liability	4,760,376	1,772,800	3,157,908	9,691,084	6,869,742
Total OPEB liability	1,273,341	456,657	1,376,787	3,106,785	1,810,013
Total noncurrent liabilities	45,179,638	2,244,239	4,557,965	51,981,842	11,892,735
<b>Total liabilities</b>	<b>51,361,516</b>	<b>2,341,905</b>	<b>5,646,063</b>	<b>59,349,484</b>	<b>13,983,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension related items	32,249	12,010	21,394	65,653	46,538
Deferred OPEB related items	339,549	130,693	264,304	734,546	479,016
<b>Total deferred inflows of resources</b>	<b>371,798</b>	<b>142,703</b>	<b>285,698</b>	<b>800,199</b>	<b>525,554</b>
<b>NET POSITION</b>					
Net investment in capital assets	68,979,510	19,504,889	10,110,596	98,594,995	7,341,397
Restricted for debt service	2,683,786	-	-	2,683,786	-
Unrestricted	21,059,922	5,117,289	1,804,760	27,981,971	231,993
<b>Total net position</b>	<b>\$ 92,723,218</b>	<b>\$ 24,622,178</b>	<b>\$ 11,915,356</b>	<b>129,260,752</b>	<b>\$ 7,573,390</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(432,420)	
<b>Net position of business-type activities</b>				<b>\$ 128,828,332</b>	

CITY OF BREA, CALIFORNIA  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2024

	Business-Type Activities			Governmental Activities	
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 20,390,301	\$ 3,785,638	\$ 10,203,782	\$ 34,379,721	\$ 11,677,017
Connection fees	146,396	5,055	-	151,451	-
Fines and forfeitures	235,597	-	80,169	315,766	-
Other revenues	90,658	4,907	25,204	120,769	159,959
<b>Total operating revenues</b>	<b>20,862,952</b>	<b>3,795,600</b>	<b>10,309,155</b>	<b>34,967,707</b>	<b>11,836,976</b>
<b>OPERATING EXPENSES</b>					
Personnel services	2,731,071	911,314	1,925,424	5,567,809	4,367,939
Maintenance and operations	3,073,219	1,180,915	7,865,521	12,119,655	5,355,440
Cost of purchased water	7,416,167	-	-	7,416,167	-
Claims and judgments	-	-	-	-	987,809
Depreciation/Amortization	2,919,335	549,671	90,051	3,559,057	988,267
<b>Total operating expenses</b>	<b>16,139,792</b>	<b>2,641,900</b>	<b>9,880,996</b>	<b>28,662,688</b>	<b>11,699,455</b>
<b>Operating income (loss)</b>	<b>4,723,160</b>	<b>1,153,700</b>	<b>428,159</b>	<b>6,305,019</b>	<b>137,521</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	-	145,260	145,260	-
Interest income	621,601	270,814	239,336	1,131,751	507,748
Interest expense	(1,187,428)	-	-	(1,187,428)	-
Change in equity of California Domestic Water Company	(357,074)	-	-	(357,074)	-
Gains on disposal of capital assets	52,493	-	-	52,493	172,096
<b>Total nonoperating revenues (expenses)</b>	<b>(870,408)</b>	<b>270,814</b>	<b>384,596</b>	<b>(214,998)</b>	<b>679,844</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>3,852,752</b>	<b>1,424,514</b>	<b>812,755</b>	<b>6,090,021</b>	<b>817,365</b>
Transfers in	-	804	375,252	376,056	135,815
Transfers out	(1,251,301)	-	-	(1,251,301)	(857,353)
<b>Change in net position</b>	<b>2,601,451</b>	<b>1,425,318</b>	<b>1,188,007</b>	<b>5,214,776</b>	<b>95,827</b>
Net position-beginning	90,121,767	23,196,860	10,727,349		7,477,563
<b>Net position-ending</b>	<b>\$ 92,723,218</b>	<b>\$ 24,622,178</b>	<b>\$ 11,915,356</b>		<b>\$ 7,573,390</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				265,714	
<b>Changes in net position of business-type activities</b>				<b>\$ 5,480,490</b>	

CITY OF BREA, CALIFORNIA  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 20,582,909	\$ 3,742,394	\$ 10,275,895	\$ 34,601,198	\$ 11,719,454
Payments to suppliers and service providers	(10,532,914)	(1,177,632)	(7,811,196)	(19,521,742)	(6,424,184)
Payments to employees for salaries and benefits	(2,477,455)	(935,005)	(1,716,135)	(5,128,595)	(5,236,970)
<b>Net cash provided by (used for) operating activities</b>	<b>7,572,540</b>	<b>1,629,757</b>	<b>748,564</b>	<b>9,950,861</b>	<b>58,300</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	804	375,252	376,056	135,815
Transfers to other funds	(1,251,301)	-	-	(1,251,301)	(857,353)
Operating grants and contributions	-	-	109,413	109,413	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(1,251,301)</b>	<b>804</b>	<b>484,665</b>	<b>(765,832)</b>	<b>(721,538)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(3,079,109)	(532,807)	(18,610)	(3,630,526)	(3,026,680)
Principal paid on capital debt	(1,530,000)	-	(7,477)	(1,537,477)	(15,785)
Interest paid on capital debt	(1,333,505)	-	-	(1,333,505)	-
Proceeds from sales of assets	52,493	-	-	52,493	215,736
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(5,890,121)</b>	<b>(532,807)</b>	<b>(26,087)</b>	<b>(6,449,015)</b>	<b>(2,826,729)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	621,601	270,814	239,335	1,131,750	484,823
<b>Net cash provided by (used for) investing activities</b>	<b>621,601</b>	<b>270,814</b>	<b>239,335</b>	<b>1,131,750</b>	<b>484,823</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,052,719</b>	<b>1,368,568</b>	<b>1,446,477</b>	<b>3,867,764</b>	<b>(3,005,144)</b>
Cash and cash equivalents-beginning	15,276,053	5,262,710	4,534,728	25,073,491	15,518,227
<b>Cash and cash equivalents-ending</b>	<b>\$ 16,328,772</b>	<b>\$ 6,631,278</b>	<b>\$ 5,981,205</b>	<b>\$ 28,941,255</b>	<b>\$ 12,513,083</b>

CITY OF BREA, CALIFORNIA  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024

	Business-Type Activities				Governmental Activities
	Water Utility	Sewer Utility	Non-major Enterprise Funds	Totals	Internal Service Funds
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>					
Cash and investments	\$ 13,576,430	\$ 6,453,521	\$ 5,677,494	\$ 25,707,445	\$ 12,513,083
Restricted cash and investments	485,532	177,757	303,711	967,000	-
Cash with fiscal agent	2,266,810	-	-	2,266,810	-
Total cash and cash equivalents	<u>\$ 16,328,772</u>	<u>\$ 6,631,278</u>	<u>\$ 5,981,205</u>	<u>\$ 28,941,255</u>	<u>\$ 12,513,083</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 4,723,160	\$ 1,153,700	\$ 428,159	\$ 6,305,019	\$ 137,521
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	2,919,335	549,671	90,051	3,559,057	988,267
(Increase) decrease in accounts receivable	(321,048)	(53,206)	(33,260)	(407,514)	(117,522)
(Increase) decrease in prepaid items	-	-	-	-	(4,620)
Increase (decrease) in accounts payable	(43,528)	3,283	54,325	14,080	(76,315)
Increase (decrease) in accrued liabilities	8,905	6,660	10,070	25,635	13,805
Increase (decrease) in deposits payable	41,005	-	-	41,005	-
Increase (decrease) in compensated absences	2,159	107	13,473	15,739	(2,508,649)
Increase (decrease) in claims and judgments	-	-	-	-	1,639,804
Increase (decrease) in net pension liability	296,014	(8,835)	218,575	505,754	70,605
Increase (decrease) in net OPEB liability	(53,462)	(21,623)	(32,829)	(107,914)	(84,596)
Total adjustments	<u>2,849,380</u>	<u>476,057</u>	<u>320,405</u>	<u>3,645,842</u>	<u>(79,221)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>\$ 7,572,540</u>	<u>\$ 1,629,757</u>	<u>\$ 748,564</u>	<u>\$ 9,950,861</u>	<u>\$ 58,300</u>

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### **Private – Purpose Trust Fund**

Private-Purpose Trust Fund, a type of fiduciary fund, is used to account for assets held by the City as Successor Agency of the former Brea Redevelopment Agency.

### **Custodial Funds**

Custodial Funds, a type of fiduciary fund, are used to account for assets held by the City as an agent for other governmental entities, private organizations, or individuals.

**CITY OF BREA, CALIFORNIA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2024**

	<b>Private Purpose Trust Fund Successor Agency of the Former RDA</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 739,514	\$ 12,917,331
Receivables:		
Accounts	-	56,888
Property taxes	-	7,691
Accrued interest	4,201	-
Due from other governments	426,000	46,080
Restricted assets:		
Cash and investments with fiscal agent	12,114,244	671,666
<b>Total assets</b>	<b>13,283,959</b>	<b>13,699,656</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	2,556,841	-
<b>Total deferred outflows of resources</b>	<b>2,556,841</b>	<b>-</b>
<b>LIABILITIES</b>		
Accounts payable	-	713,191
Accrued liabilities	-	552,122
Accrued interest	1,269,628	-
Long-term liabilities:		
Due in one year	10,339,534	-
Due in more than one year	78,325,885	-
<b>Total liabilities</b>	<b>89,935,047</b>	<b>1,265,313</b>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations, and other governments	(74,094,247)	12,434,343
<b>Total net position</b>	<b>\$ (74,094,247)</b>	<b>\$ 12,434,343</b>

**CITY OF BREA, CALIFORNIA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2024**

	<b>Private Purpose Trust Fund Successor Agency of the Former RDA</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Taxes and special assessments	\$ 13,486,940	\$ 977,894
Employee or Member Contributions	-	1,691,377
Interest and changes in fair value of investments	335,111	760,078
Miscellaneous	-	542,818
<b>Total additions</b>	<b>13,822,051</b>	<b>3,972,167</b>
<b>DEDUCTIONS</b>		
Administrative expenses	-	4,936,654
Contractual services	11,723	-
Interest expense	2,939,340	360,984
Principal payments	-	520,000
<b>Total deductions</b>	<b>2,951,063</b>	<b>5,817,638</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>10,870,988</b>	<b>(1,845,471)</b>
Net position-beginning	(84,965,235)	14,279,814
<b>Net position-ending</b>	<b>\$ (74,094,247)</b>	<b>\$ 12,434,343</b>

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## **Notes to the Financial Statements**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Brea, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City of Brea are described below.

**A. Description of the Reporting Entity**

The City of Brea was incorporated on February 23, 1917, under the general laws of the State of California. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, cultural recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Brea and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of its relationship with the City are such that its exclusion would cause the City's financial statements to be misleading or incomplete.

Based upon the above criteria, the component units of the City are the Brea Public Financing Authority, the Brea Community Benefit Financing Authority and the Midbury Assessment Authority.

Since City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations, so data from these units is combined therein. A brief description of each component unit follows:

**Brea Public Financing Authority**

The Brea Public Financing Authority ("Authority") was created by a joint exercise of powers agreement between the City of Brea and the former Redevelopment Agency of the City of Brea on November 17, 1987. In April 1988, the Brea-Olinda Unified School District became an associate member of the Authority. The purpose of the Brea Public Financing Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Brea Public Financing Authority is administered by the Board who are the members of the City Council and the Mayor. The Brea Public Financing Authority's primary source of income is installment sale and lease payments received from the City, which will be used to meet the debt service requirements on debt issues. The Brea Public Financing Authority does not have taxing power. Separate financial statements are not prepared for the Brea Public Financing Authority. The activities of the Brea Public Financing Authority are accounted for in the Water Utility Fund.

**Brea Community Benefit Financing Authority**

The Brea Community Benefit Financing Authority was created by a joint exercise of powers agreement between the City of Brea and the Industrial Development Authority of the City of Brea on July 22, 2014. The purpose of the Brea Community Benefit Financing Authority is to provide, through the issuance of debt, financing for various capital improvements. The Brea Community Benefit Financing Authority is administered by the Board who are the

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

members of the City Council and the Mayor. The Brea Community Benefit Financing Authority's primary source of income is installment sale payments from the City, which will be used to meet the debt service requirements on debt issues. Separate financial statements are not prepared for the Brea Community Benefit Financing Authority.

**Midbury Assessment Authority**

The Midbury Assessment Authority ("Authority") was created by a joint exercise of powers agreement between the City of Brea, Los Angeles County, and Orange County on May 18, 1999. The purpose of the authority is to provide a means for each party to the agreement to contribute money to street improvement projects, to form an assessment district and to levy an assessment to finance the balance of the projects. The Authority is administered by the Board who are the members of the City Council and the Mayor. The Authority's primary source of income is from new assessments that result in additional taxes. Separate financial statements are not prepared for the Midbury Assessment Authority. There were no activities recorded for the Midbury Assessment Authority during the fiscal year as the project has been completed and is in the dissolution process.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the City are not included in these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of sales tax revenues and certain revenues related to refuse revenue sharing which are considered available if collected



**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

within 90 days of year end. 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 and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's fiduciary funds consist of custodial funds and a private purpose trust fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Private purpose trust funds and custodial funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all general revenues of the City not specifically levied or collected for other City funds and for expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required to be accounted for in another fund.

- The Affordable Housing fund is used to account for revenues received and expenditures made for the development of low to moderate income housing. The primary source of revenue is fees collected from developers.
- The Housing Successor Fund accounts for the housing assets as a result of the dissolution of the former Brea Redevelopment Agency. Resources generated from these assets are to be used for low to moderate income housing purposes. The primary sources of revenue are from loan repayments generated from the use of the former Brea Redevelopment Agency's Low and Moderate Income Housing Funds.
- The Capital Improvements Capital Projects Fund accounts for the costs of constructing street improvements, parks and other public improvements not normally included within the other Capital Projects Funds. Financing is provided by federal, state and county grant revenues and interfund transfers from the General Fund and special revenue funds.

The City reports the following major proprietary funds:

- The Water Utility Fund accounts for the City's water utility operations, which are financed and operated in a manner similar to a private enterprise. The cost (expenses, including depreciation) of providing these services to the users on a continuing basis is financed or recovered primarily through user charges.
- The Sewer Utility Fund accounts for the operations of the City's sewer distribution lines, which are operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the users on a continuing basis are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

- Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- Internal Service Funds account for financial transactions related to repairs, replacement, and maintenance of City-owned buildings and vehicles and to account for the City's self-insurance programs and operations of the internal information technology services program. These services are provided to other departments or agencies of the City on a cost reimbursement basis.
- Custodial Funds account for assets held by the City in a custodial capacity as a trustee or as an agent. These assets include deposits from assessment district's property owners.

Private-Purpose Trust Fund accounts for the assets, deferred outflows or resources, and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds' function 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. Residual net position balances in internal service funds are allocated back to the governmental and enterprise funds that they originally charged.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for proprietary funds and internal service 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 non-operating revenues and expenses.

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position Cash and Investments**

Cash includes demand deposits, certificates of deposits and savings account balances. The California Government Code and the City of Brea's investment policy permit the City of Brea to invest in various instruments and pools. Investments are reported in the accompanying balance sheet at fair value, except for investments that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

The City reports its investments at fair value in the balance sheet. Interest earnings, realized gains and losses and, changes in the fair value of investments are recognized as revenue from the use of money and property in the operating statement. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The City pools cash and investments of all funds except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City applies GASB Statement No. 72, *Fair Value Measurements and Application* for determining fair value measurements, applying fair value to investments, and disclosures related to the fair value hierarchy. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near its maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of Brea. Cash equivalents have an original maturity date of three months or less from the date of purchase. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash.

**Restricted Cash and Investments**

Certain proceeds of debt issues, as well as certain resources set aside for its repayment, are classified as restricted assets on the balance sheet because its use is limited by applicable bond covenants.

Additionally, the City has established the PARS Post-Employment Benefits Trust as a tax-exempt trust within the meaning of Section 115 of the IRS Code to accumulate resources to "stabilize" the amount of its General Fund resources that it will need to meet future contributions requirements to California Public Employees' Retirement system (CalPERS). The balances and activities of the Trust are irrevocably dedicated to funding future obligations to CalPERS. The assets will benefit the City through reduced future cash flow demands on the City's General fund resources, and continue to be assets of the City. These amounts are reflected as restricted cash and investments in the General fund.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The amounts recorded as a receivable due from other governments include sales taxes, property taxes and grant revenues collected or provided by federal, state, county and city governments and unremitted to the City as of June 30, 2024. The County of Orange assesses, bills, and collects property taxes for the City.

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide, fund financial statements and the business-type activities via the consumption method.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Land Held for Resale**

The former Brea Redevelopment Agency acquired land that was primarily used to develop blighted properties. However, the land was transferred to the City. The City records these parcels as land held for resale in its financial statements. The property is being carried at cost or, if lower, the estimated net realizable value upon entering into an agreement to sell the property. The City disposed of all these parcels as required by the Dissolution Act. The City as the Housing Successor to the Brea Redevelopment Agency (Housing Successor) acquired one of these parcels from the Successor Agency.

**Capital Assets**

Capital assets, which include property, plant, equipment, right to use leased assets, right to use subscription assets, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$10,000 and \$100,000 respectively and an estimated useful life in excess of four years. Except for right to use lease assets, such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government and its component units are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and improvements	40 - 50
Computers	4 - 5
Equipment	4 - 10
Improvements	10 - 50
Infrastructure	40 - 50
Software	5 - 10
Vehicles	4 - 10

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The City classifies certain water rights as intangible assets with an indefinite useful life as there are no legal, contractual, or other factors that limit the benefits associated with the water rights.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. One is deferred charges on refunding reported in the government-wide statement of net position and the proprietary funds statement of net position. Deferred charges on refunding results from the difference in the carrying value of refunded debt and its reacquisition price at the time of refunding. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items are deferred pension and OPEB related items reported in the government-wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the balance sheet or statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports four items as deferred inflows of resources. First, unavailable revenues arise only under a modified accrual basis of accounting, and accordingly, is reported only in the governmental funds balance sheet. These amounts reflect resources that have been earned but not received within the period of availability. Therefore, this does not provide an available financial resource in the current period, and the recognition is deferred until these criteria have been met, as unavailable revenues. The second and third items are deferred pension and OPEB related items reported in the government-wide statement of net position and the proprietary funds statements of net position. The fourth item is related to deferred inflows related to lease receivables. The revenues associated with the deferred inflows of resources are recognized systematically over the term of the lease.

**Compensated Absences**

It is the City's policy for employees to accumulate earned but unused vacation and sick benefits. Permanent City employees earn from 10 to 20 vacation days a year, depending upon their length of employment, and 12 sick days a year. Employees may carry forward unused sick leave indefinitely. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. Any unused sick leave is forfeited; converted to CalPERS service credits; or for certain employees, transferred to a retiree health savings accounts upon termination of employment. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-Term Obligations**

In the government-wide financial statements, proprietary fund financial statements, and in the fiduciary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund type statement of net position, or the statement of fiduciary net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the City.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subscription liabilities represent the City's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the City.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt service expenditures including principal and interest payments are reported as expenditures.

**Claims and Judgments**

The City records a liability for litigation, judgments and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the Internal Service Funds that account for the City's self-insurance activities.

**Other Postemployment Benefits (OPEB)**

OPEB expense, deferred outflows/inflows of resources related to OPEB, and an implied subsidy payment were used to measure the total OPEB liability. The City does not provide any cash subsidy towards the benefit, and there are no assets accumulated in a trust for the plan. The General Fund is used to liquidate the governmental fund OPEB liability.

**Net Pension Liability**

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 CalPERS. 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. The General Fund is used to liquidate the governmental fund net pension liability.

**Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance – This amount indicates the portion of funds balances which cannot be spent because they are either not in spendable form such as prepaid items, inventories, land held for resale or loans/notes receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment. Only the General Fund may report nonspendable fund balance for long-term interfund receivables and land held for resale.

Restricted Fund Balance – This amount indicates the portion of fund balances which has been restricted in one of two ways a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. Long-term interfund receivables and land held for resale in governmental funds other than the General Fund are included within restricted fund balance.

Committed Fund Balance – This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to a formal resolution of the City Council.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assigned Fund Balance – This amount indicates the portion of fund balances which is constrained by the City's intent to be used for specific purpose, but is neither restricted nor committed. The Administrative Services Director is authorized to determine and define the amount of assigned fund balances, which was established by City Council through resolution.

Unassigned Fund Balance – This includes the excess residual amounts in the General Fund and the residual deficit of all other governmental funds which have not been restricted, committed, or assigned to specific purposes.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the adoption of another resolution. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently. Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Net Position**

In the governmental-wide and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments. As of June 30, 2024, \$57,444,146 of net position is restricted by enabling legislation.

Unrestricted Net Position – This amount is the remaining net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**E. Property Taxes**

Property tax revenue is recognized on the modified accrual basis that is, in the fiscal year for which the taxes have been levied, providing they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Orange collects property taxes for the City. Tax liens attach annually on the first day in January the preceding fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

**F. 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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**G. Effect of New Accounting Standards**

During the fiscal year ended June 30, 2024, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

**GASB Statement No. 100** – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**H. Accounting Standards Effective in Future Years**

The GASB has issued pronouncements that have an effective date subsequent to June 30, 2024, which may impact future financial presentations. The following statements are currently being evaluated by the City's management.

**GASB Statement No. 101** – *Compensated Absences*.

**GASB Statement No. 102** – *Certain Risk Disclosures*.

**GASB Statement No. 103** – *Financial Reporting Model Improvements*.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balances or Net Position**

The following individual non-major funds have a deficit at June 30, 2024:

Deficit Fund Balances:

Community Development Block Grant Special Revenue Fund	\$	156,125
Organized Retail Theft Special Revenue Fund		750,221

Deficit Net Position:

Sanitation Enterprise Fund	232,697
Information Technology External Support Enterprise Fund	1,767,356
Information Technology Internal Service Fund	1,679,771

For the Community Development Block Grant special revenue fund, the City expects to eliminate these deficits with anticipated future revenues from grants and program income. The deficit in the Organized Retail Theft special revenue fund is due to timing of the collection of revenues. For the Information Technology internal service fund and Information Technology External Support and Sanitation enterprise funds, the deficits are the result of pension and OPEB liabilities, which will be eliminated through future charges.



**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

At June 30, 2024, the Successor Agency of the Former RDA Private-purpose Trust Fund had a deficit net position amount of \$74,094,247. The deficit balance will be eliminated with future property tax revenue.

**NOTE 3: CASH AND INVESTMENTS**

As of June 30, 2024, cash and investments are classified in the accompanying financial statements as follows:

	Statement of Net Position	Statement of Fiduciary Net Position	Total
Cash and investments	\$ 123,302,622	\$ 13,656,845	\$ 136,959,467
Restricted assets:			
Cash and investments	10,157,563	12,785,910	22,943,473
Cash and investments with fiscal agents	2,267,962	-	2,267,962
Total cash and investments	<u>\$ 135,728,147</u>	<u>\$ 26,442,755</u>	<u>\$ 162,170,902</u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	\$ 11,029
Deposits with financial institutions	6,039,503
Total cash	<u>6,050,532</u>
Investments	128,909,077
Restricted cash and investments	12,138,069
Cash and investments with fiscal agents	15,073,224
Total investments	<u>156,120,370</u>
Total cash and investments	<u>\$ 162,170,902</u>

The City of Brea maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

**A. Deposits**

The carrying amount of the City's cash deposits was \$6,039,503 at June 30, 2024. Bank balances were \$7,633,992 at that date. The \$1,594,489 difference represents outstanding checks and other reconciling items. As of June 30, 2024, the City's deposits with financial institutions were covered by FDIC up to \$250,000, and the remaining amounts of \$7,383,992 were collateralized as described below.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure a City's deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**B. Investments**

Investments Authorized by the California Government Code and the City's Investment Policy

Funds of the City, other than bond proceeds and cash deposits held in restricted accounts, may be invested in any instrument allowable under current legislation of the State of California (Government Code Section 53600 et seq.) so long as the investment is appropriate and consistent with the City's investment policy. The following investments are authorized:

Authorized Investment Type	Credit Ratings	Maximum Maturity	Maximum Percentage Amount of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations (Bills, Notes and Bonds)	N/A	5 years	No limit	No Limit
U.S. Government Sponsored Enterprise Securities*	N/A	5 years	No limit	No Limit
Banker's Acceptances	N/A	180 days	40%	30%
Commercial Paper	A-1/A	270 days	25%	10%
Repurchase Agreements	N/A	1 year	No limit	No Limit
Certificates of Deposit	N/A	5 years	30%	No Limit
Negotiable Certificates of Deposit	N/A	5 years	30%	No Limit
Passbook Savings Accounts/Interest Bearing Investment	N/A	N/A	No limit	No Limit
Medium Term Corporate Notes	A	5 years	30%	No Limit
Bank Money Market Accounts	AAA	5 years	20%	10%
California Local Agency Investment Fund**	N/A	N/A	LAIF limit	No Limit
County of Orange Investment Fund (County Pool)**	N/A	N/A	No limit	No Limit
Asset Backed Securities	AA	5 years	10%	No Limit
Supranationals	AA	5 years	15%	5%

\*Maximum of 5% in callable bonds issued by such agencies

\*\*State and County investment pools together cannot exceed 60% of the maturity value of the portfolio at the time of purchase, and no more than 40% of the maturity value at the time of purchase can be deposited in any one particular pool.

Provisions of Government Code Section 53601 are to be adhered to at all times. Additionally, the City will use the guidelines established by the joint committee of the California Municipal Treasurers Association and the California Society of Municipal Finance Officers as the basis for investing in government investment pools.

For purposes of complying with legal investment limitations, the percentage referenced above refers to the maturity value of the portfolio at the time of purchase.

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a 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.

Investments in State Investment Pool

The City is a voluntary participant in the California 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. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. Each City may invest up to \$75,000,000. The fair value of the position in the investment pool is the same as the value of the pool shares. The balance available for withdrawal on demand is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not rated and not registered with the Securities and Exchange Commission (SEC).

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Restricted Cash & Investments

The City has established a Section 115 Trust to accumulate resources for future contributions to CalPERS. As of June 30, 2024, the City reported \$10,157,563 in restricted cash and investments. As of June 30, 2024, the City had \$9,190,563 of restricted cash and investments reported in the general fund and \$967,000 held in the business-type funds in a Section 115 Trust restricted for future pension contributions. In January 2016 and amended August 2021, the City adopted an investment policy for the Section 115, which authorized the following investments:

- Debt obligations of the U.S. Government, its agencies, and Government Sponsored Enterprises
- Mortgage-Backed Securities
- Asset Backed Securities
- Collateralized Mortgage Obligations
- Commercial Mortgage-Backed Securities
- Corporate debt securities issued by the U.S. or foreign entities including, but not limited to, limited partnerships, equipment trust certificates and enhanced equipment trust certificates

The portfolio will maintain a minimum weighted average quality of A- at all times. Individual securities shall have a minimum quality rating of Baa3 by Moody's or BBB- by Standard & Poor's (S&P).

**C. Risk Disclosures**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investment Type	Minimum Legal Rating	Not Rated	AAA/A-1	AA+	AA-	AA
U.S. Treasury Obligations	N/A	\$ -	\$ 31,983,617	\$ -	\$ -	\$ -
U.S. Government Sponsored Enterprise Securities	N/A	-	26,872,524	-	-	-
Corporate Notes	A	-	423,081	-	6,545,279	3,591,800
Money Market Mutual Funds	AAA	-	547,672	-	-	-
Asset Backed Securities	AA	-	5,401,498	-	-	-
California Local Agency Investment Fund	N/A	22,240,915	-	-	-	-
Supranationals	AA	-	2,674,600	-	-	-
Restricted Cash and Investments - Section 115 Trust						
U.S. Government Sponsored Enterprise Securities	N/A	2,499,318	-	-	-	-
Corporate Bonds	BBB-	194,836	262,554	-	60,880	18,552
Money Market Mutual Funds	N/A	8,078,511	-	-	-	-
Restricted Cash and Investments with Fiscal Agents						
Money Market Mutual Funds	N/A	15,073,223	-	-	-	-
<b>Total</b>		<b>\$ 48,086,803</b>	<b>\$ 68,165,546</b>	<b>\$ -</b>	<b>\$ 6,606,159</b>	<b>\$ 3,610,352</b>

Investment Type	Minimum Legal Rating	A+	A	A-	BBB+/BBB	Total
U.S. Treasury Obligations	N/A	\$ -	\$ -	\$ 15,347,140	\$ -	\$ 47,330,757
U.S. Government Sponsored Enterprise Securities	N/A	-	-	-	-	26,872,524
Corporate Notes	A	8,483,037	3,196,418	1,601,496	-	23,841,111
Money Market Mutual Funds	AAA	-	-	-	-	547,672
Asset Backed Securities	AA	-	-	-	-	5,401,498
California Local Agency Investment Fund	N/A	-	-	-	-	22,240,915
Supranationals	AA	-	-	-	-	2,674,600
Restricted Cash and Investments - Section 115 Trust						
U.S. Government Sponsored Enterprise Securities	N/A	-	-	-	-	2,499,318
Corporate Bonds	BBB-	87,355	175,592	181,485	481,389	1,462,643
Foreign Issues			18,118	49,624	29,856	97,598
Money Market Mutual Funds	N/A	-	-	-	-	8,078,511
Restricted Cash and Investments with Fiscal Agents						
Money Market Mutual Funds	N/A	-	-	-	-	15,073,223
<b>Total</b>		<b>\$ 8,570,392</b>	<b>\$ 3,390,128</b>	<b>\$ 17,179,745</b>	<b>\$ 511,245</b>	<b>\$156,120,370</b>

Certain investments in corporate notes that are currently rated A- were originally rated A or better upon the original purchase of the investments. The investment ratings were subsequent downgraded; however, the City has chosen to retain the investments to maturity.

**Custodial Credit Risk**

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City uses a third-party investment manager to manage its investments and has authority from City Council to execute purchases and sales of investments according to the parameters in its investment policy without the approval of management. Investments are held by another third-party custodian designated by the City.

**Concentration of Credit Risk**

The City's investment policy imposes restrictions for certain types of investments with any one issuer. Investments in any one issuer that represents 5% or more of the total City's investments are as follows:

Issuer	Investment Type	Amount	% of Total Investments
Federal Home Loan Bank	US Government Sponsored Enterprise	\$ 8,101,526	6.82%
Federal Home Loan Mortgage Corporation	US Government Sponsored Enterprise	6,120,763	5.15%
U.S. Treasury Obligation	U.S. Treasury Obligation	48,293,741	40.65%

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that at least 25% of the City's portfolio will mature in one year or less. The only allowable exception to these maturity limits will be the investment for the bond proceeds for the Reserve Fund and/or the Section 115 trust.

As of June 30, 2024, the City had the following investments and original maturities:

Investment Type	Investment Maturities (in Years)				Total
	12 months or less	12 to 24 months	25 to 60 months	More than 60 months	
Investments held by City:					
U.S. Treasury Obligations	\$ 17,293,760	\$ 4,843,681	\$ 25,193,316	\$ -	\$ 47,330,757
U.S. Government Sponsored Enterprise Securities	7,553,827	6,641,390	12,677,307	-	26,872,524
Corporate Bonds	801,253	4,330,346	18,709,512	-	23,841,111
Money Market Mutual Funds	547,672	-	-	-	547,672
Asset Backed Securities	-	742,031	4,659,467	-	5,401,498
California Local Agency Investment Fund	22,240,915	-	-	-	22,240,915
Supranationals	-	2,674,600	-	-	2,674,600
Restricted Cash and Investments- Section 115 Trust:					
U.S. Government Sponsored Enterprise Securities	-	391,109	30,380	2,077,829	2,499,318
Corporate Bonds	34,933	169,342	497,894	760,474	1,462,643
Foreign Issues	-	-	18,118	79,480	97,598
Money Market Mutual Funds	8,078,511	-	-	-	8,078,511
Restricted Cash and Investments with Fiscal Agents:					
Money Market Mutual Funds	15,073,223	-	-	-	15,073,223
	<u>\$ 71,624,094</u>	<u>\$ 19,792,499</u>	<u>\$ 61,785,994</u>	<u>\$ 2,917,783</u>	<u>\$ 156,120,370</u>

Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs.

When quoted prices in active market are available, investments are classified within Level 1. For investments classified within Level 2, the City's custodians generally use asset market prices derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, broker-dealer quotes and matrix pricing. The City does not have any investments classified with Level 3. Deposits and withdrawals in money market mutual funds and governmental investment pools, such as LAIF are made on the basis of \$1, but are recorded on an amortized cost basis which approximates fair value. Accordingly, the fair value measurement of these types of investments is based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

The City has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Totals	Investments not Subject to Hierarchy	Level		
			1	2	3
U.S. Treasury Obligations	\$ 47,330,757	\$ -	\$ -	\$ 47,330,757	\$ -
U.S. Government Sponsored Enterprise Securities					
Securities	26,872,524	-	-	26,872,524	-
Corporate Bonds	23,841,111	-	-	23,841,111	-
Money Market Mutual Funds	547,672	547,672	-	-	-
Asset Backed Securities	5,401,498	-	-	5,401,498	-
California Local Agency Investment Fund	22,240,915	22,240,915	-	-	-
Supranationals	2,674,600	-	-	2,674,600	-
Restricted Cash and Investments- Section 115 Trust:					
U.S. Government Sponsored Enterprise Securities	2,499,318	-	-	2,499,318	-
Corporate Bonds	1,462,643	-	-	1,462,643	-
Foreign issues	97,598	-	-	97,598	-
Money Market Mutual Funds	8,078,511	8,078,511	-	-	-
Restricted Cash and Investments with Fiscal Agents:					
Money Market Mutual Funds	15,073,223	15,073,223	-	-	-
	<u>\$ 156,120,370</u>	<u>\$ 45,940,321</u>	<u>\$ -</u>	<u>\$ 110,180,049</u>	<u>\$ -</u>

**NOTE 4: CALIFORNIA DOMESTIC WATER COMPANY (CDWC)**

The City purchases 94.8% of its water for the Water Utility fund operations through the California Domestic Water Company (CDWC). CDWC is a private mutual water company, organized as a not-for-profit under Section Code 501(c)(12), which provides water primarily to wholesale customers in east Whittier, La Habra and Brea.

CDWC has a wholly owned subsidiary, Cadway Inc. (Cadway), which owns and leases certain water rights to CDWC. Both CDWC and Cadway participate in the Pellissier Co-Tenancy. Cadway is treated as a C Corporation for federal and state tax purposes.

Separately prepared consolidated financial statements of CDWC include both CDWC and Cadway, Inc., and may be obtained from the City.

The CDWC Rules and Regulations for Water Service (CDWC Rules and Regulations), which are adopted by the CDWC Board of Directors and last updated on June 7, 2019, describe how CDWC administers, processes and provides water service including sections outlining provisions for the ownership and entitlements of common Stock and Class A Preferred Stock shares. Additionally, this document outlines the provisions under which CDWC will deliver water based on shareholders ownership of prescriptive pumping rights in the Main San Gabriel Basin as well as excess water.

The City holds 1,502.72 acre feet of water rights in the Main San Gabriel Basin which are capitalized at cost, and reported as “water rights” within capital assets. Each year, these water rights are temporarily leased to CDWC in order for CDWC to deliver water to the City based on its ownership. For the year ended June 30, 2024, based on the limits set by the Main San Gabriel Basin Water Master, the City was able to purchase .758977 acre feet of water per acre foot of water rights owned, or 1,140.53 acre feet at a cost of \$311,006.

The City also holds 687.85 shares of Class A preferred stock which are reported at cost as “water rights” within capital assets. During December 2011, the City was issued 664.14 shares of preferred stock for \$8,141,812 to secure the City’s claim to the 664.10 acre feet of water rights from CDWC. During May 2013, the City was issued another 23.75 shares of preferred stock for \$302,592 to secure the City’s claim to another 23.75 acre feet of water rights from CDWC. This resulted in a total of 687.85 shares of preferred stock for a total of \$8,444,404 used to secure an equal amount of water delivered pursuant to water rights. There is an immaterial difference of 0.04 shares between the City’s records and CDWC records.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 4: CALIFORNIA DOMESTIC WATER COMPANY (CDWC)(CONTINUED)**

As a preferred stock shareholder in CDWC, the City is entitled to a certain number of acre feet of water based on the number of preferred stock shares owned and the operating safe yield in the basin. This water is purchased at the same cost as water purchased using water rights owned by the City. For the current fiscal year, the City was entitled to purchase .758977 acre feet of water per acre foot of water rights owned, or 522.06 acre feet at the common stock entitlement rate for a total cost of \$142,358.

In November 2022, the City purchased an additional 112 shares of CDWC common stock for \$15,250 per share for a total cost of \$1,708,000 to increase the City's rights to access water.

As of June 30, 2024, the City holds 2,320.50 shares of Common Stock in the CDWC. The City values its common stock holdings using the equity method of investment as the City holds approximately 27.86% of the total shares outstanding. The City reported a decrease of \$357,074 as the change in equity for the year ended June 30, 2024. As a common stock shareholder in CDWC, the City is entitled to purchase a certain amount of water based on the number of common stock shares owned. For the year ended June 30, 2024, the City was entitled to purchase 1.45 acre feet of water per common stock share owned or 3,364.73 acre feet at the common stock entitlement rate, for a total cost of \$1,319,109.

Additionally, the City leased 196.50 shares of common stock from other shareholders during the fiscal year. This entitled the City to purchase an additional 284.93 acre feet at the common stock entitlement rate for a total cost of \$106,870 for a combined total of \$1,403,813 at the common stock entitlement rate.

During the year ended June 30, 2024, the City also purchased 2,861.96 acre feet for \$3,372,242 from CDWC in excess of its entitlement. Other amounts paid to CDWC for the year ended June 30, 2024, including annual common stock assessments and readiness-to-serve charges totaled \$1,130,488.

During the year ended June 30, 2024, the City paid \$6,386,907 to CDWC for purchases of water during the year.

**NOTE 5: NOTES, LOANS, AND DEFERRED LOANS RECEIVABLE**

Notes and loans receivable consist of rehabilitation loans made from Community Development Block Grant ("CDBG") and HOME grant funds to low income individuals that need assistance in rehabilitating their homes or mobile homes to meet current code standards. Amounts are due from the proceeds only upon the sale or transfer of the property. Loans made to mobile home owners are forgiven if the owner lives in the property 5 years or more. Repayments received by the City from homeowners are remitted to the County. Thus, the City has offset the notes and loans receivable balance with a liability due to other governments on the accompanying balance sheet. Additionally, the Affordable Housing Trust reports home buyer assistance loans to low and moderate income individuals to assist in purchasing a home. Homebuyer assistance loans repayment begins 5 years after the loan was originated, and is repaid over a 30 year period. Notes and loans receivable from each of these funds are comprised of the following at June 30, 2024:

CDBG	\$ 1,395,219
HOME Grant Funds	18,241
Affordable Housing Trust	104,000
Total notes and loans receivable	<u>\$ 1,517,460</u>

The City (through the former redevelopment agency) has made long term loans to various developers and organizations to stimulate low and moderate income housing projects and to low and moderate income individuals to rehabilitate their homes to meet current code standards or to assist them in purchasing a home. Some assistance given gave the City rights to receive "silent seconds" on property when sold to a low and moderate income individual. These "silent seconds" gave the City the right to a portion of the proceeds from the sale of the property. Collection terms of these loans vary and range from 5 years to 55 years. The majority of loans made to developers will be repaid from residual receipts and from monies earned on the property once they are built. Home buyer assistance loans begin repayment after 5 years and will be repaid over a 30-year period.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 5: NOTES, LOANS, AND DEFERRED LOANS RECEIVABLE (CONTINUED)**

For the remainder of loans and notes receivable, the City has classified fund balance as “restricted” indicating that these resources are not current available resources.

The outstanding balance of these notes and loans are reported in the Housing Successor Fund and are comprised of the following at June 30, 2024:

Home Buyer Assistance Loans	\$ 3,305,853
Rehabilitation Loans	92,959
Developer/Organization Loans:	
Acacia Apartments	1,265,743
Birch Hills Affordable Apartments	4,750,000
Bonterra Apartments	1,001,019
Imperial Apartments	2,853,000
La Habra Housing	597,814
South Walnut Bungalows	826,000
Total notes and loans receivable in the Housing Successor Fund	<u>\$ 14,692,388</u>

**NOTE 6: LEASES RECEIVABLES**

As of year-end June 30, 2024, the City had entered into various lease agreements as the lessor where it had leased its land and buildings, ranging from two years to 75 years. As of June 30, 2024, the outstanding leases receivable total \$5,359,646. These leases require the various lessees to make periodic payments to the City, and range in interest rates from 0.466% to 2.583%. The offsetting entry to the leases receivable is a deferred inflows and the value of the deferred inflows at June 30, 2024 is \$5,190,959. The City will be systematically recognizing revenue over the terms of the lease, and in the current fiscal year, the City recognized \$203,367 in lease principal and \$137,599 in interest. The City recognized \$257,060 in lease revenue during the fiscal year.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2025	\$ 123,934	\$ 135,031	\$ 258,965
2026	113,673	132,736	246,409
2027	117,415	130,393	247,808
2028	96,082	128,044	224,126
2029	73,646	126,086	199,732
2030 - 2034	398,061	600,599	998,660
2035 - 2039	452,744	545,916	998,660
2040 - 2044	514,939	483,721	998,660
2045 - 2049	585,678	412,982	998,660
2050 - 2054	666,134	332,526	998,660
2055 - 2059	750,991	241,269	992,260
2060 - 2064	827,862	138,265	966,127
2065 - 2069	444,174	55,826	500,000
2070 - 2072	194,313	5,689	200,002
	<u>\$ 5,359,646</u>	<u>\$ 3,469,083</u>	<u>\$ 8,828,729</u>



**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 7: INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2024, is as follows:

Due to Other Funds	Due From Other Funds
	General Fund
Non-Major Governmental Funds	\$ 915,777
Total	\$ 915,777

The balances due among the General Fund and Non-major Governmental Funds for \$915,777 were related to Community Development Block Grant Fund (CDBG) and Organized Retail Theft Fund having negative cash and represents a short-term cash flow borrowing between the General Fund and the Non-Major Governmental Funds.

**A. Transfers In/Out from Other Funds**

Transfers Out	Transfers In						Total
	General Fund	Capital Improvement Fund	Non-Major Governmental Funds	Internal Service Funds	Sewer Fund	Non-Major Enterprise Funds	
General Fund	\$ -	\$ 633,396	\$ 56,000	\$ 135,815	\$ -	\$ 375,252	\$ 1,200,463
Water Utility Fund	-	1,251,301	-	-	-	-	1,251,301
Internal Service Funds	833,072	19,049	4,428	-	804	-	857,353
Non-Major Governmental Funds	450,000	3,841,600	-	-	-	-	4,291,600
Total	\$ 1,283,072	\$ 5,745,346	\$ 60,428	\$ 135,815	\$ 804	\$ 375,252	\$ 7,600,717

1. The General Fund transferred \$633,396 to the Capital Improvement Fund for various capital improvement program projects.
2. The General Fund transferred \$56,000 to the Non-Major Governmental Funds for capital improvement projects.
3. The General Fund transferred \$135,815 to the Internal Service Funds for equipment and vehicle maintenance.
4. The General Fund transferred \$375,252 to the Non-Major Enterprise Funds to maintain Sanitation Fund's capital reserve.
5. The Water Utility Fund transferred \$1,251,301 to the Capital Improvements Fund for capital improvement projects.
6. The Internal Service Funds transferred \$833,072 to the General Fund, \$19,049 to the Capital Improvements funds and \$4,248 to the Non-Major Governmental Funds related to various capital improvement projects.
7. The Non-Major Governmental Funds transferred \$450,000 to the General Fund for the street maintenance program.
8. Non-Major Governmental Funds transferred \$3,861,600 to the Capital Improvements Fund for various capital improvement program projects.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 8: CAPITAL ASSETS**

Summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
<b>Governmental Activities:</b>					
Capital assets, not being depreciated/amortized					
Land	\$ 62,092,796	\$ -	\$ -	\$ -	\$ 62,092,796
Construction in Progress	12,590,124	(1,480,482)	11,971,762	-	23,081,404
Total capital assets, not depreciated	74,682,920	(1,480,482)	11,971,762	-	85,174,200
Capital assets, being depreciated					
Structures and improvements	124,162,920	-	327,501	-	124,490,421
Equipment	23,105,506	-	1,379,023	(1,201,133)	23,283,396
Infrastructure	159,323,186	1,480,482	1,474,821	-	162,278,489
Total capital assets being depreciated	306,591,612	1,480,482	3,181,345	(1,201,133)	310,052,306
Less Accumulated Depreciation for					
Structures and improvements	(62,386,601)	-	(2,308,063)	-	(64,694,664)
Equipment	(15,746,981)	-	(1,757,704)	1,150,135	(16,354,550)
Infrastructure	(92,429,321)	-	(4,515,854)	-	(96,945,175)
Total accumulated depreciation	(170,562,903)	-	(8,581,621)	1,150,135	(177,994,389)
Right-to-use assets					
Equipment	166,630	-	-	(29,664)	136,966
Subscription IT asset	331,103	-	32,781	(20,218)	343,666
Total capital assets being depreciated	497,733	-	32,781	(49,882)	480,632
Less Accumulated Amortization for					
Equipment	(31,142)	-	(38,450)	-	(69,592)
Subscription IT asset	(82,770)	-	(118,148)	20,218	(180,700)
Total accumulated amortization	(113,912)	-	(156,598)	20,218	(250,292)
Total capital assets, being depreciated/amortized, net	136,412,530	1,480,482	(5,524,093)	(80,662)	132,288,257
Governmental Activities capital assets, net	<u>\$ 211,095,450</u>	<u>\$ -</u>	<u>\$ 6,447,669</u>	<u>\$ (80,662)</u>	<u>\$ 217,462,457</u>
<b>Business-Type Activities:</b>					
Capital assets, not depreciated					
Land	\$ 11,628,748	\$ -	\$ -	\$ -	\$ 11,628,748
Water rights - fee title	23,931,020	-	-	-	23,931,020
Water rights - preferred stock	8,444,404	-	-	-	8,444,404
Construction in Progress	10,322,166	(7,223,214)	1,676,029	-	4,774,981
Total capital assets, not depreciated	54,326,338	(7,223,214)	1,676,029	-	48,779,153
Capital assets, being depreciated					
Structures and improvements	4,651,539	-	-	-	4,651,539
Equipment	770,764	-	154,220	-	924,984
Infrastructure	150,533,602	7,223,214	1,800,277	-	159,557,093
Subscription IT asset	-	-	14,859	-	14,859
Total capital assets being depreciated	155,955,905	7,223,214	1,969,356	-	165,148,475
Less Accumulated Depreciation for					
Structures and improvements	(506,737)	-	(59,208)	-	(565,945)
Equipment	(487,645)	-	(66,683)	-	(554,328)
Infrastructure	(70,958,752)	-	(3,425,778)	-	(74,384,530)
Subscription IT asset	-	-	(7,388)	-	(7,388)
Total accumulated depreciation	(71,953,134)	-	(3,559,057)	-	(75,512,191)
Total capital assets being depreciated, net	84,002,771	7,223,214	(1,589,701)	-	89,636,284
Business-Type Activities capital assets, net	<u>\$ 138,329,109</u>	<u>\$ -</u>	<u>\$ 86,328</u>	<u>\$ -</u>	<u>\$ 138,415,437</u>

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 8: CAPITAL ASSETS (CONTINUED)**

The City has a total \$32,375,424 in water rights. As described in Note 4, \$8,444,404 of the water rights are held as Class A Preferred stock in California Domestic Water Company. The remaining \$23,931,020 of water rights are held in the name of the City. Combined, the rights held by the City allow the City to purchase 1,662.59 acre feet of water annually at a set rate of \$272.69 per acre foot. Refer to Note 4 for further details of transactions with California Domestic Water Company.

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

**Governmental Activities:**

**City**

General Government	\$ 373,569
Public Safety	660,853
Community Services	492,486
Public Works	6,223,044
Total City	<u>7,749,952</u>

**Internal Service**

Information Technology	180,157
Vehicle Maintenance	671,747
Building Occupancy	136,363
Total Internal Service	<u>988,267</u>

Total Governmental Activities	<u><u>\$ 8,738,219</u></u>
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**Business-Type Activities:**

Water Utility	\$ 2,919,335
Sewer Utility	549,671
Urban Runoff	1,750
Information Technology	7,388
Golf	80,913
Total Business-Type Activities	<u><u>\$ 3,559,057</u></u>

**NOTE 9: LONG-TERM DEBT**

**A. Governmental Activities Long-Term Liabilities**

A summary of changes in governmental activities long-term liabilities for the year ended June 30, 2024, is noted below:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Lease Revenue Bonds					
2021 Refunding Lease Revenue Bonds	\$ 2,220,000	\$ -	\$ -	\$ 2,220,000	\$ -
Leases	107,618	-	(38,080)	69,538	24,760
Subscription IT Liabilities	227,239	30,781	(133,891)	124,129	124,129
Compensated Absences	2,833,187	3,785,196	(3,466,846)	3,151,537	2,365,617
Claims and Judgements	5,708,005	931,402	(1,816,455)	4,822,952	1,639,804
Totals	<u>\$ 11,096,049</u>	<u>\$ 4,747,379</u>	<u>\$ (5,455,272)</u>	<u>10,388,156</u>	<u>\$ 4,154,310</u>
Unamortized Bond Premium				464,236	
				<u>\$ 10,852,392</u>	

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

2021 Refunding Lease Revenue Bonds

In July 2021, the Brea Public Financing Authority issued the 2021 Refunding Lease Revenue Bonds in the amount of \$2,220,000. The proceeds were used to refund the outstanding principal balance of the 2010 Lease Revenue Bonds and pay costs of issuance of the 2021 bonds. The bonds bear an interest rate of 4% and mature April 1, 2036. Installment payments are due annually beginning April 1, 2028, ranging from \$105,000 to \$455,000. The Bonds are payable from lease payments made by the City for the leasing of certain real property pursuant to the lease agreement dated July 1, 2021.

The debt service schedule of the 2021 Refunding Lease Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 88,800	\$ 88,800
2026	-	88,800	88,800
2027	-	88,800	88,800
2028	335,000	88,800	423,800
2029	370,000	75,400	445,400
2030-2034	1,210,000	169,800	1,379,800
2035-2036	305,000	18,600	323,600
Total	<u>\$ 2,220,000</u>	<u>\$ 619,000</u>	<u>\$ 2,839,000</u>

**1. Leases**

As of year-end June 30, 2024, the City has entered into various lease agreements as the lessee for the use of various pieces of equipment, for terms of five years. As of June 30, 2024, the value of the lease liability outstanding is \$69,538. The city is required to make monthly fixed payments, and these leases have interest rates ranging from 0.727% to 3.305%.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 24,760	\$ 1,760	\$ 26,520
2026	17,456	1,161	18,617
2027	18,018	599	18,617
2028	9,304	90	9,394
Total	<u>\$ 69,538</u>	<u>\$ 3,610</u>	<u>\$ 73,148</u>

**2. Subscription Liabilities**

Prior to the fiscal year ended June 30, 2024, the City had six active SBITA contracts. The City is required to make principal and interest payments ranging from \$13,000 to \$86,816 through June 2025. The subscription liability was valued using discount rates between 2.194% - 2.796% based on the City's incremental borrowing rate at the inception of the subscriptions.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

Remaining principal and interest payments on subscriptions are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 124,129	\$ 3,045	\$ 127,174
Total	\$ 124,129	\$ 3,045	\$ 127,174

**B. Business-Type Activities Long – Term Liabilities**

A summary of changes in business-type activities long-term debt for the year ended June 30, 2024 is noted below:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Water Revenue Bonds					
2014 Water Revenue Bonds	\$ 865,000	\$ -	\$ (420,000)	\$ 445,000	\$ 445,000
2019 Water Revenue Bonds	20,965,000	-	(890,000)	20,075,000	950,000
2020 Water Revenue Bonds	17,375,000	-	(220,000)	17,155,000	220,000
Subscription IT Liabilities	-	14,859	(7,478)	7,381	7,381
Compensated Absences	296,688	270,886	(255,148)	312,426	234,321
Totals	\$ 39,501,688	\$ 285,745	\$ (1,792,626)	37,994,807	\$ 1,856,702
Unamortized Bond Premium				3,045,867	
				<u>\$ 41,040,674</u>	

**3. Water Revenue Bonds**

2014 Water Revenue Refunding Bonds

In August 2014, the Brea Community Benefit Financing Authority issued \$18,555,000 of 2014 Water Revenue Bonds. The proceeds were used to repay interfund loans made by the City of Brea to its Water Utility Fund from other available funds for the purchase of water rights completed in May 2014 for the benefit of the City's water system. Proceeds were also used to pay cost of issuance expenses.

The bonds consisted of \$9,440,000 serial bonds maturing in the years 2015 to 2034, payable July 1 in annual installments of \$255,000 to \$700,000 and bear interest at 3.25% to 5.00%. Bonds maturing July 1, 2039, in the amount of \$4,005,000 are term bonds and bear interest at 5.00%. Bonds maturing July 1, 2044, in the amount of \$5,110,000 are term bonds and bear interest at 5.00%. The 2014 Water Revenue Bonds were partially refunded by the 2020 Water Revenue Refunding Bonds. The outstanding balance at June 30, 2024, was \$445,000.

2019 Water Revenue Refunding Bonds

In August 2019, the City of Brea issued \$23,475,000 of 2019 Water Revenue Refunding Bonds with interest rates ranging from 3.0% to 4.0%. The proceeds from the bonds were used to current refund all of the remaining outstanding 2009 Water Revenue Bonds and advance refund 2010 Series B Water Revenue Bonds. Interest on the Water Revenue Refunding Bonds is payable semi-annually on July 1 and January 1 of each year until 2039. Principal matures annually on July 1. The outstanding balance at June 30, 2024, was \$20,075,000.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

2020 Water Revenue Refunding Bonds

In October 2020, the City of Brea issued \$17,960,000 of 2020 Water Revenue Refunding Bonds with interest rates ranging from 0.391% to 3.212%. The proceeds from the bonds were used to current refund a portion of the remaining outstanding 2014 Water Revenue Bonds. Interest on the Water Revenue Refunding Bonds is payable semi-annually on July 1 and January 1 of each year until 2044. Principal matures annually on July 1 in amounts ranging from \$220,000 to \$1,090,000. The net proceeds of \$17,864,812 (including an underwriter's discount of \$95,188) were deposited in an irrevocable trust with an escrow agent to provide funds to refund the 2014 bonds in full and to provide funds for the future debt service payment on the 2014 bonds. As a result, the 2014 bonds are partially defeased, and the liability for those bonds has been removed from the statement of net position. The outstanding balance at June 30, 2024 was \$17,155,000.

Water Revenue Bonds Debt Coverage Requirement

The City has covenanted that gross revenues (including interest revenue and connection fees), less operation and maintenance costs as defined in the bond document, shall be at least 1.25 times the sum of all debt service on all parity obligations. Gross revenues for the year ended June 30, 2024, were \$20,862,952. Operation and maintenance costs for the year ended June 30, 2024, were \$13,220,457, excluding depreciation. Total debt service for the fiscal year ended was \$2,879,292. This resulted in a debt coverage ratio of 5.83 for the year ended June 30, 2024.

**4. Pledged Revenues**

Future net revenues of the Water Utility Fund for each year's debt service payment are pledged until the extinguishment of the debt in 2044 and are not available for other uses. Remaining principal and interest payments on this debt as of June 30, 2024 was \$49,830,473.

The debt service schedules of these Water Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 1,615,000	\$ 1,264,292	\$ 2,879,292
2026	1,700,000	1,199,946	2,899,946
2027	1,770,000	1,139,925	2,909,925
2028	1,850,000	1,074,515	2,924,515
2029	1,930,000	1,003,629	2,933,629
2030-2034	10,805,000	3,901,907	14,706,907
2035-2039	10,945,000	1,957,845	12,902,845
2040-2044	5,970,000	595,909	6,565,909
2045-2049	1,090,000	17,505	1,107,505
Total	<u>\$ 37,675,000</u>	<u>\$ 12,155,473</u>	<u>\$ 49,830,473</u>

**C. Compensated Absences**

The Governmental Activities' liability, at June 30, 2024, will be paid in future years from the General Fund, Vehicle Maintenance Fund, and Building Occupancy Fund in amounts of \$3,024,352, \$48,499, and \$70,829, respectively. The Business-Type Activities' liability at June 30, 2024 will be paid in future years from the enterprise funds. Total compensated absences at June 30, 2024, were \$312,426.

**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

**D. Debt Without Government Commitment Assessment District Bonds**

The special assessment bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying general purpose financial statements. The City has no obligation beyond the balances in the designated custodial funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the full faith and credit nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders.

In November 2017, the City of Brea issued on behalf of the Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) \$8,555,000 aggregate principal of 2017 Special Tax Refunding Bonds to advance refund in full the Community Facilities District No. 2008-2 (Brea Plaza Area Public Improvements) 2009 Special Tax Bonds. The bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from the proceeds of an annual special tax levied on property within the District. The bonds mature from 2018 to 2039, with remaining annual installments ranging from \$255,000 to \$575,000. The remaining interest rates on the bonds range from 2.000% to 4.000%. The outstanding balance at June 30, 2024, was \$7,025,000.

In August 2019, the Brea Public Financing Authority issued Local Agency Revenue Refunding Bonds, Series 2019, in the amount of \$6,820,000, for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements). The purpose of the bonds is to acquire two series of bonds: (i) \$2,505,000 aggregate principal amount to be issued by the City of Brea for the Communities Facilities District No. 1997-1; and (ii) \$4,315,000 aggregate principal amount 2019 Special Tax Refunding Bonds to be issued by the Brea Olinda Unified School District for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights). A portion of the proceeds was for a current refunding of the 2005 Series A Local Agency Revenue Bonds. The bonds mature from 2020 to 2035, with remaining annual installments ranging from \$215,000 to \$680,000 per year. The interest rates on the bonds range from 4.000% to 5.000%. The outstanding balance at June 30, 2024 was \$4,820,000.

**NOTE 10: DEFINED BENEFIT PENSION PLAN**

**A. CalPERS Safety and Miscellaneous Employees' Plans**

The City contributes to the pension plans offered by the California Public Employees Retirement System (PERS). The City's employees participate in separate cost-sharing Safety (police and fire) and Miscellaneous (agent- multiple employer) defined benefit pension plans. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

**B. 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 or 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 non-duty 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 BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2024 are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2	PEPRA (Tier 3)
Hire Date	Prior to September 17, 1999	September 17, 1999 to December 31, 2012 and Non-PEPRA hired on or after January 1, 2013	January 1, 2013 and after
Benefit Formula	2.0% @ 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
Retirement Age	Minimum 50 years	Minimum 50 years	Minimum 52 years
Monthly Benefits, as a % of eligible Compensation	1.426% - 2.418% 50 years - 63 years respectively	1.426% - 2.418% 50 years - 63 years respectively	1.000% - 2.500% 52 years - 67+ years respectively
Required Employee Contribution Rates	7.080%	7.080%	6.250%
Required Employer Contribution Rates	9.710%	9.710%	6.326%

\*Closed to new entrants

**C. Employees Covered**

At the June 30, 2022 valuation, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous Plan
Inactive employees or beneficiaries currently receiving benefits	341
Inactive employees entitled to but not yet receiving benefits	294
Active Employees	179
	<u>814</u>

**D. Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

The employer contributions to the Miscellaneous Plan during the year ended June 30, 2024 was \$4,223,828.



**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The Miscellaneous Plan's total pension liability in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Salary Increases	Varies by Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.0% Net of Pension Plan Investment Includes Inflation
Mortality Table**	Derived using CalPERS' Membership Data for all Funds

\*\*The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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 of 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:

These geometric rates of return net of administrative expenses are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return <sup>(1), (2)</sup>
Global Equity - Cap Weighted	30.00%	4.54%
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%
	<u>100.00%</u>	

<sup>(1)</sup> An Expected Inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2022 Asset Liability Management study.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**F. 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 employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained at CalPERS' website.

**G. Changes in the Net Pension Liability**

	Increase (Decrease)		
Miscellaneous	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022 (measurement date)	\$ 168,309,448	\$ 123,383,442	\$ 44,926,006
Changes in the year:			
Service Cost	2,570,196	-	2,570,196
Interest on the total pension liability	11,511,001	-	11,511,001
Changes of Benefit terms	238,052	-	238,052
Differences between expected and actual experience	1,787,357	-	1,787,357
Contribution - employer	-	4,957,441	(4,957,441)
Contribution - employee	-	1,058,108	(1,058,108)
Net investment income	-	7,733,265	(7,733,265)
Benefit payments, including refunds of employee contributions	(9,587,727)	(9,587,727)	-
Administrative expense	-	(90,730)	90,730
Net changes	6,518,879	4,070,357	2,448,522
Balance at June 30, 2023 (measurement date)	\$ 174,828,327	\$ 127,453,799	\$ 47,374,528

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, 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% point lower (5.90%) or 1% point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Miscellaneous Plan's Net Pension Liability	\$ 69,743,807	\$ 47,374,528	\$ 28,840,833

Detailed information about the Miscellaneous Plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**I. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized pension expense of \$8,185,610 for the Miscellaneous Plan. As of June 30, 2024, 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
Contributions made after the measurement date	\$ 4,223,828	\$ -
Differences between expected and actual experience	974,922	320,933
Changes in assumptions	831,572	-
Net difference between projected and actual earnings on pension plan investments	5,655,976	-
Miscellaneous Plan Total	<u>\$ 11,686,298</u>	<u>\$ 320,933</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in pension expense for the year the gain or loss occurs, except for contributions subsequent to the measurement period of \$4,223,828 for the Miscellaneous Plan, which will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2025. The amortization period differs depending on the source of the gain or loss. Differences between projected and actual investment earnings are amortized on a 5-year straight-line basis and all other amounts are amortized over the average expected remaining service lives of all members that are provided with benefits. As of the June 30, 2023 measurement date, the expected average remaining service lifetime is 2.2 years for the Miscellaneous Plan. Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Miscellaneous Plan Deferred Outflows/(Inflows) of Resources
2025	\$ 2,286,937
2026	678,910
2027	4,046,543
2028	129,147
Total	<u>\$ 7,141,537</u>

Beginning in the measurement period ended June 30, 2021, the City's Safety Plan was converted from an agent multiple-employer defined benefit plan to the cost-sharing defined benefit plan.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The Safety Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Safety Plan			
	Tier 1*	Tier 2*	Tier 3	PEPRA (Tier 4)
Hire Date	Prior to June 30, 1984	On June 30, 1984 and prior to September 17, 2011	September 17, 2011 to December 31, 2012 and Non-PEPRA hired on or after June 1, 2013	January 1, 2013 and after
Benefit Formula	3.0% @ 50	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years service	5 years service	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement Age	Minimum 50 years	Minimum 50 years	Minimum 50 years	Minimum 50 years
Monthly Benefits, as a % of				
Eligible Compensation	3.00%	3.00%	2.00% - 2.70%	2.00% - 2.70%
Required Employee Contribution Rates	8.99%	8.99%	8.99%	13.75%
Required Employer Contribution Rates	22.77%	22.77%	22.77%	17.97%

\*Closed to new entrants

**J. Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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.

The employer contributions to the Safety Plan during the year ended June 30, 2024 was \$11,850,759.

**K. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2024, based on the measurement date of June 30, 2023, the City reported a net pension liability of \$119,172,727 for its proportionate share of the PERF C Cost Sharing Plan.

The City's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023. The City's proportion of the net pension liability based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the PERF C Cost Sharing Plan measured as of June 30, 2023 and 2024 was 1.63994% and 1.59430%, respectively.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

For the year ended June 30, 2024, the City recognized pension expense of \$39,308,171 for the Safety Plan. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Safety Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 11,850,759	\$ -
Changes of assumptions	6,955,080	-
Differences between expected and actual experience	8,749,475	749,048
Changes in employer's proportion	16,713,362	1,717,186
Differences between employer's contributions and proportionate share of contributions	2,373,049	1,695,461
Net difference between projected and actual investments earnings	16,308,756	-
Safety Plan Total	<u>\$ 62,950,481</u>	<u>\$ 4,161,695</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in pension expense for the year the gain or loss occurs, except for contributions subsequent to the measurement period of \$11,850,759, which will be recognized as a reduction of the net pension liability during the fiscal year ending June 30, 2025. The amortization period differs depending on the source of the gain or loss. Differences between projected and actual investment earnings are amortized on a 5-year straight-line basis and all other amounts are amortized over the average expected remaining service lives of all members that are provided with benefits. As of the June 30, 2023 measurement date, the expected average remaining service lifetime is 3.8 years for the Safety Plan. Deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Safety Plan Deferred Outflows/(Inflows) of Resources
2025	\$ 26,191,540
2026	6,691,901
2027	13,599,378
2028	455,208
Total	<u>\$ 46,938,027</u>

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**L. Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The Safety Plan's total pension liability in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment Includes Inflation
Mortality Table**	Derived using CalPERS' Membership Data for all Funds

\*\*The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Changes of assumptions – Noted no changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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 of 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	New Strategic Allocation	Real Return <sup>(1), (2)</sup>
Global Equity - Cap Weighted	30.00%	4.54%
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%
	<u>100.00%</u>	

<sup>(1)</sup> An Expected Inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2021 Asset Liability Management study.

**NOTE 10: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**M. 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 employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, Safety Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Safety Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 6.90% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained at CalPERS' website.

**N. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability for the Safety Plan, calculated using the discount rate of 6.90%, as well as what the City's proportionate share of 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:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability	<u>\$ 163,043,761</u>	<u>\$ 119,172,727</u>	<u>\$ 83,305,034</u>

**O. Summary of Miscellaneous Plan and Safety Plan Amounts**

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Expenses</u>
Miscellaneous	\$ 47,374,528	\$ 11,686,298	\$ 320,934	\$ 8,185,610
Safety Plan	119,172,727	62,950,481	4,161,694	39,308,171
Total	<u>\$ 166,547,255</u>	<u>\$ 74,636,779</u>	<u>\$ 4,482,628</u>	<u>\$ 47,493,781</u>

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

**A. Plan Description**

In addition to providing pension benefits, the City provides medical insurance for certain employees after they separate from the City, through a single-employer defined benefit plan (Plan) as provided under the City's contractual agreements with members from each bargaining unit. Members who retire from the City on or after attaining the age of 50 with at least five years of service are eligible for these benefits. A separate annual financial report is not issued. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**B. Benefits Provided**

The City funds retiree healthcare benefits on a pay-as-you-go basis, paying a maximum of \$350 per month for each retirees' benefits from City funds as they are due with no pre-funding for future years. The City recognizes expenditures for its share of the annual premiums as these benefits become due.

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**C. Employees Covered by Benefit Terms**

Active Employees	294
Inactive employees or beneficiaries currently receiving benefits	236
Inactive employees entitled to but not yet receiving benefits	100
Total	<u>630</u>

**D. Total OPEB Liability**

The City's total OPEB liability of \$21,951,211 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.65%
Inflation	2.50%
Payroll Growth	2.75%
Mortality	(1)
	Non-Medicare - 8.5% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Healthcare Trend Rate	Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
	Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA	3.50% annually Actives: 60%
Participation at Retirement	Retirees: 100% if covered, 5% re-elect at age 65 if waved and under 65

(1) Mortality projected fully generational with Scale MP-2021.

**E. Changes of Assumptions**

For the June 30, 2023 measurement date, the discount rate was changed from 3.54% to 3.65%.



**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**F. Change in the Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2023	<u>\$ 24,806,583</u>
Changes in the year:	
Service Cost	723,690
Interest	881,363
Actual vs. expected experience	(1,632,463)
Changes in assumptions	(1,561,914)
Benefit payments, including refunds of employee contributions	(1,266,048)
Net Changes	<u>(2,855,372)</u>
Balance at June 30, 2024	<u><u>\$ 21,951,211</u></u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 24,645,361</u>	<u>\$ 21,951,211</u>	<u>\$ 19,723,844</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the City, as well as what the City's total 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:

	1% Decrease (2.65%)	Healthcare Cost Trend Rate	1% Increase (4.65%)
Total OPEB Liability	<u>\$ 20,864,815</u>	<u>\$ 21,951,211</u>	<u>\$ 23,804,534</u>

**G. OPEB Expense and Deferred Outflow/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the City recognized OPEB expense of \$490,466. At June 30, 2024, 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
Amount paid by the employer from OPEB as the benefits come due subsequent to the measurement date	\$ 1,699,267	\$ -
Changes in assumptions	1,788,197	5,118,322
Differences between actual and expected experience	-	2,129,676
Total	<u>\$ 3,487,464</u>	<u>\$ 7,247,998</u>

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The \$1,699,267 reported as deferred outflows of resources related to benefits paid subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense on the next page as follows:

Year Ended June 30,	Amortization
2025	\$ (929,096)
2026	(777,855)
2027	(1,518,980)
2028	(1,308,189)
2029	(726,030)
Thereafter	(199,651)
Total	<u>\$ (5,459,801)</u>

**NOTE 12: SELF-INSURANCE PROGRAM**

The City is a member of the California Insurance Pool Authority (CIPA). CIPA, a consortium of 14 cities in Los Angeles County and Orange County, California, was established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration.

At June 30, 2024, the City was self-insured for workers' compensation up to \$400,000 per occurrence and general liability and auto liability insurance up to \$350,000 per occurrence. The coverage for general and auto liability extends to \$20,000,000 per occurrence with a \$20,000,000 annual pooled aggregate. Member agencies may be assessed the difference between funds available and the \$20,000,000 annual pooled aggregate in proportion to its annual premium. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

At June 30, 2024, \$4,822,952 has been accrued for general liability and workers' compensation claims in the Risk Management Internal Service Fund. These amounts represent estimates of amounts to be paid for reported claims and incurred but not yet reported claims based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2024, is dependent on future developments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses. During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

Changes in the claims liability amounted to the following for the years ended June 30:

Claims and Judgements at June 30, 2022	\$ 5,287,092
Claims Payments	(1,804,924)
Claims Incurred and Changes in Estimates	<u>2,225,837</u>
Claims and Judgements at June 30, 2023	5,708,005
Claims Payments	(1,816,455)
Claims Incurred and Changes in Estimates	<u>931,402</u>
Claims and Judgements at June 30, 2024	<u>\$ 4,822,952</u>

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 13: FUND BALANCE CLASSIFICATION**

Fund balances in the governmental funds as of June 30, 2024, have been classified as follows:

		Special Revenue Funds		Capital Projects Fund	Non-Major Governmental Funds	Total
	General Fund	Affordable Housing	Housing Successor	Capital Improvements		
Nonspendable						
Prepaid Items	\$ 29,357	\$ -	\$ -	\$ -	\$ -	\$ 29,357
Total Nonspendable	29,357	-	-	-	-	29,357
Restricted						
Prop 172	1,060,311	-	-	-	-	1,060,311
COPS	128,047	-	-	-	-	128,047
Lighting and Maintenance Districts	548,701	-	-	-	-	548,701
Low and Moderate Income Housing Asset	-	3,899,529	19,581,074	-	-	19,581,074
Gas Tax	-	-	-	-	5,160,434	5,160,434
Narcotic Enforcement Asset Seizure	-	-	-	-	483,261	483,261
Air Quality Improvement	-	-	-	-	213,100	213,100
Park Development	-	-	-	-	2,355,387	2,355,387
Measure M	-	-	-	-	2,982,674	2,982,674
Blackstone CFD	-	-	-	-	2,477,197	2,477,197
La Floresta CFD	-	-	-	-	544,774	544,774
Taylor-Morrison CFD	-	-	-	-	131,073	131,073
Central Park Village CFD	-	-	-	-	206,609	206,609
National Opioid Settlement	-	-	-	-	98,238	98,238
Capital and Mitigation Improvement	-	-	-	-	1,484,231	1,484,231
Storm Drain	-	-	-	-	352,990	352,990
Capital Projects	-	-	-	6,010,153	-	6,010,153
Pension Stabilization	10,592,453	-	-	-	-	10,592,453
Total Restricted	12,329,512	3,899,529	19,581,074	6,010,153	16,489,968	58,310,236
Committed						
General Plan Maintenance Fee	1,524,080	-	-	-	-	1,524,080
Brea War Memorial	16,255	-	-	-	-	16,255
Total Committed	1,540,335	-	-	-	-	1,540,335
Assigned to						
Community Benefit and Economic Development	7,012,994	-	-	-	-	7,012,994
OPEB Fund	537,771	-	-	-	-	537,771
Community Center	1,053,819	-	-	-	-	1,053,819
Capital Asset Replacement	4,406,226	-	-	-	-	4,406,226
Total Assigned	13,010,810	-	-	-	-	13,010,810
Unassigned						
General Fund	28,051,499	-	-	-	-	28,051,499
Non-Major Governmental Funds (Deficit)	-	-	-	-	(906,346)	(906,346)
Total Unassigned	28,051,499	-	-	-	(906,346)	27,145,153
Total	\$ 54,961,513	\$ 3,899,529	\$ 19,581,074	\$ 6,010,153	\$ 15,583,622	\$ 100,035,891

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 14: CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

The following material construction and other significant commitments existed at June 30, 2024:

Project Name	Contract Amount	Expenditures to date as of June 30, 2024	Remaining Commitments
Capital Improvements Fund:			
57 Freeway & Lambert Road	\$ 11,026,341	\$ 3,854,779	\$ 7,171,562
Country Hills Pavement and water	7,537,127	6,959,491	577,636
Pleasant Hill Water Improvements	2,127,994	2,127,972	22
South Brea Water Main Replacement	2,302,409	2,302,408	1
Booster Station No. 2 & 3	17,263	16,441	822
Valencia Reservoir Repainting	1,814,522	468	1,814,054
Booster Pump Enclosure & Restroom	328,947	282,993	45,954
Citywide Sewer Improvements	343,130	140,971	202,159
Emergency Message Signage	654,876	20,758	634,118
Tracks Expansion Study	6,619,931	319,211	6,300,720
Arovista Park Modernization	23,766,602	3,919,764	19,846,838
Total	<u>\$ 56,539,142</u>	<u>\$ 19,945,256</u>	<u>\$ 36,593,886</u>

**NOTE 15: CONTINGENCIES**

The City is a defendant in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial position of the City.

The City incurs various costs under federal and state grant reimbursement programs and records the related revenue and receivables for grant claims. Such grant claims are subject to final audit by federal and state agencies.

**NOTE 16: JOINTLY GOVERNED ORGANIZATIONS**

Orange County City Managers Association (OCCMA)

The City is a member of the Orange County City Managers Association (OCCMA). OCCMA is an organization that provides a platform for City Managers to learn best practices, collaborate and share ideas. The City was appointed to serve as Treasurer and assumed administrative responsibilities of OCCMA. Therefore, OCCMA activities are reported as a custodial fund of the City. For the fiscal year ended June 30, 2024, the City received \$2,835 for assisting with Treasury functions.

North Orange County Public Safety Collaboration (NOC)

The City is a member of the North Orange County Public Safety Collaborative (NOC), along with 11 other cities. The NOC was established to spend state funds in accordance with Assembly Bill (AB) 97, an act of the State Legislature to address youth violence prevention and intervention in K-12 schools; promote and enhance the successful reentry of offenders into the community and to address homeless outreach and intervention efforts. Beginning July 1, 2022, the City was appointed as the fiscal agent for the \$8,000,000 grant to continue the NOC efforts through June 30, 2026, of which, the City receives \$800,000 for grant administration during the grant period.

**NOTE 16: JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)**

Integrated Law and Justice Agency of Orange County (ILJAOC)

The City is a member of the Integrated Law and Justice Agency of Orange County (ILJAOC), along with 24 other cities and local law enforcement agencies. The purpose of ILJAOC is to facilitate and share criminal justice information and data among the member agencies. The Agency has a twelve-member Board of Directors. The City was appointed to serve as Treasurer/Controller and assumed administrative responsibilities of ILJAOC. Therefore, the activities of ILJAOC are reported as a custodial fund of the City. During the year ended June 30, 2024, ILJAOC paid \$61,508 to the City for its share of operating and replacement costs. The City paid \$16,482 in membership fees to ILJAOC. Separately prepared financial statements for ILJAOC are available on the City's website.

**NOTE 17: SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 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 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. On August 25, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2011-085.

Each year, the successor agency is 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.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

**A. Cash and Investments**

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and Investments	\$ 739,514
Cash and Investments with Fiscal Agents	12,114,244
	<u>\$ 12,853,758</u>

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

**NOTE 17: SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**B. Long-Term Debt**

A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2024, follows:

	Beginning Balance	Additions	Repayments	Ending Balance	Due Within One Year
Tax Allocation Bonds					
2003 Tax Allocation Bonds	\$ 16,272,313	\$ 853,099	\$ -	\$ 17,125,412	\$ -
2013 Tax Allocation Bonds	27,915,000	-	(7,150,000)	20,765,000	6,610,000
2016 Tax Allocation Bonds Series A	4,360,000	-	(1,055,000)	3,305,000	1,085,000
2016 Tax Allocation Bonds Series B	645,000	-	(155,000)	490,000	160,000
2017 Tax Allocation Bonds Series A	35,104,618	-	(1,515,000)	33,589,618	734,534
2017 Tax Allocation Bonds Series B	10,955,000	-	(845,000)	10,110,000	1,750,000
Subtotal	<u>\$ 95,251,931</u>	<u>\$ 853,099</u>	<u>\$ (10,720,000)</u>	<u>85,385,030</u>	<u>\$ 10,339,534</u>
Unamortized Bond Discounts and Premiums				3,280,389	
Total				<u>\$ 88,665,419</u>	

**1. Tax Allocation Bonds**

**2003 Tax Allocation Bonds**

In July 2003, the former Brea Redevelopment Agency issued \$120,497,866 principal amount of 2003 Redevelopment Project AB Tax Allocation Bonds. The proceeds were used to: 1) current refund the Brea Redevelopment Agency 1993 Tax Allocation Refunding Bonds, 2) pay the costs of additional redevelopment activities with respect to Project Area AB, 3) pay the cost of a reserve fund security instrument, and 4) pay costs of issuance related to the bonds.

Bonds in the years 2014 to 2026 are current interest bonds payable with no annual installments, while bonds maturing in the years 2028 to 2030 are capital appreciation bonds payable August 1 in annual installments of \$2,151,714 to \$1,801,707. Bonds maturing in the years 2027, 2031 and 2032, in the amount of \$16,475,000 are term bonds.

The current interest bonds bear interest at 4.450% due February 1 and August 1, of each year. The term bonds bear interest at 4.45% and are due August 1, 2032. The capital appreciation bonds have a face value of \$22,640,000. By its nature, there are no regular interest payments associated with capital appreciation bonds. The "interest" on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. The \$22,640,000 of face value capital appreciation bonds were initially recorded at the amount of proceeds received, \$5,987,866. Each year, the outstanding balance is increased for the accretion of interest associated with the bonds.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required. Bond payments are secured by a first pledge on all of the tax revenues on parity with the 2013 and 2017 bonds.

In November 2017, the Successor Agency issued 2017 Tax Allocation Refunding Bonds, Series A of which a portion of the proceeds was used to redeem the term bonds portion of the outstanding balance of the 2003 Tax Allocation Bonds. Upon issuance of the 2017 A Bonds, a portion of the sale proceeds was transferred to the 2003 Escrow fund. On the redemption date, moneys deposited in the escrow fund were used to pay the redemption price for the refunded bonds totaling \$16,475,000. As a result, except for the capital appreciation bonds, the liability for the term bonds has been removed. The outstanding balance of the capital appreciation bonds at June 30, 2024, was \$17,125,412.

**NOTE 17: SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

2013 Tax Allocation Refunding Bonds

In December 2013, the Successor Agency to the Brea Redevelopment Agency issued its \$96,620,000 Successor Agency to the Brea Redevelopment Agency Redevelopment Project AB 2013 Tax Allocation Refunding Bonds to refund the outstanding balance of the Brea Redevelopment Agency 2001 Tax Allocation Refunding Bonds, Series A in the amount of \$36,205,000 and to refund the current interest bonds and term bonds outstanding of the 2003 Tax Allocation Bonds in the amount of \$68,390,000. Upon issuance of the 2013 Bonds, a portion of the sale proceeds of the 2013 Bonds was transferred to the 2001A Escrow Fund and to the 2003 Escrow Fund. On the Redemption Date, moneys deposited in the Escrow Funds were used to pay the redemption price for the Refunded Bonds.

Bonds maturing in the years 2014 to 2026 are payable on August 1, of each year with remaining principal retirements ranging from \$1,500,000 to \$7,150,000. The remaining interest rates on the bonds is between 3.50% to 5.00%.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required. Bond payments are secured by a first pledge on all tax revenues on parity with the 2003 and 2017 Tax Allocation Bonds. The outstanding balance at June 30, 2024, was \$20,765,000.

2016 Tax Allocation Refunding Bonds, Series A and B

In November 2016, the Successor Agency to the Brea Redevelopment Agency issued its 2016 Tax Exempt Tax Allocation Refunding Bonds, Series A and 2016 Taxable Tax Allocation Refunding Bonds, Series B in the amount of \$10,425,000 and \$1,540,000 respectively. The proceeds of the bonds were used to currently refund the Public Financing Authority's outstanding 2008 Tax Exempt Tax Allocation Revenue Bonds, Series A in the amount of \$12,260,000 and to advance refund the outstanding 2008 Tax Allocation Revenue Bonds, Series B in the amount of \$1,450,000.

The Series A Serial Bonds totaling \$10,425,000 have remaining principal repayments ranging from \$1,055,000 to \$1,120,000 with interest rates ranging from 2.00% to 4.00%. The outstanding balance at June 30, 2024 was \$3,305,000.

The Series B Serial Bonds totaling \$1,540,000 have remaining principal repayment ranging from \$155,000 to \$165,000 with interest rates ranging from 1.25% to 4.00%. The outstanding balance at June 30, 2024 was \$490,000.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required.

2017 Tax Allocation Refunding Bonds, Series A and B

In November 2017, the Successor Agency to the to the Brea Redevelopment Agency issued its 2017 Tax Exempt Tax Allocation Refunding Bonds, Series A and 2017 Taxable Tax Allocation Refunding Bonds, Series B in the amount of \$32,838,802 and \$13,070,000 respectively. The proceeds of the bonds were used to currently refund the term bonds portion of the former Brea Redevelopment Agency 2003 Tax Allocation Bonds in the amount of \$16,475,000 and to advance refund the former Brea Redevelopment Agency's outstanding 2011 Tax Exempt Tax Allocation Bonds, Series A in the amount of \$27,019,865 and 2011 Taxable Tax Allocation Bonds, Series B in the amount of \$9,940,000.

The Series A Serial Bonds totaling \$19,315,000 have principal repayments ranging from \$50,000 to \$6,665,000 with interest rates at 5.000% for all bonds.

**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 17: SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

The Series A Convertible Capital Appreciation Bonds have a face value of \$16,080,000. By its nature, there are no regular interest payments associated with capital appreciation bonds. The “interest” on the debt results from the difference between the amounts paid by the investors when the debt was issued and the significantly larger value at maturity. The \$16,080,000 of face value capital appreciation bonds were initially recorded at the amount of proceeds received, \$13,523,802. Each year, the outstanding balance is increased for the accretion of interest associated with the bonds.

The outstanding balance of the Series A Bonds at June 30, 2024 was \$33,589,618.

The Series B Serial Bonds totaling \$9,330,000 have principal repayments ranging from \$385,000 to \$1,795,000 with interest rates ranging from 1.500% to 3.000%.

The Series B Term Bonds totaling \$3,740,000 have payments due in 2032 for \$2,665,000 with interest at 3.375% and in 2036 for \$1,075,000 with interest at 3.625%.

The outstanding balance of the Series B Bonds at June 30, 2024 was \$10,110,000.

A financial guaranty insurance policy has been issued and, accordingly, no cash reserve balance is required. Bond payments are secured by a first pledge on all tax revenues on parity with the 2003 and 2013 bonds.

The debt service schedules of these Tax Allocation Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 10,339,534	\$ 2,850,427	\$ 13,191,986
2026	10,795,000	2,392,281	13,189,307
2027	9,890,000	1,988,538	11,880,565
2028	8,100,000	1,037,688	9,139,716
2029	8,139,290	3,331,878	11,473,197
2030-2034	29,803,646	9,800,549	39,604,195
2035-2039	8,317,560	975,036	9,292,596
Total	<u>\$ 85,385,030</u>	<u>\$ 22,376,397</u>	<u>\$ 107,761,427</u>

**2. Pledged Revenues – Tax Allocation Bonds**

The Successor Agency pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill X1 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency.

Total principal and interest remaining on the debt is \$107,761,427, with annual debt service requirements indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$13,486,940 and the debt service obligation was \$13,659,340.



**CITY OF BREA, CALIFORNIA**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2024**

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**NOTE 17: SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)**

**3. *Non-Commitment Multifamily Housing Revenue Bonds***

In July 2010, the Agency, on behalf of Tonner Hills Housing Partners, LP (the "Borrower"), was authorized to issue \$5,858,319 and \$7,741,681 Brea Redevelopment Agency Multifamily Housing Revenue Bonds (Tonner Hills Apartment Homes) 2010 Series A-1 and A-2, respectively, for the purpose of providing funding necessary for the acquisition, construction and equipping of a 94-unit multifamily rental housing project in the City. The Agency and the Borrower also entered into a non-interest bearing loan agreement in amount of \$1,200,000. These bonds are not the obligations of the Agency and will be paid solely from future rent revenue. The outstanding balance is determined when a construction draw requisition is submitted to the bank for payment, limited up to the authorized amounts for each of the series. Currently, the bonds are only paying interest to bondholders for debt service payments. When the bonds are converted, then the Borrower will pay principal and interest per bond conversion. The outstanding balance at June 30, 2024, was \$3,233,991 for Series A-1.

**C. Insurance**

The Successor Agency of the former Redevelopment Agency is covered under the insurance policy of the City of Brea at June 30, 2024.

**D. Deficit Net Position**

As of June 30, 2024, the Agency had a deficit net position of \$74,094,247. This will be reduced with future receipt of distributions from the Redevelopment Property Tax Trust Fund from the County.

**NOTE 18: PRIOR PERIOD ADJUSTMENTS**

The Affordable Housing Fund was previously reported as a nonmajor governmental fund during the prior fiscal year. Due to a significant increase in assets of the fund during the year, it met the requirements of being presented as a Major Fund, in accordance with GASB Statement No. 34, during the fiscal year ended June 30, 2024. The effects of that change to or within the financial reporting entity are shown in the table below.

	June 30, 2023 As Previously Reported	Changes to or within the Reporting Entity	June 30, 2023 As Restated
Governmental funds			
Major funds			
General fund	\$ 53,057,096	\$ -	\$ 53,057,096
Affordable Housing	-	3,376,204	3,376,204
Low/Mod Income Housing Asset	20,107,217	-	20,107,217
Capital Improvement	6,210,891	-	6,210,891
Nonmajor funds	18,756,213	(3,376,204)	15,380,009
Total governmental funds	<u>\$ 98,131,417</u>	<u>\$ -</u>	<u>\$ 98,131,417</u>

**NOTE 19: SUBSEQUENT EVENTS**

The City evaluated subsequent events for recognition and disclosure through December 20, 2024, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

## **Required Supplementary Information**

**CITY OF BREA, CALIFORNIA**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Miscellaneous Plan**  
**As of June 30, for the Last Ten Fiscal Years**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 2,570,196	\$ 2,507,756	\$ 2,292,411	\$ 2,377,727
Interest on total pension liability	11,511,001	11,062,559	10,893,584	10,517,185
Changes of benefit terms	238,052	-	-	-
Changes of assumptions	-	4,989,438	-	-
Difference between expected and actual experience	1,787,357	(1,925,595)	230,181	(2,276,288)
Benefit payments, including refunds of employee contributions	(9,587,727)	(8,667,849)	(8,108,945)	(7,527,291)
<b>Net change in total pension liability</b>	<b>6,518,879</b>	<b>7,966,309</b>	<b>5,307,231</b>	<b>3,091,333</b>
Total pension liability-beginning	168,309,448	160,343,139	155,035,908	151,944,575
<b>Total pension liability-ending (a)</b>	<b>174,828,327</b>	<b>168,309,448</b>	<b>160,343,139</b>	<b>155,035,908</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions-employer	4,957,441	4,491,118	4,297,066	3,946,996
Contributions-employee	1,058,108	1,028,136	1,029,029	1,078,029
Net investment income	7,733,265	(10,262,883)	25,693,669	5,601,590
Benefit payments, including refunds of employee contributions	(9,587,727)	(8,667,849)	(8,108,945)	(7,527,291)
Net plan to plan resource movement	-	-	-	-
Administrative expense	(90,730)	(85,268)	(113,962)	(156,681)
Other miscellaneous income/(expense)	-	-	-	-
<b>Net change in fiduciary net position</b>	<b>4,070,357</b>	<b>(13,496,746)</b>	<b>22,796,857</b>	<b>2,942,643</b>
Plan fiduciary net position-beginning	123,383,442	136,880,188	114,083,331	111,140,688
<b>Plan fiduciary net position-ending (b)</b>	<b>127,453,799</b>	<b>123,383,442</b>	<b>136,880,188</b>	<b>114,083,331</b>
<b>Net pension liability/(asset) (a) - (b)</b>	<b>\$ 47,374,528</b>	<b>\$ 44,926,006</b>	<b>\$ 23,462,951</b>	<b>\$ 40,952,577</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>72.90%</b>	<b>73.31%</b>	<b>85.37%</b>	<b>73.59%</b>
Covered payroll	\$ 15,436,610	\$ 12,313,380	\$ 15,083,837	\$ 15,618,412
<b>Plan net pension liability/(asset) as a percentage of covered payroll</b>	<b>306.90%</b>	<b>364.86%</b>	<b>155.55%</b>	<b>262.21%</b>

**Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:**

*Benefit Changes:* The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the measurement date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary. In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

*Changes of Assumptions:* There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
\$ 2,331,399	\$ 2,447,787	\$ 2,355,806	\$ 2,046,427	\$ 2,062,984	\$ 2,192,940
10,290,427	9,781,021	9,338,038	9,044,787	8,692,445	8,386,263
-	-	-	-	-	-
-	(670,255)	7,763,702	-	(2,142,611)	-
1,588,377	1,347,129	(972,574)	(950,961)	(1,784,268)	-
(6,867,189)	(6,401,688)	(6,040,591)	(5,294,666)	(5,086,167)	(4,468,721)
<b>7,343,014</b>	<b>6,503,994</b>	<b>12,444,381</b>	<b>4,845,587</b>	<b>1,742,383</b>	<b>6,110,482</b>
144,601,561	138,097,567	125,653,186	120,807,599	119,065,216	112,954,734
<b>151,944,575</b>	<b>144,601,561</b>	<b>138,097,567</b>	<b>125,653,186</b>	<b>120,807,599</b>	<b>119,065,216</b>
3,351,489	2,943,356	2,810,705	2,403,298	2,132,083	1,969,185
1,063,078	1,141,012	1,135,787	1,071,389	1,087,960	1,140,919
6,920,527	8,532,272	10,371,791	510,663	2,130,803	14,101,824
(6,867,189)	(6,401,688)	(6,040,591)	(5,294,666)	(5,086,167)	(4,468,721)
-	8,966	(68,950)	-	-	-
(76,178)	(157,356)	(137,174)	(57,456)	(106,071)	-
248	(298,822)	-	-	-	-
<b>4,391,975</b>	<b>5,767,740</b>	<b>8,071,568</b>	<b>(1,366,772)</b>	<b>158,608</b>	<b>12,743,207</b>
106,748,713	100,980,973	92,909,405	94,276,177	94,117,569	81,374,362
<b>111,140,688</b>	<b>106,748,713</b>	<b>100,980,973</b>	<b>92,909,405</b>	<b>94,276,177</b>	<b>94,117,569</b>
<b>\$ 40,803,887</b>	<b>\$ 37,852,848</b>	<b>\$ 37,116,594</b>	<b>\$ 32,743,781</b>	<b>\$ 26,531,422</b>	<b>\$ 24,947,647</b>
<b>73.15%</b>	<b>73.82%</b>	<b>73.12%</b>	<b>73.94%</b>	<b>78.04%</b>	<b>79.05%</b>
\$ 15,187,853	\$ 15,773,914	\$ 16,716,903	\$ 15,474,119	\$ 15,043,603	\$ 14,843,300
<b>268.66%</b>	<b>239.97%</b>	<b>222.03%</b>	<b>211.60%</b>	<b>176.36%</b>	<b>168.07%</b>

**CITY OF BREA, CALIFORNIA**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Safety Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>1, 2</sup>**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 3,203,351	\$ 3,263,982	\$ 3,257,422	\$ 3,216,910
Interest on total pension liability	18,915,355	18,359,943	17,527,382	16,994,058
Changes of assumptions	-	-	(743,259)	14,075,011
Difference between expected and actual experience	(31,244)	3,599,666	(224,664)	(2,374,086)
Benefit payments, including refunds of employee contributions	(14,387,531)	(13,201,232)	(12,285,824)	(11,322,632)
<b>Net change in total pension liability</b>	<b>7,699,931</b>	<b>12,022,359</b>	<b>7,531,057</b>	<b>20,589,261</b>
Total pension liability-beginning	270,173,742	258,151,383	250,620,326	230,031,065
<b>Total pension liability-ending (a)</b>	<b>277,873,673</b>	<b>270,173,742</b>	<b>258,151,383</b>	<b>250,620,326</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions-employer	7,928,182	6,943,831	6,122,219	5,562,362
Contributions-employee	1,219,554	1,090,070	1,117,627	1,103,737
Net investment income	8,890,536	11,226,191	13,829,770	16,755,962
Benefit payments, including refunds of employee contributions	(14,387,531)	(13,201,232)	(12,285,824)	(11,322,632)
Net plan to plan resource movement	-	-	(9,613)	68,950
Administrative expense	(249,637)	(122,130)	(254,161)	(223,176)
Other miscellaneous income/(expense)	-	399	(482,656)	-
<b>Net change in fiduciary net position</b>	<b>3,401,104</b>	<b>5,937,129</b>	<b>8,037,362</b>	<b>11,945,203</b>
Plan fiduciary net position-beginning	177,078,406	171,141,277	163,103,915	151,158,712
<b>Plan fiduciary net position-ending (b)</b>	<b>180,479,510</b>	<b>177,078,406</b>	<b>171,141,277</b>	<b>163,103,915</b>
<b>Net pension liability/(asset) (a) - (b)</b>	<b>\$ 97,394,163</b>	<b>\$ 93,095,336</b>	<b>\$ 87,010,106</b>	<b>\$ 87,516,411</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>65.0%</b>	<b>65.5%</b>	<b>66.3%</b>	<b>65.1%</b>
Covered payroll	\$ 11,736,459	\$ 11,724,815	\$ 11,688,892	\$ 10,703,998
<b>Plan net pension liability/(asset) as a percentage of covered payroll</b>	<b>829.84%</b>	<b>794.00%</b>	<b>744.38%</b>	<b>817.60%</b>

**Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:**

*Benefit Changes:* The figures above do not include any liability impact that may have resulted from plan changes that occurred after the June 30, 2018, valuation date. This applies to voluntary benefit changes as well as any other offers of Two Years' Additional Service Credit (a.k.a. Golden Handshakes).

*Changes of Assumptions:* In fiscal year 2019, the inflation rate and experience studies were updated. In fiscal year 2017, the discount rate was reduced from 7.65 % to 7.15 %. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65%. In 2018, the inflation rate changed from 2.75% to 2.5%.

<sup>1</sup> Fiscal year 2015 was the first year of GASB Statement No. 68 implementation.

<sup>2</sup> Fiscal year 2022, the City's safety plan was transferred to the CalPERs Cost-Sharing Safety Plan.

<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>6/30/2016</b>	<b>6/30/2015</b>	<b>6/30/2014</b>
\$ 2,745,588	\$ 2,865,433	\$ 3,080,297
16,654,242	16,223,231	15,749,580
-	(3,994,113)	-
(2,403,349)	(2,307,435)	-
(11,396,941)	(10,585,623)	(10,108,174)
<b>5,599,540</b>	<b>2,201,493</b>	<b>8,721,703</b>
224,431,525	222,230,032	213,508,329
<b>230,031,065</b>	<b>224,431,525</b>	<b>222,230,032</b>
4,627,179	3,591,767	3,655,839
973,955	1,084,088	1,024,137
746,473	3,517,885	24,058,889
(11,396,941)	(10,585,623)	(10,108,174)
-	-	-
(95,259)	(175,877)	-
-	-	-
<b>(5,144,593)</b>	<b>(2,567,760)</b>	<b>18,630,691</b>
156,303,305	158,871,065	140,240,374
<b>151,158,712</b>	<b>156,303,305</b>	<b>158,871,065</b>
<b>\$ 78,872,353</b>	<b>\$ 68,128,220</b>	<b>\$ 63,358,967</b>
<b>65.7%</b>	<b>69.6%</b>	<b>71.5%</b>
\$ 10,168,516	\$ 9,980,447	\$ 9,919,059
<b>775.65%</b>	<b>682.62%</b>	<b>638.76%</b>

CITY OF BREA, CALIFORNIA  
Schedules of Proportionate Share of Net Pension Liability  
As of June 30, for the Last Ten Fiscal Years <sup>2</sup>

Reporting Date <sup>1</sup> as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
<u>Safety Plan</u>					
2024	1.5943%	\$ 119,172,727	\$ 13,841,154	861.0%	0.0%
2023	1.6399%	112,689,685	14,012,786	804.2%	71.36%
2022	2.1028%	73,798,584	11,367,662	649.2%	63.06%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes : None

Changes of Assumptions : None

<sup>1</sup> The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

<sup>2</sup> Fiscal year 2022 was the first year of the City's cost-sharing safety plan.



**CITY OF BREA, CALIFORNIA**  
**Schedules of Plan Contributions**  
**As of June 30, for the Last Ten Fiscal Years**

<b>Fiscal Year Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a % of Covered/ Covered Payroll</b>
<b><u>Miscellaneous Agent, Multiple-Employer Pension Plan</u></b>					
2024	\$ 4,223,828	\$ 4,223,828	\$ -	\$ 14,464,071	29.2%
2023	4,086,520	4,086,520	-	12,712,806	32.1%
2022	3,707,509	3,707,509	-	12,313,380	30.1%
2021	3,578,109	3,578,109	-	15,083,837	23.7%
2020	3,228,649	3,228,649	-	15,618,412	20.7%
2019	2,802,915	2,802,915	-	15,187,853	18.5%
2018	2,433,536	2,433,536	-	15,773,914	15.4%
2017	2,279,397	2,279,397	-	16,716,903	13.6%
2016	2,403,298	2,403,298	-	15,474,119	15.5%
2015	2,132,083	2,132,083	-	15,043,603	14.2%
<b><u>Safety , Multiple-Employer Pension Plan</u></b>					
2024	\$ 11,850,759	\$ 11,850,759	\$ -	\$ 16,388,159	72.3%
2023	11,215,589	11,215,589	-	13,841,154	81.0%
2022	10,200,946	10,200,946	-	14,012,786	72.8%
2021	9,453,973	9,453,973	-	11,367,662	83.2%
2020	8,657,724	8,657,724	-	11,736,459	73.8%
2019	7,500,416	7,500,416	-	11,724,815	64.0%
2018	6,573,125	6,573,125	-	11,688,892	56.2%
2017	5,863,082	5,863,082	-	10,703,998	54.8%
2016	4,627,179	4,627,179	-	10,168,516	45.5%
2015	3,591,767	3,591,767	-	9,980,447	36.0%

Notes to schedule:

**Miscellaneous and Safety Plans**

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent of Payroll
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

**CITY OF BREA, CALIFORNIA**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, for the Last Ten Fiscal Years <sup>1</sup>**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Measurement Date	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 723,690	\$ 994,959	\$ 1,123,147	\$ 787,934
Interest on total pension liability	881,363	638,376	679,725	884,296
Changes of assumptions	(1,561,914)	(4,765,135)	(1,005,114)	4,760,345
Difference between expected and actual experience	(1,632,463)	-	(628,511)	-
Benefit payments, including refunds of employee contributions	<u>(1,266,048)</u>	<u>(1,242,198)</u>	<u>(1,244,546)</u>	<u>(1,308,694)</u>
<b>Net change in total OPEB liability</b>	<b>(2,855,372)</b>	<b>(4,373,998)</b>	<b>(1,075,299)</b>	<b>5,123,881</b>
Total OPEB liability-beginning	<u>24,806,583</u>	<u>29,180,581</u>	<u>30,255,880</u>	<u>25,131,999</u>
<b>Total OPEB liability-ending (a)</b>	<b><u>\$ 21,951,211</u></b>	<b><u>\$ 24,806,583</u></b>	<b><u>\$ 29,180,581</u></b>	<b><u>\$ 30,255,880</u></b>
Covered-employee payroll	\$ 27,929,541	\$ 27,218,064	\$ 26,326,166	\$ 27,571,820
<b>Plan OPEB liability as a percentage of covered-employee payroll</b>	<b>78.59%</b>	<b>91.14%</b>	<b>110.84%</b>	<b>109.73%</b>

**Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:**

*Benefit Changes:* None

*Changes of Assumptions:* None

<sup>1</sup> Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

Funding policy: The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

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<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
<hr/>		
\$ 849,287	\$ 882,455	\$ 1,020,496
1,000,101	936,624	801,573
976,091	(908,163)	(2,488,279)
(2,073,628)	-	-
(1,225,956)	(1,170,100)	(1,146,800)
<b>(474,105)</b>	<b>(259,184)</b>	<b>(1,813,010)</b>
25,606,104	25,865,288	27,678,298
<b>\$ 25,131,999</b>	<b>\$ 25,606,104</b>	<b>\$ 25,865,288</b>
<hr/>		
\$ 27,001,678	\$ 27,465,185	\$ 33,837,681
<b>93.08%</b>	<b>93.23%</b>	<b>76.44%</b>

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CITY OF BREA, CALIFORNIA  
 Schedules of Plan Contributions  
 As of June 30, for the Last Ten Fiscal Years <sup>1</sup>

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<b>Single Employer OPEB Plan</b>					
2024	\$ 1,699,267	\$ 1,699,267	\$ -	\$ 27,929,541	6.1%
2023	1,266,048	1,266,048	-	27,218,064	4.7%
2022	1,247,940	1,247,940	-	26,326,166	4.7%
2021	1,249,898	1,249,898	-	27,571,820	4.5%
2020	1,314,118	1,314,118	-	27,001,678	4.9%
2019	1,230,660	1,230,660	-	27,465,185	4.5%
2018	1,176,100	1,176,100	-	33,837,681	3.5%

<sup>1</sup> Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None.

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2024 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Discount Rate	3.65% at June 30, 2023 (Bond Buyer 20-Bond Index), 3.54% at June 30, 2022 (Bond Buyer 20-Bond Index)
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 56,003,786	\$ 55,120,128	\$ 53,979,543	\$ (1,140,585)
Licenses and permits	482,186	482,186	287,697	(194,489)
Intergovernmental	9,602,841	10,096,649	10,171,867	75,218
Charges for services	4,461,235	4,461,235	3,898,624	(562,611)
Investment income, net	1,114,294	1,114,294	3,073,878	1,959,584
Fines and forfeitures	427,280	427,280	325,010	(102,270)
Rental income	2,812,457	2,950,376	2,906,180	(44,196)
Other revenues	2,600,400	2,600,400	2,738,884	138,484
<b>Total revenues</b>	<b>77,504,479</b>	<b>77,252,548</b>	<b>77,381,683</b>	<b>129,135</b>
<b>EXPENDITURES</b>				
Current:				
General government				
City management	3,510,259	3,510,259	3,321,454	188,805
Administrative services	5,248,371	5,248,371	5,279,311	(30,940)
Public Safety				
Police	27,626,925	27,626,925	28,771,989	(1,145,064)
Fire	16,769,830	16,769,830	17,500,288	(730,458)
Community development	4,510,198	4,510,198	3,010,068	1,500,130
Community services	8,865,084	8,865,084	9,488,694	(623,610)
Public works	7,623,213	7,623,213	6,860,689	762,524
Capital outlay	653,100	653,100	1,087,593	(434,493)
Debt service:				
Principal retirement	-	-	156,186	(156,186)
Interest expense and fiscal charges	88,800	88,800	91,456	(2,656)
<b>Total expenditures</b>	<b>74,895,780</b>	<b>74,895,780</b>	<b>75,567,728</b>	<b>(671,948)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,608,699</b>	<b>2,356,768</b>	<b>1,813,955</b>	<b>(542,813)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	450,000	1,283,072	1,283,072	-
Transfers out	(1,220,815)	(16,674,013)	(1,200,463)	15,473,550
Proceeds from sale of capital assets	8,659	8,659	7,853	(806)
<b>Total other financing sources (uses)</b>	<b>(762,156)</b>	<b>(15,382,282)</b>	<b>90,462</b>	<b>15,472,744</b>
<b>Net change in fund balances</b>	<b>\$ 1,846,543</b>	<b>\$ (13,025,514)</b>	<b>1,904,417</b>	<b>\$ 14,929,931</b>
Fund balances-beginning			53,057,096	
<b>Fund balances (deficit)-ending</b>			<b>\$ 54,961,513</b>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Affordable Housing Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 6,028,491	\$ -	\$ (6,028,491)
Investment income, net	69,400	69,400	362,622	293,222
Other revenues	122,954	122,954	195,052	72,098
<b>Total revenues</b>	<b>192,354</b>	<b>6,220,845</b>	<b>557,674</b>	<b>(5,663,171)</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,600	3,600	13,267	(9,667)
Community development	27,432	27,432	21,082	6,350
<b>Total expenditures</b>	<b>31,032</b>	<b>31,032</b>	<b>34,349</b>	<b>(3,317)</b>
<b>Net change in fund balances</b>	<b>\$ 161,322</b>	<b>\$ 6,189,813</b>	<b>523,325</b>	<b>\$ (5,666,488)</b>
Fund balances-beginning			3,376,204	
<b>Fund balances (deficit)-ending</b>			<b>\$ 3,899,529</b>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Housing Successor**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income, net	\$ 107,000	\$ 107,000	\$ 206,617	\$ 99,617
Other revenues	41,900	41,900	17,015	(24,885)
<b>Total revenues</b>	<b>148,900</b>	<b>148,900</b>	<b>223,632</b>	<b>74,732</b>
<b>EXPENDITURES</b>				
Current:				
General government	6,200	6,200	8,907	(2,707)
Community development	312,859	312,859	740,868	(428,009)
<b>Total expenditures</b>	<b>319,059</b>	<b>319,059</b>	<b>749,775</b>	<b>(430,716)</b>
<b>Net change in fund balances</b>	<b>\$ (170,159)</b>	<b>\$ (170,159)</b>	<b>(526,143)</b>	<b>\$ (355,984)</b>
Fund balances-beginning			20,107,217	
<b>Fund balances (deficit)-ending</b>			<b>\$ 19,581,074</b>	

**NOTE 1: BUDGETARY INFORMATION**

General Budget Policies

The City adheres to the following procedures in establishing the budgetary data reflected in its financial statements:

1. The City adopted biennial budget covering the annual periods from July 1, 2023 through June 30, 2024 and July 1, 2024 through June 30, 2025.
2. In May of the budget cycle, the City Manager submits to the City Council a proposed financial plan with a biennial operating budget for the upcoming fiscal years commencing July 1. The operating budget includes proposed expenditures and the sources of financing.
3. Public hearings are conducted at City Council meetings to obtain taxpayer comments.
4. On or before July 1 of each odd year, the financial plan for the two fiscal years is adopted by Council action.
5. The City Manager is authorized to transfer funds appropriated with respect to those classifications designated as other services and material and supplies within the same fund. The City Manager may transfer appropriated funds from any classification within other expenditure categories to the capital outlay classification within the same fund only; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Activities of the General Fund, Special Revenue Funds and Capital Projects Funds are included in the biennial budget. As an additional internal control mechanism, project-length financial plans are adopted for the Capital Improvement Program.
6. Formal budgetary integration is employed as a management control device during the two fiscal years for the governmental funds.
7. Legally adopted biennial budgets for all governmental funds are established on a basis consistent with generally accepted accounting principles (GAAP). For the current fiscal year, the HOME Program special revenue fund had not adopted budget.

**NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATION**

For purposes of evaluating legal compliance at the budgetary level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount), control is established at the department level within the General Fund and at the fund level for total expenditures and transfers out for all other budgeted funds.



**CITY OF BREA, CALIFORNIA**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2024**

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**NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATION (CONTINUED)**

Excess of expenditures over appropriations per activity is as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Major Funds			
General Fund			
Administrative services	\$ 5,248,371	\$ 5,279,311	\$ (30,940)
Police	27,626,925	28,771,989	(1,145,064)
Fire	16,769,830	17,500,288	(730,458)
Community services	8,865,084	9,488,694	(623,610)
Debt service:			
Principal retirement	-	156,186	(156,186)
Interest expense and fiscal charges	88,800	91,456	(2,656)
Capital Outlay	653,100	1,087,593	(434,493)
Affordable Housing Fund			
General government	3,600	13,267	(9,667)
Low and Moderate Income Housing Asset Fund			
General government	6,200	8,907	(2,707)
Community development	312,859	740,868	(428,009)

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## **Supplementary Information**

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## **Capital Projects Fund**

### **Capital Improvements Fund**

The Capital Improvements Fund is used to account for the costs of constructing street improvements, parks and other public improvements not normally included within the other Capital Projects Funds. Financing is provided by Federal, state, and county grant revenues and interfund transfers from the special revenue funds and General Fund.

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**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Capital Improvements Fund**  
**For the Year Ended June 30, 2024**

	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 14,139,685	\$ 2,677,737	\$ (11,461,948)
Charges for services	1,113,566	1,113,566	283,772	(829,794)
Investment income, net	50,790	50,790	351,416	300,626
Other revenues	16,600	69,408	28,711	(40,697)
<b>Total revenues</b>	<b>1,180,956</b>	<b>15,373,449</b>	<b>3,341,636</b>	<b>(12,031,813)</b>
<b>EXPENDITURES</b>				
Current:				
General government	11,055,075	11,053,154	(100,450)	11,153,604
Public works	2,535,284	2,365,750	2,909	2,362,841
Capital outlay	-	-	9,385,261	(9,385,261)
<b>Total expenditures</b>	<b>13,590,359</b>	<b>13,418,904</b>	<b>9,287,720</b>	<b>4,131,184</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,409,403)</b>	<b>1,954,545</b>	<b>(5,946,084)</b>	<b>(7,900,629)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,116,150	47,477,750	5,745,346	(41,732,404)
Transfers out	(505,000)	(505,000)	-	505,000
<b>Total other financing sources (uses)</b>	<b>12,611,150</b>	<b>46,972,750</b>	<b>5,745,346</b>	<b>(41,227,404)</b>
<b>Net change in fund balances</b>	<b>\$ 201,747</b>	<b>\$ 48,927,295</b>	<b>(200,738)</b>	<b>\$ (49,128,033)</b>
Fund balances (deficit)-beginning			6,210,891	
<b>Fund balances (deficit)-ending</b>			<b>\$ 6,010,153</b>	

## **Non-Major Governmental Funds**

### **Non-Major Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects.

The City of Brea has the following non-major Special Revenue Funds:

#### Gas Tax Fund

This fund is used to account for revenues received and expenditures made for street improvements and street maintenance. Financing is provided by the City's share of state gasoline taxes made pursuant to the California State Constitution and authorized by the State Legislature.

#### Narcotics Enforcement Asset Seizure Fund

This fund is used to account for revenues seized by the Police Department during narcotic investigations.

#### Air Quality Improvement Fund

This fund is used to account for revenues received from vehicle registration fees and restricted for improvement of air quality.

#### Park Development Fund

This fund is used to account for revenues received and expenditures made for park development and improvement. The primary source of revenue is park development fees collected from developers under the State of California's Quimby Act.

#### Measure M Fund

This fund is used to account for ½ cent sales tax restricted for expenditure for road maintenance and street expenditures.

#### Community Development Block Grant Fund

This fund is used to account for the revenues received and expenditures made for the City's Community Development Block Grant Program. Financing is provided under an agreement with the County of Orange whereby the City is a secondary recipient of funds made available from the U.S. Department of Housing and Urban Development under the Housing and Community Development Act of 1974 and 1977.

#### HOME Program Fund

This fund is used for the revenues received and expenditures made for housing rehabilitation. Financing is provided under an agreement with the County of Orange whereby the City is a secondary recipient of funds made available from the U.S. Department of Housing and Urban Development.

#### Blackstone Community Facilities District (CFD) 2008-1 Fund

The fund is used to account for the collection of special taxes and expenditures for police, fire, maintenance and general city services including park maintenance and open space.

#### La Floresta CFD 2011-1 Fund

This fund is used to account for the collection of special taxes and expenditures for police, fire, maintenance and general city services.

#### Taylor-Morrison CFD 2013-1 Fund

This fund is used to account for the collection of special taxes and expenditures for police, fire, maintenance and general city services.



## **Non-Major Governmental Funds (Continued)**

### Central Park Village CFD 2013-2 Fund

This fund is used to account for the collection of special taxes and expenditures for police, fire, maintenance and general city services.

### Development Fund

This fund is used to account for the receipt and expenditure of developer fees. There was no adopted budget for the fund.

### National Opioid Settlement Fund

This fund is used to account for revenues received from the State of California and are restricted for future opioid remediation and reimbursement of past opioid-related expenditures. There was no adopted budget for the fund.

### Organized Retail Theft

This fund is used to account for the receipts and expenditures related to the Organized Retail Theft Prevention Grant Program with the State of California.

## **Non-Major Capital Funds**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

## **The City of Brea has the following non-major Capital Projects Funds**

### Capital and Mitigation Improvement Fund

This fund is used to account for the revenues received and expenditures made for the City Council-designated Capital Improvement Projects, as well as the implementation of measures designed to mitigate impacts related to development, and the operation of government facilities, including, but not limited to: traffic, noise, aesthetics, and open space preservation. Financing is provided by the July 14, 2009 Agreement between the City and County of Orange regarding the extension of the Olinda Alpha Landfill.

### Storm Drain Fund

This fund is used to account for the financing and construction of storm drains throughout the City. Financing is provided by storm drain assessment fees.

CITY OF BREA, CALIFORNIA  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2024

	Special Revenue Funds			
	Gas Tax Fund	Narcotics Enforcement Asset Seizure	Air Quality Improvement	Park Development
<b>ASSETS</b>				
Cash and investments	\$ 4,945,783	\$ 483,262	\$ 213,101	\$ 2,355,386
Receivables (net of allowance for uncollectible):				
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	214,651	-	16,211	-
<b>Total assets</b>	<b>5,160,434</b>	<b>483,262</b>	<b>229,312</b>	<b>2,355,386</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	16,211	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>16,211</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	5,160,434	483,262	213,101	2,355,386
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>5,160,434</b>	<b>483,262</b>	<b>213,101</b>	<b>2,355,386</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 5,160,434</b>	<b>\$ 483,262</b>	<b>\$ 229,312</b>	<b>\$ 2,355,386</b>

CITY OF BREA, CALIFORNIA  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2024

(Continued)

	Special Revenue Funds			
	Measure M	Community Development Block Grant	HOME Program	Blackstone CFD
<b>ASSETS</b>				
Cash and investments	\$ 2,763,704	\$ -	\$ -	\$ 2,479,124
Receivables (net of allowance for uncollectible):				
Taxes	-	-	-	18,717
Notes and loans	-	1,395,219	18,241	-
Due from other governments	218,969	22,160	-	-
<b>Total assets</b>	<b>2,982,673</b>	<b>1,417,379</b>	<b>18,241</b>	<b>2,497,841</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	-	13,022
Accrued liabilities	-	-	-	7,622
Unearned revenues	-	-	-	-
Due to other governments	-	1,395,219	18,241	-
Due to other funds	-	178,285	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,573,504</b>	<b>18,241</b>	<b>20,644</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	2,982,673	-	-	2,477,197
Unassigned	-	(156,125)	-	-
<b>Total fund balances (deficits)</b>	<b>2,982,673</b>	<b>(156,125)</b>	<b>-</b>	<b>2,477,197</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 2,982,673</b>	<b>\$ 1,417,379</b>	<b>\$ 18,241</b>	<b>\$ 2,497,841</b>

CITY OF BREA, CALIFORNIA  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2024

	Special Revenue Funds			
	La Floresta CFD	Taylor - Morrison CFD	Central Park Village CFD	Development Fund
<b>ASSETS</b>				
Cash and investments	\$ 542,148	\$ 131,571	\$ 207,409	\$ 1,541,654
Receivables (net of allowance for uncollectible):				
Taxes	9,305	-	566	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
<b>Total assets</b>	<b>551,453</b>	<b>131,571</b>	<b>207,975</b>	<b>1,541,654</b>
<b>LIABILITIES</b>				
Accounts payable	115	-	-	109,133
Accrued liabilities	6,563	498	1,367	5,101
Unearned revenues	-	-	-	1,427,420
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>6,678</b>	<b>498</b>	<b>1,367</b>	<b>1,541,654</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	544,775	131,073	206,608	-
Unassigned	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>544,775</b>	<b>131,073</b>	<b>206,608</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 551,453</b>	<b>\$ 131,571</b>	<b>\$ 207,975</b>	<b>\$ 1,541,654</b>

CITY OF BREA, CALIFORNIA  
Combining Balance Sheet  
Non-major Governmental Funds  
June 30, 2024

(Continued)

	Special Revenue Funds		Capital Projects Funds	
	National Opioid Settlement	Organized Retail Theft	Capital and Mitigation Improvement	Storm Drain
<b>ASSETS</b>				
Cash and investments	\$ 208,842	\$ -	\$ 1,484,231	\$ 352,990
Receivables (net of allowance for uncollectible):				
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	709,477	-	-
<b>Total assets</b>	<b>208,842</b>	<b>709,477</b>	<b>1,484,231</b>	<b>352,990</b>
<b>LIABILITIES</b>				
Accounts payable	-	12,729	-	-
Accrued liabilities	2,844	-	-	-
Unearned revenues	107,760	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	737,492	-	-
<b>Total liabilities</b>	<b>110,604</b>	<b>750,221</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	-	709,477	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>709,477</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	98,238	-	1,484,231	352,990
Unassigned	-	(750,221)	-	-
<b>Total fund balances (deficits)</b>	<b>98,238</b>	<b>(750,221)</b>	<b>1,484,231</b>	<b>352,990</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 208,842</b>	<b>\$ 709,477</b>	<b>\$ 1,484,231</b>	<b>\$ 352,990</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2024**

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	<b>Total Non-major Funds</b>
<b>ASSETS</b>	
Cash and investments	\$ 17,709,205
Receivables (net of allowance for uncollectible):	
Taxes	28,588
Notes and loans	1,413,460
Due from other governments	1,181,468
<b>Total assets</b>	<b>20,332,721</b>
<b>LIABILITIES</b>	
Accounts payable	134,999
Accrued liabilities	23,995
Unearned revenues	1,535,180
Due to other governments	1,413,460
Due to other funds	915,777
<b>Total liabilities</b>	<b>4,023,411</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues	725,688
<b>Total deferred inflows of resources</b>	<b>725,688</b>
<b>FUND BALANCES (DEFICITS)</b>	
Restricted	16,489,968
Unassigned	(906,346)
<b>Total fund balances (deficits)</b>	<b>15,583,622</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 20,332,721</b>

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**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>			
	<b>Gas Tax Fund</b>	<b>Narcotics Enforcement Asset Seizure</b>	<b>Air Quality Improvement</b>	<b>Park Development</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,540,385	-	48,602	-
Investment income, net	191,633	19,107	8,433	90,891
Fines and forfeitures	-	22,525	-	-
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>2,732,018</b>	<b>41,632</b>	<b>57,035</b>	<b>90,891</b>
<b>EXPENDITURES</b>				
Current:				
General government	8,298	32,820	361	4,120
Public safety	-	-	13,947	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>8,298</b>	<b>32,820</b>	<b>14,308</b>	<b>4,120</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,723,720</b>	<b>8,812</b>	<b>42,727</b>	<b>86,771</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(1,561,469)	-	-	(80,985)
Proceeds from sale of capital assets	-	3,200	-	-
<b>Total other financing sources (uses)</b>	<b>(1,561,469)</b>	<b>3,200</b>	<b>-</b>	<b>(80,985)</b>
<b>Net change in fund balances</b>	<b>1,162,251</b>	<b>12,012</b>	<b>42,727</b>	<b>5,786</b>
Fund balances-beginning	3,998,183	471,250	170,374	2,349,600
Restatement - Change in Reporting Entity	-	-	-	-
Fund balances (deficit)-beginning, as restated	3,998,183	471,250	170,374	2,349,600
<b>Fund balances (deficit)-ending</b>	<b>\$ 5,160,434</b>	<b>\$ 483,262</b>	<b>\$ 213,101</b>	<b>\$ 2,355,386</b>



**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Measure M</b>	<b>Community Development Block Grant</b>	<b>HOME Program</b>	<b>Blackstone CFD</b>
<b>REVENUES</b>				
Taxes	\$ 1,372,884	\$ -	\$ -	\$ 878,298
Intergovernmental	-	169,045	-	-
Investment income, net	101,514	-	-	90,294
Fines and forfeitures	-	-	-	-
Other revenues	-	28,599	-	-
<b>Total revenues</b>	<b>1,474,398</b>	<b>197,644</b>	<b>-</b>	<b>968,592</b>
<b>EXPENDITURES</b>				
Current:				
General government	4,198	-	-	4,486
Public safety	-	-	-	374,758
Community development	-	176,809	-	-
Public works	9,384	-	-	258,419
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>13,582</b>	<b>176,809</b>	<b>-</b>	<b>637,663</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,460,816</b>	<b>20,835</b>	<b>-</b>	<b>330,929</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	1,815
Transfers out	(240,728)	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(240,728)</b>	<b>-</b>	<b>-</b>	<b>1,815</b>
<b>Net change in fund balances</b>	<b>1,220,088</b>	<b>20,835</b>	<b>-</b>	<b>332,744</b>
Fund balances-beginning	1,762,585	(176,960)	-	2,144,453
Restatement - Change in Reporting Entity	-	-	-	-
Fund balances (deficit)-beginning, as restated	1,762,585	(176,960)	-	2,144,453
<b>Fund balances (deficit)-ending</b>	<b>\$ 2,982,673</b>	<b>\$ (156,125)</b>	<b>\$ -</b>	<b>\$ 2,477,197</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Special Revenue Funds</b>			
	<b>La Floresta CFD</b>	<b>Taylor - Morrison CFD</b>	<b>Central Park Village CFD</b>	<b>Development Fund</b>
<b>REVENUES</b>				
Taxes	\$ 546,650	\$ 53,062	\$ 143,226	\$ -
Intergovernmental	-	-	-	-
Investment income, net	19,831	5,001	7,722	-
Fines and forfeitures	-	-	-	-
Other revenues	-	-	-	2,484,809
<b>Total revenues</b>	<b>566,481</b>	<b>58,063</b>	<b>150,948</b>	<b>2,484,809</b>
<b>EXPENDITURES</b>				
Current:				
General government	793	213	350	-
Public safety	347,850	30,107	75,472	-
Community development	-	-	-	-
Public works	23,121	-	-	2,484,809
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>371,764</b>	<b>30,320</b>	<b>75,822</b>	<b>2,484,809</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>194,717</b>	<b>27,743</b>	<b>75,126</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,125	133	355	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,125</b>	<b>133</b>	<b>355</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>196,842</b>	<b>27,876</b>	<b>75,481</b>	<b>-</b>
Fund balances-beginning	347,933	103,197	131,127	-
Restatement - Change in Reporting Entity	-	-	-	-
Fund balances (deficit)-beginning, as restated	347,933	103,197	131,127	-
<b>Fund balances (deficit)-ending</b>	<b>\$ 544,775</b>	<b>\$ 131,073</b>	<b>\$ 206,608</b>	<b>\$ -</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

(Continued)

	Special Revenue Funds			Capital Projects Fund
	Formerly Non-major Fund			
	National Opioid Settlement	Organized Retail Theft	Affordable Housing Fund	Capital and Mitigation Improvement
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,027,969	-	-
Investment income, net	8,072	(27,330)	-	81,695
Fines and forfeitures	-	-	-	-
Other revenues	149,569	-	-	-
<b>Total revenues</b>	<b>157,641</b>	<b>1,000,639</b>	<b>-</b>	<b>81,695</b>
<b>EXPENDITURES</b>				
Current:				
General government	58,658	69,943	-	4,380
Public safety	-	-	-	-
Community development	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	1,660,550	-	-
<b>Total expenditures</b>	<b>58,658</b>	<b>1,730,493</b>	<b>-</b>	<b>4,380</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>98,983</b>	<b>(729,854)</b>	<b>-</b>	<b>77,315</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	56,000
Transfers out	-	(20,367)	-	(2,388,051)
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(20,367)</b>	<b>-</b>	<b>(2,332,051)</b>
<b>Net change in fund balances</b>	<b>98,983</b>	<b>(750,221)</b>	<b>-</b>	<b>(2,254,736)</b>
Fund balances-beginning	(745)	-	3,376,204	3,738,967
Restatement - Change in Reporting Entity	-	-	(3,376,204)	-
Fund balances (deficit)-beginning, as restated	(745)	-	-	3,738,967
<b>Fund balances (deficit)-ending</b>	<b>\$ 98,238</b>	<b>\$ (750,221)</b>	<b>\$ -</b>	<b>\$ 1,484,231</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>Capital Projects Fund</b>	
	<b>Storm Drain</b>	<b>Total Non-major Funds</b>
<b>REVENUES</b>		
Taxes	\$ -	\$ 2,994,120
Intergovernmental	-	3,786,001
Investment income, net	13,551	610,414
Fines and forfeitures	-	22,525
Other revenues	-	2,662,977
<b>Total revenues</b>	<b>13,551</b>	<b>10,076,037</b>
<b>EXPENDITURES</b>		
Current:		
General government	606	189,226
Public safety	-	842,134
Community development	-	176,809
Public works	-	2,775,733
Capital outlay	-	1,660,550
<b>Total expenditures</b>	<b>606</b>	<b>5,644,452</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,945</b>	<b>4,431,585</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	60,428
Transfers out	-	(4,291,600)
Proceeds from sale of capital assets	-	3,200
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(4,227,972)</b>
<b>Net change in fund balances</b>	<b>12,945</b>	<b>203,613</b>
Fund balances-beginning	340,045	18,756,213
Restatement - Change in Reporting Entity	-	(3,376,204)
Fund balances (deficit)-beginning, as restated	340,045	15,380,009
<b>Fund balances (deficit)-ending</b>	<b>\$ 352,990</b>	<b>\$ 15,583,622</b>

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Gas Tax Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 2,519,725	\$ 2,519,725	\$ 2,540,385	\$ 20,660
Investment income, net	46,384	46,384	191,633	145,249
<b>Total revenues</b>	<b>2,566,109</b>	<b>2,566,109</b>	<b>2,732,018</b>	<b>165,909</b>
<b>EXPENDITURES</b>				
Current:				
General government	3,700	3,700	8,298	(4,598)
<b>Total expenditures</b>	<b>3,700</b>	<b>3,700</b>	<b>8,298</b>	<b>(4,598)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,562,409</b>	<b>2,562,409</b>	<b>2,723,720</b>	<b>161,311</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,720,000)	(1,720,000)	(1,561,469)	158,531
<b>Total other financing sources (uses)</b>	<b>(1,720,000)</b>	<b>(1,720,000)</b>	<b>(1,561,469)</b>	<b>158,531</b>
<b>Net change in fund balances</b>	<b>\$ 842,409</b>	<b>\$ 842,409</b>	<b>1,162,251</b>	<b>\$ 319,842</b>
Fund balances-beginning			3,998,183	
<b>Fund balances (deficit)-ending</b>			<b>\$ 5,160,434</b>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Narcotics Enforcement Asset Seizure**  
**For the Year Ended June 30, 2024**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income, net	\$ 4,500	\$ 4,500	\$ 19,107	\$ 14,607
Fines and forfeitures	5,000	22,525	22,525	-
<b>Total revenues</b>	<b>9,500</b>	<b>27,025</b>	<b>41,632</b>	<b>14,607</b>
<b>EXPENDITURES</b>				
Current:				
General government	101,550	101,550	32,820	68,730
<b>Total expenditures</b>	<b>101,550</b>	<b>101,550</b>	<b>32,820</b>	<b>68,730</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(92,050)</b>	<b>(74,525)</b>	<b>8,812</b>	<b>83,337</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	3,200	3,200
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,200</b>	<b>3,200</b>
<b>Net change in fund balances</b>	<b>\$ (92,050)</b>	<b>\$ (74,525)</b>	<b>12,012</b>	<b>\$ 86,537</b>
Fund balances-beginning			471,250	
<b>Fund balances (deficit)-ending</b>			<b>\$ 483,262</b>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Air Quality Improvement**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 56,000	\$ 56,000	\$ 48,602	\$ (7,398)
Investment income, net	1,000	1,000	8,433	7,433
<b>Total revenues</b>	<u><b>57,000</b></u>	<u><b>57,000</b></u>	<u><b>57,035</b></u>	<u><b>35</b></u>
<b>EXPENDITURES</b>				
Current:				
General government	500	500	361	139
Public safety	-	-	13,947	(13,947)
<b>Total expenditures</b>	<u><b>500</b></u>	<u><b>500</b></u>	<u><b>14,308</b></u>	<u><b>(13,808)</b></u>
<b>Net change in fund balances</b>	<u><b>\$ 56,500</b></u>	<u><b>\$ 56,500</b></u>	<u><b>42,727</b></u>	<u><b>\$ (13,773)</b></u>
Fund balances-beginning			<u>170,374</u>	
<b>Fund balances (deficit)-ending</b>			<u><b>\$ 213,101</b></u>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Park Development**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income, net	\$ 6,570	\$ 6,570	\$ 90,891	\$ 84,321
<b>Total revenues</b>	<u>6,570</u>	<u>6,570</u>	<u>90,891</u>	<u>84,321</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,700	2,700	4,120	(1,420)
<b>Total expenditures</b>	<u>2,700</u>	<u>2,700</u>	<u>4,120</u>	<u>(1,420)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>3,870</u>	<u>3,870</u>	<u>86,771</u>	<u>82,901</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(80,985)	(80,985)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(80,985)</u>	<u>(80,985)</u>
<b>Net change in fund balances</b>	<u>\$ 3,870</u>	<u>\$ 3,870</u>	<u>5,786</u>	<u>\$ 1,916</u>
Fund balances-beginning			2,349,600	
<b>Fund balances (deficit)-ending</b>			<u>\$ 2,355,386</u>	



CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Measure M Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,424,335	\$ 1,424,335	\$ 1,372,884	\$ (51,451)
Investment income, net	24,110	24,110	101,514	77,404
<b>Total revenues</b>	<b>1,448,445</b>	<b>1,448,445</b>	<b>1,474,398</b>	<b>25,953</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,650	1,650	4,198	(2,548)
Public works	82,821	82,821	9,384	73,437
<b>Total expenditures</b>	<b>84,471</b>	<b>84,471</b>	<b>13,582</b>	<b>70,889</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,363,974</b>	<b>1,363,974</b>	<b>1,460,816</b>	<b>96,842</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,026,150)	(1,026,150)	(240,728)	785,422
<b>Total other financing sources (uses)</b>	<b>(1,026,150)</b>	<b>(1,026,150)</b>	<b>(240,728)</b>	<b>785,422</b>
<b>Net change in fund balances</b>	<b>\$ 337,824</b>	<b>\$ 337,824</b>	<b>1,220,088</b>	<b>\$ 882,264</b>
Fund balances-beginning			1,762,585	
<b>Fund balances (deficit)-ending</b>			<b>\$ 2,982,673</b>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Community Development Block Grant Fund**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 190,000	\$ 190,000	\$ 169,045	\$ (20,955)
Other revenues	-	-	28,599	28,599
<b>Total revenues</b>	<u><b>190,000</b></u>	<u><b>190,000</b></u>	<u><b>197,644</b></u>	<u><b>7,644</b></u>
<b>EXPENDITURES</b>				
Current:				
Community development	190,000	190,000	176,809	13,191
<b>Total expenditures</b>	<u><b>190,000</b></u>	<u><b>190,000</b></u>	<u><b>176,809</b></u>	<u><b>13,191</b></u>
<b>Net change in fund balances</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>20,835</b></u>	<u><b>\$ 20,835</b></u>
Fund balances-beginning			(176,960)	
<b>Fund balances (deficit)-ending</b>			<u><b>\$ (156,125)</b></u>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Blackstone CFD Fund**  
**For the Year Ended June 30, 2024**

	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 878,615	\$ 878,615	\$ 878,298	\$ (317)
Investment income, net	30,000	30,000	90,294	60,294
<b>Total revenues</b>	<b>908,615</b>	<b>908,615</b>	<b>968,592</b>	<b>59,977</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,810	1,810	4,486	(2,676)
Public safety	450,749	450,749	374,758	75,991
Public works	443,862	443,862	258,419	185,443
<b>Total expenditures</b>	<b>896,421</b>	<b>896,421</b>	<b>637,663</b>	<b>258,758</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>12,194</b>	<b>12,194</b>	<b>330,929</b>	<b>318,735</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,815	1,815	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,815</b>	<b>1,815</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 12,194</b>	<b>\$ 14,009</b>	<b>332,744</b>	<b>\$ 318,735</b>
Fund balances-beginning			2,144,453	
<b>Fund balances (deficit)-ending</b>			<b>\$ 2,477,197</b>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
La Floresta CFD Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 538,356	\$ 538,356	\$ 546,650	\$ 8,294
Investment income, net	8,400	8,400	19,831	11,431
<b>Total revenues</b>	<b>546,756</b>	<b>546,756</b>	<b>566,481</b>	<b>19,725</b>
<b>EXPENDITURES</b>				
Current:				
General government	2,130	2,130	793	1,337
Public safety	433,898	433,898	347,850	86,048
Public works	47,643	47,643	23,121	24,522
<b>Total expenditures</b>	<b>483,671</b>	<b>483,671</b>	<b>371,764</b>	<b>111,907</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>63,085</b>	<b>63,085</b>	<b>194,717</b>	<b>131,632</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,125	2,125	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,125</b>	<b>2,125</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 63,085</b>	<b>\$ 65,210</b>	<b>196,842</b>	<b>\$ 131,632</b>
Fund balances (deficit)-beginning			347,933	
<b>Fund balances (deficit)-ending</b>			<b>\$ 544,775</b>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Taylor - Morrison CFD Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 53,220	\$ 53,220	\$ 53,062	\$ (158)
Investment income, net	2,240	2,240	5,001	2,761
<b>Total revenues</b>	<b>55,460</b>	<b>55,460</b>	<b>58,063</b>	<b>2,603</b>
<b>EXPENDITURES</b>				
Current:				
General government	160	160	213	(53)
Public safety	35,215	35,215	30,107	5,108
<b>Total expenditures</b>	<b>35,375</b>	<b>35,375</b>	<b>30,320</b>	<b>5,055</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>20,085</b>	<b>20,085</b>	<b>27,743</b>	<b>7,658</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	133	133	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>133</b>	<b>133</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 20,085</b>	<b>\$ 20,218</b>	<b>27,876</b>	<b>\$ 7,658</b>
Fund balances-beginning			103,197	
<b>Fund balances (deficit)-ending</b>			<b>\$ 131,073</b>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Central Park Village CFD Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 142,975	\$ 142,975	\$ 143,226	\$ 251
Investment income, net	3,000	3,000	7,722	4,722
<b>Total revenues</b>	<b>145,975</b>	<b>145,975</b>	<b>150,948</b>	<b>4,973</b>
<b>EXPENDITURES</b>				
Current:				
General government	180	180	350	(170)
Public safety	88,412	88,412	75,472	12,940
<b>Total expenditures</b>	<b>88,592</b>	<b>88,592</b>	<b>75,822</b>	<b>12,770</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>57,383</b>	<b>57,383</b>	<b>75,126</b>	<b>17,743</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	355	355	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>355</b>	<b>355</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 57,383</b>	<b>\$ 57,738</b>	<b>75,481</b>	<b>\$ 17,743</b>
Fund balances-beginning			131,127	
<b>Fund balances (deficit)-ending</b>			<b>\$ 206,608</b>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Development Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Other revenues	\$ -	\$ -	\$ 2,484,809	\$ 2,484,809
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2,484,809</u>	<u>2,484,809</u>
<b>EXPENDITURES</b>				
Current:				
Public works	403,037	403,037	2,484,809	(2,081,772)
<b>Total expenditures</b>	<u>403,037</u>	<u>403,037</u>	<u>2,484,809</u>	<u>(2,081,772)</u>
<b>Net change in fund balances</b>	<u>\$ (403,037)</u>	<u>\$ (403,037)</u>	-	<u>\$ 403,037</u>
Fund balances-beginning			-	
<b>Fund balances (deficit)-ending</b>			<u>\$ -</u>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**National Opioid Settlement Fund**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income, net	\$ -	\$ -	\$ 8,072	\$ 8,072
Other revenues	-	159,145	149,569	(9,576)
<b>Total revenues</b>	<u>-</u>	<u>159,145</u>	<u>157,641</u>	<u>(1,504)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	58,658	(58,658)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>58,658</u>	<u>(58,658)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>-</u>	<u>159,145</u>	<u>98,983</u>	<u>(60,162)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 159,145</u>	<u>98,983</u>	<u>\$ (60,162)</u>
Fund balances-beginning			(745)	
<b>Fund balances (deficit)-ending</b>			<u>\$ 98,238</u>	



CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Organized Retail Theft Fund  
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 4,241,002	\$ 1,027,969	\$ (3,213,033)
Investment income, net	-	-	(27,330)	(27,330)
<b>Total revenues</b>	<b>-</b>	<b>4,241,002</b>	<b>1,000,639</b>	<b>(3,240,363)</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	69,943	(69,943)
Capital outlay	-	-	1,660,550	(1,660,550)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,730,493</b>	<b>(1,730,493)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>4,241,002</b>	<b>(729,854)</b>	<b>(4,970,856)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(20,367)	(20,367)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(20,367)</b>	<b>(20,367)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 4,241,002</b>	<b>(750,221)</b>	<b>\$ (4,991,223)</b>
Fund balances-beginning			-	
<b>Fund balances (deficit)-ending</b>			<b>\$ (750,221)</b>	

**CITY OF BREA, CALIFORNIA**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Capital and Mitigation Improvement Fund**  
**For the Year Ended June 30, 2024**

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	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Investment income, net	\$ 20,200	\$ 20,200	\$ 81,695	\$ 61,495
<b>Total revenues</b>	<u>20,200</u>	<u>20,200</u>	<u>81,695</u>	<u>61,495</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,100	4,100	4,380	(280)
<b>Total expenditures</b>	<u>4,100</u>	<u>4,100</u>	<u>4,380</u>	<u>(280)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>16,100</u>	<u>16,100</u>	<u>77,315</u>	<u>61,215</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	56,000	56,000	56,000	-
Transfers out	-	-	(2,388,051)	(2,388,051)
<b>Total other financing sources (uses)</b>	<u>56,000</u>	<u>56,000</u>	<u>(2,332,051)</u>	<u>(2,388,051)</u>
<b>Net change in fund balances</b>	<u>\$ 72,100</u>	<u>\$ 72,100</u>	<u>(2,254,736)</u>	<u>\$ (2,326,836)</u>
Fund balances-beginning			3,738,967	
<b>Fund balances (deficit)-ending</b>			<u>\$ 1,484,231</u>	

CITY OF BREA, CALIFORNIA  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Storm Drain Fund  
For the Year Ended June 30, 2024

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	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Investment income, net	\$ 7,000	\$ 7,000	\$ 13,551	\$ 6,551
<b>Total revenues</b>	<b>7,000</b>	<b>7,000</b>	<b>13,551</b>	<b>6,551</b>
<b>EXPENDITURES</b>				
Current:				
General government	400	400	606	(206)
<b>Total expenditures</b>	<b>400</b>	<b>400</b>	<b>606</b>	<b>(206)</b>
<b>Net change in fund balances</b>	<b>\$ 6,600</b>	<b>\$ 6,600</b>	<b>12,945</b>	<b>\$ 6,345</b>
Fund balances-beginning			340,045	
<b>Fund balances (deficit)-ending</b>			<b>\$ 352,990</b>	

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## **Non-Major Enterprise Funds**

### Urban Runoff Fund

The fund is used to account for the City's urban runoff operations, which are financed and operated in a manner similar to a private enterprise. The costs (expenses, including depreciation) of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

### Sanitation Fund

The fund is used to account for the City's refuse collection and street sweeping operations, which are operated in a manner similar to a private enterprise. User charges finance the operations of this fund.

### Information Technology External Support Fund

This fund is used to account for the operations of the Information Technology Division's contractual information technology services to other agencies. The costs (expenses including depreciation) of providing these services to participating cities on a continuing basis are financed or recovered primarily through user charges.

### Golf Course Fund

This fund is used to account for the operations of the Birch Hills and Brea Creek Golf Courses.

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2024**

	Urban Runoff	Sanitation	Information Technology External Support	Golf Course	Total Non- major Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 587,682	\$ 526,698	\$ 361,037	\$ 4,202,077	\$ 5,677,494
Receivables (net of uncollectibles):					
Accounts receivable, net	62,921	575,978	-	-	638,899
Due from other governments	-	-	168,983	-	168,983
Restricted:	-	-	-	-	-
Restricted cash and investments	22,347	-	281,364	-	303,711
Total current assets	672,950	1,102,676	811,384	4,202,077	6,789,087
Noncurrent:					
Capital assets, net of depreciation and amortization	121,008	-	7,471	9,989,498	10,117,977
Total noncurrent assets	121,008	-	7,471	9,989,498	10,117,977
<b>Total assets</b>	<b>793,958</b>	<b>1,102,676</b>	<b>818,855</b>	<b>14,191,575</b>	<b>16,907,064</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension related items	126,231	217,891	429,627	5,240	778,989
Deferred OPEB related items	9,499	33,457	118,108	-	161,064
<b>Total deferred outflows of resources</b>	<b>135,730</b>	<b>251,348</b>	<b>547,735</b>	<b>5,240</b>	<b>940,053</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	14,613	370,460	3,110	584,541	972,724
Accrued liabilities	6,314	11,725	19,785	360	38,184
Compensated absences, due within one year	-	14,064	55,745	-	69,809
Subscription liability, due within one year	-	-	7,381	-	7,381
Total current liabilities	20,927	396,249	86,021	584,901	1,088,098
Noncurrent liabilities:					
Compensated absences, due in more than one year	-	4,688	18,582	-	23,270
Pension Liability	511,724	883,298	1,741,645	21,241	3,157,908
Other Post Employment Benefits (OPEB) Liability	48,220	237,349	1,091,218	-	1,376,787
Total noncurrent liabilities	559,944	1,125,335	2,851,445	21,241	4,557,965
<b>Total liabilities</b>	<b>580,871</b>	<b>1,521,584</b>	<b>2,937,466</b>	<b>606,142</b>	<b>5,646,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension related items	3,467	5,984	11,799	144	21,394
Deferred OPEB related items	20,470	59,153	184,681	-	264,304
<b>Total deferred inflows of resources</b>	<b>23,937</b>	<b>65,137</b>	<b>196,480</b>	<b>144</b>	<b>285,698</b>
<b>NET POSITION</b>					
Net investment in capital assets	121,008	-	90	9,989,498	10,110,596
Unrestricted	203,872	(232,697)	(1,767,446)	3,601,031	1,804,760
<b>Total net position</b>	<b>\$ 324,880</b>	<b>\$ (232,697)</b>	<b>\$ (1,767,356)</b>	<b>\$ 13,590,529</b>	<b>\$ 11,915,356</b>

CITY OF BREA, CALIFORNIA  
Combining Statement of Revenues, Expenses and  
Changes in Net Position  
Non-Major Enterprise Funds  
For the Year Ended June 30, 2024

	Urban Runoff	Sanitation	Information Technology External Support	Golf Course	Total Non- major Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 563,867	\$ 3,699,603	\$ 1,064,274	\$ 4,876,038	\$ 10,203,782
Fines and forfeitures	9,783	70,386	-	-	80,169
Other revenues	204	25,000	-	-	25,204
<b>Total operating revenues</b>	<b>573,854</b>	<b>3,794,989</b>	<b>1,064,274</b>	<b>4,876,038</b>	<b>10,309,155</b>
<b>OPERATING EXPENSES</b>					
Personnel services	462,409	580,280	852,598	30,137	1,925,424
Maintenance and operations	322,172	3,662,365	228,900	3,652,084	7,865,521
Depreciation/Amortization	1,750	-	7,388	80,913	90,051
<b>Total operating expenses</b>	<b>786,331</b>	<b>4,242,645</b>	<b>1,088,886</b>	<b>3,763,134</b>	<b>9,880,996</b>
<b>Operating income (loss)</b>	<b>(212,477)</b>	<b>(447,656)</b>	<b>(24,612)</b>	<b>1,112,904</b>	<b>428,159</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	-	145,260	-	-	145,260
Interest income	24,972	7,546	51,271	155,547	239,336
<b>Total nonoperating revenues (expenses)</b>	<b>24,972</b>	<b>152,806</b>	<b>51,271</b>	<b>155,547</b>	<b>384,596</b>
<b>Income (loss) before transfers</b>	<b>(187,505)</b>	<b>(294,850)</b>	<b>26,659</b>	<b>1,268,451</b>	<b>812,755</b>
Transfers in	-	375,252	-	-	375,252
<b>Change in net position</b>	<b>(187,505)</b>	<b>80,402</b>	<b>26,659</b>	<b>1,268,451</b>	<b>1,188,007</b>
Net position-beginning	512,385	(313,099)	(1,794,015)	12,322,078	10,727,349
<b>Net position-ending</b>	<b>\$ 324,880</b>	<b>\$ (232,697)</b>	<b>\$ (1,767,356)</b>	<b>\$ 13,590,529</b>	<b>\$ 11,915,356</b>

CITY OF BREA, CALIFORNIA  
Combining Statement of Cash Flows  
Non-Major Enterprise Funds  
For the Year Ended June 30, 2024

	Business-Type Activities				
	Urban Runoff	Sanitation	Information Technology External Support	Golf Course	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 569,721	\$ 3,765,862	\$ 1,064,274	\$ 4,876,038	\$ 10,275,895
Payments to suppliers and service providers	(310,023)	(3,659,482)	(226,926)	(3,614,765)	(7,811,196)
Payments to employees for salaries and benefits	(368,403)	(504,079)	(817,108)	(26,545)	(1,716,135)
<b>Net cash provided by (used for) operating activities</b>	<b>(108,705)</b>	<b>(397,699)</b>	<b>20,240</b>	<b>1,234,728</b>	<b>748,564</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	375,252	-	-	375,252
Operating grants and contributions	-	156,631	(47,218)	-	109,413
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>531,883</b>	<b>(47,218)</b>	<b>-</b>	<b>484,665</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(521)	-	-	(18,089)	(18,610)
Principal paid on capital debt	-	-	(7,477)	-	(7,477)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(521)</b>	<b>-</b>	<b>(7,477)</b>	<b>(18,089)</b>	<b>(26,087)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	24,972	7,546	51,270	155,547	239,335
<b>Net cash provided by (used for) investing activities</b>	<b>24,972</b>	<b>7,546</b>	<b>51,270</b>	<b>155,547</b>	<b>239,335</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(84,254)</b>	<b>141,730</b>	<b>16,815</b>	<b>1,372,186</b>	<b>1,446,477</b>
Cash and cash equivalents-beginning	694,283	384,968	625,586	2,829,891	4,534,728
<b>Cash and cash equivalents-ending</b>	<b>\$ 610,029</b>	<b>\$ 526,698</b>	<b>\$ 642,401</b>	<b>\$ 4,202,077</b>	<b>\$ 5,981,205</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>					
Cash and investments	\$ 587,682	\$ 526,698	\$ 361,037	\$ 4,202,077	\$ 5,677,494
Restricted cash and investments	22,347	-	281,364	-	303,711
<b>Total cash and cash equivalents</b>	<b>\$ 610,029</b>	<b>\$ 526,698</b>	<b>\$ 642,401</b>	<b>\$ 4,202,077</b>	<b>\$ 5,981,205</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (212,477)	\$ (447,656)	\$ (24,612)	\$ 1,112,904	\$ 428,159
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	1,750	-	7,388	80,913	90,051
(Increase) decrease in accounts receivable	(4,133)	(29,127)	-	-	(33,260)
Increase (decrease) in accounts payable	12,149	2,883	1,974	37,319	54,325
Increase (decrease) in accrued liabilities	2,174	4,217	3,437	242	10,070
Increase (decrease) in compensated absences	-	7,441	6,032	-	13,473
Increase (decrease) in net pension liability	97,047	73,122	45,056	3,350	218,575
Increase (decrease) in net OPEB liability	(5,215)	(8,579)	(19,035)	-	(32,829)
<b>Total adjustments</b>	<b>103,772</b>	<b>49,957</b>	<b>44,852</b>	<b>121,824</b>	<b>\$ 320,405</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (108,705)</b>	<b>\$ (397,699)</b>	<b>\$ 20,240</b>	<b>\$ 1,234,728</b>	<b>\$ 748,564</b>



## **Internal Service Funds**

### Risk Management Fund

This fund is used to account for the costs of operating a self-insurance program for general liability, workers' compensation, long-term disability and unemployment compensation. Such costs to other departments are billed at a predetermined rate set annually during the budget process.

### Information Technology Fund

This fund is used to account for the operations of the City's internal information technology division. Such costs are billed to the departments and/or division based upon a predetermined rate set during the budget process.

### Vehicle Maintenance Fund

This fund was created to account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Such costs to other departments are billed at a predetermined cost per mile charge that includes depreciation. This charge is set annually during the budget process. The Vehicle Maintenance Fund is responsible for financing replacement vehicles, as necessary.

### Building Occupancy Fund

This fund is used to account for the costs of operating a building maintenance program for City facilities. Such costs to other departments are billed at a predetermined rate set annually during the budget process.

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2024**

	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 7,460,784	\$ 1,398,307	\$ 2,392,900	\$ 1,261,092	\$ 12,513,083
Receivables (net of uncollectibles):					
Accounts	95,166	-	113,306	-	208,472
Prepaid items	-	4,620	-	-	4,620
Total current assets	7,555,950	1,402,927	2,506,206	1,261,092	12,726,175
Noncurrent:					
Capital assets, net of depreciation and amortization	-	435,468	6,099,417	830,595	7,365,480
Total noncurrent assets	-	435,468	6,099,417	830,595	7,365,480
<b>Total assets</b>	<b>7,555,950</b>	<b>1,838,395</b>	<b>8,605,623</b>	<b>2,091,687</b>	<b>20,091,655</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension-related	180,761	770,592	305,930	437,339	1,694,622
OPEB-related	22,243	163,142	49,008	61,274	295,667
<b>Total deferred outflows of resources</b>	<b>203,004</b>	<b>933,734</b>	<b>354,938</b>	<b>498,613</b>	<b>1,990,289</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	8,768	20,026	46,315	171,580	246,689
Accrued liabilities	8,303	36,434	17,756	27,700	90,193
Claims and judgments, due within one year	1,639,804	-	-	-	1,639,804
Compensated absences, due within one year	-	-	36,374	53,122	89,496
Subscription liability, due within one year	-	24,083	-	-	24,083
Total current liabilities	1,656,875	80,543	100,445	252,402	2,090,265
Noncurrent liabilities:					
Claims and judgments, due in more than one year	3,183,148	-	-	-	3,183,148
Compensated absences, due in more than one year	-	-	12,125	17,707	29,832
Net pension liability	732,777	3,123,864	1,240,196	1,772,905	6,869,742
Total OPEB liability	108,851	1,012,539	313,750	374,873	1,810,013
Total noncurrent liabilities	4,024,776	4,136,403	1,566,071	2,165,485	11,892,735
<b>Total liabilities</b>	<b>5,681,651</b>	<b>4,216,946</b>	<b>1,666,516</b>	<b>2,417,887</b>	<b>13,983,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension-related	4,964	21,162	8,402	12,010	46,538
OPEB-related	32,778	213,792	99,356	133,090	479,016
<b>Total deferred inflows of resources</b>	<b>37,742</b>	<b>234,954</b>	<b>107,758</b>	<b>145,100</b>	<b>525,554</b>
<b>NET POSITION</b>					
Net investment in capital assets	-	411,385	6,099,417	830,595	7,341,397
Unrestricted	2,039,561	(2,091,156)	1,086,870	(803,282)	231,993
<b>Total net position</b>	<b>\$ 2,039,561</b>	<b>\$ (1,679,771)</b>	<b>\$ 7,186,287</b>	<b>\$ 27,313</b>	<b>\$ 7,573,390</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,430,449	\$ 2,486,832	\$ 2,990,376	\$ 2,769,360	\$ 11,677,017
Other revenues	58,767	-	95,368	5,824	159,959
<b>Total operating revenues</b>	<b>3,489,216</b>	<b>2,486,832</b>	<b>3,085,744</b>	<b>2,775,184</b>	<b>11,836,976</b>
<b>OPERATING EXPENSES</b>					
Personnel services	535,332	2,913,628	-	918,979	4,367,939
Maintenance and operation	1,911,753	1,031,160	452,694	1,959,833	5,355,440
Claims and judgments	987,809	-	-	-	987,809
Depreciation/Amortization	-	180,157	671,747	136,363	988,267
<b>Total operating expenses</b>	<b>3,434,894</b>	<b>4,124,945</b>	<b>1,124,441</b>	<b>3,015,175</b>	<b>11,699,455</b>
<b>Operating income (loss)</b>	<b>54,322</b>	<b>(1,638,113)</b>	<b>1,961,303</b>	<b>(239,991)</b>	<b>137,521</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	319,816	52,186	85,449	50,297	507,748
Gain (loss) on disposal of capital assets	-	-	172,096	-	172,096
<b>Total nonoperating revenues (expenses)</b>	<b>319,816</b>	<b>52,186</b>	<b>257,545</b>	<b>50,297</b>	<b>679,844</b>
<b>Income (loss) before transfers</b>	<b>374,138</b>	<b>(1,585,927)</b>	<b>2,218,848</b>	<b>(189,694)</b>	<b>817,365</b>
Transfers in	-	135,815	-	-	135,815
Transfers out	(837,500)	-	-	(19,853)	(857,353)
<b>Change in net position</b>	<b>(463,362)</b>	<b>(1,450,112)</b>	<b>2,218,848</b>	<b>(209,547)</b>	<b>95,827</b>
Net position-beginning	2,502,923	(229,659)	4,967,439	236,860	7,477,563
<b>Net position-ending</b>	<b>\$ 2,039,561</b>	<b>\$ (1,679,771)</b>	<b>\$ 7,186,287</b>	<b>\$ 27,313</b>	<b>\$ 7,573,390</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2024**

	<b>Risk Management</b>	<b>Information Technology</b>	<b>Vehicle Replacement</b>	<b>Building Occupancy</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 3,462,087	\$ 2,486,832	\$ 2,995,351	\$ 2,775,184	\$ 11,719,454
Payments to suppliers and service providers	(2,904,135)	(1,076,842)	(494,466)	(1,948,741)	(6,424,184)
Payments to employees for salaries and benefits	(1,263,835)	(1,459,466)	(1,568,753)	(944,916)	(5,236,970)
<b>Net cash provided by (used for) operating activities</b>	<b>(705,883)</b>	<b>(49,476)</b>	<b>932,132</b>	<b>(118,473)</b>	<b>58,300</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	-	135,815	-	-	135,815
Transfers to other funds	(837,500)	-	-	(19,853)	(857,353)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>(837,500)</b>	<b>135,815</b>	<b>-</b>	<b>(19,853)</b>	<b>(721,538)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	(40,264)	(2,957,667)	(28,749)	(3,026,680)
Principal paid on capital debt	-	(15,785)	-	-	(15,785)
Proceeds from sales of assets	-	32,080	183,656	-	215,736
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>(23,969)</b>	<b>(2,774,011)</b>	<b>(28,749)</b>	<b>(2,826,729)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	319,816	29,262	85,449	50,296	484,823
<b>Net cash provided by (used for) investing activities</b>	<b>319,816</b>	<b>29,262</b>	<b>85,449</b>	<b>50,296</b>	<b>484,823</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,223,567)</b>	<b>91,632</b>	<b>(1,756,430)</b>	<b>(116,779)</b>	<b>(3,005,144)</b>
Cash and cash equivalents-beginning	8,684,351	1,306,675	4,149,330	1,377,871	15,518,227
<b>Cash and cash equivalents-ending</b>	<b>\$ 7,460,784</b>	<b>\$ 1,398,307</b>	<b>\$ 2,392,900</b>	<b>\$ 1,261,092</b>	<b>\$ 12,513,083</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 54,322	\$ (1,638,113)	\$ 1,961,303	\$ (239,991)	\$ 137,521
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	-	180,157	671,747	136,363	988,267
(Increase) decrease in accounts receivable	(27,129)	-	(90,393)	-	(117,522)
(Increase) decrease in prepaid items	-	(4,620)	-	-	(4,620)
Increase (decrease) in accounts payable	(4,573)	(41,062)	(41,772)	11,092	(76,315)
Increase (decrease) in accrued liabilities	(1,666)	3,447	3,566	8,458	13,805
Increase (decrease) in compensated absences	(2,524,857)	-	8,900	7,308	(2,508,649)
Increase (decrease) in claims and judgments	1,639,804	-	-	-	1,639,804
Increase (decrease) in pension and related items	166,521	1,489,955	(1,565,536)	(20,335)	70,605
Increase (decrease) in OPEB and related items	(8,305)	(39,240)	(15,683)	(21,368)	(84,596)
Total adjustments	(760,205)	1,588,637	(1,029,171)	121,518	(79,221)
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (705,883)</b>	<b>\$ (49,476)</b>	<b>\$ 932,132</b>	<b>\$ (118,473)</b>	<b>\$ 58,300</b>

## **Custodial Funds**

### Hillside Open Space Education Coalition

This fund is used to account for the funds received to educate the public as to the importance of hillside preservation.

### Brea Plaza Community Facilities District 2008-02 Fund

This fund is used to account for the collection and payment to the holders of the 2017 Special Tax Bonds.

### Downtown Community Facilities District 1996-1 Fund

This fund is used to account for the collection and payment to the holders of the 2014 Special Tax Bonds.

### Olinda Heights Community Facilities District 1997-1 Fund

This fund is used to account for the collection and payment to the holders of the 2005 Special Tax Bonds.

### North Orange County Public Safety Collaborative (NOC) Fund

This fund is used to account for the state funds related to NOC. The City acts as the fiduciary for the NOC.

### Integrated Law and Justice Agency of Orange County (ILJAOC) Fund

This fund is used to account for the collections and payments related to a joint venture agreement with several other public agencies of Orange County. The City acts as a treasurer for the ILJAOC.

### Orange County City Managers Association (OCCMA) Fund

This fund is used to account for the collections and payments related to the OCCMA. The City acts as the treasurer for the OCCMA.

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2024**

	Hillside Open Space Education Coalition	Brea Plaza	Downtown	Olinda Heights
<b>ASSETS</b>				
Cash and investments	\$ 585,260	\$ 517,937	\$ 1,935	\$ 417,425
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	7,691
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agent	-	671,570	-	96
<b>Total assets</b>	<b>585,260</b>	<b>1,189,507</b>	<b>1,935</b>	<b>425,212</b>
<b>LIABILITIES</b>				
Accounts payable	30	42	-	-
Accrued liabilities	544,586	653	-	1,148
<b>Total liabilities</b>	<b>544,616</b>	<b>695</b>	<b>-</b>	<b>1,148</b>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	40,644	1,188,812	1,935	424,064
<b>Total net position</b>	<b>\$ 40,644</b>	<b>\$ 1,188,812</b>	<b>\$ 1,935</b>	<b>\$ 424,064</b>

**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2024**

	<b>NOC</b>	<b>ILJAOC</b>	<b>OCCMA</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 6,605,897	\$ 4,755,274	\$ 33,603	\$ 12,917,331
Receivables:				
Accounts	-	55,388	1,500	56,888
Taxes	-	-	-	7,691
Due from other governments	-	46,080	-	46,080
Restricted assets:				
Cash and investments with fiscal agent	-	-	-	671,666
<b>Total assets</b>	<b>6,605,897</b>	<b>4,856,742</b>	<b>35,103</b>	<b>13,699,656</b>
<b>LIABILITIES</b>				
Accounts payable	510,244	201,218	1,657	713,191
Accrued liabilities	5,735	-	-	552,122
<b>Total liabilities</b>	<b>515,979</b>	<b>201,218</b>	<b>1,657</b>	<b>1,265,313</b>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	6,089,918	4,655,524	33,446	12,434,343
<b>Total net position</b>	<b>\$ 6,089,918</b>	<b>\$ 4,655,524</b>	<b>\$ 33,446</b>	<b>\$ 12,434,343</b>

CITY OF BREA, CALIFORNIA  
Combining Statement of Changes in  
Fiduciary Net Position  
Fiduciary Funds - Custodial Funds  
For the Year Ended June 30, 2024

	Hillside Open Space Education Coalition	Brea Plaza	Downtown	Olinda Heights
<b>ADDITIONS</b>				
Contributions:				
Property taxes	\$ -	\$ 566,956	\$ -	\$ 410,938
Employee or member contributions	-	-	-	11,371
Interest and changes in fair value of investments	22,470	80,671	(171)	-
Miscellaneous	-	-	-	-
<b>Total additions</b>	<b>22,470</b>	<b>647,627</b>	<b>(171)</b>	<b>422,309</b>
<b>DEDUCTIONS</b>				
Administrative	1,335	33,235	150	52,752
Interest expense	-	278,359	-	82,625
Principal	-	255,000	-	265,000
<b>Total deductions</b>	<b>1,335</b>	<b>566,594</b>	<b>150</b>	<b>400,377</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>21,135</b>	<b>81,033</b>	<b>(321)</b>	<b>21,932</b>
Net position-beginning	19,509	1,107,779	2,256	402,132
<b>Net position-ending</b>	<b>\$ 40,644</b>	<b>\$ 1,188,812</b>	<b>\$ 1,935</b>	<b>\$ 424,064</b>



**CITY OF BREA, CALIFORNIA**  
**Combining Statement of Changes in**  
**Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2024**

	<b>NOC</b>	<b>ILJAOC</b>	<b>OCCMA</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>				
Contributions:				
Property taxes	\$ -	\$ -	\$ -	\$ 977,894
Employee or member contributions	227,341	1,416,565	36,100	1,691,377
Interest and changes in fair value of investments	393,337	262,424	1,347	760,078
Miscellaneous	-	491,784	51,034	542,818
<b>Total additions</b>	<b>620,678</b>	<b>2,170,773</b>	<b>88,481</b>	<b>3,972,167</b>
<b>DEDUCTIONS</b>				
Administrative	2,560,296	2,190,605	98,281	4,936,654
Interest expense	-	-	-	360,984
Principal	-	-	-	520,000
<b>Total deductions</b>	<b>2,560,296</b>	<b>2,190,605</b>	<b>98,281</b>	<b>5,817,638</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>(1,939,618)</b>	<b>(19,832)</b>	<b>(9,800)</b>	<b>(1,845,471)</b>
Net position-beginning	8,029,536	4,675,356	43,246	14,279,814
<b>Net position-ending</b>	<b>\$ 6,089,918</b>	<b>\$ 4,655,524</b>	<b>\$ 33,446</b>	<b>\$ 12,434,343</b>

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## Statistical Section

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## **Statistical Section**

This part of the City of Brea's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents:**

#### **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.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

#### **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.

#### **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.

#### **Operating Information**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

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**CITY OF BREA, CALIFORNIA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2022-23	Fiscal Year 2023-24
<b>Governmental Activities</b>									
Net investment in capital assets	\$ 158,976,819	\$ 165,493,107	\$ 170,548,467	\$ 204,322,724	\$ 202,990,193	\$ 215,840,370	\$ 207,378,698	\$ 208,081,095	\$ 313,179,549
Restricted	56,883,753	54,629,374	52,867,078	52,729,420	44,544,588	59,862,606	54,214,155	45,252,026	57,444,146
Unrestricted	(64,027,907)	(58,217,717)	(57,154,376)	(76,701,929)	(69,878,160)	(91,248,810)	(79,365,186)	(16,320,573)	(26,223,348)
Total governmental activities net position	\$ 151,832,665	\$ 161,904,764	\$ 166,261,169	\$ 180,350,215	\$ 177,656,621	\$ 184,454,166	\$ 182,227,667	\$ 237,012,548	\$ 344,400,347
<b>Business-type Activities</b>									
Net investment of capital assets	\$ 33,367,826	\$ 33,174,074	\$ 42,091,695	\$ 58,347,144	\$ 55,408,764	\$ 61,114,088	\$ 27,842,597	\$ 96,873,414	\$ 98,594,995
Restricted	6,203,193	6,165,829	5,641,012	5,657,518	5,843,171	2,132,985	2,285,353	2,213,477	2,683,786
Unrestricted	8,603,346	12,637,920	14,392,925	15,322,371	26,097,664	29,126,601	77,820,553	24,260,951	27,853,957
Total business-type activities net position	\$ 48,174,365	\$ 51,977,823	\$ 62,125,632	\$ 79,327,033	\$ 87,349,599	\$ 92,373,674	\$ 107,948,503	\$ 123,347,842	\$ 129,132,738
<b>Primary Government</b>									
Net investment of capital assets	\$ 192,344,645	\$ 198,667,181	\$ 212,640,162	\$ 262,669,868	\$ 258,398,957	\$ 276,954,458	\$ 235,221,295	\$ 304,954,509	\$ 411,774,544
Restricted	63,086,946	60,795,203	58,508,090	58,386,938	50,387,759	61,995,591	56,499,508	47,465,503	60,127,932
Unrestricted	(55,424,561)	(45,579,797)	(42,761,451)	(61,379,558)	(43,780,496)	(62,122,209)	(1,544,633)	7,940,378	1,630,609
Total primary government net position	\$ 200,007,030	\$ 213,882,587	\$ 228,386,801	\$ 259,677,248	\$ 265,006,220	\$ 276,827,840	\$ 290,176,170	\$ 360,360,390	\$ 473,533,085

**CITY OF BREA, CALIFORNIA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 7,569,787	\$ 7,297,652	\$ 7,758,276	\$ 6,679,825	\$ 7,546,630	\$ 8,738,602	\$ 7,987,050	\$ 4,209,806	\$ 9,466,893	\$ 13,139,192
Public safety	32,409,727	31,372,155	33,938,469	40,137,072	41,777,845	45,285,893	42,671,837	2,479,739	45,981,340	72,063,948
Community Development	2,836,727	3,010,978	3,403,082	3,784,020	3,410,346	3,905,234	3,368,772	707,641	2,888,919	10,416,452
Community services	7,441,012	7,267,829	7,598,666	8,054,662	9,077,264	9,077,264	7,202,383	5,187,919	10,309,313	9,618,850
Public Works	12,367,078	13,544,061	16,306,542	18,324,571	16,207,579	4,222,899	14,390,950	9,072,608	16,514,002	10,484,395
Interest on long-term debt	435,772	435,207	414,974	380,159	78,066	349,806	161,293	282,769	27,156	95,744
Total governmental activities expenses	63,060,103	62,927,882	69,420,009	77,360,309	77,463,214	71,579,698	75,782,285	21,940,482	85,187,623	115,818,581
Business-type activities:										
Urban run-off	388,493	415,328	376,623	396,030	422,699	356,600	388,559	247,623	620,593	789,601
Water utility	15,752,822	14,085,433	14,882,443	17,306,036	18,136,961	17,197,843	19,767,041	16,082,429	16,847,646	17,758,721
Sewer utility	1,575,738	1,590,905	1,630,319	1,896,662	2,623,606	2,086,307	1,997,061	547,069	2,645,816	2,668,193
Sanitation	2,910,840	2,937,684	3,045,308	3,283,613	3,450,228	3,638,796	3,667,210	1,603,331	4,008,519	4,256,254
Information Technology External Support	1,240,462	1,312,899	1,724,116	1,790,154	1,656,765	1,599,359	1,024,382	(279,366)	952,912	1,097,151
Golf Course	-	-	-	-	-	-	2,884,293	3,925,036	3,579,244	3,765,284
Total business-type activities expenses	21,868,355	20,342,249	21,658,809	24,672,495	26,290,259	24,878,905	29,728,546	22,126,122	28,654,730	30,335,204
Total primary government expenses	\$ 84,928,458	\$ 83,270,131	\$ 91,078,818	\$ 102,032,804	\$ 103,753,473	\$ 96,458,603	\$ 105,510,831	\$ 44,066,604	\$ 113,842,353	\$ 146,153,785
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,663,401	\$ 1,765,913	\$ 1,605,816	\$ 1,403,754	\$ 1,137,478	\$ 2,117,359	\$ 1,296,032	\$ 1,235,741	\$ 514,792	\$ 758,043
Public safety	1,376,553	1,282,646	1,297,025	1,689,176	1,392,205	996,068	777,596	846,870	729,739	690,935
Community Development	998,141	1,577,964	2,151,955	4,619,615	1,048,258	1,530,959	1,058,408	756,751	595,142	3,296,657
Community services	5,640,412	3,021,505	2,818,718	3,023,144	3,117,696	1,353,397	1,088,410	1,668,359	2,103,722	2,911,229
Public Works	1,706,630	1,257,168	1,610,889	506,348	237,689	1,684,711	197,022	3,088,349	2,742,326	326,692
Operating contributions and grants	3,238,366	3,399,311	2,632,718	3,964,816	5,210,335	6,814,195	12,230,204	5,445,862	10,787,980	6,905,712
Capital contributions and grants	3,908,617	2,336,984	5,668,485	43,192,575	4,959,143	6,319,418	3,239,077	2,792,309	1,814,783	3,863,665
Total governmental activities program revenues	18,532,120	14,641,491	17,785,606	58,399,428	17,102,804	20,816,107	19,886,749	15,834,241	19,288,484	18,752,933
Business-type activities:										
Charges for services:										
Leases	384,523	402,205	412,086	418,426	444,857	455,330	457,378	476,329	495,320	573,854
Water utility	18,242,242	16,520,362	20,098,490	22,885,107	21,870,826	21,483,133	23,635,320	23,134,358	20,359,095	20,862,952
Sewer utility	2,141,422	2,236,813	2,322,756	2,239,774	2,593,670	2,496,874	2,496,871	2,608,205	3,029,057	3,795,600
Sanitation	3,431,013	3,531,648	3,584,153	3,727,950	2,969,334	3,198,072	3,349,980	3,418,855	3,367,310	3,794,989
Information Technology External Support	1,532,097	1,807,305	1,959,634	1,695,050	1,380,895	1,000,093	1,051,148	880,372	1,006,864	1,064,274
Golf Course	-	-	-	-	-	-	4,311,445	4,386,528	4,366,573	4,876,038
Operating contributions and grants	-	11,371	525,165	501,959	501,990	11,371	22,888	127,648	11,288	145,260
Capital contributions and grants	1,521,000	-	-	14,285,715	2,705,537	-	-	-	-	-
Total business-type activities program revenues	27,252,297	24,509,704	28,902,284	45,753,981	32,467,109	28,644,873	35,325,030	35,032,295	32,635,507	35,112,967
Primary government program revenues	\$ 45,784,417	\$ 39,151,195	\$ 46,687,890	\$ 104,153,409	\$ 49,569,913	\$ 49,460,980	\$ 55,211,779	\$ 50,866,536	\$ 51,923,991	\$ 53,865,900



**CITY OF BREA, CALIFORNIA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
<b>Net (Expense)/Revenue:</b>										
Governmental activities	\$ (44,527,983)	\$ (48,286,391)	\$ (51,634,403)	\$ (18,960,881)	\$ (60,360,410)	\$ (50,763,591)	\$ (55,895,536)	\$ (6,106,241)	\$ (65,899,139)	\$ (97,065,648)
Business-type activities	5,383,942	4,167,455	7,243,475	21,081,486	6,176,850	3,765,968	5,596,484	12,906,173	3,980,777	4,777,763
Total primary government net expense	<u>\$ (39,144,041)</u>	<u>\$ (44,118,936)</u>	<u>\$ (44,390,928)</u>	<u>\$ 2,120,605</u>	<u>\$ (54,183,560)</u>	<u>\$ (46,997,623)</u>	<u>\$ (50,299,052)</u>	<u>\$ 6,799,932</u>	<u>\$ (61,918,362)</u>	<u>\$ (92,287,885)</u>

**General Revenues and Other Changes in Net Position:**

Governmental activities:										
Taxes										
Property taxes	\$ 14,627,073	\$ 16,656,050	\$ 17,887,984	\$ 19,357,620	\$ 20,667,280	\$ 22,029,810	\$ 24,060,158	\$ 24,423,764	\$ 27,008,433	\$ 24,080,019
Transient occupancy taxes	1,591,839	1,605,590	1,716,180	1,786,589	1,805,609	1,352,527	1,050,303	1,777,438	2,230,007	2,616,587
Sales taxes	20,572,655	21,611,873	21,200,598	19,235,559	23,319,589	21,495,924	21,479,210	24,098,002	28,812,030	27,128,012
Franchise taxes	1,625,872	1,589,950	1,680,293	1,594,432	2,550,523	2,485,834	2,372,747	2,621,096	2,833,149	3,149,045
Business licenses taxes	1,035,220	1,101,915	1,078,509	1,107,537	1,110,975	1,036,931	994,727	1,090,315	1,145,905	-
Other taxes	977,074	797,475	392,075	579,840	484,664	430,231	441,622	651,010	329,456	5,570,495
Motor vehicle in lieu	69,978	72,551	75,398	79,899	79,772	78,478	107,321	110,178	110,277	-
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	2,906,180
Use of money and property	686,757	1,602,076	1,110,886	1,482,370	3,840,130	4,087,504	3,467,362	(3,486,383)	3,911,184	5,112,695
Gain on sale of assets	31,396	83,139	(1,731)	23,639	108,661	68,909	168,580	26,322	274,083	183,149
Other	1,713,163	3,891,552	9,725,201	3,686,032	4,215,913	4,242,750	4,252,757	4,554,597	3,624,522	4,397,869
Extraordinary gain on dissolution of Redevelopment Agency <sup>1</sup>	(944,392)	-	-	-	-	-	-	-	-	-
Transfers	1,525,979	1,590,527	1,125,415	450,000	(516,300)	252,238	(4,639)	(745,061)	1,725,246	875,245
Total governmental activities	<u>43,512,614</u>	<u>50,602,698</u>	<u>55,990,808</u>	<u>49,383,517</u>	<u>57,666,816</u>	<u>57,561,136</u>	<u>58,390,148</u>	<u>55,121,278</u>	<u>72,004,292</u>	<u>76,019,296</u>
Business-type activities:										
Use of money and property	151,348	303,514	(23,077)	(25,014)	1,240,123	1,491,758	120,888	(941,040)	236,871	1,131,751
Gain on sale of assets	-	-	-	-	-	18,587	67,962	45,416	68,656	52,493
Other	580,062	401,566	250,269	44,024	89,293	-	82,890	82,671	-	-
Transfers	(1,525,979)	(1,590,527)	(1,125,415)	(450,000)	516,300	(252,238)	4,639	745,061	(1,725,246)	(875,245)
Total business-type activities	<u>(794,569)</u>	<u>(885,447)</u>	<u>(898,223)</u>	<u>(430,990)</u>	<u>1,845,716</u>	<u>1,258,107</u>	<u>276,379</u>	<u>(67,892)</u>	<u>(1,419,719)</u>	<u>308,999</u>
Total primary government	<u>\$ 42,718,045</u>	<u>\$ 49,717,251</u>	<u>\$ 55,092,585</u>	<u>\$ 48,952,527</u>	<u>\$ 59,512,532</u>	<u>\$ 58,819,243</u>	<u>\$ 58,666,527</u>	<u>\$ 55,053,386</u>	<u>\$ 70,584,573</u>	<u>\$ 76,328,295</u>

**Change in Net Position:**

Governmental activities	\$ (1,015,369)	\$ 2,316,307	\$ 4,356,405	\$ 30,422,636	\$ (2,693,594)	\$ 6,797,545	\$ 2,494,629	\$ 49,015,037	\$ 6,105,153	\$ (21,046,352)
Business-type activities	4,589,373	3,282,008	6,345,252	20,650,496	8,022,566	5,024,075	5,872,863	12,838,281	2,561,058	5,086,762
Total primary government	<u>\$ 3,574,004</u>	<u>\$ 5,598,315</u>	<u>\$ 10,701,657</u>	<u>\$ 51,073,132</u>	<u>\$ 5,328,972</u>	<u>\$ 11,821,620</u>	<u>\$ 8,367,492</u>	<u>\$ 61,853,318</u>	<u>\$ 8,666,211</u>	<u>\$ (15,959,590)</u>

<sup>1</sup>During the fiscal year ended June 30, 2012, the assets, liabilities and fund balances of the Brea Redevelopment Agency were transferred to the Successor Agency on February 1, 2012, as a result of the dissolution of Redevelopment Agencies in California.

CITY OF BREA, CALIFORNIA  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
General Fund										
Nonspendable	\$ 856,591	\$ 615,605	\$ 412,659	\$ 139,562	\$ 8,826	\$ 2,485	\$ 14,960	\$ 591	\$ 60	\$ 29,357
Restricted	1,392,800	7,448,016	8,201,746	8,112,011	8,661,782	8,883,451	11,337,663	9,743,633	10,634,967	12,329,512
Committed	8,616,218	9,091,623	-	867,841	980,101	1,353,559	1,388,993	1,382,302	1,443,668	1,540,335
Assigned	573,064	590,815	11,316,072	12,270,563	12,777,708	11,807,691	11,914,029	12,010,304	11,633,475	13,010,810
Unassigned	23,586,834	19,154,869	14,077,609	14,703,360	21,203,689	19,891,467	29,410,655	25,265,822	29,344,926	28,051,499
Total general fund	\$ 35,025,507	\$ 36,900,928	\$ 34,008,086	\$ 36,093,337	\$ 43,632,106	\$ 41,938,653	\$ 54,066,300	\$ 48,402,652	\$ 53,057,096	\$ 54,961,513
All Other Governmental Funds										
Nonspendable	\$ 18,067,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Restricted	28,721,740	47,181,358	44,665,332	44,617,410	43,625,108	50,392,782	46,045,148	33,150,403	45,252,026	16,489,968
Assigned	-	-	-	-	-	-	-	12,010,304	-	-
Unassigned	(78,497)	(79,171)	(19,272)	(9,653)	(27,156)	(98,401)	(152,390)	(206,320)	(177,705)	(906,346)
Total all other governmental funds	\$ 46,710,366	\$ 47,102,187	\$ 44,646,060	\$ 44,607,757	\$ 43,597,952	\$ 50,294,381	\$ 45,892,758	\$ 44,955,387	\$ 45,074,321	\$ 15,583,622

CITY OF BREA, CALIFORNIA  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years

(Modified accrual basis of accounting)

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
<b>Revenues:</b>										
Taxes	\$ 37,453,770	\$ 40,526,309	\$ 40,215,974	\$ 41,074,462	\$ 47,100,463	\$ 45,845,391	\$ 47,267,539	\$ 51,499,865	\$ 59,116,813	\$ 56,973,663
Licenses and permits	645,054	782,250	870,940	584,841	606,355	823,019	451,865	350,510	393,659	287,697
Intergovernmental	7,992,057	10,535,171	9,506,268	24,323,998	15,360,014	19,156,439	18,725,429	12,999,812	17,052,662	16,635,605
Contributions	497,304	2,080	535	105,514	102,886	-	-	-	-	-
Charges for services	8,125,141	5,451,452	6,188,947	8,008,055	3,953,235	6,239,512	2,225,756	3,691,879	3,652,877	4,182,396
Use of money and property	2,379,065	2,778,480	2,542,341	1,914,998	4,445,507	4,154,607	3,282,919	(3,333,344)	3,857,495	4,604,947
Fines and forfeitures	842,001	790,247	597,476	824,358	892,120	405,841	550,471	635,774	330,578	347,535
Rental Income	-	-	-	-	-	-	-	-	-	2,906,180
Other revenues	3,025,883	2,852,006	5,462,816	3,660,707	3,424,423	4,422,384	4,241,978	5,823,553	4,919,924	5,642,639
Total revenues	60,960,275	63,717,995	65,385,297	80,496,933	75,885,003	81,047,193	76,745,957	71,668,049	89,324,008	91,580,662
<b>Expenditures:</b>										
General Government	5,635,476	5,751,038	5,645,218	5,365,030	5,867,534	7,132,329	5,384,946	7,769,057	9,143,355	8,711,715
Public Safety	31,340,804	33,095,380	34,377,568	35,511,682	36,294,416	38,848,662	39,623,318	41,750,889	44,212,147	47,114,411
Community Development	2,853,942	3,191,325	3,470,595	3,469,989	3,040,469	3,394,609	3,186,707	3,139,570	2,873,049	3,948,827
Community Services	6,750,909	7,048,955	7,395,363	7,284,303	7,540,687	7,584,500	6,607,980	8,269,116	9,612,938	9,488,694
Public Works	5,200,858	5,456,277	5,778,004	5,390,103	5,377,987	6,880,759	6,229,636	9,081,410	9,795,758	9,639,331
Capital Outlay	8,129,441	9,372,430	14,808,389	21,198,635	9,524,720	8,631,178	11,090,335	6,417,881	6,346,656	12,133,404
Debt service:										
Principal retirement	370,000	618,132	410,411	435,389	465,458	2,595,619	295,873	330,152	118,266	156,186
Interest and fiscal charges	416,792	420,772	397,243	383,551	368,468	351,681	197,523	162,385	92,968	91,456
Transfer to Successor Agency	-	-	-	-	-	-	1,391,670	-	-	-
Total expenditures	60,698,222	64,954,309	72,282,791	79,038,682	68,479,739	75,419,337	74,007,988	76,920,460	82,195,137	91,284,024
Excess (deficiency) of revenues over (under) expenditures	262,053	(1,236,314)	(6,897,494)	1,458,251	7,405,264	5,627,856	2,737,969	(5,252,411)	7,128,871	296,638
<b>Other Financing Sources (Uses):</b>										
Transfers in	6,507,993	4,378,333	10,082,394	5,791,699	3,143,969	4,799,670	9,563,936	4,877,737	6,064,027	7,088,846
Transfers out	(4,956,467)	(2,826,881)	(8,533,869)	(5,203,002)	(4,020,269)	(5,424,295)	(9,568,575)	(5,745,798)	(8,576,526)	(5,492,063)
Sale of capital assets	-	-	-	-	-	-	11,601	10,240	9,331	11,053
Leases	-	1,952,104	-	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-	-	2,220,000	147,675	-
Refunded debt redeemed	-	-	-	-	-	-	-	(2,760,000)	-	-
Bond premium	-	-	-	-	-	-	-	530,190	-	-
Cost of issuance	-	-	-	-	-	-	-	(145,663)	-	-
Total other financing sources (uses)	1,551,526	3,503,556	1,548,525	588,697	(876,300)	(624,625)	6,962	(1,013,294)	(2,355,493)	1,607,836
Net change in fund balances	\$ 1,813,579	\$ 2,267,242	\$ (5,348,969)	\$ 2,046,948	\$ 6,528,964	\$ 5,003,231	\$ 2,744,931	\$ (6,265,705)	\$ 4,773,378	\$ 1,904,474
Debt service as a percentage of noncapital expenditures	1.41%	1.87%	1.41%	1.42%	1.41%	4.43%	0.78%	0.70%	0.28%	0.31%

**CITY OF BREA, CALIFORNIA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Other Property <sup>1</sup></b>	<b>Total Taxable Assessed Value <sup>2</sup></b>	<b>Total Direct Tax Rate</b>
2015	\$4,377,268,712	\$1,580,151,775	\$1,167,513,932	\$ 826,734,462	\$7,951,668,881	0.17402
2016	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	0.17402
2017	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239	0.17402
2018	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453	0.17402
2019	6,016,606,483	1,998,943,577	1,491,711,794	757,185,866	10,264,447,720	0.17402
2020	6,407,150,882	2,063,879,311	1,630,616,856	797,206,400	10,898,853,449	0.17402
2021	6,659,815,739	2,179,834,530	1,705,370,536	777,646,078	11,322,666,883	0.17402
2022	6,920,919,399	2,292,085,820	1,786,413,204	824,597,074	11,824,015,497	0.17402
2023	7,456,222,358	2,432,549,009	1,851,067,772	768,105,605	12,507,944,744	0.17402
2024	7,880,816,288	2,599,313,424	2,006,621,432	756,746,690	13,243,497,834	0.17402

<sup>1</sup> Other property includes recreational, institutional, vacant, and miscellaneous property.

<sup>2</sup> Tax-exempt property is excluded from the total taxable assessed value.

**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.

Sources: HdL Coren & Cone; Orange County Assessor

**CITY OF BREa, CALIFORNIA**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
City Direct Rates:										
City of Brea	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902	\$ 0.12902
City of Brea Paramedics Tax <sup>1</sup>	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500	0.04500
Total City Direct Rate	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402	0.17402
Overlapping Rates:										
Brea-Olinda Unified School District General Fund	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990	0.43990
Brea-Olinda Unified School District Bonds	0.02528	0.02292	0.02298	0.02325	0.02370	0.02291	0.02489	0.02376	0.02412	0.02198
NOC Community College General Fund	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660	0.06660
NOC Community College Bonds	0.01704	0.01704	0.01704	0.01704	0.01704	0.01704	0.01704	0.01704	0.01704	0.01704
Educational Revenue Augmentation Fund	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260	0.18260
Orange County Department of Education	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910	0.03910
Orange County Flood Control District	0.01888	0.01888	0.01888	0.01888	0.01888	0.01888	0.01888	0.01888	0.01888	0.01888
Orange County General Fund	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890	0.05890
Orange County Harbors, Beaches & Parks	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459	0.01459
Orange County Library District	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592	0.01592
Orange County Sanitation District Two Operating	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080	0.03080
Orange County Transportation Authority	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268	0.00268
Orange County Vector Control	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107	0.00107
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Total Direct Rate	\$ 1.09088	\$ 1.08852	\$ 1.08858	\$ 1.08885	\$ 1.08930	\$ 1.08851	\$ 1.09049	\$ 1.08936	\$ 1.08972	\$ 1.08758

<sup>1</sup> The City of Brea Paramedic Tax rate is per \$100 of assessed value.

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% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of bonded debt and property tax overrides.

The Redevelopment Agency tax rate is not presented above in that property within the project area is subject to a tax rate of 1.0495%, which includes the Proposition 13 property tax rate of 1.00% and the applicable voter approved debt.

Leases

Source: Hdl. Coren & Cone, Orange County Assessor Combined Tax Rolls

**CITY OF BREA, CALIFORNIA**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2023-24			Fiscal Year 2014-15		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Retail Property Trust	\$ 273,078,552	1	2.03%	\$ 232,504,316	1	2.87%
Olen Pointe Brea LLC	186,092,610	2	1.38%	98,388,324	6	1.21%
RAR2 200 North Puente LLC	184,424,553	3	1.37%	106,254,205	3	1.31%
Amazon Com Services, LLC	168,370,544	4	1.25%			
Avalon Brea Place, LLC	139,757,085	5	1.04%			
USCMF Joule La Floresta LLC	112,541,689	6	0.84%			
Beckman Coulter Inc.	109,834,211	7	0.82%	173,483,711	2	2.14%
FW CA-Brea Marketplace LLC	107,657,695	8	0.80%	101,402,625	5	1.25%
Brea Place II LLC	99,599,163	9	0.74%			
Brea Union Plaza II LLC	98,054,651	10	0.73%	72,781,191	7	0.90%
ICE Holdings LLC				51,838,329	9	0.64%
Mercury Casualty Co				50,975,457	10	0.63%
New Albertson's Inc.				52,606,706	8	0.65%
CRE Brea Valencia LLC				103,885,264	4	1.28%
	<u>\$ 1,479,410,753</u>		<u>11.00%</u>	<u>\$ 1,044,120,128</u>		<u>12.88%</u>

The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

Sources: HdL Coren & Cone, County of Orange Assessor's Office

**CITY OF BREA, CALIFORNIA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 14,720,458	\$ 14,481,121	98.37	\$ 145,952	\$ 14,627,073	99.37
2016	16,669,635	16,489,408	98.92	166,642	16,656,050	99.92
2017	17,274,771	16,771,004	97.08	172,238	16,943,242	98.08
2018	19,516,778	19,193,847	98.35	163,773	19,357,620	99.18
2019	20,815,715	20,526,862	98.61	140,418	20,667,280	99.29
2020	22,223,439	21,836,049	98.26	193,761	22,029,810	99.13
2021	24,227,814	23,892,502	98.62	167,656	24,060,158	99.31
2022	24,790,572	24,686,602	99.58	262,838	24,423,764	98.52
2023	27,345,697	27,238,873	99.61	230,440	27,008,433	98.77
2024	28,514,526	28,404,904	99.62	5,634,170	22,770,734	79.86

**NOTE:**

The amounts presented include 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.

Source: County of Orange Auditor Controller's Office

**CITY OF BREA, CALIFORNIA**  
**Taxable Sales by Category**  
**Last Ten Fiscal Years**

Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Department Stores	\$ 3,020,454	\$ 2,959,079	\$ 2,827,804	\$ 2,576,479	\$ 2,496,605	\$ 2,024,839	\$ 1,963,194	\$ 2,350,485	\$ 2,381,399	\$ 2,309,138
Restaurant	2,159,263	2,258,542	2,305,596	2,512,626	2,441,525	2,129,793	1,981,935	2,741,013	2,933,868	2,959,395
Light Industry	2,049,527	2,171,917	2,158,761	2,000,878	2,162,541	2,220,495	2,431,072	2,720,925	3,404,263	3,589,712
Building Materials-Wholesale	1,799,592	2,051,748	2,116,119	2,071,993	2,251,101	2,264,618	2,176,465	2,455,321	3,234,000	2,861,400
Apparel Stores	1,732,123	1,696,435	1,676,921	1,589,063	1,608,941	1,298,914	1,118,845	1,503,442	1,423,355	1,357,597
Miscellaneous Retail	1,779,009	1,652,697	1,558,413	1,575,008	1,430,115	1,160,807	1,222,469	1,561,652	1,523,628	1,468,295
Furniture/Appliance	801,114	763,158	810,168	976,083	1,071,240	895,046	685,518	936,838	1,169,919	969,780
Service Stations	844,593	712,761	674,913	705,984	740,148	603,696	494,880	797,492	775,577	756,625
Food Markets	358,917	469,420	488,165	437,616	421,421	430,868	528,657	480,219	497,257	419,766
Building Materials-Retail	446,278	470,340	472,178	500,971	430,202	396,907	527,090	512,632	516,627	511,815
Heavy Industry	356,465	408,035	359,099	674,914	745,514	633,444	726,287	615,256	676,688	693,842
Auto Sales-New	315,306	288,732	441,956	534,567	2,522,614	2,173,665	1,340,847	2,291,054	2,567,695	1,455,489
Other	1,805,690	1,922,933	1,927,869	1,680,294	1,800,006	5,262,832	6,281,952	5,131,673	7,707,754	5,802,497
Total	\$ 17,468,331	\$ 17,825,797	\$ 17,817,962	\$ 17,836,476	\$ 20,121,973	\$ 21,495,924	\$ 21,479,211	\$ 24,098,002	\$ 28,812,030	\$ 25,155,351

**NOTE:**

Totals do not include portion of State and County pool as well as the impact of the State Triple Flip.

Source: MuniServices until 2019. Beginning in 2020 Avenue Insights & Analytics Company



**CITY OF BREA, CALIFORNIA**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>3</sup>	Debt Per Capita <sup>3</sup>
	Lease Revenue Bonds	Leases <sup>2</sup>	Subscription IT	Total Governmental Activities	Water Revenue Bonds <sup>1</sup>	Total Primary Government		
2015	\$ 2,760,000	\$ 3,652,690	\$ -	\$ 6,412,690	\$ 52,890,000	\$ 59,302,690	2.48%	1,369
2016	2,760,000	4,833,071	-	7,593,071	53,325,495	60,918,566	2.41%	1,394
2017	2,760,000	4,261,876	-	7,021,876	50,150,000	57,171,876	2.08%	1,293
2018	2,760,000	3,658,172	-	6,418,172	49,110,000	55,528,172	1.89%	1,237
2019	2,760,000	3,192,714	-	5,952,714	48,010,000	53,962,714	1.71%	1,183
2020	2,760,000	597,095	-	3,357,095	46,042,678	49,399,773	1.51%	1,083
2021	2,760,000	301,222	-	3,061,222	46,054,015	49,115,237	1.46%	1,088
2022	2,220,000	27,080	-	2,247,080	44,195,517	46,442,597	1.22%	991
2023	2,220,000	107,618	227,239	2,327,618	42,459,196	44,786,814	1.11%	929
2024	2,220,000	69,568	124,129	2,289,568	40,720,867	43,010,435	1.01%	901

<sup>1</sup> For the fiscal year ended June 30, 2015, the Brea Community Benefit Financing Authority issued over \$18 million of water revenue bonds.

<sup>2</sup> For the fiscal year ended June 30, 2016, the City of Brea entered into a lease purchase agreement for \$1,952,104.

<sup>3</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

NOTE: Details regarding the outstanding debt can be found in the notes of the financial statements.

**CITY OF BREA, CALIFORNIA**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

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<b>Fiscal Year Ended June 30</b>	<b>Lease Revenue Bonds</b>	<b>Restricted for Debt Service</b>	<b>Net Bonded Debt</b>	<b>Percentage of Assessed Value of Property <sup>1</sup></b>	<b>Per Capita <sup>2</sup></b>
2015	\$ 2,760,000	\$ 264,636	\$ 2,495,364	0.03%	58
2016	2,760,000	269,453	2,490,547	0.03%	57
2017	2,760,000	265,707	2,494,293	0.03%	57
2018	2,760,000	265,506	2,494,494	0.03%	56
2019	2,760,000	270,863	2,489,137	0.02%	55
2020	2,760,000	269,853	2,490,147	0.02%	55
2021	2,760,000	262,772	2,497,228	0.02%	55
2022	2,220,000	-	2,220,000	0.02%	47
2023	2,220,000	-	2,220,000	0.02%	48
2024	2,220,000	-	2,220,000	0.02%	47

<sup>1</sup> See schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in schedule of Demographic and Economic Statistics.

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF BREA, CALIFORNIA**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2024**

City Assessed Valuation: \$ 13,242,466,483

	Estimated Percentage Applicable <sup>1</sup>	Debt Outstanding	Estimated Share of Overlapping Debt
Overlapping Debt Repaid with Property Taxes:			
Metropolitan Water District	0.342	\$ 18,210,000	\$ 62,278
North Orange County Joint Community College District	7.734	291,560,678	22,549,303
Brea-Olinda Unified School District	97.061	4,344,682	4,216,992
Placentia-Yorba Linda Unified School District	1.207	197,150,879	2,379,611
Rowland Unified School District	0.164	197,865,036	324,499
Fullerton Joint Union High School District	1.942	177,700,000	3,450,934
Fullerton School District	0.006	13,190,000	791
La Habra City School District	11.003	33,373,052	3,672,037
City of Brea Community Facilities Districts	100	8,545,000	8,545,000
Brea-Olinda Unified School District Community Facilities District No. 95-1	100	3,300,000	3,300,000
Total overlapping debt repaid with property taxes		<u>945,239,327</u>	<u>48,501,445</u>
Overlapping Other Debt:			
Orange County General Fund Obligation			7,574,622
Orange County Board of Education Certificates of Participation			172,516
North Orange Regional Occupation Program Certificates of Participation			583,296
Brea-Olinda Unified School District Certificates of Participation			6,420,585
Placentia-Yorba Linda Unified School District Certificates of Participation			964,393
Fullerton Joint Union High School District Certificates of Participation			290,135
Fullerton School District Certificates of Participation			<u>145</u>
Total overlapping general fund debt			<u>16,005,692</u> <sup>2</sup>
Total overlapping debt			64,507,137
City of Brea Direct Debt:			
Leases			<u>148,889</u>
Total City of Brea Direct Debt			<u>148,889</u>
Combined total direct and overlapping debt			<u>\$ 64,656,026</u> <sup>3</sup>

<sup>1</sup> Percentage of overlapping agency's assessed valuation located within the boundaries of the City.

<sup>2</sup> Previously classified Orange County Sanitation District certificates of participation have been reclassified as district revenue supported issues and are no longer included as a general fund debt in the debt statement.

<sup>3</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds.

NOTE:  
Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Brea. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.

CITY OF BREA, CALIFORNIA  
Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24
Assessed value	\$ 8,026,908,085	\$ 8,532,576,967	\$ 9,116,002,399	\$ 9,660,027,845	\$ 10,286,668,026	\$ 10,859,937,204	\$ 11,344,344,046	\$ 11,934,362,924	\$ 12,518,201,034	\$ 13,242,466,483
Debt limit: 3.75% of assessed value	\$ 301,009,053	\$ 319,971,636	\$ 341,850,090	\$ 362,251,044	\$ 385,750,051	\$ 407,247,645	\$ 425,412,902	\$ 447,538,610	\$ 469,432,539	\$ 496,592,493
Legal debt margin										\$ 496,592,493

NOTE:

Under state finance law, the City of Brea's outstanding general obligation debt should not exceed 3.75 percent of total assessed property value.  
By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF BREA, CALIFORNIA**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Water Revenue Bonds					
	Less:		Net	Debt Service		Coverage
	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Available Revenue	Principal	Interest <sup>3</sup>	
2015	\$ 17,803,755	\$ 10,685,147	\$ 7,118,608	\$ 1,015,000	\$ 2,351,374	2.11
2016	16,489,077	9,162,038	7,327,039	1,315,000	2,348,737	2.00
2017	19,194,816	9,865,661	9,329,155	1,425,000	2,381,873	2.45
2018	22,692,925	11,972,562	10,720,363	1,040,000	2,361,556	3.15
2019	21,492,916	12,636,817	8,856,099	1,100,000	2,286,421	2.62
2020	21,445,311	13,006,772	8,438,539	1,165,000	1,668,816	2.98
2021	23,512,550	15,881,851	7,630,699	865,000	1,545,361	3.17
2022	22,939,213	9,797,841	13,141,372	1,732,749	2,519,136	3.09
2023	20,261,496	13,811,626	6,449,870	1,470,000	1,392,479	2.25
2024	20,716,556	14,254,001	6,462,555	1,530,000	1,187,428	2.38

<sup>1</sup> Gross revenues exclude connection fees.

<sup>2</sup> Operating expenses do not include interest or depreciation.

<sup>3</sup> Interest expense is net of the Build America Bonds interest refund credits.

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**CITY OF BREA, CALIFORNIA**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

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<b>Fiscal Year Ended June 30</b>	<b>Population <sup>1</sup></b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income <sup>2</sup></b>	<b>Unemployment Rate <sup>3</sup></b>
2015	43,328	\$ 2,387,199	\$ 55,096	3.9%
2016	43,710	2,524,209	57,749	3.4%
2017	44,214	2,744,407	62,071	3.1%
2018	44,890	2,935,806	65,400	3.0%
2019	45,606	3,159,036	69,268	2.8%
2020	45,629	3,272,101	71,711	13.6%
2021	45,137	3,368,033	74,618	6.5%
2022	46,872	3,798,226	81,034	2.8%
2023	48,184	4,025,918	83,553	3.6%
2024	47,725	4,242,609	88,897	4.1%

Sources:

<sup>1</sup> City Community Development, Planning Division

<sup>2</sup> Per capita income for Orange County; U.S. Department of Commerce, Bureau of Economic Analysis

<sup>3</sup> State of California Employment Development Department - Labor Market Information Division

**CITY OF BREA, CALIFORNIA**  
**Principal Employers**  
**Current Fiscal Year and Nine Years Ago**

Employer	Fiscal Year 2023-24			Fiscal Year 2014-15		
	Employees	Rank	Percent of Total City Employment <sup>1</sup>	Employees	Rank	Percent of Total City Employment
Albertson's, Inc.	1,156	1	4.94%	520	6	3.10%
Beckman Coulter, Inc. <sup>2</sup>	837	2	3.58%	1,200	3	5.48%
Brea Olinda Unified School District	615	3	2.63%	678	5	2.37%
Nationwide (formerly Veterinary Pet Ins.) <sup>2</sup>	460	4	1.97%	460	7	2.10%
Service Champions Plumbing, HVAC <sup>2</sup>	406	5	1.74%			
Bristol Industries <sup>2</sup>	405	6	1.73%	400	9	1.83%
Nordstrom Department Store <sup>2</sup>	385	7	1.65%	419	8	1.91%
24 Hour Fitness, USA, LLC <sup>2</sup>	201	8	0.86%			
Acosta Sales & Marketing <sup>2</sup>	163	9	0.70%			
The Olive Garden Italian Restaurant <sup>2</sup>	122	10	0.52%			
Mercury Insurance Group				1,500	2	6.85%
Kirkhill - TA Company				920	4	4.20%
Peterson Brothers Construction <sup>3</sup>				300	10	1.37%
Bank of America <sup>3</sup>				1,500	1	6.85%
Total	<u>4,750</u>		<u>20.32%</u>	<u>7,897</u>		<u>36.06%</u>

<sup>1</sup> Based upon the Employment Development Department's Labor Force estimate of 23,400 in 2023 out of a total population of 47,725.

<sup>2</sup> Used prior year employee count.

<sup>3</sup> No longer in the City of Brea.

<sup>4</sup> HDL Companies

Source: Calls to businesses.

**CITY OF BREA, CALIFORNIA**  
**Full-Time Equivalent City Employees by Function**  
**Last Ten Fiscal Years**

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	59	60	59	54	50	48	46	45	46	48
Public Safety	158	158	159	157	156	155	156	157	161	162
Community Development	21	21	23	22	19	19	21	22	23	22
Community Services	52	55	56	54	55	67	67	53	63	65
Public Works	42	45	47	49	47	47	47	48	50	54
Water Utility	17	17	15	16	18	17	17	17	19	19
Sewer Utility	6	6	6	6	5	5	5	5	6	6
Sanitation	2	2	4	3	2	1	1	1	1	2
External Information Technology	10	10	12	11	8	7	6	4	4	4
Total	367	374	381	372	360	366	366	352	373	382

Source: City of Brea Adopted Budget and Supplements to the Adopted Budget.



**CITY OF BREA, CALIFORNIA**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function:										
Police										
Calls dispatched	23,026	24,359	26,027	25,185	28,510	27,973	27,845	27,996	26,241	27,516
Crime reports	4,490	4,798	4,881	4,888	4,798	4,011	3,961	4,191	3,954	4,063
Moving citations	3,426	2,483	2,409	2,799	2,801	1,559	3,158	1,183	936	799
Parking citations	10,057	10,528	10,467	10,591	9,331	3,267	1,632	2,714	2,862	2,870
Water										
Number of customer accounts	12,951	13,153	13,224	13,338	13,428	13,449	13,474	13,467	13,408	13,474
Average daily consumption (millions of gallons)	10	8	8	9	8	8	9	9	8	8
Water samples taken	686	732	780	824	783	821	821	821	821	821
Community Development										
Permits issued	1,561	2,072	2,170	2,045	2,002	1,756	1,276	1,528	1,708	1,362
Inspections conducted	7,997	6,903	6,833	7,611	8,697	9,753	5,383	7,127	7,223	5,780
Public Works										
Square feet of graffiti removal	4,545	3,609	6,950	7,074	5,310	8,100	6,542	12,135	4,088	1,684
Streetsweeping miles	20,128	20,333	21,060	21,476	17,300	11,373	10,613	9,759	10,999	11,425
Trees pruned per year	3,408	3,275	2,830	2,158	2,745	1,838	1,879	1,693	2,713	2,850
Traffic signal intersections maintained <sup>1</sup>	52	53	56	56	53	53	54	54	54	54
Infrastructure improv. projects administered	10	8	8	6	8	9	8	-	6	3
Culture and Recreation										
Gallery promotions and mailings	18,500	14,800	14,800	14,800	14,800	7,400	-	5,995	-	2,050
Gallery attendance	10,042	12,807	10,175	7,700	7,000	6,740	1,790	2,854	7,244	5,105
Theatre annual program brochures mailed	26,258	34,670	31,853	10,200	21,906	16,086	-	28,177	32,424	27,727
Theatre attendance	12,926	50,476	47,832	41,499	34,803	23,861	2,306	6,176	64,620	69,029
General government										
Accounts payable warrants issued	8,599	7,569	7,154	6,980	7,026	7,215	6,632	6,092	6,252	6,355

<sup>1</sup> Doesn't include five flashing beacons the City maintains

**CITY OF BREA, CALIFORNIA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function:										
Highways and streets										
Miles of streets	120	121	121	121	126	126	126	126	126	126
Street lights	3,401	3,452	3,452	3,452	3,452	3,452	3,452	3,452	3,452	3,452
Water										
Number of water wells	1	1	1	1	1	1	1	1	1	1
Number of reservoirs	7	7	7	7	7	7	7	7	7	7
Miles of lines & mains	197	197	212	212	212	225	225	225	225	225
Sewer										
Miles of sanitary sewers	111	112	112	112	114	114	114	114	114	114
Miles of storm drains	26	27	27	27	27	27	27	27	27	27
Culture and Recreation										
Number of parks	13	13	13	14	14	14	14	14	14	14
Number of other facilities	7	7	7	7	7	7	7	7	7	7

Source: City of Brea



CITY OF BREA, CALIFORNIA  
FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused  
on YOU



CITY OF BREA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

CITY OF BREA, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

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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

To the Honorable Mayor and Members of the City Council  
City of Brea, 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 Brea, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Irvine, California  
December 20, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council  
City of Brea, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Brea, California (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





To the Honorable Mayor and Members of the City Council  
City of Brea, California

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 20, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Lance, Soll & Lughard, LLP*

Irvine, California  
December 20, 2024

**CITY OF BREA, CALIFORNIA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2024**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
<b>U.S. Department of Housing &amp; Urban Development</b>			
Pass through County of Orange			
CDBG - Entitlement Grants Cluster			
COVID-19: Community Development Block Grants/Entitlement Grants	14.218	L3UNGNMK6BT8	\$ 99,859
Community Development Block Grants/Entitlement Grants	14.218	L3UNGNMK6BT8	145,616
Subtotal - Assistance Listing #14.218			245,475
Total CDBG - Entitlement Grants Cluster			245,475
Total Dept of Housing & Urban Development			<b>245,475</b>
<b>U.S. Department of Transportation</b>			
Department of Transportation Direct Programs:			
Highway Safety Cluster			
State and Community Highway Safety	20.600	N/A	11,760
Subtotal State and Community Highway Safety program			11,760
Total Highway Safety Cluster			11,760
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	24,220
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			24,220
Total U.S. Department of Transportation			35,980
<b>U.S. Department of Justice</b>			
Department of Justice Direct Programs:			
State and Local Overtime (SLOT) Program	16.000	N/A	26,952
Equitable Sharing	16.922	N/A	8,297
Total U.S. Department of Justice			35,249
<b>U.S. Department of Treasury</b>			
Department of Treasury Direct Programs:			
Equitable Sharing	21.016	N/A	14,228
COVID-19 Coronavirus State and Local Fiscal Recovery Funds*	21.027	N/A	347,516
Pass through County of Orange:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds*	21.027	21-23-0002-HR	625,000
Total Department of Treasury Programs			986,744
<b>U.S. Department of Homeland Security, Federal Emergency Management Agency</b>			
Pass through California Governor's Office of Emergency Services			
Hazard Mitigation Grant Program	97.039	PS4RBZRWY7U5	47,568
Total U.S. Department of Homeland Security			47,568
<b>U.S. Department of Agriculture</b>			
Pass through California Governor's Office of Emergency Services			
Cooperative Forestry Assistance			
and Cleanup Cooperative Agreements	10.664	PS4RBZRWY7U5	86,621
Total U.S. Department of Agriculture			86,621
<b>U.S. Department of Health &amp; Human Services</b>			
Department of Health & Human Services Direct Programs:			
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.044	N/A	30,711
Total Department of Transportation Programs			30,711
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,468,348</b>

\* Major Program

<sup>1</sup> There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

<sup>2</sup> The amount provided to subrecipients during the year was \$0.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**A. Scope of Presentation**

The accompanying schedule presents only the expenditures incurred by the City of Brea, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

**B. Basis of Accounting**

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF BREA, CALIFORNIA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2024**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial  
statements noted?

☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ☐ yes ☒ no
- Significant deficiencies identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified Opinion

Any audit findings disclosed that are required to be  
reported in accordance with Title 2 U.S. Code of  
Federal Regulations (CFR) Part 200, *Uniform  
Administrative Requirements, Cost Principles, and  
Audit Requirements for Federal Awards* (Uniform  
Guidance)?

☐ yes ☒ no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish  
between type A and type B program

\$750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON  
PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

To the Honorable Mayor and Members of the City Council  
City of Brea, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation) of the City of Brea, California, for the year ended June 30, 2024. These procedures are the responsibility of the City, which were agreed to by the City of Brea and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution), were performed solely to assist the City of Brea in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of Brea management is responsible for the Appropriations Limit Worksheet No. 6 (or other alternative computation).

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of recomputing the Appropriations Limit Worksheet No. 6 (or other alternative computation). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the completed Worksheets No. 1 through No. 7 (or other alternative computations) and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the City Council.

**Finding:** No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet No. 6, we multiplied line A, last year's limit, by line D, ratio of change and compared the resulting amount to line E, this year's limit.

**Finding:** No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Worksheet No. 6 to the other worksheets described in No. 1 above.

**Finding:** No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet No. 6 to the prior year appropriations limit adopted by the City Council for the prior year.

**Finding:** No exceptions were noted as a result of our procedures.





To the Honorable Mayor and Members of the City Council  
City of Brea, California

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accompanying Appropriations Limit Worksheet No. 6 (or other alternative computation). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information of the City Council and management of the City of Brea and is not intended to be, and should not be, used by anyone other than these specified parties.

*Lance, Soll & Lughard, LLP*

Brea, California  
July 26, 2024

CITY OF BREA  
2023-2024  
APPROPRIATIONS LIMIT CALCULATION

A. 2022-2023 APPROPRIATIONS LIMIT:	\$ 122,256,170	
B. 2023-2024 CHANGE IN PER CAPITA PERSONAL INCOME:		4.44%
C. 2023-2024 CHANGE IN POPULATION:		2.63%
D. RATIO OF CHANGE (1.0444 x 1.0263)	<u>x 1.071867</u>	
E. 2023-2024 APPROPRIATIONS LIMIT: (\$122,256,170 x 1.071867)	<u>\$ 131,042,354</u>	



December 20, 2024

To the Honorable Mayor and Members of the City Council  
City of Brea, 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 the City of Brea, (the "City") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 28, 2024. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

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. No new accounting policies were adopted, and the application of existing policies was not changed during 2023-2024. 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 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 City's financial statements were:

Management's estimates of the net pension and other postemployment benefits liabilities are based on actuarial valuations. We evaluated the methods, assumptions, and data used to develop the net pension and other postemployment benefits liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

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.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 20, 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 City's financial statements or a determination of the type of auditor's 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.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, 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, 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 were not engaged to report on the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Honorable Mayor and Members of the City Council  
City of Brea, California

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 102, *Certain Risk Disclosures*.

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements*.

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

Major Project, *Going Concern Uncertainties and Severe Financial Stress*.

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll &amp; Lunghard, LLP". The signature is written in a cursive, flowing style.

Lance, Soll & Lunghard, LLP



## Finance Committee Communication

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### D. Approve Grant-Funded Increase to December 2023 Agreement with Motorola Solutions, Inc.

Meeting	Agenda Group
Tuesday, January 14, 2025, 8:30 AM	DISCUSSION Item: 3D.
TO	FROM
Finance Committee Members	Kristin Griffith, Interim City Manager

### **RECOMMENDATION**

Staff recommends that the Finance Committee recommend the City Council take the following action:

Approve a \$274,140 increase to a December 2023 agreement with Motorola Solutions, Inc., to fund Rooftop Pilot in Command (RPIC) services for Police Department's Drone as a First Responder (DFR) program.

### **BACKGROUND/DISCUSSION**

The City Council authorized the Police Department to enter into a contract with Motorola Solutions, Inc., in December 2023 in order to purchase various hardware and software components related to the Police Department's Integrated Crime Center. The five-year contract was for a total of \$2,456,998.

The City's Purchasing Division issued Purchase Order No. 224222 for \$1,995,008 to acquire "Year 1" (2024) software and hardware from Motorola. Between January and December 2024, the Police Department has been acquiring these technologies from Motorola and charging them against the Purchase Order. Each of these expenditures have been reimbursed through the Police Department's BSCC Organized Retail Theft grant.

As planned, the Police Department now seeks to expand its drone program into a Drone as a First Responder (DFR) program. The Police Department has been working toward this in Year 1 by planning for a rooftop landing pad, planning the purchase of larger drone aircraft, and obtaining necessary training, waivers, and approvals from the Federal Aviation Administration (FAA). The Police Department anticipates starting the DFR program in May 2025.

In order to have a DFR program, the Police Department needs to provide Remote Pilot in Command (RPIC) personnel at the rooftop launch site while the DFR pilot is on duty. The RPIC's primary role will be a visual observer, as required by current FAA rules. The RPIC will also provide minor maintenance of the drone aircraft during their shift (battery swaps, aircraft rotation, memory/SIM card management, etc.).

The Police Department seeks to modify the Year 2 and Year 3 contract with Motorola to provide this RPIC service through Motorola's subcontractor, Flying Lion. Flying Lion has been involved in the Police Department's drone program since its inception, providing pilot training, and assisting with pilot and program certification with the FAA. Flying Lion provides RPIC services at many police agencies across Southern California. Flying Lion will provide one RPIC, 40 hours per week, with half of the hours being during daytime and half during nighttime.

The Motorola contract's original price for Year 2 (2025) and Year 3 (2026) included maintenance costs for Command Central Aware (software), Avigilon (video management solution), Vigilant (license plate readers), and CAPE (drone software). The Police Department seeks to modify the Year 2 and Year 3 costs to pay for the RPIC services. The cost for these services will be up to \$130,540 to Year 2 and up to \$143,600 to Year 3. This represents a total increase of \$274,140.

Police Department staff are currently examining technology (hardware and software) that would replace the need for RPIC personnel. For that reason, this contract amendment allows for all Year 3 expenditures (\$143,600) to be spent toward technology to replace the RPIC personnel.

### **SUMMARY/FISCAL IMPACT**

Approval of this modification will cost up to \$274,140 between January 2025 and December 2026. However, with an anticipated May 2025 implementation of a DFR program, the Police Department expects to spend around \$88,000 in Year 2 - not the full \$130,540. The BSCC grant will reimburse all costs incurred through December 2026 from the awarded amount of \$5,941,357.

### **RESPECTFULLY SUBMITTED**

Kristin Griffith, Interim City Manager

Prepared By: Christopher Harvey, Police Lieutenant

Concurrence: Adam Hawley, Chief of Police

### **Attachments**

[BREA Amended MSA](#)

[Approved Request to Purchase - BSCC - 01.06.2025 \(RPIC Services from Flying Lion through Motorola\).pdf](#)

[Request to Purchase - BSCC - 01.06.2025 \(RPIC Services from Flying Lion through Motorola\).pdf](#)





**BREA POLICE DEPARTMENT, CITY OF**  
Brea Police Department - DFR RPIC SERVICES  
11/12/2026



12/02/2024

CITY OF BREA POLICE DEPT.  
1 CIVIC CTR CIR  
BREA, CA 92821

RE: Motorola Quote for Brea Police Dept - DFR RPIC Services  
Dear Sgt Omar Brioso,

Motorola Solutions, Inc. (Motorola) is pleased to present CITY OF BREA POLICE DEPT, with this quote for quality equipment and services. The development of this quote provided us the opportunity to evaluate your requirements and propose a solution to fulfill the agency's needs.

This information is provided to assist you in your evaluation process. We aim to provide BREA POLICE DEPT, CITY OF, with the best products and services available. Please direct any questions to Mark Domangue at [mark.domangue@motorolasolutions.com](mailto:mark.domangue@motorolasolutions.com).

Motorola's proposal is subject to the terms and conditions of the Online Terms Acknowledgement and the additional terms enclosed here (collectively, the "Agreement"). The proposal is valid until December 31, 2024.

We thank you for the opportunity to provide this information and look forward to your review and feedback regarding this quote.

Sincerely,

David Redus,  
Sr Manager



Billing Address:  
BREA POLICE DEPT, CITY OF  
1 CIVIC CTR CIR  
BREA, CA 92821 US

Quote Date:12/03/2024  
Expiration Date:12/31/2024 Quote  
Created By: Mark Domangue  
Account Manager  
mark.domangue@motorolasolutions.com  
909-552-6551  
  
End Customer:  
BREA POLICE DEPT, CITY OF  
Sgt Omar Briosio OmarB@ci.brea.ca.us  
714-990-7639

Summary:  
Rooftop RPIC Staffing per Launch Location

Line #	Item Number	Description	QTY	Term	List Price	Sales Price	Ext. Sale Price
1	PSV00S02727A	40 hours/week -- 50%	1	2 Year	274,140.00	\$274,140.00	\$274,140.00
		Daytime / 50% Nighttime					
		(4 days @ 10 hrs/day or 5					
		days @ 8 hrs/day					
		Grand Total					\$274,140.00

Pricing Summary				
		Payment Term		Upfront Sale Price
Year 1 Managed Service Cost				\$130,540.00
	Cape/Service	Annually		
Subtotal				\$130,540.00
		Payment Term	Sales Price	Annual Sale Price
Year 2 Managed Service Fee				
	Cape	Annually	\$143,600.00	\$143,600.00
Subtotal				\$130,540.00
Grand Total				\$274,140.00

## Notes:

- Additional information is required for one or more items on the quote for an order.
- Unless otherwise noted, this quote excludes sales tax or other applicable taxes (such as Goods and Services Tax, sales tax, Value Added Tax and other taxes of a similar nature). Any tax the customer is subject to will be added to invoices.
- Annual Service is paid upfront for one year.
- **At the end of Year 1, fees apportioned for the Managed Services for Year 3 may be usable as a credit to purchase software and services, or other technology including ground based radar, camera observation, or other similar hardware or equipment, from Motorola that would remove the need for a rooftop observer. This is subject to the commercial availability of such software, services, and/or equipment..**

# CAPE DRONE SOFTWARE STATEMENT OF WORK

## AGREEMENT

In accordance with the terms and conditions of the Agreement, this Statement of Work (SOW) defines the principal activities and responsibilities of all parties for the delivery of the Motorola Solutions, Inc. (Motorola) system as presented in this offer to the Customer. When assigning responsibilities, the phrase “Motorola” includes our subcontractors and third-party partners.

All terms and conditions of the Agreement shall govern Motorola's and Customer's obligations under this SOW. For clarification, in the event of any direct conflict between a term in the Agreement and a specific provision in this SOW, the provision in this SOW will prevail. Terms used but not defined herein shall have the meanings given to them in the Agreement.

This SOW is effective as of the Effective Date of the Agreement.

## SERVICE DESCRIPTION

CAPE Drone Software is a drone flight control software that facilitates live streaming, video management capabilities, and Line-of-Sight (LOS), Teleoperation-Line-Of-Sight (TLOS), or Teleoperations Beyond-Visual-Line-Of-Sight (BVLOS) operations dependent on customer subscription. It supports various drones and can integrate with the Customer's new or existing hardware.

CAPE Drone Software is delivered through a subscription-based Software-as-a-Service (SaaS) model.

Motorola will perform the following implementation tasks to prepare the Customer's system/network for CAPE Drone Software functionality.

	Work Item	Description
Site Specific	Creation of Subdomain	Create a unique URL name per the naming convention.
	Hardware Setup	Determine and recommend proper hardware requirements for the needs of the customer UAS program.
	Network Configuration	Work with Customer IT to configure firewall profiles with the correct ports and IP address ranges.
	Launch Area Designation	The area must be tested to reduce any EMF/RF interference (e.g., too much metal rebar in the surface structure).
	Define and Assess the Safety of Geofenced Areas of Operation	RF & EMF analysis is conducted to isolate problematic areas within the operational flight area.
		The aircraft must be tested thoroughly at the launch site to ensure successful launch and landings (e.g., no flyaways or abnormal behavior).

## SYSTEM REQUIREMENTS

The Services are cloud-based and provided over the internet. Customer must provide all equipment and software necessary to connect to the Services. Customer is solely responsible for any fees, including internet connection or mobile fees, that incur when accessing the Services and transferring data.

The following minimal specifications are required for the CAPE Drone Software to have base functionality:

- WiFi and WAN Network connectivity at all launch facilities:
- Pilot In Command (PIC) launch location: Dedicated bandwidth minimum of 20Mbps upload and 20Mbps download.
- PIC launch location: Dedicated bandwidth minimum of 20Mbps upload and 20Mbps download.
- Minimum 4G LTE wireless connectivity (if a network access point is unavailable).
- IT firewall profile configuration must always be maintained to allow ports and IP address ranges to operate CAPE.
- Electrical and A/C for housing drones based on the manufacturer's operating instructions and specifications.
- Drones as First Responder's launch site must be a minimum 8ft. x 8ft. landing Pad at all launch locations.
- Part 107 Certified Pilots.
- UAS / Drone Hardware supported by the CAPE software.
- Computer Hardware, per Motorola specifications
- PC Requirement Recommendation:
  - CPU
    - Minimum: Intel Core i5-10210U Processor
    - Recommended: Intel Core i7-10610U Processor
- RAM
  - Minimum: 8 GB SDRAM
  - Recommended: 16 GB SDRAM
- Hard Drive
  - Minimum: 256 GB SSD
  - Recommended: 512 GB SSD
  - SSDs are significantly faster for boot-up, application loading, and spare cache. If getting a standard hard disk, look for 7200rpm over 5400rpm (faster read/write access).
- GPU (Graphics Card)
  - Minimum: Radeon Ryzen 7 7730U
  - Recommended: Intel UHD Premium Graphics
- Display
  - Recommend a display capable of 1080p (1920x1080) or better for viewing media/playback.
- Operating System
  - Supported: Windows 10 Pro 64, Windows 10 Home 64
  - Recommended: Windows 10 Pro 64, Windows 10 Home 64

## GENERAL RESPONSIBILITIES

### Motorola Responsibilities

- Enable CAPE Drone Software on the Customer's network.
- Provide CAPE Configuration Documents.
- Motorola will create customer accounts using the authorized user information provided in the registration form.
- Provide Customer access to the administrative portal.
- Flight logs:
  - Flight date and time duration.
  - Telemetry.
  - Flight error and warning notifications.
  - PIC and teleoperator info.
- Live Streaming for up to 49 viewers
- Provide on-site training.
- Provide 24x7x365 post-implementation Support.

### Customer Responsibilities

- Customer will provide a Project Manager responsible for managing user accesses, data retention periods, and public flight data visibility.

- Customer will assign a Hardware Maintenance Designee responsible for ensuring that drones and related hardware are properly maintained and operational.
- The customer is responsible for implementing or acquiring UAS Safety Operating Procedures (SOP), Safety Risk Management (SRM), and Personal Protective Equipment (PPE).
- Fleet management and reporting
- Customer will obtain, by their own means or through a third party, FAA Waivers for drone operations.
- In order to use CAPE, any end user who has registered an account with CAPE will be required to become an Authorized User. In registering for CAPE, Customer agrees to (1) provide true, accurate, current, and complete information about the Authorized User as prompted by the registration form (the "Registration Data") and (2) maintain and promptly update the Registration Data to keep it true, accurate, current and complete.
- Customer will provide email addresses for Authorized Users. Motorola will establish user accounts to CAPE for Authorized Users provided by Customer. Motorola will provide training to Customer pilots on the usage of Software.
- Customer is responsible for all operating policies and procedures, Drone Hardware, Internet Connectivity, and all IT equipment and infrastructure. Customer is also responsible for providing Drone Pilots and ensuring all such pilots have appropriate Federal Aviation Administration ("FAA") authorizations for all Drone operations. Customer is also responsible for obtaining any FAA Certificate of Authorization ("CoA") and regulatory approvals and waivers needed to ensure safe and FAA-compliant Drone operations. Customer is responsible for selecting Drone Pilots capable of operating Drone Hardware.
- Customer is responsible for properly configuring and using the Services and otherwise taking appropriate action to secure, protect, and backup accounts and content in a manner that will provide appropriate security and protection, which may include the use of encryption to protect content and routinely archiving content and data.

### Limitations and Exclusions

- Customer may access the Software and Services and administer permissions, including establishing Authorized Users authorized to access its Account. Access information for the Customer Account is for internal use only. Customer agrees not to sell, transfer, or sublicense the access information to any other entity or person, except that Customer may enable access by its agents and subcontractors performing work on its behalf. The customer is responsible for the security of its passwords, the use of its account, and all activities that occur under it. Motorola, its affiliates, and suppliers. Specifically disclaim any and all responsibility for unauthorized access to Customer Account. Customer agrees to diligently monitor its Account to restrict use by unauthorized persons. **Customer will be responsible for unauthorized use related to the Customer's handling of their own account access information, and that the Customer will not be responsible for unauthorized access due to negligence or willful misconduct by Motorola..**
- Motorola procures cloud hosting services from reputable third-party vendors (such as AWS and Google) and has no control over the methods they use to secure and integrity data on their servers. Motorola will use reasonable efforts to coordinate platform maintenance activities with such providers but is not responsible for service interruptions, breaches, or other data loss caused by such third-party providers.
- CAPE is not intended to be used as a video storage solution. Motorola does not provide an archiving service and only agrees not to intentionally delete any content or data prior to termination of the Agreement. Motorola expressly disclaims all other obligations with respect to storage. Motorola may reserve the right to delete any media data stored in the system, such as video or images, that is over 30 days old.

## DRONE HARDWARE PROVIDERS

THE DRONE HARDWARE IS MANUFACTURED BY THIRD PARTIES ("UAV PROVIDER"). MOTOROLA DISCLAIMS ANY LIABILITY FOR THE UAV PROVIDER'S COLLECTION, USE, TRANSFER, AND ANY OTHER PROCESSING OF CUSTOMER'S DATA. CUSTOMER ACKNOWLEDGES AND AGREES THAT MOTOROLA DOES NOT HAVE CONTROL AND SHALL HAVE NO LIABILITY REGARDING THE INFORMATION THAT MAY BE COLLECTED BY UAV PROVIDER, INCLUDING UAV PROVIDER'S SDK AND HOW SUCH DATA MAY BE USED BY UAV PROVIDER AND/OR THIRD PARTIES RECEIVING SUCH INFORMATION FROM UAV PROVIDER. MORE INFORMATION ABOUT UAV PROVIDER'S COLLECTION AND USE OF INFORMATION MAY BE FOUND IN THE UAV PROVIDER'S PRIVACY POLICY AT THE APPROPRIATE WEB SITES.

### DISCLAIMER

Motorola may collect, use, and disclose quantitative data derived from the use of the Service for industry analysis, benchmarking, analytics, marketing, and other business purposes to the extent that is in support of the provision of the Services, provided that any such data will be in aggregate form only and will not contain Authorized User personal data.

## GO LIVE SUPPORT

Motorola will provide Go Live Support for the Customer's efforts to commence live operation use of the software for 8 weeks post-implementation. Upon the Go Live date, Motorola will provide Support on a 24x7x365 basis via Intercom, phone, and email. On-site Support is available if support needs can not be resolved virtually.

## Managed Service Statement of Work:

### ROOFTOP RPIC STAFFING

Motorola will Staff the agreed-upon launch location with Part 107 certified professional remote pilots in Command (RPIC),

The RPIC will handle the day-to-day support of the Drone Hardware supplied by the agency, Visual Observation of the flight, and manual control of the Unmanned Aircraft.

- Provide for safety of drone flights, both line-of-sight and BVLOS
- Setup and takedown of drone equipment
- Aircraft airworthiness verification
- Daily coordination with members of the agency and Air Support Officer (ASO)
- Daily minor drone maintenance (e.g. broken propeller replacement, cleaning, etc.)
- Diagnose errors or technical problems and determine proper solutions
- Document and communicate technical issues to Motorola's Cape Support team

### Staffing Hours:

- The fees are based on Rooftop RPIC Staffing per Launch Location – 40 hours/week – 50% Daytime / 50% Nighttime or (4 days @ 10 hrs/day or 5 days @ 8 hrs/day)
- Nighttime Operational Hours based on the chart below
- Non-Flight Rate - Due to adverse weather or equipment failure (minimum of 5 hours compensation for any non-flight day)
- RPIC/VO Non-Flight Rate - Due to events outside the control of Flying Lion (TFR, adverse weather, equipment failure, etc.) A minimum of 5 hours compensation for any non-flight day when 24-hour advance warning is not provided.

The following may result in additional Fees:

- Overtime is charged for time over 10 hours per shift per pilot.
- Holiday Pay (1.5) for 6 Holidays per year – The following national holidays, the hourly rates will be paid at time-and-a-half (1.5x) on the day observed: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

### Nighttime Operational Hours

Month	Sunset	Sunrise
January	5:00pm PST	7:00am PST
February	5:30pm PST	6:30am PST
March	6:00pm PST, 7:00pm PDT	6:00am PST, 7:00am PDT
April	7:30pm PDT	6:30am PDT
May	8:00pm PDT	6:00am PDT
June	8:00pm PDT	5:30am PDT
July	8:00pm PDT	6:00am PDT
August	8:00pm PDT	6:00am PDT
September	7:00pm PDT	6:30am PDT
October	6:30pm PDT	7:00am PDT
November	6:00pm PDT, 5:00pm PST	7:00am PDT, 6:00am PST
December	5:00pm PST	6:30am PST



## Managed Services Addendum

This Managed Services Addendum (this "MSA") is entered into between Motorola Solutions, Inc., with offices at 500 W. Monroe Street, Suite 4400, Chicago, IL 60661 ("Motorola") and the entity set forth in the signature block below or in the MCA ("Customer"), and will be subject to, and governed by, the terms of the Motorola Solutions Customer Agreement entered into between the Parties, effective as of the earlier of (a) the first purchase of a Product or Service from Motorola, and (b) the date of the last signature on the first Ordering Document between the Parties (the "Effective Date") (the "MCA"). Capitalized terms used in this MSA, but not defined herein, will have the meanings set forth in the MCA.

If you are purchasing certain services, as described in an Ordering Document, to be performed and managed by Motorola "Managed Services" on behalf of your employer or another entity, you warrant that: (a) you have authority to bind your employer or the applicable entity, as "Customer" to this Agreement; (b) you have read and understand this Agreement; and (c) on behalf of the Customer that you represent, you agree to this Agreement. If you do not have the legal authority to bind your employer or the applicable entity as Customer to this Agreement, please do not complete the purchase of Services or Products from Motorola.

1. Addendum. This MSA, available at [www.motorolasolutions.com/product-terms](http://www.motorolasolutions.com/product-terms), governs Customer's purchase of Managed Services (and, if set forth in an Ordering Document, related Services) from Motorola, and will form part of the Parties' Agreement. Additional Managed Services-specific Addenda or other terms and conditions may apply to certain Managed Services, where such terms are provided or presented to Customer.
2. Delivery of Managed Services.
  - 2.1. **Delivery.** During the applicable Services Term (as defined below), Motorola will provide the Managed Services set forth in an Ordering Document to the Customer in accordance with the terms of the Agreement. Delivery will occur as set out in the Ordering Documents or upon Motorola otherwise providing the Managed Services. If agreed upon in an Ordering Document, Motorola will also provide equipment and additional Services related to the Managed Services. Unless otherwise stated in an Ordering Document, all equipment remains the property of Motorola or its subcontractors.
  - 2.2. **Modifications.** In addition to other rights to modify the Products and Services set forth in the MCA, Motorola may modify the Managed Services and any related equipment so long as the functionality of the Managed Services (as described in the applicable Ordering Document) is not materially degraded. For clarity, new features or enhancements that are added to any Managed Services may be subject to additional Fees.
  - 2.3. **Beta Services.** If Motorola makes any test version of Managed Services ("Beta Service") available to Customer, Customer may choose to use such Beta Service at its own discretion, provided, however, that Customer will use the Beta Service solely for purposes of Customer's evaluation of such Beta Service, and for no other purpose. Customer acknowledges and agrees that all Beta Services are offered "as-is" and without any representations or warranties or other commitments or protections from Motorola. Motorola will determine the duration of the evaluation period for any Beta Service, in its sole discretion, and Motorola may discontinue any Beta Service at any time. Customer acknowledges that Beta Services, by their nature, have not been fully tested and may contain defects or deficiencies.
3. Provision of Services.
  - 3.1 **Customer Responsibilities.** Motorola and Customer will perform their respective responsibilities as described in this Agreement. Motorola will provide to Customer the Managed Services and Deliverables (if any) during the Term. Customer will comply with Motorola's Acceptable Use Policy at: [https://www.motorolasolutions.com/en\\_us/about/legal/motorola-solutions-customer-terms/acceptable-use-policy.html](https://www.motorolasolutions.com/en_us/about/legal/motorola-solutions-customer-terms/acceptable-use-policy.html). To enable Motorola to perform the Managed Services, Customer will provide to Motorola reasonable access to relevant Customer information, equipment, personnel, systems, and space when Motorola's employees or subcontractors are working on Customer's premises, and other general assistance. Further, if any equipment is installed, stored, or located on Customer's property, in order to provide the Managed Services, Customer will provide, at no charge, a non-hazardous environment with adequate shelter, heat, light, and power and full and free access to the equipment. If the Ordering Documents contain assumptions that affect the Managed Services or Deliverables, Customer will verify that they are accurate and complete. Any information that Customer provides to Motorola concerning the Managed Services or Deliverables will be accurate and complete in all material

respects. Customer will make timely decisions and obtain any required management approvals that are reasonably necessary for Motorola to perform the Managed Services and its other duties under this Agreement. Unless the Ordering Document states the contrary, Motorola may rely upon and is not required to evaluate, confirm, reject, modify, or provide advice concerning any assumptions and Customer-provided information, decisions and approvals described in this paragraph.

- 3.2 Motorola Responsibilities. Motorola will assign qualified employees or subcontractors who have the requisite experience and competencies to perform the Managed Services with reasonable skill and care. Motorola will provide and furnish material, labor, supervision, tools, apparatus, equipment and incidental expenses for accomplishing the Managed Services as set out in the Ordering Documents.
- 3.3 Other Products or Services. If, as a result of the Managed Services performed under this Agreement, Motorola recommends that Customer purchase products or other services, nothing in this Agreement precludes Motorola from offering or selling the recommended products or other services to Customer. If Customer is a governmental body or agency, it represents that this paragraph does not violate its procurement or other laws, regulations, or policies.
- 3.4 Changes. Customer may request changes to the Managed Services. If Motorola agrees to a requested change, the change must be confirmed in writing and signed by authorized representatives of both parties. A reasonable price adjustment will be made if any change affects the time of performance or the cost to perform the Managed Services. If Customer delays Motorola's performance of the Managed Services, modification of the performance schedule or an increase in the Fees may occur.
4. Term.
- 4.1. Manages Services Terms. The duration of Customer's receipt of the Managed Services provided under this MSA will commence upon delivery of such Managed Services as set out in the Ordering Documents and will continue for a twelve (12) month period or such other period identified in an Ordering Document (the "Initial Services Period"). Following the Initial Services Period, Customer may renew the Managed Services for one or more additional periods as agreed between the Parties (each, a "Renewal Services Period") (The Initial Services Period and each Renewal Services Period will each be referred to herein as a "Services Term".) Motorola may increase Fees prior to any Renewal Services Period. In such a case, Motorola will notify Customer of such proposed increase no later than thirty (30) days prior to commencement of such Renewal Services Period.
- 4.2. Term. The term of this MSA (the "MSA Term") will commence upon either (a) the Effective Date of the MCA, if this MSA is attached to the MCA as of such Effective Date, or (b) the MSA Date set forth on the signature page below, if this MSA is executed after the MCA Effective Date, and will continue until the expiration or termination of all Services Terms under this MSA, unless this MSA or the Agreement is earlier terminated in accordance with the terms of the Agreement.
- 4.3. Termination. Notwithstanding the termination provisions of the MCA, Motorola may terminate this MSA (or any Addendum or Ordering Documents hereunder), or suspend delivery of Managed Services, immediately upon notice to Customer if (a) Customer breaches Section 3 – Provision of Services of this MSA, or any other provision related to the Managed Services or restrictions set forth in an Addendum or Ordering Document or Motorola's Acceptable Use Policy, (b) it determines that Customer's use of the Managed Services poses, or may pose, a security or other risk or adverse impact to Motorola, Motorola's systems, or any third party (including other Motorola customers); or (c) Motorola determines, in its sole and absolute discretion, that provision of the Managed Services has become impractical or unfeasible, or has become a reputational risk, or is prohibited by applicable law, or for any legal or regulatory reason. Customer acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Managed Services, and that Customer's breach of the Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Customer breaches this Agreement, in addition to termination, Motorola will be entitled to all available remedies at law or in equity (including immediate injunctive relief).
- 4.4. Wind Down of Managed Services. In addition to the termination rights in the MCA, Motorola may terminate any Ordering Document and Services Term, in whole or in part, in the event Motorola plans to cease offering the applicable Managed Services to customers.
- 4.5. On Termination. On termination of this MSA, Motorola will cease providing the Managed Services and will remove equipment provided by Motorola in relation to the Managed Services, for which Customer will provide

reasonable assistance and access.

5. Payment.

5.1. Payment. Unless otherwise provided in an Ordering Document (and notwithstanding the provisions of the MCA), Customer will prepay the Services Fees set forth in an Ordering Document for the Managed Services before the commencement of each Services Term. The services Fee for Managed Services may include certain one-time Fees, such as start-up fees, license fees, or other fees set forth in an Ordering Document. Motorola will have the right to suspend the Managed Services if Customer fails to make any payments when due.

6. Liability.

6.1. ADDITIONAL EXCLUSIONS. IN ADDITION TO THE EXCLUSIONS FROM DAMAGES SET FORTH IN THE MCA, AND NOTWITHSTANDING ANY PROVISION OF THE AGREEMENT TO THE CONTRARY, MOTOROLA WILL HAVE NO LIABILITY FOR (A) INTERRUPTION OR FAILURE OF CONNECTIVITY, VULNERABILITIES, OR SECURITY EVENTS; (B) DISRUPTION OF OR DAMAGE TO CUSTOMER'S OR THIRD PARTIES' SYSTEMS, EQUIPMENT, OR DATA, INCLUDING DENIAL OF ACCESS TO USERS, OR SHUTDOWN OF SYSTEMS CAUSED BY INTRUSION DETECTION SOFTWARE OR HARDWARE; (C) AVAILABILITY OR ACCURACY OF ANY DATA AVAILABLE THROUGH THE MANAGED SERVICES, OR INTERPRETATION, USE, OR MISUSE THEREOF; (D) TRACKING AND LOCATION-BASED SERVICES; OR (E) BETA SERVICES.

6.2. Voluntary Remedies. Motorola is not obligated to remedy, repair, replace, or refund the purchase price for the disclaimed or excluded issues in the MCA or Section 6.1 – Additional Exclusions above, but if Motorola agrees to provide Services to help resolve such issues, Customer will reimburse Motorola for its reasonable time and expenses, including by paying Motorola any Fees set forth in an Ordering Document for such Services, if applicable.

7. Motorola as a Controller or Joint Controller. In all instances where Motorola acts as a controller of data, it will comply with the applicable provisions of the Motorola Privacy Statement at [https://www.motorolasolutions.com/en\\_us/about/privacy-policy.html#privacystatement](https://www.motorolasolutions.com/en_us/about/privacy-policy.html#privacystatement), as may be updated from time to time. Motorola holds all Customer Contact Data as a controller and shall Process such Customer Contact Data in accordance with the Motorola Privacy Statement. In instances where Motorola is acting as a joint controller with Customer, the Parties will enter into a separate Addendum to the Agreement to allocate the respective roles as joint controllers.

8. Survival. The following provisions will survive the expiration or termination of this MSA for any reason: Section 4 – Term; Section 5 – Payment; Section 6.1 – Additional Exclusions; Section 8 – Survival.



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

## Online Terms Acknowledgement

This Online Terms Acknowledgement (this "Acknowledgement") is entered into between Motorola Solutions, Inc. ("Motorola") and the entity set forth in the signature block below ("Customer").

1. Online Terms Acknowledgement. The Parties acknowledge and agree that the applicable terms available at <https://www.motorolasolutions.com/product-terms> are incorporated in and form part of the Parties' agreement as it relates to any Products or Services sold or provided to Customer. By signing the signature block below, Customer certifies that it has read and agrees to the provisions set forth and linked on-line in this Acknowledgement. To the extent Customer is unable to access the above referenced online terms for any reason, Customer may request a paper copy from Motorola. The signatory to this Acknowledgement represents and warrants that he or she has the requisite authority to bind Customer to this Acknowledgement and referenced online terms.

2. Entire Agreement. This Acknowledgement supplements any and all applicable and existing agreements, and supersedes any contrary terms as it relates Customer's purchase of products and services. This Acknowledgement and referenced terms constitutes the entire agreement of the Parties regarding the subject matter hereof and as set out in the referenced terms, and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter.

3. Execution and Amendments. This Acknowledgement may be executed in multiple counterparts, and will have the same legal force and effect as if the Parties had executed it as a single document. The Parties may sign in writing or by electronic signature. An electronic signature, facsimile copy, or computer image of a signature, will be treated, and will have the same effect as an original signature, and will have the same effect, as an original signed copy of this document. This Acknowledgement may be amended or modified only by a written instrument signed by authorized representatives of both Parties.

4. Upon signature, Customer authorizes Motorola to proceed with all deliverables of this order for an order value of \_\_\_\_\_.

5. Purchase Order Requirements (Customer check one only)

☐ Purchase Order is issued and attached.

☐ No Purchase Order is required. Customer affirms that this ordering document is the only notice to proceed required, no further purchase orders will be issues against this order, and that funding has been encumbered for this order in its entirety.

6. Ship to, bill to and Ultimate Destination addresses are provided on the quote , attached to this letter or included on the Purchase Order.

The Parties hereby enter into this Acknowledgement as of the last signature date below.

**Motorola Solutions, Inc.**

**Customer:**

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_



Outlook

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**RE: Request to Expend BSCC ORT Grant Funds**

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**From** Escobar, Eddie@BSCC <Eddie.Escobar@bscc.ca.gov>**Date** Mon 1/6/2025 3:27 PM**To** Harvey, Chris <CHRISHA@ci.brea.ca.us>**Cc** BSCC ORT <ORT@bscc.ca.gov>

1 attachment (100 KB)

Request to Purchase - BSCC - 01.06.2025 (RPIC Services from Flying Lion through Motorola).pdf;

Hello Chris,

Happy New Year Sir!

Your Purchase Request memo is APPROVED. Please state approval on your invoice.

Thanks.

**Eddie Escobar**

Field Representative, Corrections Planning and Grant Programs

BOARD OF STATE AND COMMUNITY CORRECTIONS

2590 Venture Oaks Way, Suite 200, Sacramento, CA 95833

<http://www.bscc.ca.gov>

cell 916.599.2125

email [eddie.escobar@bscc.ca.gov](mailto:eddie.escobar@bscc.ca.gov)**LEADERSHIP ★ EXCELLENCE ★ SUPPORT**

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**From:** Harvey, Chris <CHRISHA@ci.brea.ca.us>**Sent:** Monday, January 6, 2025 2:57 PM**To:** Escobar, Eddie@BSCC <Eddie.Escobar@bscc.ca.gov>**Subject:** Request to Expend BSCC ORT Grant Funds

Hello Eddie,

Please see the attached request to move one step closer to a DFR program.

**CHRIS HARVEY**, ID #1457**Police Lieutenant | South Area Commander**

Brea Police Department

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**P:** 714.990.7624 | **E:** [charvey@cityofbrea.net](mailto:charvey@cityofbrea.net) | **W:** [www.breapolice.net](http://www.breapolice.net)

**City of Brea** | 1 Civic Center Circle | Brea, California 92821



# The City of Brea Police Department

1 CIVIC CENTER CIRCLE, BREA, CA 92821-5732

714-990-7625

[www.breapolice.net](http://www.breapolice.net)

January 6, 2025

Eddie Escobar, Field Representative  
Board of State and Community Corrections  
Planning and Programs Division  
2590 Venture Oaks Way  
Sacramento, CA 95833

Subject: Fixed Assets Request for the Organized Retail Theft Grant Program, Grant Agreement Number BSCC 1144-23

Dear Mr. Escobar,

The Brea Police Department Organized Retail Theft Grant Program grant project requests approval to expend grant funds from Board of State and Community Corrections (BSCC) for a fixed asset identified within our grant budget.

Our proposed budget allocates \$208,000 for FAA required rooftop observers (Remote Pilot in Command, or RPIC) to support the Drone as a First Responder (DFR) program. Our plan was to implement the DFR program in year 2, or approximately January 2025. Because of staffing and backfill issues, we now anticipate implementing the DFR program in May 2025.

We now request to modify our original/approved contract with Motorola to add this service through Flying Lion as a Motorola sub-contractor. Flying Lion will provide one RPIC, 40 hours per week, with half of the hours being during daytime and half during nighttime.

In accordance with our grant activities, we request approval to expend the following:

- Approximately \$88,000 in "Year 2" (May 2025 – December 2025)
- Approximately \$143,600 in "Year 3" (January 2025 – December 2026)

This equipment will be used for the following project reasons:

*Proudly serving since 1917*



## The City of Brea Police Department

1 CIVIC CENTER CIRCLE, BREA, CA 92821-5732

714-990-7625

[www.breapolice.net](http://www.breapolice.net)

To improve public safety for residents, visitors, and large and small retailers; to allow personnel to gain situational awareness at in-progress calls and to track suspects fleeing from crime scenes, leading to increased rates of identification, apprehension, and prosecution of criminal offenders; and to deter retail theft-related criminal activity through strong marketing of the existence and successes of the system.

Thank you for consideration of this request.

A handwritten signature in black ink that reads "Adam Hawley".

ADAM HAWLEY, CHIEF OF POLICE  
BREA POLICE DEPARTMENT

*Proudly serving since 1917*